FOOD LION LLC – DELHAIZE GROUP
ACL SOLUTIONS FOR STRATEGIC AUDIT

Food Lion is one of the leading supermarket chains in the U.S., with 1,200 stores and more than 73,000 employees. To minimize business risks and maximize revenues, the internal audit department created a store audit risk assessment tool using ACL software. In mere seconds, the application classifies stores based on weighted risk factors—allowing more efficient audit scheduling and giving management valuable insight into company-wide risk exposures.

Customer Profile
Founded in Salisbury, North Carolina in 1957, Food Lion LLC is a member of Delhaize America, the U.S. division of the Brussels-based Delhaize Group. Food Lion is one of the largest supermarket chains in the U.S., with 1,200 stores in 11 Southeastern and Mid-Atlantic states and 73,000 staff associates. Company stores sell more than 28,000 different products, including a growing number of private label products manufactured and packaged exclusively for Food Lion.

Applications
Food Lion uses ACL data analysis software to monitor and analyze risk factors throughout its chain of retail stores.

Challenges
With retail stores located in 11 states, the Food Lion internal audit department needed an efficient and effective way to conduct individual store audits. In the past, the team performed several compliance-based store audits, visiting each retail location at least once a year. These store audits were scheduled based on varying criteria, including random sampling, management requests, or other indicator data.

In 2003, the Food Lion internal audit department developed a Total Store Audit (TSA) program to establish consistent audit standards and approaches. The company needed a reliable risk assessment solution that would select stores based on weighted risk factors and specific criteria in order to effectively audit all 1,200 locations. The objective was to provide standard data reviews for the audit committee, produce comparable results across global locations, and report performance at the group level. This new TSA program takes three days per store location, focuses on core audit areas, and eliminates less significant procedures.
Solutions

The Food Lion internal audit team used ACL data analysis technology to implement and run a Store Audit Risk Assessment application that quickly identifies the most susceptible stores based on weighted risk factors. The audit team worked with management to select these factors, which include:

- Food safety
- Last audit date
- Falling store sales
- Decreasing customer base
- Human resources
- Regulatory/compliance
- Operational inefficiencies/fraud indicators
- Prior audit results
- Customer satisfaction

The ACL application exports store numbers from source data, based on the subjectively ranked risk exposures. Now, the internal audit team can quickly pinpoint stores with the highest degree of risk. The result is more timely, effective, and efficient audit planning.

Results

Food Lion makes innovative use of ACL data analysis software to:

- Analyze in-store risk factors based on customized weighted criteria.
- Compile comparative data to help schedule individual store audits in a timely manner that reflects potential business risk.
- Provide business management departments with detailed reports that outline existing risk exposures in each retail location.
- Maximize business efficiencies and provide enhanced customer service.

"WITH ACL TECHNOLOGY, WE CAN NOW CHOOSE STORES BASED ON WEIGHTED RISK FACTORS, WHICH RESULTS IN MORE EFFECTIVE SCHEDULING AND TIMELY AUDIT PLANNING. THE APPLICATION RUNS WITHIN SECONDS AND PROVIDES STORES WITH A LEVEL OF DETAIL THAT HAD NEVER BEEN SEEN BEFORE IN ONE REPORT. IT’S AS SIMPLE AS ONE MOUSE CLICK."

-DANIELLE KRAGNES, INTERNAL AUDIT SUPERVISOR

Learn more about what your organization can accomplish with ACL

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