

2025

# Spend Compliance Report

FOR AMCE CORPORATION

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BY ACQUIRE INSIGHTS

## Report Overview

This report presents an assessment of procurement compliance, control risks, and process performance using Acquire Insights' [SpendSphere.ai](#) analytics engine.

The analysis identifies areas of concern including non-compliant spend, contract governance issues, purchase order (PO) anomalies, and opportunities to enhance procurement practices.

By generating this report, several cost-saving opportunities have also been identified, alongside actions to tighten controls, improve compliance, and mitigate financial risk.

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## Executive Summary

This report presents a review of procurement compliance, contract governance, and process efficiency based on analysis performed using Acquire Insights' SpendSphere.ai analytics engine. The assessment highlights several actionable opportunities to improve financial control, strengthen procurement governance, and unlock cost savings.

### Key Insights:

- \$30.9 million in non-compliant spend was identified through the engagement of 16 suppliers outside the formal procurement framework. While these instances reflect operational responsiveness, they also represent an opportunity to reinforce controls around supplier onboarding and category strategies.
- \$6.3 million in cumulative PO overspend occurred across 97 purchase orders in the past four months, and \$8.8 million in spend was processed retrospectively. Additionally, 407 contracts have exceeded agreed thresholds by a total of \$1.7 billion, highlighting potential budgetary and audit exposure.
- \$1.8 million was spent using contracts assigned to incorrect vendors, pointing to an opportunity for improved user training and contract alignment.
- Positively, no fraud indicators were detected, suggesting that existing controls around payment and vendor data integrity are functioning effectively.

### Opportunities for Improvement:

1. Strengthen Contract Oversight – Introduce alerts and workflow blockers to prevent overspend and ensure compliance with sourcing thresholds.
2. Enhance PO Discipline – Implement real-time approval workflows and reinforce planning protocols to reduce retrospective purchasing.
3. Formalize High-Value Supplier Contracts – Prioritize contract execution for suppliers exceeding \$1M annually to mitigate risk and secure commercial terms.

By addressing these areas, the organisation can significantly reduce financial leakage, improve transparency, and position procurement as a proactive enabler of value. These insights form a strong foundation for a targeted improvement plan and support the case for refining current procurement policies and systems.

## 1. Spend Leakage

### Key Finding:

Over the past 12 months, 16 new suppliers were engaged outside of the established procurement framework (either no PO or PO after the Invoice), resulting in \$30.9 million in non-compliant spend.

### Implications:

- Indicates a bypass of procurement policies, such as supplier onboarding and due diligence.
- Potential exposure to quality, risk, and cost issues due to non-vetted vendors.
- Weakening of category strategies and pricing leverage due to supplier fragmentation.

### Recommendations:

- Enforce tighter controls on new supplier creation, including mandatory procurement review.
- Conduct root cause analysis to determine how these vendors were engaged.
- Implement alerts for unauthorized supplier engagement in ERP or procurement systems.