



MYTH 1

AUDITING A SUPPLIER WILL NEGATIVELY IMPACT THE RELATIONSHIP.

FACT:

Contract compliance audits increase transparency and foster communication, which enhances trust and strengthens relationships.



MYTH 2

AN AUDIT WILL DISRUPT SUPPLIER OPERATIONS.

FACT:

Skilled auditors will limit key operational personnel involvement and leverage support from the supplier's finance function.



MYTH 3

AUDITS TAKE SIGNIFICANT TIME AND SUPPORT FROM COMPANY STAKEHOLDERS.

FACT:

An experienced auditor will generally require less than three hours of stakeholder support per audit.



MYTH 4

AUDITS CAN BE PERFORMED ONLY IF THE CONTRACT CONTAINS AN AUDIT CLAUSE.

FACT:

The existence of a continuing supplier relationship is usually sufficient to conduct a thorough contract compliance audit.



MYTH 5

MOST BILLING ERRORS ARE THE RESULT OF INTENTIONAL FRAUD.

FACT:

Most invoice and payment errors are the result of a misunderstanding of intricate contract terms, an unintentional oversight in manual billing processes, or programming glitches.



MYTH 6

RESOLVING AUDIT FINDINGS REQUIRES LEGAL ACTION.

FACT:

The most common resolution to findings of inadvertent errors is a negotiated settlement, which is mutually agreed to by both parties.



MYTH 7

AUDITS MUST BE PERFORMED BY THIRD-PARTY AUDITORS.

FACT:

Unlike financial statement audits, contract compliance audits can be performed by in-house personnel. However, hiring an outside resource frees up internal staff and brings a fresh perspective to the contract review process.

THE TRUTH ABOUT CONTRACT COMPLIANCE AUDITS: DISPELLING THE MYTHS

Separate Fact from Fiction to Improve Transparency, Efficiency, and Savings.

[READ THE FULL REPORT](#)