

Global Internal Audit Services

Core Scope: **Purchasing**

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Table of Key Scopes

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Functions-Processes

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Scope in Detail

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Purchasing

Table of Key Scopes

Mandatory

Content	Policies / Guidelines/ Procedures	Functions / Operations	Processes	Objects
Key Scopes				
Purchase Requisition	Global/Regional/Local Purchasing Policies & Guidelines Global/Regional/Local Purchasing Strategy Intercompany Purchasing Policy Delegation of Authority	Purchasing department Legal department Departments requesting goods/ services	Vendor Selection Approvals Competitive Bidding Contract Negotiation Contract Approval Purchase Requisition Creation	Buyers Commodity Groups Quote/Bid Logs Individual Contracts & Master Agreements Delegation of Authority Purchase Requisition
Purchase Order	Global/Regional/Local Purchasing Policies & Guidelines Global/Regional/Local Purchasing Strategy Intercompany Purchasing Policy Authorization Policy Purchasing Guidelines and Procedures	Purchasing department	Approval Vendor Selection Creation of Vendor Master Data Purchase Order Creation Purchase Order Execution Purchase Order & Contract Filing	Approval Documentation Purchase Order Vendor Notification Vendor Contracts Open Purchase Order Report Order Confirmation
Goods Receipt
Purchase Related Accounting
Shared Services

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Functions/Operations-Processes

Optional

Legend:

X = Applicable

Note: See legend at the right. The additional cell per item is for comments or specifics you wish to include for reference.
Please do not use N/A in any cell.

Processes Functions/ Operations		1	2	3	4	5	6
		Vendor Selection	Approval	Competitive Bidding	Contract Negotiation	Contract Conclusion	Purchase Requisition Creation
1	Purchasing Department	X	X	X	X	X	
2	Legal Department	X		X	X	X	
4	Departments requesting goods/services		X				X

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Processes-Objects

Optional

For each process, please complete the Scope in Detail for at least one object, if applicable.
The Scope in Detail will be a work in process and completed during subsequent audits.

Note: See legend at the right for explanation. The additional cell per item is for comments or specifics you wish to include for reference.
Please do not use N/A in any cell.

Legend:
X = Applicable

Objects Processes		1	2	3	4	5	6	7
		Buyers	Commodity Groups	Competitive Bids	Quote Log	Vendor Contracts	Approval Authority Matrix	Purchase Requisition
1	Vendor Selection	X	X	X	X	X	X	
2	Approval	X	X	X	X	X	X	X
3	Competitive Bidding	X	X	X	X	X	X	
4	Contract Negotiation	X	X	X	X	X	X	
5	Contract Conclusion	X	X			X	X	
6	Purchase Requisition Creation	X	X			X	X	X

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Scope in Detail

Optional

Note: Reference column is for indicating the Process (P) and Object (O) documented in the Processes to Objects worksheet tab. The row in this table should include one Process (P) that can include several or all Objects (O)

Content		Object Processing (e.g. Workflow Procedures, etc)		Documentation		Internal controls			Impacts
Reference	Item	Input	Output	Data	Process	Risk Area	Control Activity (see comment)	Document	
P1/O1-O6	Vendor Selection	Procedures to ensure objective vendor selection	Vendor Master Data	Bid/Offer, Contract, Vendor Selection List (system)	Bidding, Vendor Selection	Operational Risks	Review, Approve	Vendor Offers, Invitation to Tender, Contract, Vendor Approval	Transparent Vendor Selection, Price-Performance Ratio
P2/O1-O7	Approval	Workflow Authorizations, Contract Data, Delegation of Authority	Purchase Requisition	Contract, Purchase Requisition, Vendor Master Data	Approval, Delegation of Authority	Operational Risks	Approve	Purchase Requisition	Transparent Order Process, Control Over Purchasing Activities
P3/O1-O6	Competitive Bidding	Procedures to ensure competitive bidding	Vendor Master Data, Purchase Requisition	Bid, Contract, Purchase Requisition, Bid Log	Bidding	Operational Risks	Review, Approve	Vendor Offers, Invitation to Tender, Contract, Vendor Approval	Transparent Bidding Process
P5/P1-2,5-6	Contract Conclusion	Contract	Approved and Signed Contract	Contract, Offer, Bid Documentation	Approval Process, Delegation of Authority	Operational Risks	Approve	Contract	Legal Compliance