



Procurement Fraud Uncovered with New SAS Solution, SAS for Procurement Integrity

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By: [Mickey North Rizza](#)

IDC's Quick Take

Procurement Integrity is helping businesses uncover and put a stop to inappropriate procurement activities. From gaming the system using split or overpaid purchase orders, fictitious vendors, bid rigging, bribery, and excessive expenses by the same employee, SAS for Procurement Integrity identifies and tracks fraudulent activities.

Product Announcement Highlights

SAS has continued its fraud detection theme, bringing more to the business with its new SAS for Procurement Integrity solution. The solution, [announced](#) September 18, is single-tenant software built to view the procurement transactions executed against rules and analytical models. SAS for Procurement Integrity finds fraudulent activities and, similar to a detective, uncovers suspicious relationships using pattern recognition and rules. Once fraud is detected, internal audit can take control and put a stop to the covert activities.

According to the Association of Certified Fraud Examiners (ACFE), the rise in procurement fraud has increased with the increase in contracts for the outsource of goods and services. Procurement fraud is notoriously difficult to detect and investigate because it takes so many forms and can be driven by any number of actors, internal or external, at any point in the procurement life cycle. Unfortunately, as much as businesses want to trust their employees, there is always a bad apple or two that need to be weeded out. Procurement Integrity is one such pathway to help uncover, test, and find procurement fraud.

How It Works

The product is currently used by several large global companies. SAS for Procurement Integrity helps detect possible fraud violations, test the suspicious activities, and track and trace the covert areas. Internal audit and company officers use this product to help ensure honorable business practices.

With over 80 predefined procurement scenarios and advanced analytics built into the product, SAS for Procurement Integrity helps identify risky and exceptional behavior that exists within the procurement life cycle. This identification helps businesses avoid loss and risk. The product uncovers suspected fraud areas such as excessive spending habits by employees, split purchase orders utilized to order around the approval dollar thresholds, and even fictitious vendors set up to accept payments for an employee or alternative source.

Once fraudulent activity is uncovered, SAS for Procurement Integrity helps eliminate false positives, prioritizes the highest risks, monitors the control areas, and helps automate the follow-up processes. The product has a geographical interface to show supplier locations globally, ties into google maps, and

brings up the street locations to remove fictitious sights. In addition, the product can also monitor employee interactions with suppliers to uncover fraudulent supplier relationships.

IDC's Point of View

SAS for Procurement Integrity is a welcome product for all businesses, regardless of size, industry, or location. Procurement has always been a prime area for fraud, with little protection other than exceptional controls by internal audit. SAS for Procurement Integrity is a product that will enhance business value by helping thwart fraudulent procurement and supplier activities.

We expect SAS for Procurement Integrity to evolve even more as more machine learning capabilities are added, as block chain and its distributive ledger are tied to it, and as organizations depend more upon the technology to help it run and analyze the business.

IDC expects more products similar to SAS for Procurement Integrity to appear in the market and large ERP and procurement vendors to augment their products with it.

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