



Wipro Holmes Anomaly Detection Platform

Big Data & AI to detect anomalies in the
Procure2Pay process areas





Introduction

Risks from fraud and process violations result in enormous losses to businesses. It is estimated that 50% of the fraud identified in every 18

months goes undetected, resulting in heavy losses to companies.

This creates an urgent need for continuous monitoring and self-learning capability.

The solution

The Wipro Holmes Anomaly Detection Platform includes the following components:



Reduce leakage

- **Duplicate payments:** Duplicates with fuzzy matches
- **Wrong vendor payments:** Payment of invoice to wrong vendor
- **Settlement discounts:** Early warning system to avail cash discounts from on-time payment
- **Payment penalties:** Avoid penalties due to payment delays
- **Discrepancies between PO, GRN & invoice:** Price/quantity discrepancies between PO, GRN and invoice
- **Reversal anomalies:** Reversal anomalies overriding standard three way or two way matching
- **Supplier statement reconciliation:** Reconcile payments data with vendor statements



Detect and prevent fraud

- **Suspicious invoices:** Out of pattern invoices
- **Shell vendors:** Fuzzy match vendor and employee information, single client vendors
- **Suspicious invoice patterns:** Suspicious ranges, fixed interval invoicing
- **Multiple suspicious transactions:** Multiple

red flagged transactions for a vendor

- **Cumulative payment anomalies:** Payment spikes, non-conformance to Benford's law
- **Suspicious POs:** POs without PR, purchase spikes, POs created during holidays/weekends
- **Suspicious approval patterns:** Expedited approvals, approval with shared password, spilt POs/PRs
- **High risk transactions:** Payment outliers based on multiple indicators (mode changes, etc.)



Detect compliance violations

- **Contractual compliance:** Exceptions based on past credit note patterns for volume/value rebates
- **Out of pattern supplier debits:** Out of pattern debits non-compliant to terms
- **Pricing anomalies:** Pricing discrepancies across vendors for the same item
- **Operational anomalies:** New POs raised with existing open PO for the item, old open POs
- **Data integrity:** Data entry issues in the invoice number, invoice date, etc.
- **One time vendor anomalies:** Non-compliant usage of one-time vendors
- **Vendor level violations:** Payments made to blacklisted vendors/dormant vendors
- **Non-traditional supporting documents:** One-off alternate supporting documents

Benefits



Detect compliance violations

- Ensure regulatory compliance for the Procure2Pay process
- Ensure compliance to company policies for procurement
- Adapt to changing business environment with machine-created rules
- Score and prioritize of red flags



Reduce leakage and increase process efficiency

- Detect and prevent leakages of 0.75 to 1% of the supplier spend
- Pre-emptive detection to eliminate recovery costs
- Improve in process efficiency by reducing back office QC checks
- Improve process efficiency by simplifying approval process
- Reduce false positives



Detect and prevent fraud

- Improve risk audit from auditing a random sample of 10-15% to 100% audits
- Reduce Procure2Pay fraud
- Improve payment process integrity by 10-15%
- Ensure master data integrity

Features

- Scalable and customizable platform
- Managed detective service for proactive monitoring
- Pre-built library of models for procure to pay domain
- Self-learning algorithm that continuously improves with user feedback
- End to end data sourcing to reporting





- **Improve payment process integrity by 10-15%**
- **Detect and prevent leakages of 0.75 to 1% of the supplier spend**
- **Avoid penalties due to payment delays**

Success story

P2P anomaly detection for a construction services company



Client context and business problems:

- The client, due to multiple acquisitions and non-standardized processes across locations, faced challenges in their Finance & Accounting process with leakages and other P2P risks
- Client's data was located across 4 ERP systems with cross platform anomalies including leakages and master data issues
- Client was facing high volume of leakages and process risks, and using a third party service provider for periodic audits of the data and increased recovery costs due to lack of pre-emptive detection



Benefits after switching to Wipro Holmes Anomaly Detection platform

- Pre-emptive detection to reduce recovery costs by more than 95%
 - Historical detection with recovery of GBP 200,000 over and above audit by third party provider for a period of 2 years
 - Improved audit process by shifting from auditing a random sample of 10-15% to 100% AI based audits
 - Ensured data integrity of master data including invoice data as well as vendor master data across data in the 4 ERP platforms
 - Improvement in process efficiency by reducing back office quality control checks and through targeted investigation efforts
 - Reduction of effort in recovery due to leakages
- Pre-emptive detection of leakages of over GBP 1.5 million per year

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