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|  | Champion Pharmaceuticals, Inc. |

# Practice Case Overview

## Practice Case Objective

This practice case is designed to introduce you to the TeamMate Audit Management System and how it can be used by internal audit functions of all sizes to help provide an effective and efficient means of delivering standards-based audit processes to their organizations.

## What is TeamMate?

TeamMate is the world’s leading internal audit software designed to make the entire internal audit process more efficient. TeamMate has revolutionized the audit industry, empowering internal audit functions of all sizes to spend less time documenting and reviewing their work and more time providing value-added services.

## Why is exposure to TeamMate Important?

More than 100,000 internal auditors from more than 2,500 organizations in over 120 countries use the TeamMate Audit Management System to manage their internal audit processes. In your career as an internal auditor, chances are high that you will be asked to perform your work using TeamMate.

From start to finish, Teammate’s audit management software streamlines the audit process. It promotes seamless data flow for all aspects of audit work throughout the suite.

# The Company

## Company Background

Champion Pharmaceutical, Inc. (CPI) provides physicians a steady supply of FDA-approved drugs while employing security and best practices for safely distributing prescription drugs to pharmacies, practitioners, and health care facilities across the country.

CPI was founded in 1912 and is headquartered in Chicago, Illinois. The company has manufacturing and distribution facilities in Salt Lake City, UT and Columbus, OH. It also has a regional distribution center in Oklahoma City, OK. CPI employs 5,000 people throughout the country.

## Company Structure

An Executive Committee of seven individuals heads the company: three Officers and four Divisional Vice Presidents.

CPI’s Officers are:

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| **Position** | **Name** |
| Chief Executive Officer | Ian Rhind |
| Chief Finance Officer | Michael Charney |
| Chief Operating Officer | Mike Gowell |

The company is divided into three operating divisions and one support division. These divisions are:

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| **Division** | **Vice President in Charge** | **Reports to** |
| Business Development | John Leary | Mike Gowell |
| Product Development | Randy Cowell | Mike Gowell |
| Supply Chain | David Carr | Mike Gowell |
| Corporate and Support Services | Yvette Moon | Michael Charney |

**Business Development (BDEV)** serves as the marketing and sales arm of the organization. There are four groups within this division.

* ***Public Relations***is responsible for ensuring that CPI’s branding and messaging are consistent. Kathy Pratt, the Director of Public Relations, reports to John Leary.
* ***Marketing*** handles all advertising for the organization in print, television, and other media. Sarah Myers, the Director of Marketing, reports to John Leary.
* ***Sales*** comprises a large team of sales representatives whose primary job is to capture and expand market share. Randy Nelson, the Director of Sales, reports to John Leary.
* ***Commercialization*** establishes the pricing structures of the products to ensure that profit margins are maintained. Doug Vlasak, the Director of Commercialization, reports to John Leary.

**Product Development (PDEV)** is the backbone of the company’s operations. All products originate from this division. There are three groups within PDEV.

* ***Quality Assurance*** is responsible for ensuring all products meet defined quality and safety standards before being released for distribution. Elizabeth Quay, the Director of Quality Assurance, reports to Randy Cowell.
* ***Research and Development*** is responsible for growing the company’s product portfolio by seeking new product opportunities and enhancements. Toby DeRoche, the Research and Development Director, reports to Randy Cowell.
* ***Manufacturing*** is responsible for the day to day production of the company’s core products. Laura Dease, the Director of Manufacturing, reports to Randy Cowell.

**Supply Chain (SC**) is an integral part of the company’s operations. The division is responsible for getting the product to the consumer. There are three groups within SC.

* ***Procurement*** is responsible for ensuring that the company has adequate resources for cost effective operations. Albert Lezcano, the Procurement Director, reports to David Carr.
* ***Warehousing***is responsible the day to day management of the company’s inventory and product handling. Bobby Benninger, the Warehousing Manager, reports to David Carr.
* ***Logistics***handles all product packaging and shipping of the company’s products to other locations, distribution centers, and ultimately to the customer. Brad Lowery, the Logistics Manager, reports to David Carr.

**Corporate and Support Services (CSS)** comprises all of the functions not directly related to the company’s core business that are critical to its success. There are four groups within CSS.

* ***Finance***is responsible for the accounting and finance elements of the organization. Pam McCoy is Director of Finance. Due to the nature of her role, she reports directly to both the Chief Finance Officer, Michael Charney, and Yvette Moon.
* ***Human Resources***is responsible for managing all personnel related matters throughout the employment lifecycle. Marilynn Kessler, the Director of Human Resources, reports to Yvette Moon.
* ***Regulatory and Law***is responsible for ensuring that the company is compliant with all relevant laws and regulations governing the industry as well as for handling any other legal matters. Jennifer Esterheld, the Lead Counsel, reports to Yvette Moon.
* ***Information Technology*** is responsible for all aspects of the company’s information technology management. Stuart Mullen, the Director of Information Technology, reports to Yvette Moon.

## The Internal Audit Function

CPI’s Internal Audit Function is housed within the Finance group of the CSS Division. Chief Audit Executive, Chris Ryley, has a functional reporting line to Michael Charney, the Chief Finance Officer, but also reports directly to the Board of Directors and Audit Committee. All internal auditors are based in the Chicago home office.