

Spend control with ApprovalMax



Why spend control is critical

Having control over spending means knowing exactly where it goes, approving every single purchase properly, and always sticking to current budgets. Without appropriate spend control and accurate data on the actual spending it's almost impossible to perform reliable financial planning, and closing the books turns into tiresome work. Another aspect not to be underestimated is the high risk of error and fraud that comes with manual processing.

**Knowing where the money goes is crucial for any type of business.
In this respect the most common spend control challenges are:**



Lack of transparency



Heaps of manual work



Having to keep within
tight budgets



High-level audit and
reporting requirements

How to set up proper financial controls

Setting up spend control can be a laborious process, especially if an organisation is faced with adversities like the ones stated above. So, where best to start?

At the very least this process involves:

- 1 Working closely together with the client to identify how the organisation's money is spent. In other words – **getting a real-life picture of who spends what, when and why.**
- 2 Developing internal authorisation policies and setting up proper approval processes that **make sure all spending is duly authorised by the appropriate people within the organisation** – before payment takes place.
- 3 Providing detailed audit trails to document that the implemented approval process has been duly followed.

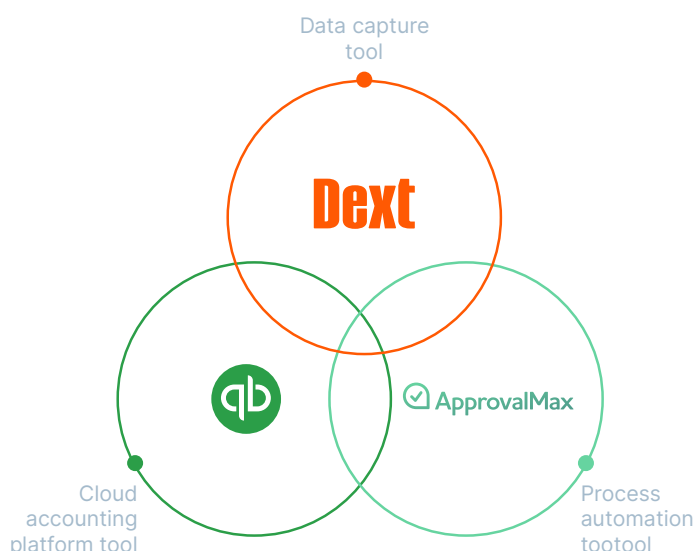
Spend control options – or control layers

Establishing spend control for any organisation: the right approach for particular needs

Needs/specifics	Approach	Explanation
<ul style="list-style-type: none"> • Formal buying process with purchase orders • Value for money is crucial • Many participants in purchasing activities • Need to monitor spend against budget 	<p>► Proactive spend control</p>	<p>By setting up controls around purchase orders (who is authorised to raise them, what goods can be ordered, which suppliers can be selected, etc.) and establishing a robust review and authorisation process, proactive spend control can eliminate, or at least significantly reduce, unwanted spending before it occurs. Introducing proactive spend control is the right choice for organisations that have many people engaged in similar, regular purchasing activities either in one or multiple locations.</p>
<ul style="list-style-type: none"> • Informal buying process based on trust • Details like amount and accounts need to be verified before paying the bills 	<p>► Reactive spend control</p>	<p>Reactive spend control ensures that incoming bills are actually correct and to be paid by the organisation. This is achieved by establishing a transparent review and authorisation process for all invoices to verify details like the amount, supplier payment account, etc. before any money is paid. It also serves as an additional fraud control layer by allowing to filter out fraudulent or erroneous bills. Reactive spend control also includes proper tracking and approval of expenses.</p>

Spend management app stack

The award-winning pre-accounting tool Dext Prepare automates the manual entry of data into the accounting system with the highest accuracy rating in the industry. Document data is captured by simply taking a photo with this app, or by forwarding receipts to a dedicated email address.







The approval workflow automation tool **ApprovalMax** moves the approval process outside of the accounting platform and helps manage access to the financial information. Multi-layered bill, purchase order and expense approval processes keep a record of who approved what.

ApprovalMax is also very useful for audit purposes because it automatically creates searchable reports that show a complete picture of all approval-related details.

A cloud accounting platform such as QuickBooks Online is at the core of the app stack, it also serves as the system of records for all pre-integrated apps. A cloud accounting platform can be accessed from anywhere, any time.

Benefits of implementing this app stack

-  **Transparency**, shared responsibility and clear handoff points between a practice and its clients while dealing with purchasing and accounts payable activities (processes)
-  **Real time data capture** that can be achieved to facilitate the review of cash flow for spend committed on a more regular basis
-  **Fully paperless, web-based and mobile spend control solution** that increases overall efficiency considerably and also provides the client's decision makers and purchasers with a convenient tool for acting on the go
-  **Easy-to-use communication channel** between client and practice, along with a fully automated trail of all communications related to the authorisation of purchase orders and bills

Enabling easier audit and reporting processes

Audits can be a pretty laborious procedure, especially when requirements are high and resources scarce. Collecting, storing and auditing paper documents makes it even more difficult. However, this is a point that can be optimised.

Moving authorisations to a digital environment is the first step to easier audit and reporting. ApprovalMax delivers all approval data in audit-ready form and enables generating default and custom reports.

Automated audit trails and audit reports: what ApprovalMax can do

01

For all finance documents such as bills or purchase orders processed in ApprovalMax an audit trail is generated automatically as part of the approval process flow.

02

Audit trails contain all authorisation decisions and exceptions that have occurred and include comments, delegations, rejections and other details.

03

On completion of the approval workflow, an audit report is generated for and attached to every approved document. Both will be kept in the general ledger, where the audit reports can be viewed without having to log into ApprovalMax.

Pre-built and custom reports

ApprovalMax generates a number of pre-built reports as well as the option to quickly create new reports using various filters. Depending on which general ledger ApprovalMax is connected to, pre-built reports include the following information:



Purchase orders pending approval



Bills pending approval



Purchase orders approved this month



Bills approved this month

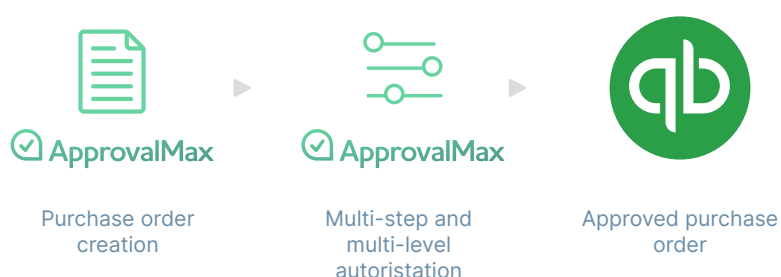


Potential fraud detected

Proactive spend control with ApprovalMax

Setting up controls around purchase orders (e.g. specifying who is authorised to raise them and which suppliers can be selected) eliminates unwanted spending. After a purchase order has been created, it gets approved digitally by the relevant stakeholders.

This is how it works:



Purchase order creation

Purchase orders are created in the ApprovalMax web version or mobile app. Requesters are limited in terms of what they can order, which suppliers they can select, what amount they can spend, etc. Note: at this point committed spend can be allocated to the budget.



Multi-step and multi-level authorisation

After creation, purchase orders are sent to the approvers based on the work-flow settings defined by the administrator. Approvers receive requests via email or in the mobile app, and can leave a comment for the requesters in case of rejection.



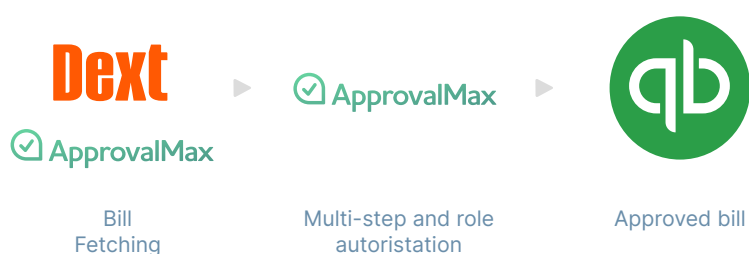
Approved purchase orders

Approved purchase orders are automatically created in QuickBooks Online and can be automatically sent to suppliers.

Reactive spend control with ApprovalMax

Even when there is no need for a strictly formalised purchasing process, it is still important to ensure that incoming bills are actually correct before paying them. A transparent review and authorisation process also serves as an additional fraud control layer by allowing to filter out fraudulent or erroneous bills.

This is how it works:



Fetching bills from Dext Prepare (or creating them in ApprovalMax)

After extracting the relevant invoice data, Dext Prepare enters the information into the bill fields and attaches an invoice scan to the digital invoice copy before pushing it to ApprovalMax for authorisation. Bills can be also created manually in ApprovalMax.



Multi-step and multi-role authorisation

In ApprovalMax, each invoice is routed to the appropriate manager with the specified authorisation level as determined in the approval matrix.



Approved bill

Once approved via the web or mobile ApprovalMax app, bills are published to QuickBooks Online. A notification about the successful authorisation is sent to the specified address. A detailed audit report containing the approvers' names and approval dates is created automatically and attached to each approved document.

Building resilience in the time of uncertainty: how ApprovalMax helps

The abrupt switch to a work-from-home mode, furloughed employees, cut budgets and scaled down operations – the recent crisis affected all types of organisations to a varied extent. So, how do you achieve resilience and stay in control of the situation?

Having the right spend management app stack helps achieving resilience in the finance function because it allows to:



Keep processes on the surface with well-defined workflows



Have a cloud solution and single source of truth, ensuring timely data enrichment



Support BYOD as all functions are available on-the-go



Ensure tight financial controls and shared accountability with clients

ApprovalMax provides the following safety-catch features to make working from home more convenient and efficient for all participants:

- Approval process on the surface
- Approving from mobile phones
- Comments for approved/rejected documents
- Automated, secured audit trail
- Delegation, exception handling, forcing the approval decision

The Approval App You'll Love Using

ApprovalMax allows accounting and advisory practices to set up approval-driven financial controls for accounts payable and accounts receivable. It replaces paper and email approvals with fully automated multi-role and multi-tiered approval workflows. This ensures full regulatory compliance, simplifies audits and facilitates client collaboration.

Start a 14-day trial at approvalmax.com