



**Social Services Organization
Implements Controls to Help
Advance Their Mission**

Case Study



The Challenge

Goodwill is a global social services organization in the United States and Canada that generates opportunities for people who face challenges finding employment. The organization aims to achieve economic stability and build strong families and communities through job training, career services and other community-based programs. To fund its programs, Goodwill sells donated clothes and other household items in more than 2,500 retail stores and online at shopgoodwill.com. As a result of having multiple retail stores, applying accurate and reliable controls over transactions and inventory is an area of critical importance. Each Goodwill location consistently evaluates their controls to better manage their retail sales and inventory which ultimately helps to advance their mission.

The Strategy

Goodwill collaborated with Armanino as part of the annual audits to take a closer look at their retail store controls over the inventory and cash receipt cycles and to recommend enhancements to improve these controls.

Armanino completed a detailed risk assessment and focused on several of the higher risk areas. The approach was practical and was conducted in conjunction with the audit test work. By analyzing the organization's situation and focusing on the higher risk areas first, recommendations were tailored to provide the maximum return to the organization.

The Benefits

Based on Armanino's and the organization's input, Goodwill successfully implemented control enhancements in a number of key cash receipts and inventory process areas including:

- Cash counts at the stores
- Inventory skew/barcode tracking system
- Use of camera's at donation sites
- Analytical reviews of store margins
- Analysis of inventory shrinkage from donation to sales point
- Controls over the tracking of processing costs

Enhancing these controls has not only allowed each Goodwill location to better manage their retail stores, but it has also assisted Goodwill in better serving their constituents.

About Armanino

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