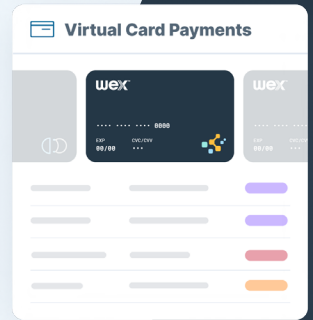


5 ways to prevent fraud in accounts payable

In 2022, the typical organization loses 5% of its revenue each year to fraud, according to the [Association of Certified Fraud Examiners](#). Accounts payable is at high risk for fraud because that's where your organization funnels its money. Here are 5 steps you can take to reduce fraud:



Start using virtual cards

- In 2022, only **9% of organizations** using virtual cards were susceptible to fraud, compared to the 63% vulnerability associated with check payments.
- **Virtual cards** reduce fraudulent payments by expiring once the dollar amount has been processed to the recipient.



Implement positive pay

- If you must issue some checks, implement a positive pay program with your bank. This involves sending a check issue file to your bank before each check run.
- If a check doesn't match the file, your bank notifies you for authorization or decline.



Verify vendor data

Regularly check vendor details in your master file for accuracy. Watch out for potential fraud signals like:

- Using a "public" email (such as Gmail or Yahoo)
- A vendor address matching an employee's
- Using a residential address instead of a business address
- Multiple vendors sharing the same contact information.



Conduct surprise audits

- Regularly assess your accounts payable department's policies, focusing on fraud detection and prevention.
- Collaborate with your AP team and peers to pinpoint potential weaknesses in your fraud prevention protocols



Define employee duties

- Most employees are honest, but you must take steps to prevent internal fraud. Avoid the consolidation of payment issuance and account reconciliation duties in the same employee(s).
- Ensure a clear separation between the vendor set-up and payment processes.

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