Audit Programmes for Retail

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Factors Impacting Audit Plan….

Expectations and Challenges…

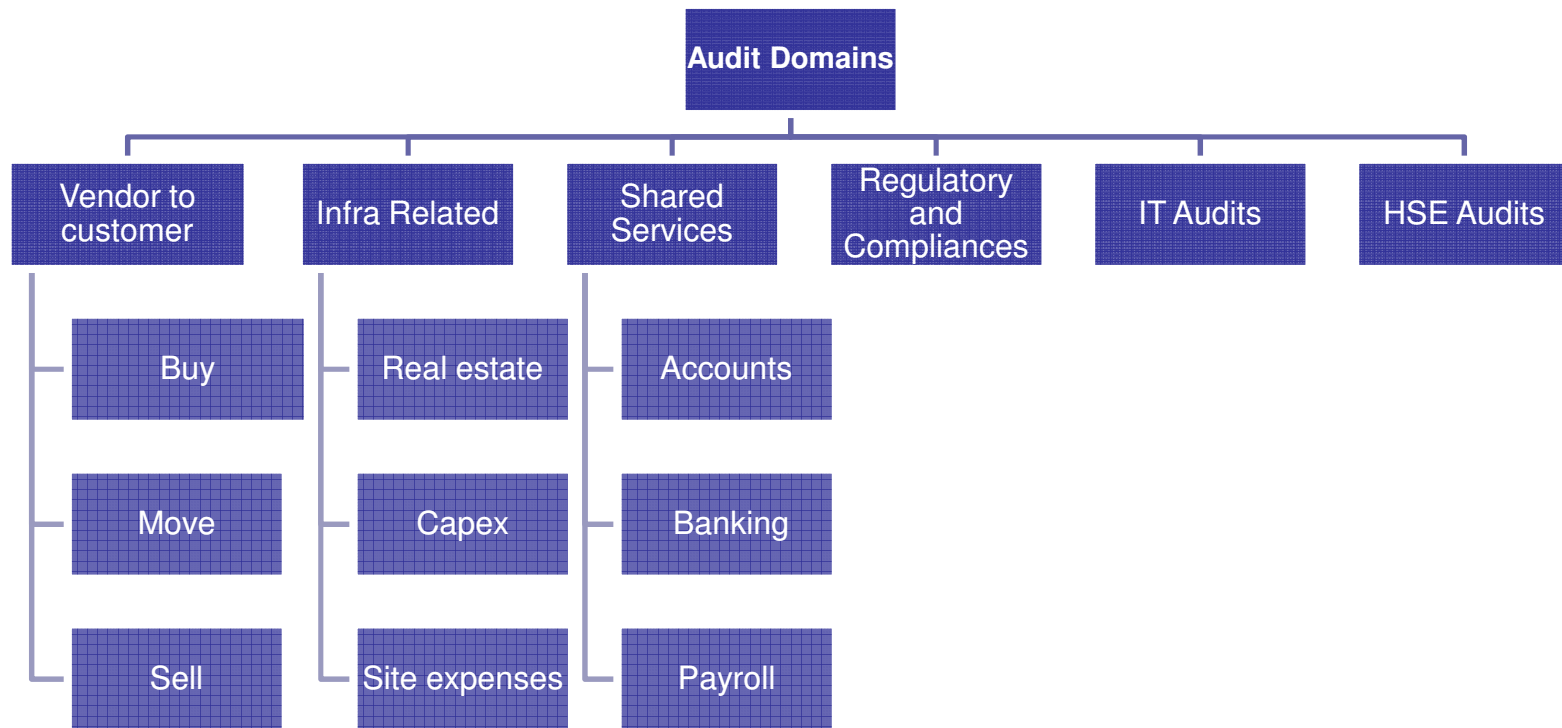|	
Stores and supply chain sites	• Sell and Move' segments- Wide geography to cover
Procurement	• Several segments • voluminous transactions
Business processes	• numerous and dynamic
Assets, Regulatory, Compliances	• to be in 'comfort zone'
New areas of business	• provide timely feedback
Frequency of audits	• to be minimum

Assurance on everything ??

Audit Domains

Procurement Audits

Plan one or two reports every quarter

Revenue Assurance- Master Data, Sale Price controls

Promo and Marketing Schemes

Margins, recoveries, vendor confirmations

Replenishment and inventory controls
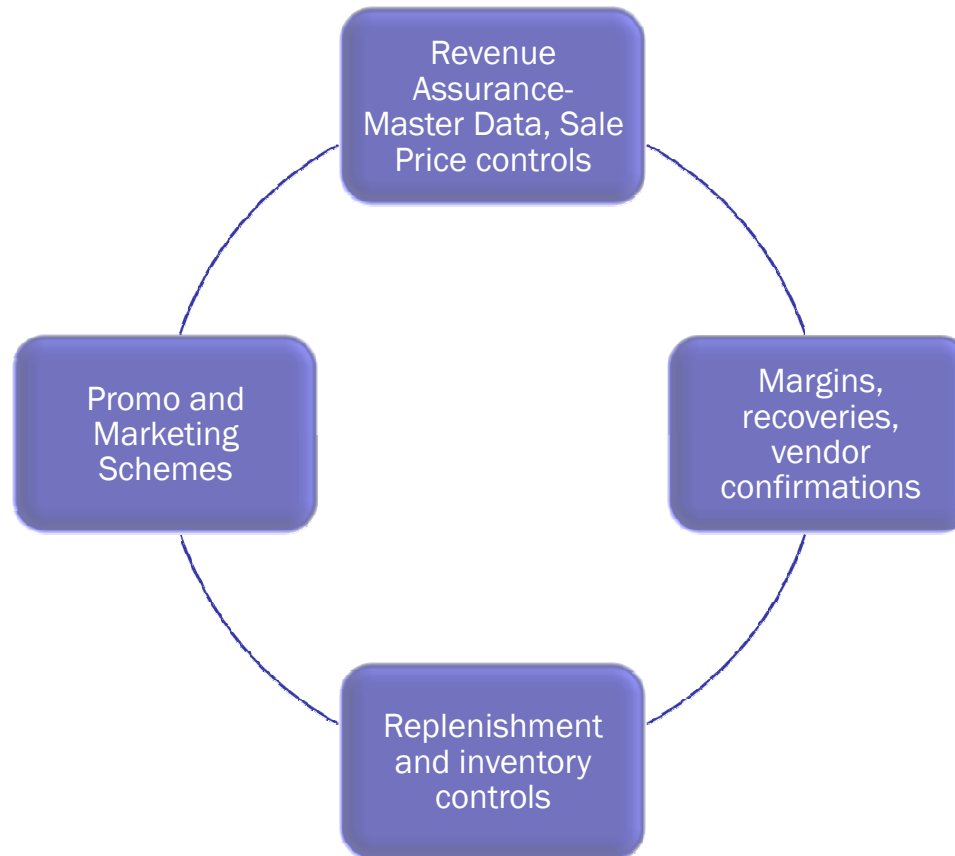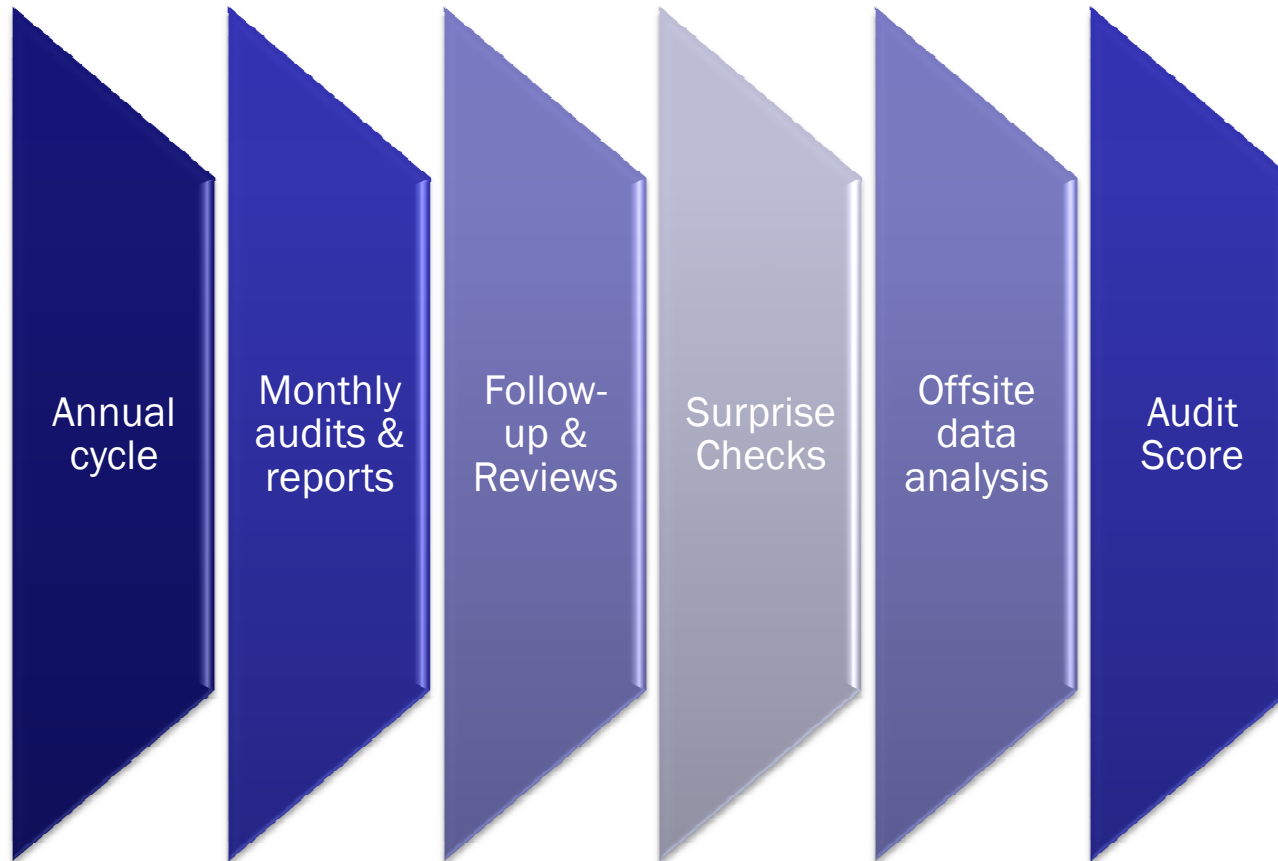
IT scope should partner these process audits

Crème de la crème of Audit Plan

Onsite Audits (Move and Sell)

Annual cycle → Monthly audits & reports → Follow-up & Reviews → Surprise Checks → Offsite data analysis → Audit Score

Heat is more important than light

Offsite data analysis

Improves sample

Enhances scope

Optimizes efforts

Assess second line of Defence

Schedule Data Analysis in Audit Plan
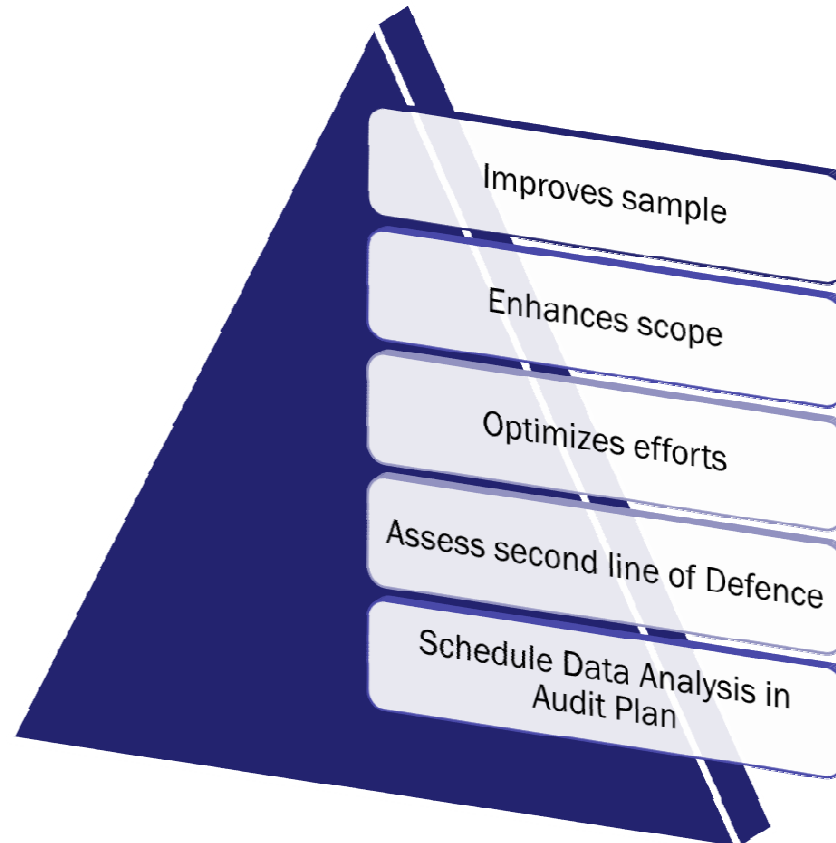
Focus on Hot Spots

Process Audits (Move and Sell)

List all processes in Plan	Prune Onsite Count
RACM for each process	In-depth Reviews
Data Reviews plus sample onsite checks	Quality of Assurance
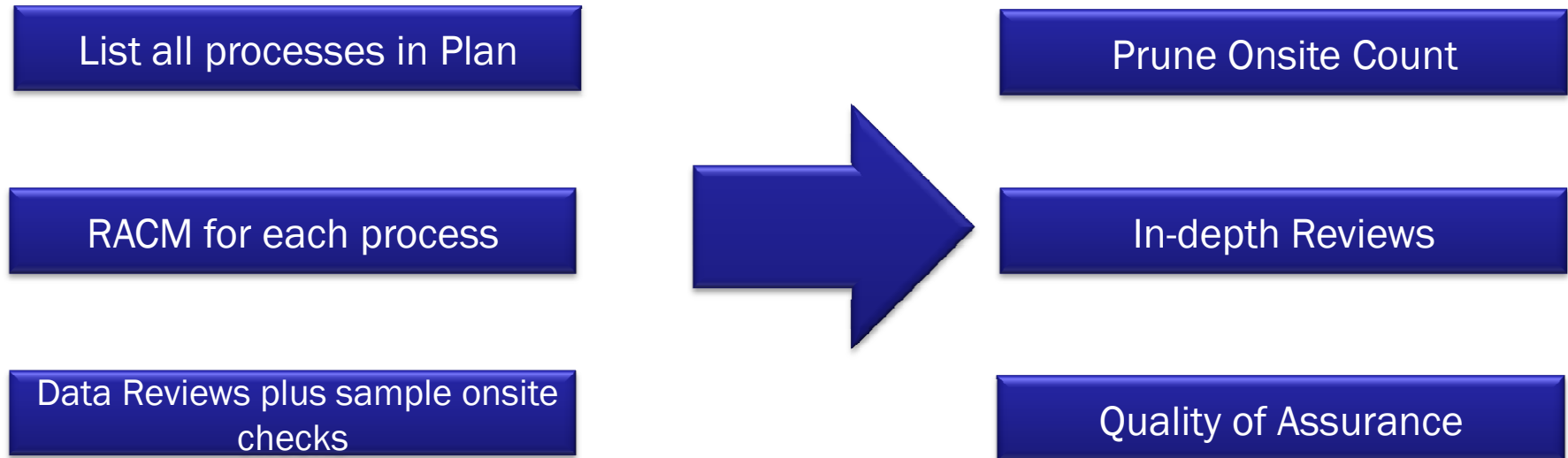
- Process owners prefer one in-depth review to several onsite reports
- Coverage of 3-4 processes every quarter will be good focus.

Light also generates Heat

Infra related, SSO, support functions

Capex & Fixed Assets

Contiguity of functions to Business

SS0
- IT Audits
- Payroll
- Expenses
- Collections
- Insurance
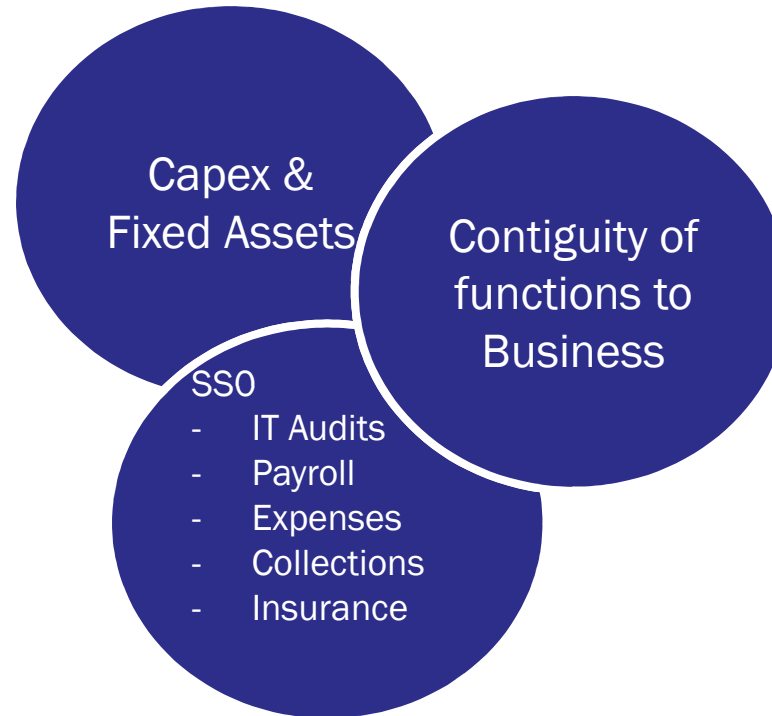
Focus on Handshake with Business

Optimise and Rationalise – Audit efforts

Focus on high risk areas

Congruence and Contiguity in plans

Leverage IT audits

More audits per audit

Data analysis and reviews

Norms For Productivity

Build scalability

Final Dimensions

AUDIT PLAN

- Stores - 20 % of total count
- Supply chain sites – one or two sites a month
- Procurement- 40% -50% of 'buy' value
- Process audits - All high risk areas
- SSO areas- Annual audits
- Regulatory, Compliance, HSE – Once in 6 months
- IT audits –one per quarter
- More formats – consider scaling up

Auditor takes the Pulse...Then Auditee takes the Grip

Thank You

Please share your inputs/thoughts to "natarajan_s4@hotmail.com"