



## CONTRACT COMPLIANCE

Large organizations negotiate and implement numerous contracts for an extensive array of goods and services. After contract execution, limited time and information are available to confirm that agreement terms are accurately translated into billing and payment transactions. Errors are difficult to identify unless a detailed line item analysis of contracts, invoices, payment transactions, and purchase orders is conducted. A contract compliance audit is designed to ensure that you have been accurately charged and have received your full entitlements under established vendor/supplier agreements.

The scope of a contract compliance audit program may encompass a number of leading expense categories such as:

- OUTSOURCED SERVICES
- STAFF AUGMENTATION
- ENGINEERING
- CONTRACTORS/CONSTRUCTION
- THIRD PARTY LABOR
- TECHNOLOGY & SOFTWARE
- FOOD SERVICES
- RAW MATERIALS
- MAINTENANCE/REPAIR SUPPLIES
- ENVIRONMENTAL SERVICES
- INDUSTRIAL GASES
- SECURITY SERVICES
- EQUIPMENT & SOFTWARE
- OFFICE SUPPLIES & EQUIPMENT
- AUTO & TRUCK FLEET



### THE BENEFITS OF A CONTRACT COMPLIANCE AUDIT INCLUDE:

- HARD DOLLAR RECOVERY OF OVERPAYMENTS
- REMOVAL OF INACCURATE CHARGES FROM FUTURE BILLING
- IMPLEMENTATION OF COST REDUCTION STRATEGIES
- IMPROVED CONTRACT TERMS AND CONDITIONS
- REDUCED OPERATING EXPENSE AND INCREASED EARNINGS



### ENGAGEMENT CHARACTERISTICS

- A THOROUGH REVIEW OF ALL EXPENDITURES AND INDIVIDUAL REVIEW OF CONTRACT TERMS AND CONDITIONS ON SELECTED AGREEMENTS WITH KEY SUPPLIERS/ CONTRACTORS
- LINE ITEM ANALYSIS AND REVIEW OF INVOICES, MONETARY TRANSACTIONS, PURCHASE ORDERS, AND RELATED DOCUMENTS
- PRICE AND VOLUME VALIDATION
- CONFIRMATION THAT CONTRACT PROVISIONS HAVE BEEN ACCURATELY TRANSLATED
- IDENTIFICATION AND IMPLEMENTATION OF COST REDUCTION AND CONTRACT IMPROVEMENT STRATEGIES
- IDENTIFICATION AND RECEIPT OF REFUNDS, CREDITS, BUSINESS CONCESSIONS AND CONTRACT IMPROVEMENTS CREDITS