

Your Guide to Surviving and Thriving During an Audit

AP Best Practices for Peace of Mind

Presented by:
Steve Weber, PaperTrl

Background

Steve Weber – CEO, PaperTrl

- **Co-founder & CEO of PaperTrl,**
 - PaperTrl bridges **ERPs, banks, and suppliers** for seamless payables.
 - Deep expertise in **ERP integration, financial workflows, and payment automation.**
 - Formerly founded **nChannel**, a leading cloud-based ERP and eCommerce integration platform
- **Not an auditor, but an experienced auditee**



Why we're here:

You're here because your organization is under periodic review, not at risk, but by design.

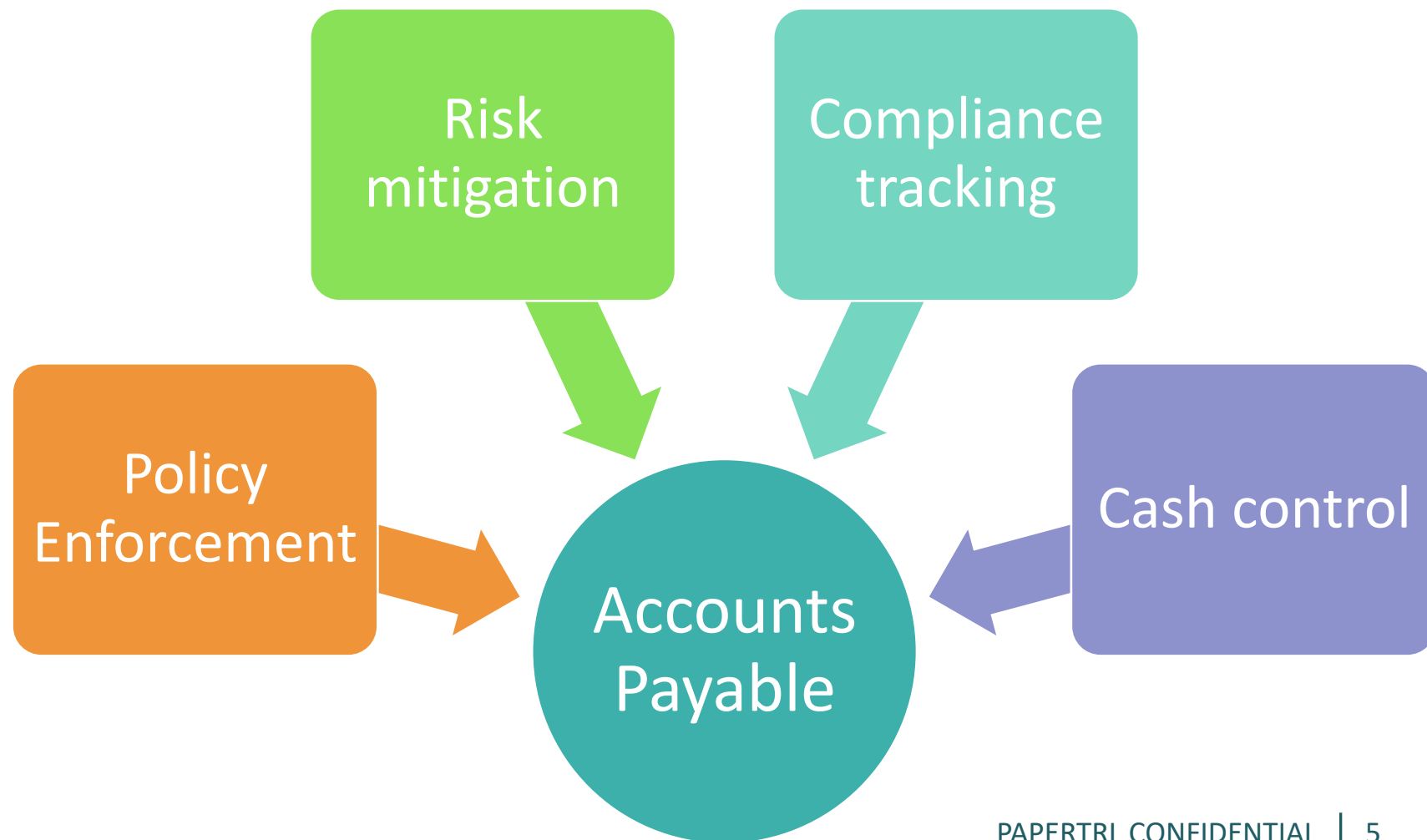
- Whether it's part of preparing audited financials for:
 - Investors
 - A condition of your credit facility or loan agreement
 - State or federal grant audit
 - Condition of your 501(c)(3) funding requirements

Scope of a typical audit

- General Ledger & Financial Statements
- Revenue recognition practices
- Payroll and HR Controls
- Fixed Asset Management
- Taxes and Compliance
- Bank Reconciliation
- Accounts Payable & Cash Controls

AP can be the center of gravity in an audit

- Every non-payroll dollar you're spending passes through AP
- Auditors often find control gaps in approvals, documentation, and payment timing
- Lapses here suggest deeper financial risk



What Auditors Zero In On in AP

- Invoice-to-approval traceability
- Delegation of authority enforcement
- Vendor setup and change logs (especially bank info)
- Payment method selection and timing
- Entity or program-level fund tracking (esp. for 501(c)(3)s or grant recipients)
- Evidence of dual control, not just policy on paper



Common AP Gaps That Derail Audits

The Gap	Why it happens
Email, Phone or Teams approvals without logs	<ul style="list-style-type: none">• AP is under pressure to move fast• Systems aren't flexible enough to handle all scenarios• Approvers resist using the designated workflow ("just send it to me")
Vendor banking information exposed in spreadsheets, accounting software or shared folders	<ul style="list-style-type: none">• No secure, centralized onboarding system• AP inherits the data from legacy systems• IT isn't involved in AP processes until something breaks
No documentation for overrides – paid early or paid by check	<ul style="list-style-type: none">• Decisions made ad hoc by AP or procurement• Policies exist but aren't enforced by systems• "We needed to pay it quickly" becomes the default excuse
Missing links between invoice, PO and payment (2 or 3 way match)	<ul style="list-style-type: none">• Manual matching or disconnected systems, remote employees (ERP, AP, and banking are siloed)• Invoices arrive via multiple channels (email, paper, portal)• The 3-way match process isn't enforced consistently across departments
Inconsistent approval chains	<ul style="list-style-type: none">• Delegation of Authority (DoA) policies are hard to map in static systems• Organizational changes (roles, departments, projects) aren't synced in real time• People work around the system because it's too rigid

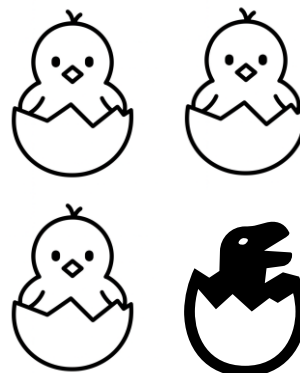
What Audit-Ready AP Actually Looks Like

- All invoices follow a clear, documented workflow
- Executives are fully engaged in the process
- Approval timestamps and roles are logged automatically
- Vendor bank changes are recorded and secure
- Payments match timing and method policies (Net 15 vs. Net 30)
- Multi-entity and fund-based routing is supported (critical for nonprofits and grant-funded orgs)
- Real-time visibility and PDF-ready audit trails

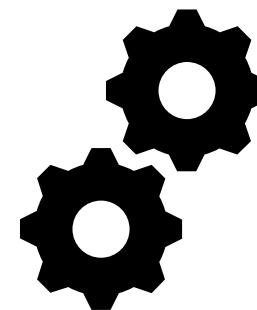
How to make complying easy



Plug the holes



Plan for
Exceptions



Automate
Compliance

Make being compliant the easiest way to do the job

How AP Automation Software Helps

All invoices follow a clear, documented workflow

1. Define Event

When a **Select Document Type*** is **Select Event***


2. Add Conditions (Optional)


Select Field **Select Condition** **Value** +

3. Define Action

Select Action*




Select Approval Group **Select Users** 

Select Approval Group **Select Users**  +

How AP Automation Software Helps

Approval timestamps and roles are logged automatically





BILL
Bill from
200 E. Campus View Blvd.
Columbus, OH 43235
United States

Bill to
Office Outfitters, Inc.
United States.

Vendor
Office Outfitters, Inc.

Bill Number # : 1234
Date Issued : 07/26/2023
Created on : 07/26/2023
Created by : Sarah Bailey
Due date : 08/10/2023
Payment term : Net 15
Status : Pending


Item Number	Item Name	UOM	Description	QTY	Cost	Discount	Line Amount
	Foodst	EA		1.00	\$5.00	\$0.00	\$5.00

Approved by Shilpa Marano
08/04/2023
90118 : \$5 | Description :

Tax Amount :	0.00
Bill Amount :	5.00

Vendor Bill





PAPERTRL RECORD IDENTIFICATION
ACCOUNT : .papertrl.com
BILL NUMBER : 1234
BILL GENERATED ON : 09/04/2025

BILL SUBMISSION DETAILS							
BILL DATE	: 07/26/2023	APPROVAL STATUS	: Approved				
BILL NUMBER	: 1234	APPROVED DATE	: 08/04/2023				
VENDOR NAME	: Office Outfitters, Inc.	APPROVER	: Shilpa Marano				
DEPARTMENT	:	PAYMENT STATUS	: Not Paid				
SUBMITTED BY	: Sarah Bailey	PAYMENT TERM	: Net 15				
BILL AMOUNT	: \$5.00	AMOUNT TO BE PAID	: \$5.00				

EXPENSE COST DISTRIBUTION								
Account Number	Account Name	Description	Project / Task	Department	PO Receipt	Billable	Taxable	Line Amount
90118	Repairs & Maintenance		PDDM100			No	No	5.00

AUDIT TRAIL			
ACTIVITY	TIME STAMP	USER	COMMENTS
Card cancellation completed shilpamarano@gmail.com	1/21/25 6:48 PM	shilpamarano@gmail.com	Virtual Card used for bill payment cancelled due to lost email
Payment issued by Shilpa Marano	12/1/23 9:25 PM	Shilpa Marano	\$5 Online Virtual Card payment has been issued by Shilpa Marano
Approved and finalized by Shilpa Marano	8/4/23 1:58 PM	Shilpa Marano	
Submitted by Sarah Bailey	7/26/23 7:42 PM	Sarah Bailey	Assigned to Amit Tandon



Audit Report

How AP Automation Software Helps

Vendor bank changes are recorded and secure




Dear **ABC Wire Co,**

Absolom Electric has requested your ACH information to facilitate electronic fund transfer. Please click the link below to provide your ACH details:

[Access ACH Payment Request Form](#)

NOTE: This link expires in 72 hours.

**Attention Please**×

Unable to verify the validity of provided account number and routing number. Please confirm



Complete Your ACH Payment Information

Your Company Name*

ABC Wire Co

Account Type*

Checking×▾

Recipient Type*

Business×▾

Account Number*

123456789

Confirm Account Number*

123456789

Bank Identification Number / Routing Number*

987654321

Confirm Bank Identification Number / Routing Number*

987654321

Remittance E-mail

steve.w@abcwire.com

Reset

Submit




How AP Automation Software Helps

Multi-entity and fund-based routing is supported

1. Define Event

When a **Select Document Type*** is **Select Event***

2. Add Conditions (Optional)

1 **Select Field** **Select Condition** **Value** 

☒ OR ☐ AND


2 **Select Field** **Select Condition** **Value**

3. Define Action

Select Action*

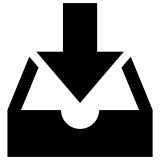
1 **Select Approval Group** or **Select Users**

2 **Select Approval Group** or **Select Users**

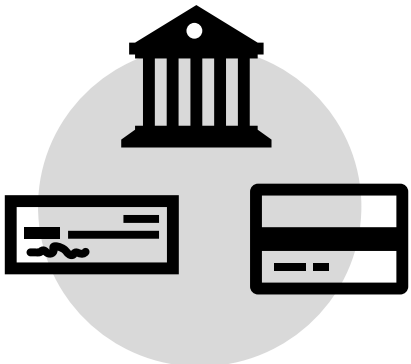


How AP Automation Software Helps

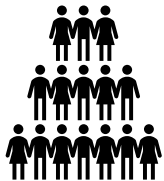
Makes it easy to comply, exceptions (excuses) are avoided



Easy to get bills into the system



All payment methods are supported, and payment is fast



Easy for vendors to participate



Audit trails are automatically created, accounting system is integrated/updated

A few case studies

- **Tidewater (federal contractor)**
 - Centralized invoice control across 250 federal projects with contractual mandate to provide clean chain-of-custody and demonstrate adherence to Federal Acquisition Regulations (FAR)
- **Exus Management Partners (clean energy)**
 - Investor-mandated reporting required invoice-level visibility by client — now achieved with centralized, auditable workflows
- **Springdale, UT (local government):**
 - Needed documentation for grant compliance and state oversight — built full audit trails and eliminated paper bottlenecks

In Summary:

Quickfire AP Audit Readiness Checklist

Can you confidently say YES to the following?

- We can trace any invoice to its approver in under 2 minutes.
- We can demonstrate how our process handles exceptions.
- We can show why a vendor was paid via card vs. ACH.
- We have a record of every vendor bank detail change.
- We can separate transactions by program, fund, or entity.
- We can export a clean audit trail without manual digging.

Q&A

Thank You!

Steve Weber

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