

# SUPPLY CHAIN AUDITING

PICA Corporation performs thousands of supply chain audits on third-party contract manufacturers each year. The audit examines if the contract manufacturer is acting in accordance with all contracts and agreements. During an audit PICA inspects the following areas:

## HEALTH AND SAFETY:

- Verifies working conditions are in guideline with the Health & Safety Code and SA8000 (Social Accountability) Standards

## INFORMATION SECURITY:

- Reviews personnel records and IP
- Verifies confidential company information is stored securely

## MATERIALS:

- Verifies inventory accuracy in accordance with contract
- Verifies that disposal of obsolete and/or damaged product is in accordance with the contract

- Management of excess inventory

## PERSONNEL:

- Interviews facility managers and personnel responsible for manufacturing facilities identifying variances between prescribed and actual practices

## PHYSICAL SECURITY:

- Identifies exposures in access control, CCTV, and intruder systems
- Identifies vulnerability of “backdoor theft”
- Quantifies and Prioritizes Loss Potential

## CASE STUDY

### PICA CONDUCTS SUPPLY CHAIN AUDITS EXPOSING ILLEGAL WORKERS

In three years, PICA has performed just shy of nine thousand audits for one client. The audits inspect nearly every aspect of the supply chain. Including but not limited to the following:

- Vetting of New Manufacturers
- Regular Biannual Audit
- Specific Threat Audit

## RISKS IDENTIFIED:

- Illegal worker
- Unsafe working conditions
- Poor physical security