

# 5-Step Cash Leak Audit Checklist

**Goal:** Identify and stop hidden cash leaks in less than a week.

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## 1. Purchase Orders & Vendor Controls

- Require POs for all material and service purchases.
  - Review vendor list quarterly; remove duplicates and inactive suppliers.
  - Match invoices to POs before approval (3-way match: PO, invoice, receiving).  
**Red flag:** duplicate vendor names, same invoice number paid twice.
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## 2. Accounts Payable Review

- Run an AP aging report monthly.
  - Scan for duplicate invoices, ghost vendors, or unusual charges.
  - Enforce dual approval for payments >\$10K.  
**Target:** zero duplicate/ghost payments in the last 90 days.
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## 3. Accounts Receivable & Collections

- Generate an AR aging report weekly.
  - Track DSO (Days Sales Outstanding).
  - Set up a follow-up cadence: 15/30/45 days past due = automatic reminders + phone call.  
**Target:** reduce DSO by 15–20 days within 90 days.
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## 4. Month-End Variance Review

- Compare actual vs. budget monthly, line by line.
  - Investigate variances >5% or >\$5K.
  - Pay special attention to “Other” or “Miscellaneous” accounts.  
**Target:** resolve all anomalies within 30 days of close.
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## 5. Cash Flow Walkthrough

- Trace one project's full cash cycle: vendor invoice → payment → client invoice → collection.
  - Identify gaps, delays, or missed billings.
  - Document findings and assign fixes to owners.  
**Target:** no more than 5 days from project completion to invoicing.
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 **Use this checklist to run a 1-week audit with your team.**

You'll catch duplicate payments, billing delays, and “ghost” expenses — and often free up **\$100K–\$500K/year** without selling a single extra project.

**Next step:** Book a 20-min call if you want help running this audit across your full financial system.