



SAP Concur 

Gain Insight and Control for Improved Compliance and Audits

Kathleen Baxter, Comptroller State of Alabama

Sherri Schuller, Regional Sales Executive – SAP Concur

PUBLIC

THE BEST RUN 

Government Funding Sources - for State and Local Government

- The **Coronavirus Aid, Relief, and Economic Security Act**, also known as the **CARES Act**, is a \$2.2 trillion [economic stimulus](#) bill passed by the [116th U.S. Congress](#) and signed into law on March 27, 2020
- **Coronavirus Relief Fund (CRF)**, through CRF, the CARES Act provides for payment to State, Local and Tribal governments navigating the impact of the COVID - 19
- The **American Rescue Plan Act of 2021**, also called the **COVID-19 Stimulus Package** or **American Rescue Plan**, Pub L. No. 117-2 (March 11, 2021), is a US\$1.9 trillion [economic stimulus](#) bill passed by the [117th United States Congress](#) and signed into law on March 11, 2021
- **State and Local Fiscal Recovery Funds (SLFRF)**, a part of the American Rescue Plan, delivers **\$350 billion** to state, local, and Tribal governments across the country to respond to the Covid-19 emergency
- **Coronavirus Capital Projects Fund (CCPF)** addresses challenges laid bare by the pandemic, especially in rural America and low-and moderate-income communities, helping to ensure that all communities have access to the high-quality, modern infrastructure needed to thrive, including internet access
- **Homeowner Assistance Fund (HAF)**, the American Rescue Plan provides **nearly \$10 billion** for states, territories, and Tribes to provide relief for the country's most vulnerable homeowners
- **Emergency Rental Assistance Program (ERA1 and ERA2)** - up to \$25 billion and \$21.55 billion, respectively, to states, U.S. territories, local governments and (in the case of ERA1) Indian tribes to assist households that are unable to pay rent and utilities
- **State Small Business Credit Initiative (SSBCI)** provides **\$10 billion** to state and tribal governments to fund small business credit expansion initiatives

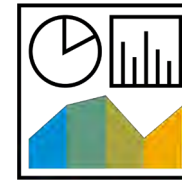
What lessons learned during the implementation of CAREs Act funds, has helped your organization with executing the SLFRF?

What is your organization doing to prevent unauthorized spend and fraud?



21%

Of state government agencies reported median of \$91,000 in fraud losses during 2020¹

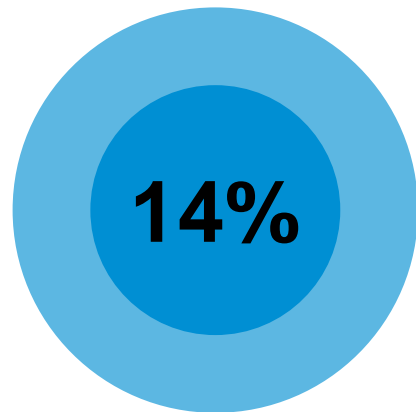


32%

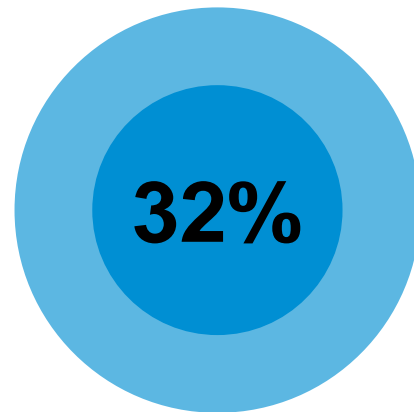
Of local entities reported a median of \$75,000 in fraud losses during 2020.²

Source: AFCE Report to the Nations 2020

The Cost of Non-compliance



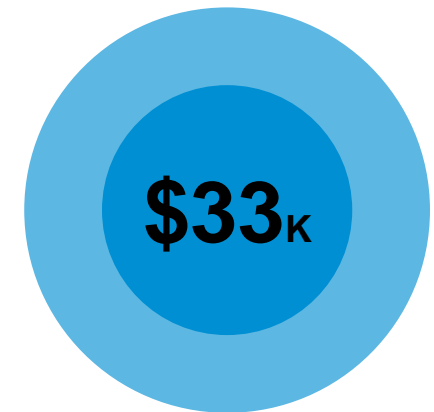
Of loss is can be attributed to expense reimbursement



Of loss is due to lack of internal controls



Before typical expense misuse is identified



Median loss per expense reimbursement case

Source: [Association for Certified Fraud Examiners 2020 Study](#)

What controls do organizations need in place to ensure that funds are being used and applied appropriately?

Getting Spend Management Out of the Dark



What is your organization doing to have budgetary oversight, control unnecessary spend, and ensure invoices are being adequately reviewed and paid on time?

Digitalizing spend management, enables organizations to gain full visibility into cash flow at any moment in time, including:

- What has already been spent
- Funds that have been committed but not billed
- Where the spend is coming from
- The budgetary impact
- Use analytics and reporting to spot trends

Improving Operational Efficiency, Staff Productivity – Providing a better Employee Experience



If a staff member is spending the day sifting through hundreds of expense reports, how likely is that person going to catch a missing receipt, a questionable expenditure, or outright fraud?

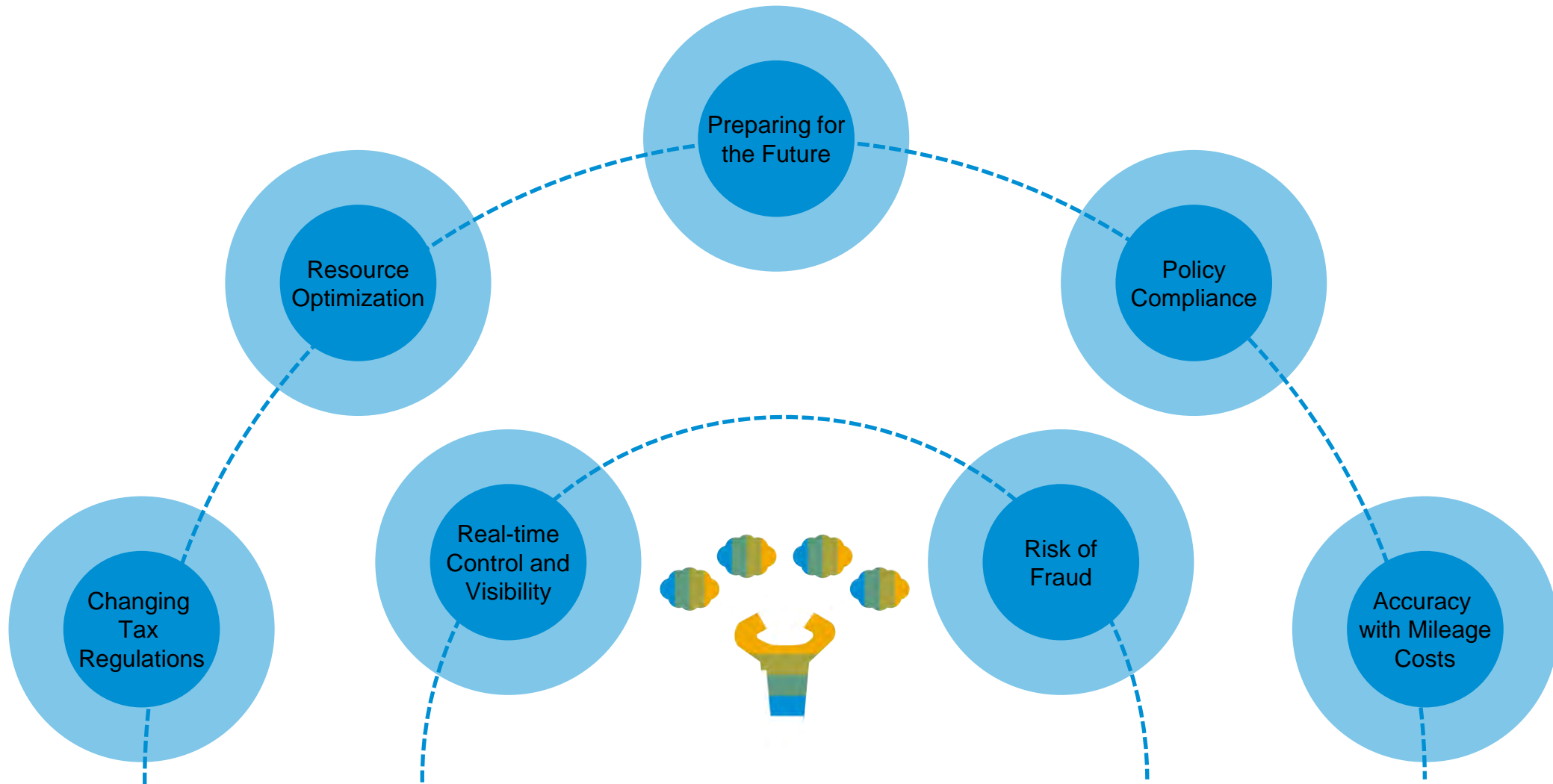
Manual processes and lack of modernization:

- Drain staff productivity
- Lead to bottlenecks – amplified when anyone is out of the office
- Processing slows down, expenses don't get reimbursed and bills don't get paid on time
- Time spent on manual tasks steals valuable human time away from other strategic projects, staff waste hours on manual rote work that could easily be automated and streamlined

Use of simple apps and technology can move employees through shifting processes and policies in a straight forward manner – protecting their time and the organization budgets

What systems and technology is in place to prevent, detect, and mitigate the misuse of fiscal recovery funds and validate compliance if your organization is audited?

The Challenges of Non Compliance



You Need a Solution That:

HELPS TO REDUCE
OUT-OF-POLICY SPEND



Leverages intelligent technologies to improve efficiency and identify unnecessary or fraudulent spend

PROVIDES INTEGRATED
CONTROLS



Simplify processes with proactive, corrective actions to eliminate potential issues with budget planning before they impact the business

DRIVES COMPLIANCE AND
VISIBILITY



Identify and guide employee behaviors and policies with visibility and analytics to identify your areas of exposure or VAT reclaim

Benefits of an AI-driven Approach



Validate expense reports
before reimbursement
happens



Focus auditors on
resolving risks rather
than finding them



Detect more risk all
along the payment
lifecycle



Identify bad actors &
patterns of misuse

**State of Alabama has done a great job managing funds, grants
and spend management, what is next?**

Q&A

Sherri Schuller

Regional Sales Executive
US Public Sector
SAP Concur
Sherri.schuller@sap.com

Kathleen Baxter

Comptroller State of Alabama
Kathleen.Baxter@finance.alabama.gov