**PROCESS REVIEWED:** RETAIL 1 – STOCK TRANSFER ADVICE PROCESS

**PURPOSE**: The purpose of this process review is to identify the weaknesses of the Stock Withdrawal Advice process and analyze any recommendations to address the concerns.

**REVIEW METHODOLOGY:** The review was conducted through a walkthrough interview with Ma’am Judyan Alderite, A/R Clerk of Retail 1 Grocery Group Management and observation of the SWA system.

**CONCLUSION:** Based on the methodology conducted, addressing the weaknesses identified in the Stock Withdrawal Advice Process is highly recommended to improve its processes and maintain its efficiency.

**Shown below are the summary weaknesses identified on the Stock Withdrawal Advice process**

|  |  |  |
| --- | --- | --- |
| **PARTICULARS** | **WEAKNESSES IDENTIFIED** | **RECOMMENDATIONS** |
| Identifying suppliers’ SWA through SWA System | The SWA system stores all SWA in its database. To find the SWA of the supplier needed for the operations, the user searches for the supplier’s SWA no. in the system and selects the SWA of the supplier. However, most of the time, the users are given only the supplier name without any additional data to trace the supplier’s SWA, and the SWA system search bar only allows SWA no. while disregarding other inputted data to the search bar. The users temporarily use the Excel application for identifying supplier’s SWA since its find feature is easy to use. | The IT System Development Team must fix the coding of the SWA system to allow other inputted data to its search bar as the basis for filtering supplier's SWA data. |
| Billing suppliers for payment | According to Ma’am Judyan Alderite, AR Clerk of Retail 1 – Grocery Group Management, some supplier payments are still pending. Some of these pending accounts are less than a year or more than a year. | The Retail 1 – Grocery Group Management must conduct a meeting to create a policy that makes the supplier pay their pending accounts. |
| Stock Transfer | After the delivery of stocks, the store forwards the SWA with a Credit Memorandum to Retail 1 for the billing. As observed in the SWA System, the SWA system has no monitoring system to identify the status of the transferred stocks if the stocks were still on delivery or received. | The IT System Development Team must create a code for the system that can **monitor the status of the transfer or withdrawal of stocks**. |
| Cancelled stock transfer and discrepancy of stocks delivered | Some stock transfers can be subject to cancellation, and there are also delivered stocks with discrepancies depending on the final decision of the supplier or the quantity of items for transfer. As observed in the SWA System, the SWA system does not record or monitor the completeness or cancellation of stock transferred. | The IT System Development Team must create a code for the system that can **record and monitor canceled stock transfers and discrepancies in the stock delivered**. |
| Supplier Payment | As observed in the SWA system, the system has no monitoring system for pending and received payments. | The IT System Development Team must create a code for the system that can **record pending and received payments to monitor supplier payment status**. |
| Supplier Account Balance | As observed in the SWA system, the system cannot determine the supplier's pending and paid account balances. | The IT System Development Team must create a code for the system that can **determine the account balances of the supplier**. |

**Prepared by:**

**MARK ALVIN I. ADLAWAN ERECA D. OPALLA**

*IAD Process Audit – Audit Trainee II IAD Process Audit – Audit Trainee I*

**Reviewed by:**

**AGUSTIN J. NESPEROS JR. RUDIE MAE J. GALINATO, CPA**

*IAD Process Audit - Section Head IADFS/Process Supervisor*

**Recommended by:**

**MARIA NELIZA U. FUERTES, CPA, CIA, REB, REA, CICA, CSCU, CISA, CrFA, REC**

*Corporate Audit Manager & Compliance Officer*