



PROCUREMENT AND SUPPLY CHAIN MANAGEMENT

Procurement Audit

Course code: PSCM-025

SPARK TRAINING

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— Workshop Overview

Procurement activities represent a significant area of financial expenditure, operational dependency, and compliance exposure for many organisations. Ineffective procurement controls can result in excessive costs, inappropriate supplier selection, contract non-compliance, delivery failures, conflicts of interest, and increased exposure to fraud and corruption. A systematic procurement audit helps organisations evaluate whether purchasing activities are transparent, properly controlled, commercially effective, and aligned with business requirements. The Procurement Audit course provides internal auditors, procurement professionals, compliance specialists, and risk managers with a structured approach to auditing the complete procurement lifecycle. Participants learn how to assess procurement governance, evaluate sourcing and tendering procedures, examine supplier qualification processes, review purchasing transactions, and test controls over contracts, goods receipt, invoicing, and payments. The programme also addresses procurement performance auditing, supplier risk assessment, fraud indicators, procurement data analytics, and audit reporting. Through practical case studies and audit simulations, participants develop the skills needed to identify procurement weaknesses, gather reliable evidence, assess financial and operational consequences, and recommend improvements that strengthen purchasing accountability and value for money.

Why Attend

The programme combines instructor-led discussions, procurement audit case studies, risk-control mapping exercises, audit planning workshops, transaction testing simulations, supplier evaluation reviews, and procurement data analysis. Participants examine realistic procurement documentation, including purchasing

Who Should Attend

Internal auditors and senior internal auditors
Procurement auditors and audit managers
Procurement and purchasing managers
Governance, risk, and compliance professionals
Internal control and assurance specialists
Contract management and supplier performance professionals

— Learning Objectives

- Understand the objectives, scope, and responsibilities of procurement auditing
- Identify procurement risks across sourcing, purchasing, contracting, and supplier management
- Evaluate procurement governance, policies, and internal control arrangements
- Develop risk-based procurement audit plans and audit programmes
- Assess supplier qualification, tendering, and contract award procedures
- Test purchasing transactions, approval controls, and purchase-to-pay processes

- Evaluate procurement contracts, supplier performance, and value for money
- Identify procurement fraud indicators and potential conflicts of interest
- Apply procurement data analytics and transaction testing techniques
- Assess audit evidence and determine the significance of control deficiencies
- Prepare clear procurement audit findings and practical recommendations
- Develop procurement audit follow-up and continuous monitoring procedures

Course Outline

**DAY
1**

Procurement Audit Fundamentals, Governance and Risk Assessment

- Understanding the purpose and scope of procurement auditing and its contribution to governance, financial control, operational efficiency, and value for money
- Mapping the procurement lifecycle from requirements identification and sourcing through contract award, purchasing, delivery, invoicing, and payment
- Evaluating procurement governance structures, purchasing policies, delegated authorities, ethical standards, and compliance requirements
- Identifying inherent and residual procurement risks associated with expenditure, supplier dependency, operational continuity, fraud, and contractual obligations
- Developing risk-based procurement audit objectives, scope, criteria, and testing priorities using procurement expenditure and control information
- Practical workshop: Preparing a procurement risk assessment and risk-based audit plan for a selected organisational purchasing process

**DAY
2**

Auditing Supplier Sourcing, Tendering and Contract Award

- Reviewing procurement planning, sourcing strategies, market research, and the justification of competitive or non-competitive purchasing methods
- Evaluating supplier registration, qualification, due diligence, financial assessment, and conflict-of-interest controls
- Auditing requests for quotation, tender documentation, technical specifications, bid submission procedures, and evaluation criteria
- Testing supplier selection and contract award decisions for transparency, consistency, authorisation, and compliance with approved procedures
- Identifying red flags involving restrictive specifications, bid manipulation, supplier collusion, unjustified sole-source awards, and evaluation irregularities
- Practical exercise: Reviewing a procurement tender file to identify control weaknesses, compliance exceptions, and potential supplier selection risks

**DAY
3**

Auditing Purchase-to-Pay Processes and Financial Controls

- Evaluating controls over purchase requisitions, purchase orders, approval limits, purchasing budgets, and expenditure commitments
- Testing segregation of duties across purchasing, supplier master data maintenance, goods receipt, invoice processing, and payment authorisation
- Reviewing receiving documentation, quantity verification, quality acceptance, and discrepancies between orders and delivered goods or services
- Auditing invoice validation, three-way matching, payment approvals, supplier bank detail changes, and accounts payable controls

- Applying procurement transaction analytics to identify duplicate payments, split purchases, unusual prices, unsupported transactions, and purchasing policy violations
- Practical workshop: Performing purchase-to-pay audit tests using illustrative procurement transactions, supplier records, invoices, and payment data

DAY
4

Contract Compliance, Supplier Performance and Procurement Value

- Auditing procurement contracts for approved terms, pricing conditions, delivery obligations, performance requirements, warranties, and change control provisions
- Evaluating supplier performance management through delivery reliability, quality results, service levels, corrective actions, and contract compliance

- Reviewing contract variations, extensions, price adjustments, claims, and additional expenditure for appropriate justification and approval
- Assessing procurement efficiency through purchasing cycle times, sourcing effectiveness, expenditure analysis, and supplier concentration
- Applying value-for-money auditing principles to evaluate economy, efficiency, and effectiveness in procurement decisions
- Case study: Conducting a contract and supplier performance audit to identify commercial risks, operational weaknesses, and opportunities for procurement improvement

DAY

5

Procurement Audit Reporting, Fraud Indicators and Continuous Monitoring

- Evaluating procurement audit evidence and distinguishing isolated transaction errors, systemic control weaknesses, compliance failures, and potential fraud indicators
- Developing audit findings with clear criteria, conditions, causes, consequences, supporting evidence, and practical recommendations
- Communicating procurement audit results to management, procurement leadership, audit committees, and relevant governance stakeholders
- Establishing corrective action plans, management responsibilities, implementation deadlines, and audit follow-up procedures
- Designing continuous procurement monitoring indicators and dashboards covering purchasing compliance, supplier performance, transaction exceptions, and procurement risks
- Capstone exercise: Developing and presenting a Procurement Audit Report and Improvement Plan covering audit scope, risk assessment, testing results, control deficiencies, fraud indicators, recommendations, and follow-up priorities

— Upcoming Classroom Dates

Schedule available on request. Contact SPARK Training for current dates, locations, and fees.

— Certificate and Registration

Participants who attend and complete the full programme receive a SPARK Training Certificate of Completion. For registration, in-house delivery, or availability questions, contact info@sparktraining.eu or +31 85 115 0004.