

Global Energy

Using a contract compliance audit to recover overpayments and missed credits



Overview

This multinational company is one of the world's largest providers of products and services to the energy industry. It has approximately 50,000 employees, operations in 70 countries and more than a dozen product lines.

Challenge

Financial services executives wanted to ensure that the company's suppliers were actually complying with the contract terms its buyers had worked hard to negotiate. They looked for a team of experienced auditors to conduct a comprehensive review of selected supplier contracts so they could recover any uncaptured value.

Solution

Executives chose to partner with apexanalytix auditors who were highly experienced in contract compliance review and recovery. apexanalytix experts helped the company stratify its suppliers based on current spend and past audit results.

Sixteen companies were chosen for contract compliance audits—each representing more than \$5 million USD in annual disbursements. In each instance, auditors examined three years of data for unauthorized billings, pricing errors, uncaptured discounts and a host of other potential variances.

Results

Auditors identified significant deviations between negotiated contracts and the services billed—producing the following impactful outcomes:

- Identified about \$2 million USD in disbursement overages that have been recovered from eight suppliers to date—numbers that are expected to rise as the audits continue.
- Isolated the root causes of deviations, including billing discrepancies, contract ambiguities, conflicting pricing data, and missed rebates and discounts.
- Provided guidance on strengthening contract language and processes to mitigate future risks.
- Uncovered insights about suppliers that may benefit future contract negotiations.
- Expanded the scope based on success to date to include an additional group of suppliers.

"Not only do apexanalytix contract compliance auditors do a great job with fast turnaround, they also offer recommendations we can use to improve our processes and to clarify our contracts so we can avoid future errors."

Business Controls
Manager, Supply Chain

\$2M

Disbursement overages recovered during audit.

apexanalytix revolutionized recovery audit with advanced analytics and the introduction of firststrike overpayment prevention software. Today, apexanalytix leads the world in supplier management innovation with apexportal and smartvm, the most popular supplier onboarding and compliant master data management solution available. To learn more visit www.apexanalytix.com, email apexinfo@apexanalytix.com or call +1 800-284-4522.

apexanalytix
Ultimate supplier management™