

Activity-Based Format for Compliance Audit Program Structuring

Audit Title: Vendor Compliance Audit
Prepared By: Compliance Audit Team
Date: 2024-06-15

Audit Objective

To evaluate vendor adherence to company procurement policies and applicable regulatory requirements.

Audit Scope

Review procurement activities with all active vendors for the fiscal year 2023â€“2024.

Audit Activities and Procedures

Activity	Description	Procedures	Responsible
Planning	Define audit scope, objectives, and schedule.	<ul style="list-style-type: none">Review prior audit reports.Identify key compliance areas.Schedule entrance meeting with stakeholders.	Audit Lead
Document Collection	Obtain relevant documentation from vendors.	<ul style="list-style-type: none">Request and collect procurement records.Gather contracts and supporting documents.	Audit Team
Compliance Testing	Test adherence to procurement policies.	<ul style="list-style-type: none">Sample transactions for detailed review.Verify approvals and authorization signatures.Review for compliance exceptions.	Audit Staff
Reporting	Summarize findings and prepare audit report.	<ul style="list-style-type: none">Document non-compliance issues.Discuss findings with stakeholders.Draft and finalize compliance report.	Audit Lead
Follow-up	Monitor action plans for remediation.	<ul style="list-style-type: none">Obtain remediation status updates.Retest open issues as needed.	Audit Team

Documentation & Evidence

- Procurement records and transaction logs
- Vendor contracts and correspondence
- Compliance test checklists
- Audit working papers

Reporting & Communication

- Draft audit report shared with key stakeholders
- Management response incorporated
- Final report delivered to compliance management and audit committee

Important Notes

- This format organizes the audit around specific activities, promoting clarity and accountability.
- Clearly defines roles and responsibilities for each audit stage.
- Facilitates effective planning and communication across audit teams.
- Supports traceability of audit procedures and findings.
- Should be customized to fit the organization's unique requirements and risks.