

# **Purchasing Module**

Audit Analytics Template



The Purchasing function of an organization serves to procure goods and services in a timely manner and at the lowest cost, while encouraging healthy competition and honoring contract specifications. Leveraging analytics solutions in your purchasing audit can surface risk and waste and drive process improvements. Lowering risk and optimizing purchasing performance can benefit an organization's standing with its employees, vendors, and citizens. The best part: You already have the data.

## Understand Risks with Audit Analytics

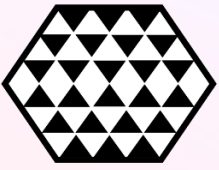
Enterprise Resource Planning systems capture massive amounts of data within your municipality in real time. Automating your ERP data (e.g. data analytics) will allow you to quickly identify and understand risks occurring in your organization and use it to make changes and adjustments for an optimized process and improved performance.

Data analytics are written to track transactions as they move through the ERP workflow. Each analytic is asking a question of transaction. If the transaction meets the criteria, the analytic will flag the transaction. A single transaction could be flagged by multiple analytics.

## Get Started with This Template

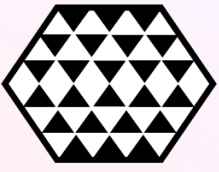
We recommend these steps for incorporating analytics in your next audit:

1. Document your process with its existing controls and consider the various risks associated with steps of the process (Page 3).
2. Research existing audit analytics that detect common risks within Purchasing and then develop those unique to your process (Page 4).
3. **Contact 9b to schedule a demo** of our built-out audit intelligence reports for Purchasing and 10 other business risk areas (Page 5).



## Sample Process, Risks, and Controls



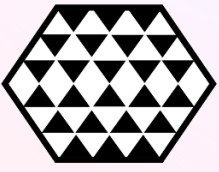


## Sample Audit Analytics

Step	Analytic	Description	Use case
Requisition Created	Duplicate Requisitions	Flags if two or more requisitions have the same suggested vendor, department, requisition type, and amount.	Investigate, resolve, and recommend control/training.
Requisition Converted	First PO for New Vendor	Flags if the purchase order is the first for the vendor.	Validate PO and vendor.
PO Receiving	Goods Received Before PO Date	Flags if the entry date of a purchase order comes after the date when the first goods related to the purchase order are received.	Clarify source of issue; recommend process improvement.

## Additional Resources

- [ACL Essentials](#)
  - Audit analytics documentation from Galvanize (ACL)
- [Rich Lanza](#)
  - Books, articles, videos on analytics and automation to improve the effectiveness and efficiency
- [ACFE Report to the Nations](#)
  - 2020 Global Study on Occupational Fraud and Abuse



## About 9b

We do analytics to make organizations awesome and help communities thrive. As a benefit corporation, 9b is legally empowered to pursue positive stakeholder and community impact alongside profit. We are based in Tulsa, Oklahoma.

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