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

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.