How Automating Spend Management Helps Higher Education Institutions Increase Compliance and Reduce Risk
As spending becomes increasingly decentralized and faculty and staff are empowered to make more and more spending decisions on their own, the risk of fraud goes up in both public and private sector organizations. However, the stakes are even greater in higher education institutions. Transparency and accountability are paramount as public disclosure of fraud, waste, and abuse can have severe reputational and financial consequences for colleges and universities.

A recent Kelton Global study surveying 151 financial decision makers working in colleges and universities found that despite their best efforts, educational organizations are struggling to be compliant. The study also revealed that error-prone, disconnected systems, outdated technology, and manual processes are impeding these efforts. Many of the surveyed financial decision makers who have implemented fully automated, integrated solutions now consider their college or university to be more efficient in managing budgets, better at remaining compliant, and better protected from organizational risk.
Colleges and Universities are Struggling to Remain Compliant

Most (82%) financial decision makers working in colleges and universities say their organization is doing all it can to remain compliant with ever-changing regulatory policies. Many have institutionalized critical solutions such as internal and external audits, working with a compliance office and even encouraging faculty to gather information at industry events in an effort to keep their organization up-to-date on data and regulatory compliance. Despite doing all they can, maintaining compliance is not without its challenges.

Obstacles, such as staff members accidentally filing the same expense report multiple times (23%) or filing potentially fraudulent expense reports (22%) are just a few of the many internal issues that threaten a higher education organization’s ability to remain compliant at all times. Additionally, unintentionally reporting incorrect budget data based on inaccuracies within financial systems are a challenge for 1-in-5.

These challenges are perpetuated by the financial tools and systems that colleges and universities use—many of which are manual or legacy systems that are subject to frequent errors.
Manual Systems Can Lead to Reputational Risk

A key challenge in maintaining compliance is managing errors. About 1-in-3 decision makers say that errors almost always occur across expense reports and invoices—a trend that many admit has increased over the last 12 months. At the heart of these issues are the legacy or manual systems used to manage expenses. More than half of decision makers acknowledge that their current systems are prone to mistakes and have the potential of costing institution time and money—all of which could damage their reputation with the students and communities they are serving.

And these are not isolated issues impacting only a select few institutions. According to our survey, problems with accuracy are pervasive and only growing. Fraud, waste, and abuse are challenges nearly 2-in-3 decision makers face today, and 63% say their organization has not improved efficiency in spending their budgets over the past year. This lends reason to nearly 3-in-10 reporting that their organization’s vulnerability to the risk of fraud and abuse has increased in the past 12 months.

To address these growing challenges, financial decision makers must consider integrating automated financial systems within their organizations.
Automation Increases Efficiency, Supports Compliance, and Reduces Risk

Spending extra time processing expense reports and invoices can hinder the efficiency of a higher education institution. A solution: moving to integrated and automated financial systems. Those using manual or legacy systems are spending over 5 additional hours processing each expense report and over 2 additional hours processing each invoice than their peers using fully automated systems. Given the sheer volume of reports and invoices processed each month—284 and 344 respectively—it quickly adds up to thousands of hours that could be better spent on more mission-critical tasks, including supporting academic research and investing in school improvements.

Nearly all (98%) decision makers who have adopted a more automated system travel, expense, and invoice management say their organization has benefitted from making the switch. Notable improvements include reducing instances of fraud, waste, and abuse of grant funding that would put an institution's reputation at risk, as well as increasing efficiency in managing their budget. Furthermore, decision makers who don’t currently centralize travel, expense, and invoice management through one integrated solution are 14% more likely to say their organization struggles to stay up-to-date on regulatory compliance.

Reduced filed instances of fraud, waste, and abuse
Increased efficiency in managing budget

Greater efficiency, sustained compliance, and reputation protection are possible with an automated, integrated spend management solution.
Maximize Efficiency, Maintain Compliance, Manage Your Reputation

Colleges and universities will always strive to preserve organizational reputation, increase efficiency, and improve interdepartmental partnerships to better manage spend. Leveraging automated travel, expense, and invoice management solutions allows organizations to achieve these goals, so they can make a larger impact on their students, staff, and communities.

Fully automated financial systems streamline processing of expense reports and invoices, and can save your organization an average time savings of over 2,000 hours per month. Additionally, over 1-in-3 decision makers say adopting a fully automated system has reduced fraud, waste, and abuse that would put the organization’s reputation at risk.

FULLY AUTOMATED SYSTEMS CAN REDUCE:

- The potential risk of fraud, waste, and abuse: 36%
- Actual instances of fraud, waste, and abuse: 35%

Additionally, implementing automated, integrated solutions for financial management will promote greater collaboration between two critical departments: Finance and IT. Supporting greater cohesion between the Finance and IT departments within your institution can strengthen its ability to remain compliant and centralize spend. Currently, less than 3-in-10 decision makers say these two departments work extremely closely within their organizations. Despite a common disconnect, nearly all (97%) believe greater cohesion between Finance and IT can benefit their institutions. Notable perceived benefits include improving their organizations’ ability to remain compliant (47%) or be able to spot instances of fraud, waste, and abuse more easily (36%).

Visit our website to learn more about helping your organization maintain compliance and increase efficiency through automated financial solutions.
About SAP Concur & Kelton Global

SAP Concur is the world’s leading provider of integrated travel, expense, and invoice management solutions, driven by a relentless pursuit to simplify and automate these everyday processes. With SAP Concur, a top-rated app guides employees through every trip, charges are effortlessly populated into expense reports, and invoice approvals are automated. By integrating near real-time data and using AI to audit 100% of transactions, businesses can see exactly what they’re spending without worrying about blind spots in the budget. SAP Concur eliminates yesterday’s tedious tasks, makes today’s work easier, and helps businesses run at their best every day. Explore our compliance capabilities at concur.com or the SAP Concur blog.

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