

# £4.5 million recovered for Building Services company via Spend Recovery tool

## CHALLENGE

The client had undergone rapid growth and mergers which had led to multiple invoice payment processes, multiple points of entry across the UK and two accounts payable systems—all situations that increase the risk of lack of controls and erroneous payments. The review covered historical transactions for a 4 year period, consisting of 2.2 million transactions with a spend of £1.62bn.

## SOLUTION

Working closely with the client's accounts payable team to ensure that all collections and correcting entries were dealt with promptly with all supporting document provided. The errors included:

- Invoice numbers being processed as an order number or VAT registration number
- Invoice data being processed as an order date or delivery date
- Pro-forma invoices being paid as well as a tax invoice
- Statements being paid as invoices with the individual invoices also being processed
- Credit notes erroneously being paid as invoices

Supported by regular reports this helped to ensure the client retained full visibility and control during the process.

## RESULTS THAT SPEAK FOR THEMSELVES

- ⇒ Almost £4.5m from duplicate payments and VAT was recovered for the client.
- ⇒ A comprehensive VAT review to ensure all legislative obligations had been met was completed.
- ⇒ An end to end P2P process review and corrections plan was created including;
  - ⇒ Pro-forma invoices entered without the required VAT journal, equating to over £50,000 of under-claimed VAT in 6 months.
  - ⇒ Requisitions for cheque payments being processed without the relevant VAT—over £1000,00 of recoveries for underclaimed VAT.
  - ⇒ A single supplier's group company and subsidiary both invoicing the client. A net recovery of over £38,000 from 200 duplicated transactions below £300