

Rising to the challenge: Delivering AI-powered expense auditing to an elevator manufacturer



CHALLENGE

- Automate expense report reviews
- Improve dashboards and reports
- Address the root causes of spend risk
- Ensure fapiao receipts are correct

SOLUTION

- AI-powered Expense Audit

RESULTS AND BENEFITS

- Enhanced regulatory compliance
- Reduced risk of duplicate and fake fapiao
- Reduced auditor workload
- Visibility of exceptions through interactive dashboards
- Reduction of unallowed T&E expenses and increased savings
- Improved employee compliance through identification of root causes

INTRODUCTION

Avoiding bribery, fraud, and corruption in international manufacturing and construction can be a formidable task. Because their global reputation is extremely important to them, ethical business practice is a deeply held core value for one of the world's leading suppliers of elevators and other mechanical conveyances. Performing accurate reviews and audits to measure compliance risks, and identifying and mitigating root causes, are considered mission-critical. When Genpact was retained by the organization's finance team to assist in handling PPO and T&E, they discovered the need for enhanced audit scope and coverage in order to meet the company's high standards of strict compliance and ethical business practices.

THE CHALLENGE

Genpact's client's annual spend was around \$40M, with roughly 8000 expense reports generated each month. Although they were using SAP Concur for T&E expense processing, the client was still relying on hard copy documents for their expense processing. All audits were manual and post-payment, with limited fraud and regulatory risk coverage. Over 20% of their employees operated in China and the high risk of fake or incorrect fapiao receipts was a key issue. Auditors were utilizing reviews of SAP Concur alerts and internal audit checklists for identifying threshold limits and delivering approvals. Without detailed reporting and tracking of non-compliance trends and patterns, there was a lack of visibility around high-risk spend and non-compliant employee behavior. And there was no formal process in place for addressing high-risk activities or their root causes.

The strategic partnership between AppZen and Genpact combines the expertise of both companies for a winning compliance-as-a-service (CaaS) solution

Genpact is a global professional services firm dedicated to creating competitive advantage for their clients by accelerating digital transformation with the power of artificial intelligence. Genpact understood AppZen's Finance AI was created and trained specifically for use in finance environments. They knew Expense Audit was the solution that would live up to the client's high standards.

THE SOLUTION

Genpact implemented AppZen's Expense Audit technology to improve regulatory compliance and protect their client's reputation by:

- Setting up a 100% automated, AI-enabled review of expense reports that provided advanced analytics for fraud and regulatory risk coverage, including (but not limited to):
 - Policy checks for un-allowable or threshold-exceeding expenses
 - Fraud reviews for finding duplicates within and across expense reports
 - Checks for suspicious merchants and confirmation of average prices
 - Regulatory review to identify government and SOE vendors or sanctioned third parties
 - Checks for duplicate and fake fapiao
- Optimizing dashboards for a 360-degree, near-real-time view of all expense data, for monitoring and analysis of high-risk transactions, trends, and repeat offenders
- Identifying root causes so immediate corrective action could be taken

RESULTS AND BENEFITS

The client was able to take several leaps forward from automation into autonomous finance with an AI-driven solution that handles low- to medium-risk operations with little to no manual input, reducing auditor workloads and allowing the client to focus on what matters most.

This new technology solution is also expected to lead to a host of positive behavior changes. Management's enhanced visibility of exceptions through interactive dashboards and spend coverage will result in enhanced employee compliance. When managers receive a report, they will know it is either in compliance or there will be comments pointing out high-risk items, saving time and effort across the whole organization. Auditors can then target only the exceptions. And employee satisfaction is also predicted to improve as policy-compliant reimbursements are handed out more quickly.

Acting with integrity at every possible opportunity is always top-of-mind for the client, and we were excited to partner with Genpact in helping them meet this expectation. With strong enforcement of strict guidelines and limits, the client continues to live up to their ethical values, knowing their reputation is protected, 24x7, with AppZen Expense Audit.