

# Help achieve a clean audit with supplier vetting

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Is a clean audit possible for organisations at a time when corruption, fraud, dishonesty and non-compliance in procurement threaten to undermine the very foundations of an honest company? With so many risk areas to consider, it can be extremely challenging to keep procurement above board. However, the clean audit goal can still be met provided that internal controls are in place and strictly observed at all times, advised Rudi Kruger, General Manager at LexisNexis Data Services.



Rudi Kruger

According to Kruger, there are several measures organisations can adopt in procurement on a day-to-day basis, which contribute towards achieving a clean audit, with the first being risk assessment. “A risk assessment plan is useful because it contains guidelines on how to identify the warning signs of irregular transactions within the organisation and among suppliers. Common warning signs for bribery and corruption include deviations in communications between employees and suppliers, personal links between employees and vendors, the exchange of gifts, etc.,” he said.

A commitment to vetting in procurement is extremely beneficial when striving for a clean audit, says Kruger. Vetting of suppliers and employees is one of the most valuable steps because it helps to:

- Uncover potential connections and ownership of property,
- Identify possible fraudulent activity within vendors and employees,
- Highlight business interests of employees within your organisation, and
- Red flag conflicts of interest between your organisation and potential supply chain partners.

According to Kruger, it is advisable to follow a vetting check list to ensure the suppliers you work with do not pose any risk to the business. “Points to include in the vetting check list are the supplier’s BBBEE status, credibility, reputation, partnerships, past projects and services, ownership structure and history, compliance record and financial health. The financial status of major or strategic suppliers must be vetted regularly, as it provides insight into their spending patterns and financial background. Another useful measure is the preferred supplier list, because it enables an organisation to attain the best overall value from suppliers that have already established their reliability,” he said.

While achieving a clean audit requires a lot of effort and controls throughout the business, there are tools available that have been developed especially for this purpose.

For consolidation, auditing and supplier inspection, Lexis®ProcureCheck is the perfect online solution. This vetting tool from LexisNexis Data Services provides access to all the information you need to make informed decisions.

The first-of-its-kind, easy-to-use web-based system is designed to help you identify and prevent fraud schemes within procurement processes. Built on a new technology platform that ensures flexibility and stability, the solution provides automated irregularity alert reports as well as reports on vendors and staff. It also enables you to create your own vendor list.

Lexis®ProcureCheck is designed to help businesses combat corruption by identifying potential connections, conflicts of interest, and possible fraudulent activity within vendors and employees with the help of South African Fraud Prevention Services. It also helps highlight external business interests of employees within your organisation.

The solution is backed by a highly experienced team.

For more information, visit <https://www.lexisnexis.co.za/lexisprocurecheck>.

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