

# Health provider verification of supplier performance

## Supplier performance requirements

The National Blood Authority (NBA) manages national contracts for the supply of blood products to the Australian health system. These contracts include performance obligations on suppliers on matters such as product ordering, distribution and delivery. Non-compliance with these obligations and performance measures may result in financial consequences for suppliers.

Suppliers are required to retain documentary records to substantiate all orders and deliveries for the supply of products funded under the national blood arrangements.

## Goods Order Receipt Verification (GORV) audits

Since 2003 the NBA has undertaken periodic sample-based Goods Ordering and Receipt Verification (GORV) audits of the suppliers under national contracts administered by the agency. The audits are fundamental to the NBA's national contract management role, and provide verification of supplier invoicing.

All GORV audits are conducted retrospectively and examine documentation held by suppliers that verify the following against a small sample of invoices in a particular period:

- An order was placed correctly; and
- Ordered products were delivered in full and on time.

## Health provider verification of supplier performance

Until recently, GORV audits have not included any independent verification of the order or delivery documentation suppliers provide the NBA.

In July 2013 the NBA commenced a process of requesting verification from records kept by the relevant ordering health provider (whether a hospital, clinic, other health service or individual clinician) to confirm that an order was placed, and that product was received, as per the supplier's documentation.

In this process, during the GORV audit at the end of each quarter, the NBA asks relevant health providers to confirm orders and receipt of product from the health providers' administrative records (eg from ABDR, BloodNET, Supplier Reports, consignment notes, delivery dockets).

The NBA values the active involvement of health providers in this process as it will provide an opportunity for feedback on supplier performance and improve service delivery.

It is important to emphasise that this process is not an audit of health providers but focusses only on supplier performance against national contract requirements.