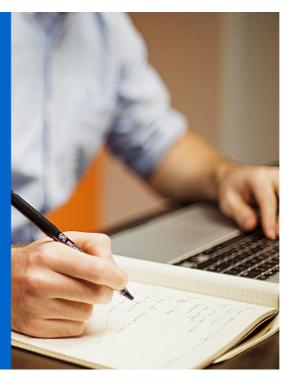# Posts

alkitjain.com/procurement-audit-checklist/

alkitjain   May 31, 2020

In this post I will share some of the most important checkpoints you should check while doing Internal audit of procurement department or Procurement review within your organisation. So must go through this procurement audit checklist and do bookmark for your future reference as well. Also comment below if I have missed some important point in this procurement audit checklist.

Procurement Audit Checklist

Procurement Audit Checklist

 Save   Print

1. Check whether company have dedicated process (SOP) for procurement
2. Check whether there is Delegation of authority matrix
3. Check roles and responsibilities are as per the matrix and process
4. Check whether department have training manual to help users in creating purchase request and purchase orders
5. Check whether all the activities are done as per the process
6. Check logical access rights to respective users of procurement software (If any used)
7. Check SOD rules built in the software
8. Check PO dump (If available) and pick samples to check each one in detail
9. Check whether each purchase is supported by quotations from atleast 3 vendors

10. Check CBA is done before finalising vendor
11. Check terms of sample POs
12. Check major purchases are supported by agreements.
13. All agreements must be signed by only KMPs
14. Check terms of sample agreements
15. Check annual procurement budget
16. Match Procurement budget with AOP
17. Match budget with actual spending
18. Check GRN report (If available). Pick few samples to check in detail
19. DO 4 way checking (PR vs PO vs GRN vs Invoice)
20. Track Open POs and PR.
21. Check exceptions to the process are approved by appropriate authority only
22. Check ageing of material available in warehouse.
23. Check if same material is purchased from different vendor at different price
24. Check vendors are approved after receiving duly filled form, KYC and bank details
25. Check for duplicate vendor in the system (Via PAN)
26. Check for dummy(Ghost) vendors (If created)
27. Check Minimum Order Qty (If defined)
28. Check if company maintaining any risk register related to procurement function
29. Check sample vendor payouts (As per PO terms)
30. Check Internal Controls over financial reporting (ICOFR) related to Procurement function

You can also save or print this procurement audit checklist for further use. and if you have any doubt then do connect with me at alkitjain@gmail.com. also do comment some more checkpoints that I can add in this Procurement audit checklist to make it more exhaustive.

Thank You !!