

# 4 Critical AP Issues That Threaten Compliance



INTRODUCTION

# Why Accounts Payable Matters

Your Accounts Payable (AP) team is the gatekeeper to your utility and energy company's financial health. Even minor errors in AP can snowball into costly audits, loss of project bids, or

regulatory penalties and fines. Whether managing subcontractors or navigating payments across multiple utility sites, the risks are high, and the stakes are higher.

## 4 ways they cause audit issues

Let's dig into the four biggest AP invoice errors and learn how technology can help your organization respond for smoother audits:

### 01

CUMBERSOME, MANUAL STEPS

### 02

POOR USER EXPERIENCE AND TRAINING

### 03

COSTLY STORAGE FOR COMPLIANCE

### 04

LATE PAYMENTS AND PENALTIES



## What's the solution?

To avoid these pitfalls, utility and energy companies must adopt modern AP systems. Automating invoice processes can streamline controls, improve compliance, and help you eliminate manual bottlenecks that create errors and delays. This eBook uncovers four common AP challenges that lead to audit issues and offers solutions to fix them.



ISSUE 01

# Cumbersome, Manual Steps

Manual AP processes are time-consuming, error-prone, and can be considered a major audit risk—especially in the utilities and energy industry, where managing thousands of invoices each month adds complexity. A misplaced invoice can delay cost reporting and invite unnecessary scrutiny, while backlogged approvals often lead to late payments and costly downtime.

Without automation, AP departments spend 4X more on invoice processing—\$6.30 per invoice versus \$1.45 with full automation.<sup>1</sup>

Automation streamlines the entire AP process—from digitizing, allocating, approving, paying, and storing invoices – all in one seamless platform. This reduces manual work, minimizes errors, and keeps compliance on track without slowing your organization down. Automation also provides:

- Built-in controls to mitigate fraud and reduce risk.
- A single access point to easily manage distributed and remote teams.
- Automatically generated audit trails for greater visibility and peace of mind.



**2X** 

AP teams with end-to-end automation process more invoices per FTE than those without—18,649 vs. 8,689 annually.<sup>2</sup>

**40%** 

of AP departments experienced multiple cases of attempted or actual payment fraud.<sup>3</sup>

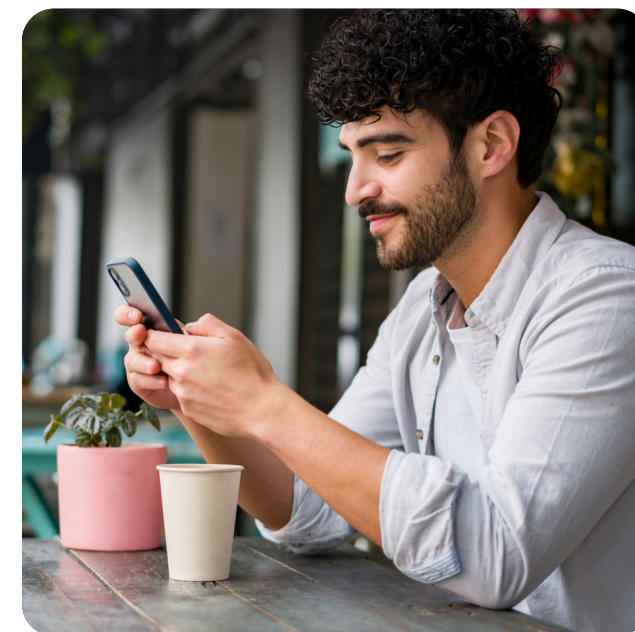
ISSUE 02

# Poor User Experience & Training

Your AP team's effectiveness depends on how they spend their time. Outdated systems are hard to learn, inefficient to use, and often ignored, leading to inconsistent processes and increased risk of errors. Onboarding seasonal or temporary workers becomes even more challenging when systems lack intuitive design—an issue faced by over one in three utilities and energy companies that struggle with inadequate reporting functionality.<sup>4</sup>

Modern AP systems offer an intuitive, easy-to-use interface with training embedded directly into the platform. This means:

- Faster adoption across teams with minimal learning curves.
- Built-in compliance checks that guide employees to get it right the first time.
- More time for AP staff to focus on improving vendor relationships and cash flow.



A survey of energy and utilities companies found:

**29%**

admit their current AP solution is difficult for employees to use, increasing the risk of mistakes and compliance failures.<sup>5</sup>

**47%**

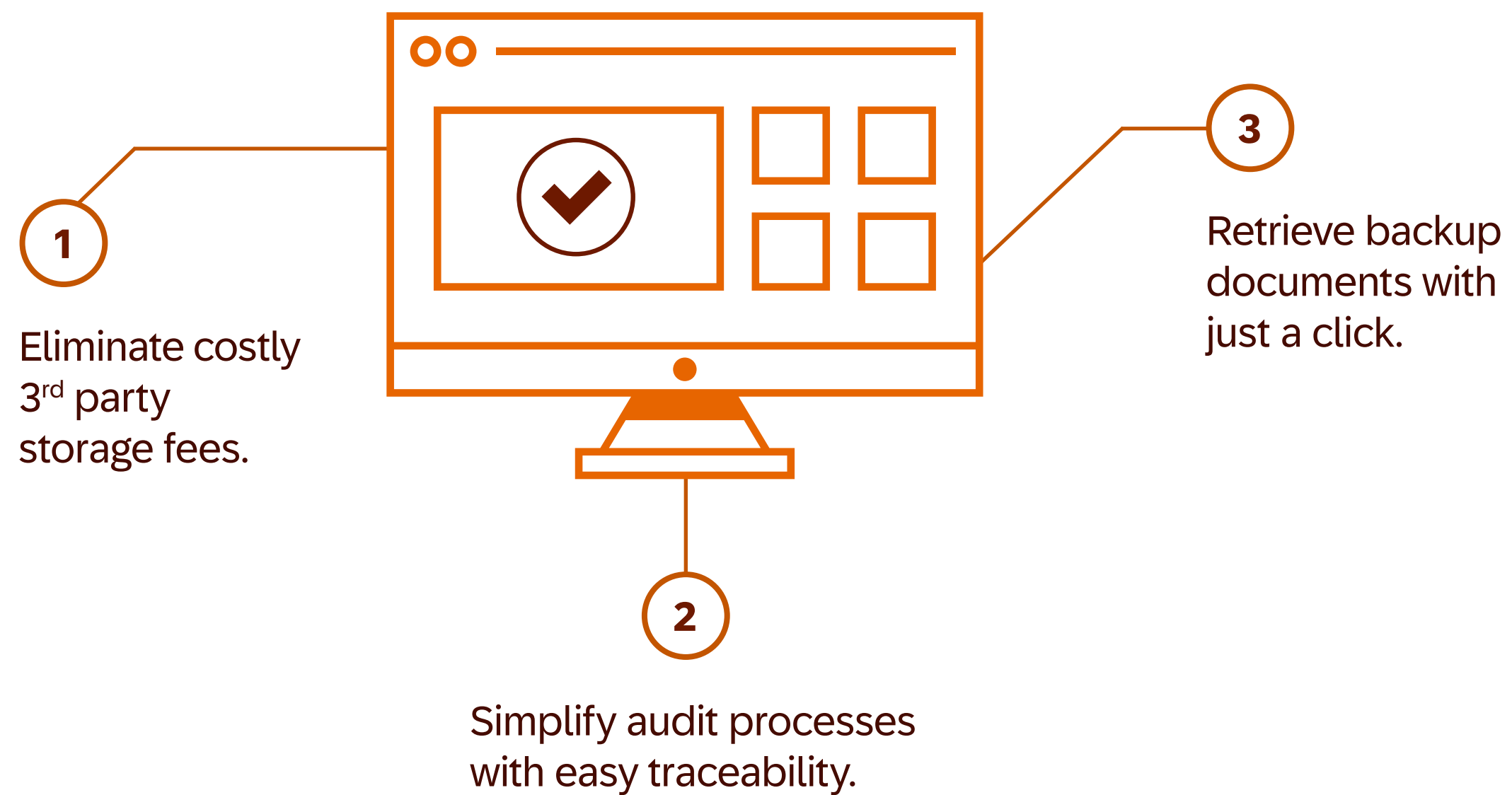
responded that their top goal for upgrading their T&E solution is to provide a user-friendly experience.<sup>6</sup>

ISSUE 03

# Costly Storage for Compliance

Invoices aren't just documents—they're proof of costs incurred. In the utilities and energy sector, vast vendor networks and long-term contracts create significant storage demands. Traditional storage systems (paper files or scanned PDFs) are expensive, cumbersome, and difficult to access during audits. The costs only grow as your organization scales.

Automated AP solutions include **secure, cloud-based storage** that provides instant access to invoice records, allowing you to:



**80%**   
**COST SAVINGS**  
Amount organizations can reduce in invoice processing costs with a cloud-based solution.<sup>7</sup>

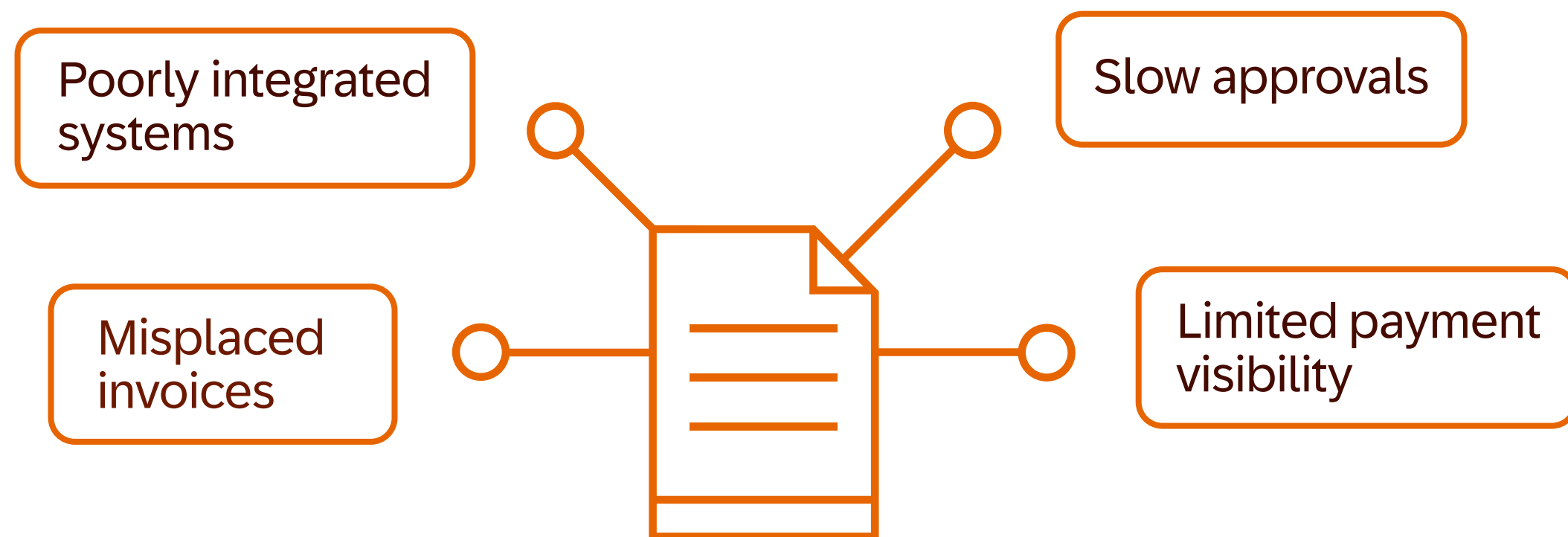
ISSUE 04

# Late Payments & Penalties

Timely payments are critical in the utilities and energy industry, where missed vendor deadlines can lead to costly penalties, strained relationships, and operational disruptions, causing further damage to vendor trust.

Automation solves these challenges by offering real-time tracking and supplier self-service portals, allowing vendors to check invoice statuses without burdening your AP team. This streamlines approvals, reduces late payments and penalties, strengthens vendor relationships, and improves cash flow management.

## Common Manual AP Challenges:



A photograph of a worker wearing a red hard hat and an orange safety vest, holding a tablet computer. The background shows an industrial or construction site with tall structures under a bright sky.

**60%** 

reduction in invoice exceptions, minimizing late payment penalties and maximizing early payment discounts.<sup>8</sup>

CONCLUSION

# How SAP Concur Can Help

- ✓ Eliminate manual, error-prone steps.
- ✓ Gain visibility into spend with a single dashboard.
- ✓ Improve compliance with built-in controls and traceable audit trails.
- ✓ Integrate payments with T&E for a unified platform.
- ✓ Reduce storage costs with secure, cloud-based invoice management.
- ✓ Improve vendor relationships.

**Ready to modernize your AP process?**

See how SAP Concur solutions can help your energy and utilities company stay compliant, improve efficiency, and transform your AP.

Sources:

<sup>1,3,7</sup> IOFM, [How Automation Reduces the Cost of Invoice Processing](#), 2023  
<sup>4,6</sup> Wakefield, [Energy and Utilities Looks to Technology Upgrades](#), 2024  
<sup>8</sup> SAP Concur, [Increasing Efficiency and Productivity for Financial Operations](#), 2025

