WORKING MATERIAL 3.9 · CHAPTER 3 — THE INTERNAL AUDITOR'S LENS · SETTING: SALTA, ARGENTINA

# Auditing Suppliers and Purchasing

*Source: Francesco Dore, The Helm and the Lens, Volume 7b — GSTC Hotel Standard v4.0, subchapter 3.9 (book page 111)*

**GUIDING QUESTION**

*A percentage of local purchasing printed in a sustainability report looks like the most objective number a hotel can offer. Which invoices were counted, what made a supplier local, and was the share measured by value or by habit?*

## 1 · Verification Pact: market claims against the standard

*Copied from the book. The last column is for your property: what holds here, and how you know it.*

| What is claimed | Binding? | What actually holds | In our property |
|---|---|---|---|
| A supplier with a local address is a local supplier | No | The note to A13 excludes traders or resellers who primarily provide goods from outside the destination | |
| The local share can be calculated by number of suppliers | No | The guideline to A13.3 measures fresh goods by expenditure volume | |
| Every hotel must reach 25 per cent local fresh goods | Only partially true | The guideline sets 25 per cent as the target to establish; the indicator asks for targets where local goods are available, compliant and of sufficient quality | |
| Any hotel may define "local" as it wishes | No | Local refers to the destination and surrounding area, as defined by relevant authorities or common regional practice | |
| A dish made with regional recipes can be labelled sustainable | No | The note to A14 allows the label only against clearly defined criteria aligned with the sourcing policy | |
| Supplier compliance needs checking only when a contract is first signed | No | A13.13 asks for review at selection and at each contract renewal, where applicable | |

## 2 · Common mistakes — a self-check

*Tick each mistake you recognise in your own property, and note where it shows.*

☐ Classifying suppliers as local by their address or tax registration.

☐ Counting suppliers or invoices instead of measuring expenditure.

☐ Mixing fresh and dry goods in a percentage that claims to describe fresh goods.

☐ Building the KPI from a folder of invoices and missing cash purchases.

☐ Stretching the definition of local beyond the destination to protect a published figure.

☐ Labelling dishes as sustainable without written criteria aligned with the sourcing policy.

☐ Screening suppliers once, at selection, and never at renewal.

☐ Testing the arithmetic of a KPI without testing the decisions behind it.

## 3 · A Checklist for Auditing Purchasing Indicators

*The book's checklist, with a column for your own answer.*

| Question | Why it matters | Our answer |
|---|---|---|
| Is there a written definition of local, with its source in authority or regional practice? | The note to A13 ties local to the destination, not to an address | |
| Are resellers classified by the origin of what they supply? | Traders of outside goods are not local suppliers under the note to A13 | |
| Is the local share calculated on fresh goods by expenditure? | The guideline to A13.3 sets the measure | |
| Does the calculation capture every purchase, including cash purchases? | A KPI built from convenient invoices measures the filing, not the buying | |
| Have I traced a sample of invoices to the origin of the product? | Tracing is the only test of whether the definition was applied | |
| Do menu labels and published figures match what the traced invoices show? | A5.2 and the note to A14 require claims backed by verifiable data and defined criteria | |

## 4 · What would show this is working

*Questions drawn from the subchapter's reading of the standard and its practical application. Indicator references point to the GSTC Hotel Standard v4.0; where the evidence lives is this book's practice, not a requirement of the standard.*

| Question | Where the evidence lives | Seen? |
|---|---|---|
| Is there a written definition of local that ties it to the destination, not to the supplier's address (note to A13)? | Written definition with its source | ☐ |
| Is the local-share KPI calculated on the full population of fresh-goods purchases, by expenditure (A13.3 guideline)? | KPI calculation from the accounts; cash-market purchase sheet | ☐ |
| Are sustainability indicators part of supplier evaluation, and is compliance reviewed at selection and renewal (A13.10, A13.13)? | Supplier screening forms with dates | ☐ |
| Do supplier agreements include sustainability requirements where applicable (A13.12)? | Contracts and purchasing conditions | ☐ |
| Are dishes labelled sustainable only against defined criteria aligned with the sourcing policy (note to A14)? | Menu labels against the sourcing policy | ☐ |
| Do menus and invoices show no vulnerable, threatened or endangered species (A13.8)? | Menus and purchase invoices sampled | ☐ |

> *What this sheet is not: the GSTC Hotel Standard does not prescribe this form. It is a working aid drawn from the book; the standard's criteria, indicators and guidelines govern the real case. Independent material; not affiliated with or endorsed by the GSTC. The standard's own text at www.gstc.org prevails.*