

Global Internal Audit Services

Audit Work Program for Audit No.:

15/2007

Title: Purchasing Audit

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#	Key Scope	Area/Object/Process under Audit	Audit Objectives Reliability and integrity of financial and operational information. Effectiveness and efficiency of operations. Safeguarding of assets. Compliance with laws, regulations, and contracts	Risks (Category/ Sub-category)	Expected Control Activities (see comment)	Test Procedures	Comment	Working Paper Reference
1	Strategy and organizational structure	Structure	Efficiency Compliance	Governance risk, risks within the organizational structure	Implementation of and compliance with an adequate signature policy; Compliance with segregation of duties	Obtain organizational chart; Check adequacy of signature policy		C-1-10
2	Purchasing guidelines	Guidelines	Efficiency Compliance	Other operational risks, internal control system	Review, Approval, Segregation of duties, Management controls	Check purchasing guidelines; Discuss purchasing guidelines with sales manager; Evaluate adequacy and compliance of purchasing guidelines		C-1-20
3	Purchasing process	Purchasing process	Reliability and integrity Efficiency and effectiveness Compliance	Other operational risks, internal control system	Review, Approval, Segregation of duties, Management controls	Discuss information flow and segregation of duties within the purchasing process		C-1-30
4	Authorization profiles within the purchasing process	User profiles in the IT system	Reliability and integrity Compliance	Other operational risks, internal control system	Segregation of duties, Controls in the IT system	Check purchasing-related user profiles in the IT system		C-1-40
5	Approvals and authorizations	Purchasing process	Reliability and integrity Compliance	Other operational risks, internal control system	Review, Approval	Check purchase order requisitions for compliance with authorization procedure		C-1-50
6	Vendor selection and competitive bidding process	Vendor selection	Efficiency and effectiveness	Other operational risks, internal control system Financial risk	Review, Evaluation, Approval	Discuss vendor selection and competitive bidding process		C-1-60
7	Quality assurance	Quality assurance	Efficiency and effectiveness	Project risk, quality control	Review, Evaluation, Approval	Discuss quality assurance procedure		C-1-70
8	Payment process	Accounting	Reliability and integrity Compliance	Financial risk	Approval, Segregation of duties, Monitoring, Controls in the IT system	Discuss release for payment procedure; Check invoices and payments for compliance with authorization procedure		C-1-80