

The P2P Controls Checklist

Thirty controls across the six stages of procure-to-pay. Each one exists because its absence costs money, and most of them cost nothing to put in place beyond the decision to do it.

WHY CONTROLS, AND NOT MORE POLICY

Policy states what should happen. Controls make it hard for anything else to happen. Where the two are confused, an organization ends up with a thick policy document and an accounts payable team reconciling exceptions. That is the most expensive form of compliance there is.

1 · REQUEST AND APPROVAL

- ☐ Requests capture what is being bought and why, in a form a buyer can act on without a phone call.
- ☐ Approval thresholds are defined by value and by category, not by value alone.
- ☐ Approvers are named roles rather than named people, so the process survives a departure.
- ☐ Requests above a defined value route to procurement before a supplier is contacted.
- ☐ Requesters can see the status of their own request without asking anyone.

2 · SOURCING AND SUPPLIER SELECTION

- ☐ A competition threshold is set, and single-source awards above it need written justification.
- ☐ New suppliers are onboarded through a defined process, not created on a purchase order.
- ☐ Supplier master data has one owner and a check against duplicates.
- ☐ Contracted suppliers are visible to buyers at the point of request.
- ☐ Sanctions, insurance and tax status are verified before first order, not first invoice.

3 · PURCHASE ORDER

- ☐ No purchase order, no order. The rule is enforced by the system, not by reminders.
- ☐ POs reference the contract and carry the contracted price.
- ☐ Contracted prices are loaded into the system, and the load date is recorded.
- ☐ PO changes above a tolerance require re-approval rather than silent amendment.
- ☐ Open POs are reviewed and closed on a set rhythm.

4 · RECEIPT

- ☐ Goods and services are receipted by someone other than the person who raised the request.
- ☐ Service receipting exists at all. This is the most common gap in indirect spend.
- ☐ Partial deliveries are recorded as partial, not receipted in full to clear a queue.
- ☐ Receipt disputes have a route that does not involve holding the invoice hostage.

5 · INVOICE AND PAYMENT

- ☐ Three-way match is in place for goods, with a defined tolerance rather than an informal one.
- ☐ Invoices without a PO are rejected by default, with a short, published exception list.
- ☐ Duplicate invoice detection runs on supplier, amount and date, not invoice number alone.
- ☐ Payment terms in the system match the terms negotiated in the contract.
- ☐ Early payment discounts available are identified and taken.
- ☐ Bank detail changes require out-of-band verification with a known contact.
- ☐ One person cannot both create a supplier and approve its payment.

6 · MEASUREMENT AND REVIEW

- ☐ PO coverage, the share of spend on a purchase order, is measured and reported.
- ☐ First-time match rate is measured; a falling rate is an early warning, not an AP problem.
- ☐ Off-contract spend is quantified by category and by requester.
- ☐ Exception volumes are reviewed monthly, with the top cause actually fixed.
- ☐ Cycle time from request to order is measured, because slow process is what drives people around it.

WHERE TO START IF MOST BOXES ARE EMPTY

Fix these three first, in this order: **contracted prices loaded into the system**, **no PO no pay enforced**, and **service receipting**. They are the controls that stop the largest share of value leaking, and none of them require new software.

Then measure **PO coverage**. It is the single number that tells you how much of your spend the rest of your controls can even see.

A NOTE ON SPEED

Every control adds friction, and friction is what sends people around the process. If a control cannot be justified by the money or risk it protects, remove it. An unenforced control is worse than no control, because it teaches people the rules are optional.