Operational Auditing: Evaluating the Supply Chain

In today’s competitive environment, a sustainable supply chain is critical to the organization’s survival and ability to gain or maintain a competitive advantage. However, a volatile and uncertain global economy, growing demands for environmental protection, increasing resource scarcity, and an era in which consumers seek on-demand goods and services – are having profound effects on supply chain dynamics.

To address these challenges and achieve supply chain success, organizations need to:

- Implement end-to-end supply chain risk management to reduce vulnerability to supply chain disruptions.
- Improve internal supply chain capabilities to enable efficient cross-functional and process integration within the organization and more effective collaboration with external supply chain partners across the extended supply chain.
- Maximize upstream and downstream supply chain flexibility to rapidly adapt to changes in customer demand, meet customer’s needs for customized, innovative products and services, and achieve true competitive advantage.
- Improve accuracy in supply chain planning to respond effectively to demand and supply volatility.
- Fine-tune supply chain strategies and configurations to reduce operating costs and improve process optimization. In this regard, internal audit can play an essential role by assisting senior management in their efforts to improve supply chain performance and achieve supply chain excellence.
- To meet this challenge, internal auditors need to view the supply chain as an integrated process and evaluate supply chain performance from a strategic and holistic perspective as opposed to auditing supply chain functions and processes individually and from a tactical perspective.
Through group discussions and focused activities, **participants will:**

- Explore core concepts such as the nature, objectives, and benefits of supply chains; the successive stages of the supply chain; the network of extended supply chain processes; and the types of supply chain configurations.
- Discover the linkage between the organization’s business strategy and supply chain strategy, and the key enablers of supply chain excellence.
- Review the effects of emerging supply chain risks, trends, and best practices on supply chain operations and management.
- Construct a framework and criteria to analyze and evaluate the organization’s supply chain strategy, operations, and performance effectiveness.

This course is most appropriate for **chief audit executives, audit managers, and auditors-in-charge** with over two years’ practical auditing experience who are looking to actively assist the organization in its effort to enhance supply chain performance and better manage increasingly complex and pervasive supply chain risk.
Course Duration:
1 Day

CPE Hours Available:
8

Knowledge Level:
Intermediate

Field of Study:
Auditing

Prerequisites:

- Participants should have a broad understanding of internal auditing tools, techniques, and frameworks as well as internal control and risk management concepts.
- It is recommended that participants take Operational Auditing: Influencing Positive Change or have equivalent knowledge/experience

Advance Preparation:
None

Delivery Format:
Seminar, eLearning, On-site
Course Outline

**Supply Chain Dynamics**

- Explain the concept, broad objectives, and benefits of supply chains.
- Express the importance of an effective supply chain strategy.
- Clarify the essential elements that define an organization’s supply chain strategy.
- Illustrate the different types of supply chains.
- Outline the strategic goals, benefits, and potential challenges associated with different supply chain configurations.
- Develop a process model depicting the network of processes within the supply chain.
- Describe the importance of managing relationships with external supply chain partners.
- Discuss the importance of information technology software to enhance collaboration with supply chain external partners.
- Define the performance attributes for measuring the operational effectiveness of the supply chain.

**The Supply Chain Operating Environment**

- Theorize the potential effects or challenges posed by supply chain trends on supply chain operations and management.
- Predict the effect of potential risks and opportunities along the supply chain on supply chain operations and management.

**Evaluating the Extended Supply Chain**

- Define the key objectives and potential outcomes of a supply chain audit from a strategic and operational perspective.
- Develop criteria to evaluate the effectiveness of the organization’s supply chain strategy and configuration.
- Develop criteria to measure and evaluate the efficiency, responsiveness, and flexibility of the organization’s supply chain operations.
- Develop metrics to evaluate the operational performance of the extended supply chain.