**Description:** Ed Mehlman and Associates Accounts Payable audit is part of a full suite of post audit services provided by the firm. The Accounts Payable audit reviews historical transaction data and supporting documentation to identify and file claims for the recovery of various forms of duplicate payments, overpayments, under-deductions, pricing, and contractual performance errors. The audit reviews 100% of accounts payable transactions for a contracted period of time. Based upon the audit findings claims for reimbursement are created, documented, and filed with vendors. Circumstances typically reviewed throughout the audit process include:

- Overpayments
- Duplicate payments
- Pricing errors
- Currency mistakes
- Paid credit memos
- Promotional item analysis
- Fictitious vendors

- Contract compliance issues
- Shipping errors
- Short shipments
- Improperly applied taxes
- Statement review
- Missed cash discounts
- Allowance, promotions, and rebates

**Purpose:** Review current accounts payable policy, procedures, and processes to ensure they are operating as originally envisioned. Based upon the audit findings, claims are created, documented, and filed with the appropriate vendor for recovery of funds due to errors, omissions and oversights. In addition to recovering funds, the audit enables EMA to provide insight and recommendations for increased efficiencies and process improvements.

**Benefits:** Cost recovery, review of policy and procedures, cost containment, and process improvement.

**Process overview:** The audit process involves the following basic steps:

- *Data gathering* – Gather historical transaction data and associated documentation. Interview stakeholders to gain understanding of goals, objectives, challenges, and unique environmental considerations
- *Analyze data* – covert data and begin data discovery process
- *Identify recovery potentials* – execute reports and queries on various claim types
- *Research potential claims* – Execute claims research and analyze results.
- *Prepare and file claims* – Prepare initial view of claims, refine, validate supporting documentation, file claims, manage follow-on correspondence
- *Recommend process refinements* – Identify process improvements and present findings to management

Throughout the process the audit team will develop and execute queries and data mining techniques plus manual reviews to uncover potential exposures. As exposures are found and for those that result in over-payments, or improperly applied adjustments, claims will be created, documented, and filled based upon a mutually agreed upon approval and submittal process.

*For the full version of this whitepaper, please send your inquiry to: info@edmehlman.com.*

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