

Task 2—Purchasing Process Questions for Client Contract (Completed)

1) Process & Control Changes (Which Have Occurred Since Prior Year Audit Period):

- Please confirm whether the process to review/and update the Purchase Policy is the same as in the prior audit period
- What are the changes to the Purchase Request Portal during the audit period (i.e. planned maintenance, as a result of the most recent Purchasing Policy update cycle, etc.)?
- Have there been any changes to key personnel (as they relate to the purchasing process and controls during the audit period)?
 - If so, when did those changes occur, and how were respective systems/processes updated as a result?

2) Purchase Request Portal:

a) Portal Issue Reporting:

- How are issues with the Portal typically identified/reported?
- Who are issues reported to?
- How do stakeholders know where to report issues?
- What is done after an issue is reported?
- How often is the Purchase Request Portal tested?
- Who performs those tests?
- What were the results of the last test(s) performed?

b) Purchase Approval Assignments (System Maintenance):

- How is the organizational chart within the Portal updated for each promotion cycle?
- Who is assigned the responsibility to make those updates?
- When are they performed?
- What documentation exists to verify that the control was performed in a complete and timely manner?

3) Approved Vendor Listing:

- Does ABC Company employ an Approved Vendor Listing (to ensure employee purchases are only made to approved vendors)?
- How does ABC Company ensure that the purchases are made to third-party (unrelated) vendors?

4) Prior-Year Exception(s) Follow-up:

- Last year, an issue was identified in some purchase approval documentation not being able to be retrieved/provided for audit support purposes (before the Purchase Request Portal was phased in).

Please explain the Purchasing Portal process to retain/archive the electronically provided approvals, including:

- How long is the approval archived within the system?
- In what instances (if any) can data be retroactively altered (i.e., to pre-date approvals)?
- What are the controls surrounding access for the documented approvals?

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5) Approval Timing:

- What controls exist to ensure that an employee does not externally submit a purchase to a vendor without the prerequisite, documented approval of such purchase?

6) Disclosure of Issues Which Occurred During the Audit Period:

- Have there been any issues of control gaps (i.e., points in the purchasing process which were risks not adequately covered by an appropriate control)?
- Have there been any issues in control functionality (i.e., controls did not function as designed, and therefore did not identify issues that the control was designed to detect/prevent)?
- Has your team identified any purchases which were submitted to the vendor prior to obtaining the required approvals (per the Purchasing Policy)?

7) Internal Reviews (of Purchasing Process & Controls) Performed During Audit Period:

- Have there been any internal reviews (i.e. the client's internal audit team reviewed process/controls, finance team reviewed process/controls, etc.) that cover the current audit period?
- How often are the purchasing process controls reviewed/tested/updated?
- When did the last updates to these controls occur?
- When did the last internal tests of these controls occur (please provide supporting documentation)
- Have any instances of control gaps or failures (i.e., where a control failed to identify an issue or inaccuracy in the purchasing process or where a control area was identified for enhancement)?

8) Initial (Drafted) Exceptions Noted as a Result of Current Year Fieldwork Performed:

- Purchase approval obtained from an employee other than the requestor's direct supervisor
- Purchase was made with vendor before required pre-approval was obtained