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| <b>Title: Purchasing Audit</b>  |   | <b>Date of Audit: 02/2007</b>  | <b>Page 1/1</b> |
| <b>Content</b> <i>Global Internal Audit Services has conducted an audit of the purchasing function. The audit included Purchasing's organizational structure, policies and guidelines, as well as the relevant operational and financial processes.</i> |   |  |                 |
| <b>1.</b>   | <b>2.</b>   | <b>3.</b>  |                 |
| <b>Audit Finding:</b><br>The signature policy has not been adapted to the current organizational structure and is thus not up-to-date.  | <b>Audit Finding:</b> The practice of soliciting at least two bids from external vendors prior to award of contract has not been implemented in all Purchasing areas and has not been included in the purchasing guidelines as a requirement. | <b>Audit Finding:</b> -----  |                 |
| <b>Recommendation:</b><br>The signature policy is to be adapted to the current organizational structure as laid out in the organizational chart.  | <b>Recommendation:</b><br>A rule is to be included in the purchasing guidelines requiring the solicitation of at least two offers from external vendors. This rule is to be implemented in all Purchasing areas.                              | <b>Recommendation:</b> -----   |                 |
| <b>Responsible: Catherine Dubois</b><br><b>Reference Implement. Sheet: 1</b>  | <b>Responsible: Catherine Dubois</b><br><b>Reference Implement. Sheet: 3</b>  | <b>Responsible: -----</b><br><b>Reference Implement. Sheet: -----</b>  |                 |
| <b>CEO:</b> <input checked="" type="checkbox"/> Information <input type="checkbox"/> Decision <input type="checkbox"/> Action   | <b>CEO:</b> <input checked="" type="checkbox"/> Information <input type="checkbox"/> Decision <input type="checkbox"/> Action   | <b>CEO:</b> <input type="checkbox"/> Information <input type="checkbox"/> Decision <input type="checkbox"/> Action |                 |
| <b>Date: 5 March 2007</b>   | <b>Location: Unit XY</b>  | <b>Auditor: John Miller, Jane Myers, Bill Smith</b>  |                 |