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PROCUREMENT REGULATION

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GENERAL GUIDELINES



FRAMEWORK FOR INTERNAL CONTROL FOR PROCUREMENT

Prepared by: The Office of Procurement Regulation

2019

1

Contents

1.0	PREAMBLE	1
1.1	The Purpose of this guideline	1
1.2	Who should use this guideline?.....	1
1.3	How should this guideline be used?.....	1
1.4	The Trinidad and Tobago Procurement Procedure.....	2
1.5	How does this guideline link to the Trinidad and Tobago Procurement Procedure?	2
2.0	Core Principles For Procurement And The Disposal Of Public Property	3
3.0	Public Procurement Governance	7
4.0	Achieving The Objectives Of The Act	10
4.1	Roles and responsibilities of the procurement and disposal function	10
4.2	Sample Organisational Structure.....	10
4.3	Responsibilities of Key Stakeholders for Procurement and Disposal.....	12
4.3.1	Accounting Officers and Chief Executive Officers.....	12
4.3.2	‘Named’ Procurement Officers	12
4.3.3	Senior Procurement Officers.....	12
4.3.4	Contract Officers.....	13
4.3.5	Junior Procurement Officers	13
4.3.6	Buyers/Shoppers.....	13
4.3.7	Members and Alternate Members of the Procurement and Disposal Advisory Committee	13
5.0	The Internal Control Framework	15
5.1	Internal control and accountability	15
5.2	Control elements	16
5.3	Principles underpinning the internal control framework	17
a)	The Control Environment	17
b)	Risk Assessment	18
c)	Control Activities.....	18
d)	Information and communication.....	19
e)	Monitoring	20

6.0 Operational Framework Of Internal Control For Public Procurement 20

Glossary of Terms..... 22

List of Acronyms..... 30

Appendix I: Templates for Delegations of Authority..... 33

 Appendix 1. 1 For Accounting Officers, Chief Executive Officers or equivalent 34

 Appendix 1. 2 For ‘Named’ Procurement Officers 35

 Appendix 1. 3 For Senior Procurement Officers..... 36

 Appendix 1. 4 For Contract Officers 37

 Appendix 1. 5 For Procurement Officers..... 38

 Appendix 1. 6 For Buyers/Shoppers 39

 Appendix 1. 7 For Members and Alternate Members of the Procurement and Disposal
 Advisory Committee 40

Appendix II: Operational Framework of Internal Control for Procurement..... 42

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1.0 PREAMBLE

1.1 The Purpose of this guideline

The Public Procurement and Disposal of Public Property Act 2015, as amended, (“the Act”) introduces a new paradigm for procurement, retention and disposal of public property in Trinidad and Tobago. This new legislative framework creates a shift from achieving procurement objects based on a prescriptive model to the achievement of those objectives based on a principled model.

The purpose of this general guideline is to provide public bodies with a sound understanding of the requirement to develop and institutionalise an appropriate operating environment that would support the achievement of the objects of the Act.

1.2 Who should use this guideline?

This guideline should be used by leaders and decision makers and by key public officers within the organisations and systems described in the Act as public bodies, and those involved in the expenditure of public money, as defined in the Act.

1.3 How should this guideline be used?

This guideline should be read in conjunction with the Act, the Procurement Regulations 2019 and the Handbook of Procurement, Retention and Disposal of Public Property and other related general and specific guidelines.

As may be applicable, a procuring entity may use these guidelines as a model for developing its own special guidelines. In such instances the public body must:

- 1) Map all changes (inclusions, edits, deletions) against this model guide
- 2) Subsequently submit a copy of its own special guidelines to The Office of Procurement Regulation (“the OPR”) for review and approval.

Listing of public bodies

- a) The Office of the President
- b) The Parliament
- c) The Judiciary
- d) A Ministry or a department or division of a Ministry
- e) The THA, or a division of the THA
- f) A Municipal Corporation
- g) An RHA
- h) A statutory body
- i) A State-controlled enterprise
- j) A Service Commission
- k) A body corporate or incorporate, established by the President, a Minister or another public authority, performing a function on behalf of the State
- l) A body corporate or incorporate that uses public money

Public bodies are to note that approval of their special guidelines will be granted in accordance with the procedures outlined in the publication entitled “A public body’s guide to approval of its special guidelines for the procurement, retention and disposal of public property”

1.4 The Trinidad and Tobago Procurement Procedure

The Trinidad and Tobago Procurement Procedure is derived from the objects of the Act.

Section 5 (1)- The objects of the Act are to promote –

- (a) The principles of accountability, integrity, transparency and Value for money;*
- (b) Efficiency, fairness, equity and public confidence; and*
- (c) Local industry development, sustainable procurement and sustainable development,*

in public procurement and the disposal of public property.

1.5 How does this guideline link to the Trinidad and Tobago Procurement Procedure?

The procurement procedure described in clause 1.4 above is based on achieving good governance objectives by utilising a modern-day principled approach rather than the traditional prescriptive model. Critical to the achievement of the specified objectives is the development and institutionalisation of an appropriate internal control framework, with adequate controls built in for monitoring and control.

2.0 Core Principles For Procurement And The Disposal Of Public Property

Table 1 below lists the core principles for public procurement, retention and disposal of public property defines and provides guidance for the achievement of each principle. In executing their functions, public bodies must ensure that they apply these principles to all stages of the procurement cycle and in the disposal of public property.

The stages of the procurement cycle include the planning stage, soliciting of tenders, awarding of contracts, and contract management to the formal acknowledgment of completion of the contract.

Table 1

Principles	Definition	Achievement
Accountability	Allows interested party to ensure that the objectives are being achieved.	<ul style="list-style-type: none"> - Clear chain of responsibility between management, budget, technical, legal and procurement officials - Separation of duties and authorisation to ensure a transparent and smooth decision-making process. - Dedicated 'named' procurement officer responsible for co-ordination of the entire procurement process, acting as the contact point for all tenderers competing for the contract - Sound contract profile and procurement plan before the tendering process begins, to avoid economically unjustified and unnecessary purchases (special approval process for large contracts) - Technical specifications based on relevant quality characteristics and/or performance requirements - Justification for rejection of all tenders. - Independent review body with power to impose sanctions on parties who do not comply with public procurement values.
Integrity	Avoiding corruption and conflicts of interest	<ul style="list-style-type: none"> - Behaviour of management and procurement officials consistent with the public purpose of the organisation

Core Principles for the procurement, retention and disposal of public property

Principles	Definition	Achievement
		<ul style="list-style-type: none"> - Measures to limit the scope of undue influence and avoid conflict of interest (Code of ethics, integrity pacts, whistle blower protection, confidentiality and impartiality agreements) - Communication between the contracting entity and tenders that can be recorded. - Limited negotiation or amendments to final tenders and proposals after submission.
Transparency	Appropriate information is placed in the public domain	<ul style="list-style-type: none"> - Publication of contracts or framework agreements awarded. - E-procurement systems to prevent collusion with tenderers - Publicising of procurement opportunities - Advance procurement and contract award notices - Minutes/ recording of meetings - As far as practical, free tender documents (published on website) - Notice of all contracts awarded
Objects of the Act	Efficiency, and economy, cost and quality	<ul style="list-style-type: none"> - Internal estimates - Quality and cost - Whole of life costing/ Total cost of ownership
Efficiency	Achieving procurement objectives within reasonable time and cost.	<ul style="list-style-type: none"> - Sound programming and planning - Consider both cost and quality in evaluation - Proper contract management - Provide for reasonable contract amendments
Fairness	Even playing field, where all bidders are treated equally	<ul style="list-style-type: none"> - Minimum tender deadlines - Standstill period - Competitive negotiations, where appropriate, to ensure fit-for-purpose outcome. - Justify exceptions to open tender arrangements - Reasonable tender specifications, requirements and suitable award criteria

Principles	Definition	Achievement
		<ul style="list-style-type: none"> - Avoid confusions or complexities in the tender documents.
Equity	All bidders have a fair chance of winning the contract	<ul style="list-style-type: none"> - Fair competition (no discrimination) to tenderers of equal status - Clear eligibility criteria, qualification and technical requirements to be met by tenderers
Public confidence	Trust	<ul style="list-style-type: none"> - Transparent processes - Accountability
Local industry development	Includes those activities that serve to enhance local capacity and competitiveness by the involvement and participation of local persons, firms and capital market and knowledge transfer during the conduct of the programme of goods, works or services that are being procured	<ul style="list-style-type: none"> - National tendering - Domestic preference - Reservation - Lots as an enabler for participation - Sub-contracting
Sustainable procurement	A process whereby public bodies meet their needs for goods, works or services in a way that achieves the objects of the Act on a long-term basis in terms of generating benefits not only to the public body, but also to the economy and wider society, whilst minimising damage to the environment.	<ul style="list-style-type: none"> - Plan tender processes with sustainable development in mind - Development specifications for sustainable products
Sustainable development	Developmental projects that meet the needs of the present without compromising the ability	<ul style="list-style-type: none"> - Plan projects with sustainable development goals in mind

Principles	Definition	Achievement
	of future generations to meet their own needs.	

Table 1A: Core principles for the procurement, retention and disposal of public property
(Adapted from: EBRD Core Principles on an Efficient Public Procurement Framework, 2006)

The principles described in the table below, while not codified in the objects of the Act, can also contribute to best practices in public procurement:

Principles	Definition	Achievement
Economy	Professionally and in a reasonable time. (an optimal relationship between the price paid and other factors including quality) <i>[UNCITRAL]</i>	<ul style="list-style-type: none"> - Minimise time and costs of tendering (bid documents, certified statements and (where applicable) translations, large tender documents, disproportionate tender security) - Allow requests for clarification - Avoid small lots
Proportionality	Corresponding in size, degree, or intensity.	<ul style="list-style-type: none"> - Type of contract and formal tendering procedure in alignment with the scope and size of procurement. (Effective procurement strategies based on monetary and other considerations)

Table 1B: Core principles for the procurement, retention and disposal of public property
(Adapted from: EBRD Core Principles on an Efficient Public Procurement Framework, 2006)

3.0 Public Procurement Governance

Public procurement in Trinidad and Tobago is governed by

- the Public Procurement and Disposal of Public Property Act 2015, as amended
- the Procurement Regulations 2019,
- the Exchequer and Audit Act (Chap 69.01) and
- the Financial Regulations to the Exchequer and Audit Act.

The Act governs the proper management of public procurement whereas the Exchequer and Audit Act (Chap 69.01) governs the use of public funds entrusted to the care of the Accounting Officer by the Parliament to procure goods, services and works.

‘Public funds’ as defined in the Exchequer and Audit Act (Chap 69:01) includes “public money” as defined in the Act at Section 4.

The term “public bodies’ is also defined in Section 4 of the Act.

Listing of public bodies

- a) *The Office of the President*
- b) *The Parliament*
- c) *The Judiciary*
- d) *A Ministry or a department or division of a Ministry*
- e) *The THA, or a division of the THA*
- f) *A Municipal Corporation*
- g) *An RHA*
- h) *A statutory body*
- i) *A State-controlled enterprise*
- j) *A Service Commission*
- k) *A body corporate or incorporate, established by the President, a Minister or another public authority, performing a function on behalf of the State*
- l) *A body corporate or incorporate that uses public money*

Definition of public money

Money that is—

- (a) received or receivable by a public body;*
- (b) raised by an instrument from which it can be reasonably inferred that the State accepts ultimate liability in the case of default;*
- (c) spent or committed for future expenditure, by a public body;*
- (d) distributed by a public body to a person;*
- (e) raised in accordance with a written law, for a public purpose; or*
- (f) appropriated by Parliament.*

Section 5(2) of the Act states that:

A public body shall carry out public procurement and the disposal of public property in a manner that is consistent with the objects of this Act.

The objects of the Act are set out in Section 5, as follows:

- 5. (1) The objects of this Act are to promote—**
- (a) the principles of accountability, integrity, transparency and value for money;*
 - (b) efficiency, fairness, equity and public confidence; and*
 - (c) local industry development, sustainable procurement and sustainable development, in public procurement and the disposal of public property.*

The Exchequer and Audit Act (Chap 69:01) provides for certain internal controls for public procurement through the Financial Regulations by enabling the authority to contract.

Financial Regulation 127 states that: *The authority to award contracts shall be as provided for in regulations made in pursuance of the Central Tenders Board Act.*

This Regulation thus forms the nexus between the Exchequer and Audit Act (Chap 69:01) and the Central Tenders Board Act (Chap 71: 91).

The Act and associated repeal of the Central Tenders Board Act (Chap 71: 91) provides for the regulation of procurement proceedings but not for the internal control of public procurement management.

The Financial Regulations 126, 128, 129 and 130 require records of services rendered and contracts awarded to be maintained. However, taken together these Financial Regulations are insufficient for the internal control of public procurement. This is because, while the Accounting Officer retains the fiduciary responsibilities for the public body, the Act places the responsibility for procurement and disposal of public property of each public body firmly under the purview of the 'named' procurement officer.

Role of the 'named' procurement officer

Section 61 (2) For the purpose of this Act, a public body shall have a procurement officer who shall be responsible for public procurement and the disposal of public property for that body and shall notify the Office, in writing, of the name and designation of its procurement officer.

For this reason, a modern Operational Framework of Internal Control for Procurement, hereafter referred to as ‘the Internal Control Framework’ is required to help public procuring entities achieve their goals and to provide a framework of accountability for their procurement related activities.

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4.0 Achieving The Objectives Of The Act

The development and institutionalisation of an appropriate internal control framework, with adequate controls built in for monitoring and control is critical to public bodies' achievement of the objects of the Act.

Internal Control – Definition

A process, effected by the public entity's board of directors, management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives relating to operations, reporting and compliance."

4.1 Roles and responsibilities of the procurement and disposal function

It is therefore imperative that public bodies understand the key roles and responsibilities of those involved in the procurement function, and by extension the achievement of the objects of the Act.

Accounting Officers as defined in Section 2 of the Exchequer and Audit Act (Chapter 69:01) and the Chief Executive Officers of State Enterprises exercise and may delegate procurement and disposal authority within their respective procuring entities.

- Accounting Officers are accountable to the Public Accounts Committee for the formal regularity and propriety of accounts of all the expenditure out of the votes for which he or she is responsible.
- Chief Executive Officers of State Enterprises are accountable to their respective Boards of Directors for the exercise of the procurement and disposal authority that is delegated to them.

Accounting Officers and Chief Executive Officers may delegate responsibilities for tasks associated with the management of procurement and the disposal of public property to the 'named' procurement officer, within their respective entities.

Section 61(2) of the Act mandates each public body to have a 'named' procurement officer who shall be responsible for public procurement and the disposal of public property for that body. Further, the public body must submit the name and designation of its procurement officer to the OPR.

4.2 Sample Organisational Structure

Each public body or organisation utilising public money must ensure that it is appropriately resourced to perform the procurement function in a manner designed to achieve the objects of the Act. The management is responsible for designing an organisation structure for the procurement department that is suitable for its size, mandate and level of

expenditure or quantum of items for disposal. In some instances, it may be necessary for a procurement department to be fully staffed with the appropriate hierarchical structure. On the other extreme, it may be more prudent and economical for the 'named' procurement officer to be the one who performs other roles within the organisation, in conjunction with the role of the procurement officer for the public body.

It should be noted that the role of the Board of Directors in relevant organisations remains that of governance, oversight and accountability to the respective line Ministry.

A sample structure for a procurement department within a large public body is shown in the diagram below.

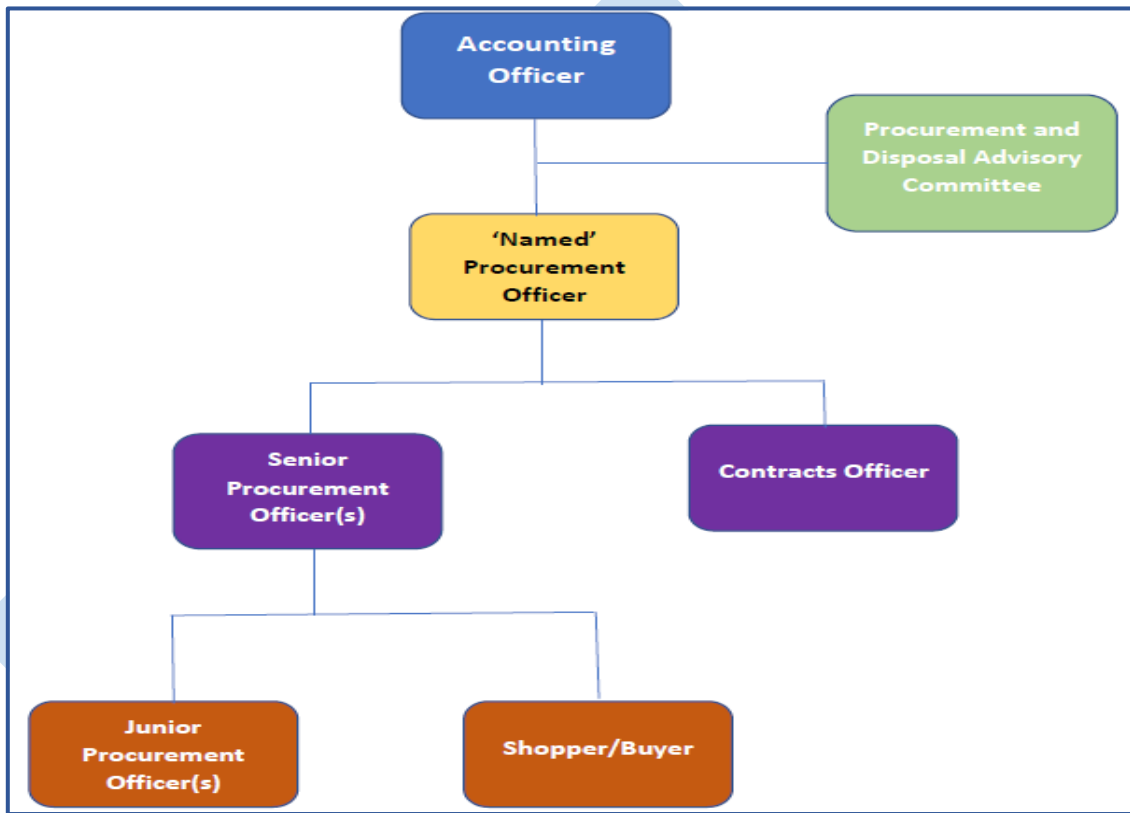


Figure 1: Sample organisational structure for a fully constituted procurement unit

This sample structure can be customised by individual public bodies, as required to meet their particular needs.

Procurement organisational structure – roles and responsibilities

4.3 Responsibilities of Key Stakeholders for Procurement and Disposal

4.3.1 Accounting Officers and Chief Executive Officers

Accounting Officers and/ or Chief Executive Officers are responsible and accountable for the procurement performance of their respective procuring entities and specifically for:

- (1) ensuring that those involved in procurement are aware of and receive training at least annually in the Code of Conduct for procurement;
- (2) enhancing the capability of those involved in procurement through ongoing professional development and associated certification;
- (3) developing and maintaining an appropriate document management system;
- (4) approving the Annual Procurement Plan including associated resource allocation;
- (5) approving the annual procurement performance report;
- (6) approving the Handbook and Special Guidelines(s) prior to their consideration by the Office of Procurement Regulation;
- (7) reporting to the Office of Procurement Regulation; and
- (8) approving or withholding approval of recommended disposals and contract awards in the case of significant (i.e. high risk and high value) procurement actions upon the advice of the Procurement and Disposal Advisory Committee.

4.3.2 'Named' Procurement Officers

'Named' Procurement Officers are responsible for:

- (1) identifying the supply risks associated with each category of goods and services being procured;
- (2) managing total procurement effort in accordance with the approved Annual Procurement Plan;
- (3) drafting the Annual Procurement Plan;
- (4) monitoring and measuring procurement performance and drafting the annual procurement performance report;
- (5) recommending updates and improvement of the Handbook and Guidelines;
- (6) compiling reports as required to the Office of Procurement Regulation; and,
- (7) approving or withholding approval of the recommended contract awards following procurement undertaken by a Junior Procurement Officer subject to the advice of a Senior Procurement Officer.

4.3.3 Senior Procurement Officers

Senior Procurement Officers are responsible for:

- (1) managing high risk/ high value categories of goods and services;
- (2) disposal of personal property and significant procurement actions involving the acquisition of goods and/ or services in high value and/ or high supply risk

categories;

- (3) reviewing and advising the ‘named’ Procurement Officer on the outcomes of low risk/ low value procurement actions.

4.3.4 Contract Officers

Contract Officers are responsible for:

- (1) managing the contract within the terms identified in the contract management plan as set out in the approved procurement or disposal strategy;
- (2) reporting progress on contract delivery, on an agreed schedule, in writing, to the Officer in charge of the user or programme executing unit and to the ‘named’ Procurement Officer;
- (3) completing a close-out report that is placed on the original significant procurement or disposal file that also includes an assessment of supplier/contractor performance under the key performance indicators identified in the contract plan and as formally agreed with the supplier/contractor, as well as organisational lessons learned from the delivery of the contract; and,
- (4) recording details of supplier/contractor performance into relevant information systems.

4.3.5 Junior Procurement Officers

Junior Procurement Officers are responsible for low value/low risk procurement strategies and actions.

4.3.6 Buyers/Shoppers

Buyers/shoppers are responsible for the following:

- (1) ordering under arrangements over which procurement authority and due process have already been exercised at the request of the budget holder; and/or
- (2) buying low value goods or services using a corporate purchasing or credit card in accordance with procedures established in general guidelines issued by the Office.

4.3.7 Members and Alternate Members of the Procurement and Disposal Advisory Committee

Members and alternate members of the Procurement and Disposal Advisory Committee are responsible for the following:

- (1) reviewing disposal and significant (high-risk and high-value) procurement actions prior to contract award or approval of disposal; and,

Each public body may customise, in its special handbooks and guidelines, the roles and responsibilities of the key personnel for the procurement and disposal functions, as may be applicable to its unique size and its responsibilities under the Act.

- (2) providing an opinion in writing to the Accounting Officer, Chief Executive Officer or equivalent on whether the approved procurement or disposal strategy was in fact followed, the objects of the Act were achieved, and the proper processes outlined in the Act, Regulations, Handbook and Guidelines were followed.

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5.0 The Internal Control Framework

5.1 Internal control and accountability

The purpose of the Internal Control Framework for procurement is to help public procuring entities achieve their goals and to provide a framework of accountability for their activities. An effective system of internal controls will help provide reasonable assurance regarding the achievement of objectives in the following categories:

- *a. Operational Objectives*

These relate to the ethics, economy, effectiveness and efficiency of procurement operations, including the achievement of business or programmatic objectives and effective financial management. It also relates to the safeguarding of assets from inappropriate use, loss or damage due to waste, abuse, mismanagement, errors, fraud and irregularities.

- *b. Reporting Objectives*

These relate to internal and external programmatic and financial reporting of expenditures. The reporting encompasses reliability, timeliness, transparency, legislative requirements and applicable standards through the proper maintenance of records and information flows.

- *c. Compliance Objectives*

These relate to adherence to the applicable laws, internal regulations, policies and procedures relating to procurement.

The Internal Control Framework for procurement is a key tool in strengthening accountability. As accountability is a cornerstone of internal control, the following standards¹ are applied, namely that:

- 1) there is clarity as to who is accountable, to whom and for what;
- 2) the expectations from accountable persons are identified as objectives to be achieved;
- 3) the accountable person has the requisite authority and resources at their disposal to achieve the objectives identified for them;
- 4) the achievement of objectives by the accountable person must be reported to the person to whom they are accountable;
- 5) the person to whom an accountable person reports has the right to verify the information that is provided by the accountable person;

¹ Adapted from the principles of accountability identified by the Australian Council of Auditors-General
<http://www.acag.org.au/epsa.htm>, downloaded 01/11/2014

- 6) it is a condition of accountability that the performance of an accountable person may be sanctioned – through reward or penalty; and
- 7) the accountable person may delegate the responsibilities for tasks but not the accountability, which remains with the accountable person.

Accountable persons to whom authority is delegated should therefore receive a written instrument of delegation, the terms and conditions of which should be acknowledged and accepted in writing.

Templates of Delegation of Authority for key roles in procurement and disposal are provided as Appendix I.

Public officers are responsible for managing the resources entrusted to them for carrying out programmes funded by public money. A major factor in fulfilling this responsibility is for public bodies to ensure that adequate controls exist and expected results are achieved. The Internal Control Framework for procurement specifically addresses this issue of accountability associated with each internal control throughout the procurement process.

This Internal Control Framework for procurement is complemented by an Operational Framework of Internal Control for Procurement which is provided to demonstrate the practical operation of the Internal Control Framework.

5.2 Control elements

The system of internal control is made up of five (5) interrelated components, all of which contribute towards accountability. These are:

- a) The Control Environment
- b) Risk Assessment
- c) Control Activities
- d) Information and Communication
- e) Monitoring

These five components are reflected in the risk assessments, the various organisational arrangements and processes that together frame the control of procurement management.

5.3 Principles underpinning the internal control framework

The Committee of Sponsoring Organizations of the Treadway Commission (COSO) proposes the following seventeen (17) principles which form the basis of the components of internal control².

a) The Control Environment

The control environment is the set of standards, processes and structures that provide the basis for implementing internal control throughout the public procuring entity. The board of directors, in keeping with the Code of Conduct for Public Bodies, sets the tone at the top of the entity by emphasising the importance of the system of internal controls. This tone is cascaded throughout the entity by management. The control environment comprises the following elements:

- (1) The integrity and ethical values of the public bodies, specifically expected of staff involved in procurement;
- (2) The parameters enabling management to carry out its governance and oversight functions;
- (3) The organisational structure and the delegation of authority for the conduct and management of procurement;
- (4) The structures for monitoring and oversight;
- (5) Human resources, specifically the recruitment, development and retention of competent individuals together with the effective performance measurements, incentives and drivers of behaviour to integrate accountability with performance.

The control environment is pervasive and will influence the control consciousness of its staff; it is the foundation for all the other components of internal control.

The principles applicable in the Control Environment are as follows:

- i) There is a demonstrated commitment to integrity and ethical values especially in relation to procurement;
- ii) The board of directors or equivalent within public bodies is independent from the management of procurement and exercises oversight of the development and performance of internal control;
- iii) Structures, reporting lines and appropriate authorities and responsibilities relating to procurement to meet its strategic objectives are established;

² Adapted from “Internal Control – Integrated framework”, Committee of Sponsoring Organizations of the Treadway Commission, May 2013.

- iv) There is a commitment to attract, develop and retain competent individuals with expertise in procurement; and,
- v) Individuals are held accountable for their internal control responsibilities related to procurement.

b) Risk Assessment

Risk is defined as the possibility that an event would occur and adversely affect the achievement of objectives. Risk assessment involves a dynamic and iterative process of identifying, analysing and assessing risks to the achievement of objectives. Risks, including strategic, reputational, operational and financial, are considered against the entity's risk tolerances and appetites. This would form the basis for determining how risks should be managed, which could include avoidance, transference, acceptance or mitigation.

A precondition to risk assessment is the establishment of objectives - operations, reporting and compliance - with enough clarity to enable the identification and analyses of related risks to achieving those objectives. Changes to the external as well as internal environment should be considered as these could affect the effectiveness of the internal controls.

The principles applicable in Risk Assessment are as follows:

- vi) Procurement objectives are articulated with enough clarity to enable the identification and assessment of procurement risks;
- vii) Risks to the achievement of its procurement objectives are identified and analysed based upon the types of activities performed, organisational structure, and staffing levels. These analyses form the basis for determining how risks should be managed through controls;
- viii) Potential for fraud in procurement is considered in assessing risks to the achievement of its activities; and,
- ix) Changes that could significantly impact the achievement of its procurement objectives are identified, analysed and assessed to ensure that the system of internal control adequately addresses them.

c) Control Activities

Control activities are the actions established through policies, procedures, guidelines and directives that help ensure management's directives to mitigate risks to achieve the procurement objectives. These activities are carried out at all levels of the procuring entity, at the various stages of the procurement process and through the manual and technology systems used by the entity.

They may be preventive or detective in nature and may encompass a range of manual and automated activities such as authorisations, approvals, verifications, reconciliations and

business performance reviews. Segregation of duties is typically built into the selection and development of control activities. Where the implementation of main controls is not practical, compensating controls are used to mitigate risks.

It is especially important that managers and staff with delegated authority to implement these control activities are qualified, competent and familiar with all the relevant policies and procedures in order to be effective control points. Accountability plays an integral role in properly discharging roles in the implementation of control activities.

The principles of Control Activities are:

- x. Activities that mitigate identified risks to the achievement of procurement objectives to acceptable levels are selected and developed;
- xi. General control activities over technology to support the achievement of objectives are selected and developed; and,
- xii. Operationalised through policies that establish what is expected and procedures that put the policies into action.

d) Information and communication

Information is required for the procuring entity to carry out internal control activities to support the achievement of its procurement objectives. Management obtains, generates and uses relevant information from both internal and external sources to support the functioning of other components of internal control.

Communication is the continuous iterative process of providing, sharing and obtaining necessary information. Internal communication is the means by which information is disseminated throughout the entity, flowing up, down and across the entity. It enables personnel to receive a clear message from senior management that control responsibilities must be taken seriously. It provides feedback to senior management on the state of operations of the entity in achieving its procurement objectives.

External communication enables inbound communication of relevant external information and provides information to external parties in response to requirements and expectations; in procurement, this is particularly important to drive transparency and accountability.

The applicable principles are:

- xiii. Information that is relevant, of quality and timely, is generated and used to enable personnel to discharge their responsibilities, including control activities;
- xiv. Information is communicated internally, including the procurement objectives and responsibilities for internal control. Information regarding events, activities and conditions that affect the entity are communicated to relevant managers to enable them to make informed decision; and,
- xv. Information is communicated to external parties regarding the functioning of

internal control. This includes communication with the market, potential suppliers as well as external reporting such as statutory financial reporting.

e) Monitoring

Ongoing monitoring and specific reviews are used to review the entity's activities and transactions to assess the quality of its performance over time and to ascertain whether each of the five (5) components of internal controls is present and functioning.

Ongoing monitoring activities are built into the various stages in the procurement process and occur in the normal course of operations through management and supervisory activities. Specific reviews, conducted periodically, vary in scope and frequency depending on the assessment of risks, ongoing monitoring and other considerations. The results of ongoing monitoring activities and specific reviews provide the entity with information regarding its operations and performance; this will enable management to take corrective action, if required.

The principles that pertain to Monitoring Activities are:

- xvi. Ongoing monitoring activities and/or specific reviews are developed and conducted to ascertain whether the components of internal control are present and functioning; and,
- xvii. Any internal control deficiencies are identified, evaluated and communicated in a timely manner to the responsible parties, including senior management, in order to take corrective action as appropriate.

6.0 Operational Framework Of Internal Control For Public Procurement

The Operational Framework of Internal Control for Procurement identifies the inherent risks, the minimum controls that must be observed, as well as the main responsibilities and accountabilities associated with each of the five components of internal control. It is provided as **Appendix II**. The Framework addresses the organisational dimension in two integrated aspects: organisation level performance and organisation level management, wherein the former sets the standards, objectives and strategy through which procurement effort is managed efficiently and effectively.

The transactional dimension is addressed in four aspects reflecting a risk management approach: significant procurement or disposal, contract management, low risk/low value procurement or disposal and simple buying or shopping. The aim is to focus the balance of organisation effort and capability on procurement and disposal actions involving high relative risk and value. Unlike with traditional approaches to public procurement management, procedural compliance is secondary to transparency of goal directed strategy and associated action.

Five (5) core procurement and disposal roles, each with clear responsibilities and accountabilities, are identified: 'Named' Procurement, Senior and Junior Procurement Officers as well as Contract Manager and Buyer/Shopper.

Included as key control points are:

- an Annual Procurement Plan based on a risk assessment of the categories of goods and services to be procured, which identifies the relevant objectives, strategies, organisation, systems, policies and procedures and capabilities to be applied to the procurement effort;
- significant procurement or disposal strategies based on a documented analysis of the requirement, the relevant supply market and the stakeholders' needs and issues through which associated action is directed;
- contract management plans that form part of a significant procurement or disposal strategy; and
- the documentation of simplified strategies for low risk/ low value procurement.

Monitoring is achieved through an annual procurement performance report, monthly reports by the 'Named' Procurement Officer and contract delivery progress and close-out reporting. All the associated documentation provides the evidence upon which decisions are made and is open to audit scrutiny.

Glossary of Terms

Terms	Meaning
Accountability	allows an interested party to ensure that the objectives are being achieved.
Accounting Officer	a person responsible for ensuring that the financial business of the State for which he/she is responsible is properly conducted and that public funds entrusted to his/her care are properly safe guarded.
Act	the Public Procurement and Disposal of Public Property Act, 2015, as amended
Agreement	a negotiated and typically legally binding arrangement between parties as to a course of action.
Annual Procurement Performance Report	a monitoring mechanism performed on contract delivery progress and close-out.
Annual Procurement Plan	the requisite document that the procuring entity must prepare to reflect the necessary information on the entire procurement activities for goods and services and infrastructure to be procured that it plans to undertake within the financial fiscal year.
Asset Management	the process of ensuring that a company's tangible and intangible assets are maintained, accounted for, and put to their highest and best use
Buyer	a person that is responsible for identifying and procuring the goods and services that an organization requires.
Codified	the arrangement of laws or rules into a systematic code.

Terms	Meaning
Competitive Dialogue	a procedure where an organisation is able to conduct dialogue with suppliers/contractors with the goal of developing suitable alternative solutions.
Confidentiality	the state of keeping or being kept secret or private.
Contract Award	The process of officially notifying a tenderer that they have been selected as the preferred provider for a specific contract.
Contract Management	to ensure that all parties to the contract fully meet their respective obligations as efficiently as possible, delivering the business and operational outputs required from the contract and providing value for money.
Control Activities	actions established through policies, procedures, guidelines and directives.
Control Environment	set of standards, process and structures.
Direct Contracting	a procuring entity may also opt to purchase directly from one, or where feasible, more than one supplier or contractor without competition where circumstances dictate.
Director of Public Prosecutions	the office or official charged with the prosecution of criminal offences.
Disposal of Public Property	includes the transfer without value, sale, lease, concession, or other alienation of property that is owned by a public body.
Efficiency	achieving procurement objectives within reasonable time and cost.

Terms	Meaning
Emergency Procurement	to consider an urgent and unexpected requirement where the conservation of public resources is at risk. Where an emergency exists, procuring entity may pursue procurement contracts without complying with formal competitive bidding requirements.
Expression of Interest	a serious interest from a buyer that their company would be interested to pay a certain valuation and acquire the seller’s company through a formal offer.
Evaluation	the opening and assessing of bids to identify the preferred provider for the project.
Equity	all suppliers/contractors have a fair chance of winning the contract.
Fairness	an even playing field, where all suppliers/contractors are treated equally.
Framework Agreement	an agreement or other arrangement between one or more procuring entities and one or more contractors or suppliers which establishes the terms, in particular the terms as to price and, where appropriate, quantity, under which the contractor or supplier will enter into one or more contracts with the procuring entity during the period in which the framework agreement or arrangement applies.
Goods	items you purchase such as furniture, laptops et cetera.
Integrity	avoiding corruption and conflicts of interest.
Ineligibility List	the removal of a supplier/contractor from the procurement database.
Internal Control Framework	a process, effected by the public body’s board of directors, management and other personnel,

Terms	Meaning
	designed to provide reasonable assurance regarding the achievement of objectives relating to operations, reporting and compliance.
Invitation to Bid	a request from the procuring entity inviting providers to submit a proposal on a project for a specific goods, works or services.
Junior Procurement Officer	a person whose job involves buying low value, low risk goods, works and services.
Letter of Acceptance	a formal indication of a successful offer for the project.
Limited Bidding	to enable a procuring entity to engage a limited number of suppliers or contractors.
Local Industry Development	activities that serve to enhance local capacity and competitiveness by involvement and participation of local persons, firms and capital market and knowledge transfer during the conduct of the programme of goods, works or services that are being procured.
Market Analysis	to understand how the supply market works, the direction in which the market is going, the competitiveness and the key suppliers within the market.
Named Procurement Officer	a person that leads an organisation’s procurement department and oversees the acquisitions of goods, works and services made by the organisation.
Non-Governmental Organization	any non-state, non-profit, voluntary organisation.
Open Bidding	an invitation to bid that is advertised either nationally, regionally or internationally.

Terms	Meaning
The Office of Procurement Regulation	a body corporate established pursuant to an Act of Parliament, namely the Public Procurement and Disposal of Public Property Act, 2015.
Parliament	is the arm of the State entrusted with the responsibility of making laws for good governance, and providing oversight of the Government or Executive.
Procurement	the acquisition of goods, works and services.
Procurement Proceedings	in relation to public procurement, includes the process of procurement from the planning stage, soliciting of tenders, awarding of contracts, and contract management to the formal acknowledgement of completion of the contract.
Procurement and Disposal Advisory Committee	to ensure procurement activities including the disposal of public property are conducted in line with accepted professional purchasing practices and appropriate rules and regulations.
Procuring Entity	a public body engaged in procurement proceedings.
Public Body	ranging from Ministries to the Tobago House of Assembly (THA), Municipal Corporations, Regional Health Authorities, Statutory Bodies, State Enterprises, Service Commissions, Parliament, State-owned Enterprises, Non-Governmental Organizations, the Judiciary and the Office of the President.
Public Confidence	trust bestowed by citizens based on expectations.
Public Money	money that is received or receivable by a public body.
Public Private Partnership Arrangement	an arrangement between a public body and a private party under which the private party

Terms	Meaning
	undertakes to perform a public function or provide a service on behalf of the public body.
Public Procurement Review Board	a Board to review decisions made by The Office of Procurement Regulation.
Retention	the continued possession, use or control of goods.
Request for Information	to obtain general information about goods, services or providers and is often used prior to specific requisitions for items.
Request for Proposals	the Request for Proposals to be prepared by the Procuring Entity for the selection of Consultants.
Request for Quotation	to invite suppliers into a bidding process to bid on specific products or services.
Risk	the potential for failures of a procurement process designed to purchase services, products or resources.
Risk Assessment	a dynamic and iterative process of identifying, analysing and assessing risks.
Scope of Works	the detailed communication of requirements for civil or building design and/or construction works.
Senior Procurement Officer	a person whose job involves buying high value, high risk goods, works and services.
Services	the work to be performed by the Consultant/Contractor pursuant to the Contract.
Socio-Economic Policies	environmental, social, economic and other policies of Trinidad and Tobago authorised or required by the Regulations or other provisions of the laws of Trinidad and Tobago to be taken into account by a procuring entity in procurement proceedings.

Terms	Meaning
Solicitation	seeking information from supply market participants including in the case of pre-qualifications. A solicitation more usually involves seeking bids to supply goods, services or works.
Specifications	a clear, complete and accurate statement of the description and technical requirements of a material/item/service.
Stand-Still Period	the period from the dispatch of a notice as required by the Act, during which a procuring entity cannot accept the successful submission and suppliers, or Consultants can challenge the decision so notified.
State-Owned Enterprises	a <u>business</u> enterprise <u>where</u> the government or state has significant control through full, majority, or significant minority ownership.
Supplier Registration	the <u>first</u> <u>step</u> in our process of building and <u>enhancing</u> a <u>global</u> supplier community. The <u>information</u> you provide about your company will be used to source potential opportunities so be sure to enter as much detail about your capabilities as possible.
Supplier Relationship Management	the systematic approach of assessing suppliers' contributions and influence on success, determining tactics to maximise suppliers' performance and developing the strategic approach for executing on these determinations.
Supplier Performance Management	a business practice that is used to measure, analyse, and manage the supplier's performance to cut costs, alleviate risks, and drive continuous improvement.
Sustainable Development	the developmental projects that meet the needs of the present without compromising the ability of future generations to meet their own needs.

Terms	Meaning
Sustainable Procurement	a process whereby public bodies meet their needs for goods, works or services in a way that achieves value for money on a long-term basis in terms of generating benefits not only to the public body, but also to the economy and wider society, whilst minimising damage to the environment.
Terms of Reference	the Terms of Reference that explains the objectives, scope of work, activities, and tasks to be performed, respective responsibilities of the Procuring Entity and the Consultant, and expected results and deliverables of the assignment.
Transparency	appropriate information is placed in the public domain.
Treaty	a formally concluded and ratified agreement between countries.
Two-Stage Bidding	a procurement method where submission of proposals takes place in two (2) stages, where the technical and financial proposals are submitted separately.
Value for Money	the value derived from the optimal balance of outcomes and input costs on the basis of the total cost of supply, maintenance and sustainable use.
Works	the construction and engineering works of all kinds.

List of Acronyms

<i>ABBREVIATION</i>	<i>EXPLANATION</i>
<i>ACI</i>	American Concrete Institute
<i>AO</i>	Accounting Officer
<i>APETT</i>	Association of Professional Engineers of Trinidad and Tobago
<i>APP</i>	Annual Procurement Plan
<i>APPR</i>	Annual Procurement Performance Report
<i>ASPA</i>	Annual Schedule of Procurement Activities
<i>ASTM</i>	American Society for Testing and Materials
<i>BATNA</i>	Best Alternative to a Negotiated Agreement
<i>BOATT</i>	Board of Architecture of Trinidad and Tobago
<i>BOETT</i>	Board of Engineering of Trinidad and Tobago
<i>BOQ</i>	Bills of Quantities
<i>BS</i>	British Standards
<i>CAP</i>	Contract Administration Plan
<i>CBTT</i>	Central Bank of Trinidad and Tobago
<i>CEO</i>	Chief Executive Officer
<i>CFR</i>	Code of Federal Regulations
<i>CIMS</i>	The Cleaning Industry Management Standards
<i>CIPS</i>	Chartered Institute in Procurement & Supply
<i>CM</i>	Contract Management
<i>COSO</i>	Committee of Sponsoring Organisations of the Treadway Commission
<i>CPAF</i>	Cost Plus Award Fee
<i>CPFF</i>	Cost Plus Fixed Price
<i>CPIF</i>	Cost Plus Incentive Fee
<i>CPM</i>	Contract Management Plan
<i>CQS</i>	Selection based on Consultants' Qualifications
<i>CSR</i>	Corporate Social Responsibility
<i>CTB</i>	Central Tenders Board
<i>CV</i>	Curriculum Vitae
<i>DBR</i>	Design Brief Report
<i>DN</i>	Delivery Note
<i>DPP</i>	Director of Public Prosecution
<i>DSR</i>	Design Standards Report
<i>ECCE</i>	Early Childhood Care and Education
<i>EMA</i>	Environmental Management Agency
<i>EN</i>	European Standards
<i>EOI</i>	Expression of Interest

<i>EU</i>	European Union
<i>FBS</i>	Selection under Fixed Budget
<i>FFP</i>	Firm Fixed Price
<i>FIDIC</i>	Fédération Internationale Des Ingénieurs-Conseils
<i>FPEPA</i>	Fixed Price with Economic Price Adjustment
<i>FPPI</i>	Fixed Price Plus Incentive
<i>GPS</i>	Global Positioning System
<i>HP</i>	Hewlett Packard
<i>HSSEQ</i>	Health Safety Security Environment and Quality
<i>IAS</i>	Institute of Advanced Study
<i>ICT</i>	Information and Communication Technology
<i>IDS</i>	Intrusion Detection System
<i>IFB</i>	Invitation for Bid
<i>IFRS</i>	International Finance Reporting Standards
<i>IGRF</i>	Internal Goods Received Form
<i>ILO</i>	International Labour Organisation
<i>IR</i>	Inception Report
<i>ISO</i>	The International Organization for Standardization
<i>IT</i>	Information Technology
<i>ITB</i>	Invitation to Bid
<i>JPO</i>	Junior Procurement Officer
<i>JV</i>	Joint Venture
<i>KPI</i>	Key Performance Index
<i>LCS</i>	Least Cost Selection
<i>LHA</i>	Local Health Authority
<i>LTA</i>	Long Term Agreement
<i>MOWI</i>	Ministry of Works and Infrastructure
<i>MS</i>	Microsoft
<i>MTBF</i>	Mean Time Between Failure
<i>MTTR</i>	Mean Time to Repair
<i>NASPO</i>	National Association of State Procurement Officials
<i>NATT</i>	National Archive of Trinidad and Tobago
<i>NGO</i>	Non-Governmental Organization
<i>NGOs</i>	Non-governmental Organisations
<i>NIB</i>	National Insurance Board
<i>OECD</i>	Organisation for Economic Co-operation and Development
<i>OPR</i>	The Office of Procurement Regulation
<i>OSH</i>	Trinidad and Tobago Occupational Safety and Health
<i>OSH</i>	Occupational Safety and Health
<i>OSHA</i>	Occupational Safety and Health Administration
<i>P&DAC</i>	Procurement and Disposal Advisory Committee

<i>PMBOK</i>	Project Management Book of Knowledge - Guide Sixth Edition
<i>PO</i>	Procurement Officer
<i>PP&DPP</i>	Public Procurement and Disposal of Public Property ACT 2015, as amended
<i>PPC</i>	Public Procurement Cycle
<i>PPDPPA</i>	Public Procurement and Disposal of Public Property Act
<i>PPPA</i>	Public Private Partnership Arrangement
<i>PPRB</i>	Public Procurement Review Board
<i>PR</i>	Preliminary Report
<i>QBS</i>	Quality Based Selection
<i>QCBS</i>	Quality and Cost-Based Selection
<i>RFI</i>	Request for Information
<i>RFO</i>	Request for Offer
<i>RFP</i>	Request for Proposal
<i>RFQ</i>	Request for Quotation
<i>RH</i>	Relative Humidity
<i>SAMF</i>	Strategic Asset Management Framework
<i>SCP</i>	Sustainable Consumption & Production
<i>SDGs</i>	Sustainable Development Goals
<i>SLA</i>	Service Level Agreements
<i>SOE</i>	State-Owned Enterprises
<i>SOR</i>	Statement of Requirements
<i>SOW</i>	Scope/Statement of Works
<i>SP</i>	Sustainable Procurement
<i>SPM</i>	Supplier Performance Management
<i>SPO</i>	Senior Procurement Officer
<i>SRM</i>	Supplier Relationship Management
<i>SSID</i>	Service Set Identifier
<i>STOW</i>	Safe to Work
<i>SWOT</i>	Strengths, Weaknesses, Opportunities and Threats
<i>TCPD</i>	Town and Country Planning Division
<i>TOR</i>	Terms of Reference
<i>TTD</i>	Trinidad and Tobago Dollars
<i>TTFS</i>	Trinidad and Tobago Fire Service
<i>UPS</i>	Uninterrupted Power Supply
<i>VAT</i>	Value Added Tax
<i>Vfm</i>	Value for Money
<i>VPN</i>	Virtual Private Network
<i>WASA</i>	Water and Sewerage Authority of Trinidad and Tobago
<i>WHO</i>	World Health Organisation

APPENDIX I

Appendix I: Templates for Delegations of Authority

The Delegation of Authority forms were developed in accordance with the operational framework for internal control for procurement contained in this guideline.

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Appendix 1. 1 For Accounting Officers, Chief Executive Officers or equivalent

Procurement and Disposal Authority

Pursuant to the requirements contained in the General Guidelines for Operational Framework of Internal Control for Procurement,

I, _____
(Name and Designation)

accept responsibility and accountability for the performance of the procurement and disposal function of

I accept responsibility for the following:

- (1) ensuring that those involved in procurement are aware of and receive training at least annually in the Code of Conduct for procurement;
- (2) enhancing the capability of those involved in procurement through ongoing professional development and associated certification;
- (3) developing and maintaining an appropriate document management system;
- (4) approving the Annual Procurement Plan including associated resource allocation;
- (5) approving the annual procurement performance report;
- (6) approving the Handbook and Special Guidelines(s) prior to their consideration by the Office of Procurement Regulation;
- (7) providing reports to the Office of Procurement Regulation as and when they may be required; and,
- (8) approving or withholding approval of recommended disposals and contract awards in the case of significant (high value and high risk) procurement actions upon the advice of the Procurement and Disposal Advisory Committee.

In discharging these duties, I am mindful of and accept my obligations under the Integrity in Public Life Act Ch 22:01 especially Part IV, the Code of Conduct for Public Procurement, Retention and Disposal of Public Property, and the Public Procurement and Disposal of Property Act and acknowledge that I am accountable to:

(Name of body or person)

Signed _____

Date _____

Appendix 1. 2 For 'Named' Procurement Officers

Delegation of Authority

Pursuant to the requirements contained in the General Guidelines for Operational Framework of Internal Control for Procurement,

I, _____
(Name and Designation)

accept responsibility and accountability for the management of the procurement and disposal function in accordance with the procedures and standards established in the Handbook of Procurement, Retention and Disposal of Public Property, including:

- (1) identifying the supply risks associated with each category of goods and services being procured;
- (2) managing the total procurement effort in accordance with the approved Annual Procurement Plan;
- (3) drafting the Annual Procurement Plan;
- (4) monitoring and measuring procurement performance and drafting the annual procurement performance report;
- (5) recommending the updating and improvement of the Handbook and Special Guidelines;
- (6) compiling of reports as required to the Office of Procurement Regulation;
- (7) approving significant procurement strategies in conjunction with the requesting manager; and,
- (8) where applicable, approving or withholding approval of the recommended contract awards following procurement undertaken by a Junior Procurement Officer subject to the advice of a Senior Procurement Officer.

In discharging these duties, I am mindful of and accept my obligations under the Integrity in Public Life Act Ch 22:01 especially Part IV, the Code of Conduct for Public Procurement, Retention and Disposal of Public Property, and the Public Procurement and Disposal of Property Act and acknowledge that I am accountable to:

(Name of Accounting Officer, Chief Executive Officer or person in an equivalent position)

Signed _____

Date _____

Appendix 1. 3 For Senior Procurement Officers

Delegation of Authority

Pursuant to the requirements contained in the General Guidelines for Operational Framework of Internal Control for Procurement,

I, _____
(Name and Designation)

accept responsibility and accountability for managing procurement and disposals in high-risk and/ or high value categories in accordance with the procedures and standards established in the Handbook of Procurement, Retention and Disposal of Public Property.

I accept responsibility for:

- (1) managing high risk/high value categories of goods and services;
- (2) significant procurement and disposal actions involving the acquisition or disposal of goods and/or services in high value and/or high supply risk categories; and,
- (3) reviewing and advising the 'Named' Procurement Officer on the outcomes of low risk/low value procurement actions.

In discharging these duties, I am mindful of and accept my obligations under the Integrity in Public Life Act Ch 22:01 especially Part IV, the Code of Conduct for Public Procurement, Retention and Disposal of Public Property, and the Public Procurement and Disposal of Property Act and acknowledge that I am accountable to:

(Name of Accounting Officer, Chief Executive Officer or person in an equivalent position)

Signed _____

Date _____

Appendix 1. 4 For Contract Officers

Delegation of Authority

Pursuant to the requirements contained in the General Guidelines for Operational Framework of Internal Control for Procurement,

I, _____
(Name and Designation)

accept responsibility and accountability for managing the delivery of contracts involving significant procurement/disposal actions in accordance with the procedures and standards established in the Handbook of Procurement, Retention and Disposal of Public Property.

I accept responsibility for:

- (1) managing the contract within the terms identified in the contract management plan as set out in the approved procurement or disposal strategy;
- (2) reporting progress in writing on contract delivery on an agreed schedule to the Officer in charge of the user or programme executing unit and to the 'Named' Procurement Officer; and,
- (3) completing a close-out report that is placed on the original significant procurement or disposal file and that includes an assessment of supplier/contractor performance under the key performance indicators identified in the contract management plan and as formally agreed with the supplier/contractor, as well as organisational lessons learned from the delivery of the contract; and,
- (4) recording details of supplier/contractor performance into relevant information systems.

In discharging these duties, I am mindful of and accept my obligations under the Integrity in Public Life Act Ch 22:01 especially Part IV, the Code of Conduct for Public Procurement, Retention and Disposal of Public Property, and the Public Procurement and Disposal of Property Act and acknowledge that I am accountable to:

(Name of Accounting Officer, Chief Executive Officer or person in an equivalent position)

Signed _____

Date _____

Appendix 1. 5 For Procurement Officers

Delegation of Authority

Pursuant to the requirements contained in the General Guidelines for Operational Framework of Internal Control for Procurement,

I, _____
(Name and Designation)

accept responsibility and accountability for managing low risk/low value procurement strategy and actions in accordance with the standards and procedures established in the Handbook of Procurement, Retention and Disposal of Public Property.

In discharging these duties, I am mindful of and accept my obligations under the Integrity in Public Life Act Ch 22:01 especially Part IV, the Code of Conduct for Public Procurement, Retention and Disposal of Public Property, and the Public Procurement and Disposal of Property Act and acknowledge that I am accountable to:

(Name of Accounting Officer, Chief Executive Officer or person in an equivalent position)

Signed _____

Date _____

Appendix 1. 6 For Buyers/Shoppers

Delegation of Authority

Pursuant to the requirements contained in the General Guidelines for Operational Framework of Internal Control for Procurement,

I, _____
(Name and Designation)

accept responsibility and accountability for undertaking buying and shopping in accordance with the standards and procedures established in the Handbook of Procurement, Retention and Disposal of Public Property.

In discharging these duties, I am mindful of and accept my obligations under the Integrity in Public Life Act Ch 22:01 especially Part IV, the Code of Conduct for Public Procurement, Retention and Disposal of Public Property, and the Public Procurement and Disposal of Property Act and acknowledge that I am accountable to:

(Name of Accounting Officer, Chief Executive Officer or person in an equivalent position)

Signed _____

Date _____

Appendix 1. 7 For Members and Alternate Members of the Procurement and Disposal Advisory Committee

Delegation of Authority

Pursuant to the requirements of the Operational Framework of Internal Control for Procurement,

I, _____
(Name and Designation)

accept responsibility and accountability as a Member/Alternate Member of the Procurement and Disposal Advisory Committee.

I accept responsibility for:

- (1) reviewing significant procurement and disposal action prior to contract award; and
- (2) providing an opinion in writing to the Accounting Officer on whether or not the approved procurement or disposal strategy was in fact followed, whether or not objects of the Act and the programmatic/ business goals and objectives were achieved and on whether or not the proper process outlined in the Public Procurement and Disposal of Public Property Act 2015, as amended, the Procurement Regulations 2019, and Handbook of Procurement, Retention and Disposal of Public Property and the relevant Handbook(s) and Guidelines were followed.

In discharging these duties, I am mindful of and accept my obligations under the Integrity in Public Life Act Ch 22:01 especially Part IV, the Code of Conduct for Public Procurement, Retention and Disposal of Public Property, and the Public Procurement and Disposal of Property Act and acknowledge that I am accountable to:

(Name of Accounting Officer, Chief Executive Officer or person in an equivalent position)

Signed _____

Date _____

APPENDIX II

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Appendix II: Operational Framework of Internal Control for Procurement

Organisation level procurement performance				
Internal control component	Risk	Control point	Authority	Applicable good governance principles
Control Environment	Reputational, Financial and Regulatory: Procurement is conducted in a manner that brings the entity into disrepute due to fraud, corruption or other malfeasance.	Establishing a Code of Conduct for those involved in procurement consistent with the Integrity in Public Life Act Ch 22:01, Part IV.	Instruction under the Integrity in Public Life Act Ch 22:01	Integrity Accountability
		Providing training in the Code of Conduct for procurement to all staff involved in any aspect of the procurement function.	Accounting Officer; Chief Executive Officer of a Municipal Corporation; Head of a Statutory Authority; Chief Executive of a State Enterprise, and those fulfilling a similar function in other procuring entities.	Integrity Accountability
		Reflecting in the Handbook of Procurement, Retention and Disposal of Public Property and in the Guidelines the roles and responsibilities of those involved in procurement and the processes to be followed to ensure integrity of procurement practice in accordance with relevant regulations and entity policies.	The Office of Procurement Regulation	Integrity Accountability Transparency

Internal control component	Risk	Control point	Authority	Applicable good governance principles
Control Environment	Financial, Reputational and Organisational: Inadequate or inappropriate capabilities are applied to the procurement effort, resulting in inefficiency and ineffectiveness.	Establishing effective and appropriate human resource policies and management to allow for the recruitment and retention of qualified and experienced procurement staff.	Accounting Officer; Chief Executive Officer of a Municipal Corporation; Head of a Statutory Authority; Chief Executive of a State Enterprise, and those fulfilling a similar function in other procuring entities.	Transparency Objects of the Act
		Enhancing the capability of those involved in procurement through ongoing professional certification and associated training.	Accounting Officer; Chief Executive Officer of a Municipal Corporation; Head of a Statutory Authority; Chief Executive of a State Enterprise, and those fulfilling a similar function in other procuring entities.	Objects of the Act
	Financial, Reputational and Organisational: Unauthorised and inappropriate contractual commitments are made resulting in failure to meet procurement objectives.	Formal delegations in writing, procurement authorities that reflect risk management and consistency with good practices in accountability.	Accounting Officer; Chief Executive Officer of a Municipal Corporation; Head of a Statutory Authority; Chief Executive of a State Enterprise, and those fulfilling a similar function in other procuring entities.	Accountability Objects of the Act
		Acknowledgement and acceptance in writing of the roles, responsibilities and accountabilities delegated by the person to whom the delegation of procurement authority is made.	Accounting Officer; Chief Executive Officer of a Municipal Corporation; Head of a Statutory Authority; Chief Executive of a State Enterprise, and those fulfilling a similar function in other procuring entities.	Accountability Objects of the Act

Internal control component	Risk	Control point	Authority	Applicable good governance principles
Control Environment	<p>Financial, Organisational and Regulatory: Failure to manage risk and achieve the objects of the Act due to a lack of cooperation with cross agency/whole of government procurement systems or initiatives.</p>	Factoring the cooperation with cross agency/ whole of government procurement systems and initiatives into the Annual Procurement Plan.	Accounting Officer; Chief Executive Officer of a Municipal Corporation; Head of a Statutory Authority; Chief Executive of a State Enterprise, and those fulfilling a similar function in other procuring entities; 'Named' Procurement Officer; The Office of Procurement Regulation.	Objects of the Act
	<p>Reputational: Integrity of procurement is compromised when a participant in the entity's process has a perceived, potential or actual conflict of interest.</p>	Requiring all those participating in the entity's procurement or disposal actions as a procurement officer, team member, strategy approver, reviewer, approver of an award or a disposal, or as a contract/project manager to make an action specific declaration that they have no actual, perceived or potential conflict of interest.	Accounting Officer; Chief Executive Officer of a Municipal Corporation; Head of a Statutory Authority; Chief Executive of a State Enterprise, and those fulfilling a similar function in other procuring entities.	Integrity Accountability

<p style="text-align: center;">Risk Assessment</p>	<p>Financial and Organisational: Supply risks and opportunities are not assessed, and the entity is exposed to unacceptable risk and potential financial loss.</p>	<p>The preparation and approval of the Annual Procurement Plan, which identifies the objectives, strategy, organisation, systems, policies and procedures and capabilities to be applied to each of the four segments of the procurement portfolio based on assessed risk and procurement related expenditure.</p>	<p>Accounting Officer; Chief Executive Officer of a Municipal Corporation; Head of a Statutory Authority; Chief Executive of a State Enterprise, and those fulfilling a similar function in other procuring entities.</p>	<p>Objects of the Act</p>
<p style="text-align: center;">Control Activity</p>	<p>Financial, Reputational, and Regulatory: Sub-optimal or fraudulent procurement or disposal action due to an individual subverting the process.</p>	<p>Establishing a systematic and effective segregation of duties: i.e. requisitioning from purchasing from receiving from payment and from asset/ inventory recording and custody as well as vendor master data management from procurement and payment.</p>	<p>Accounting Officer; Chief Executive Officer of a Municipal Corporation; Head of a Statutory Authority; Chief Executive of a State Enterprise, and those fulfilling a similar function in other procuring entities.</p>	<p>Integrity Accountability Transparency</p>

Internal control component	Risk	Control point	Authority	Applicable good governance principles
Control Activity	<p>Financial, Reputational, and Regulatory: An award or a disposal is made without proper and effective process resulting in failure to meet procurement objectives.</p>	<p>Approving or withholding approval of the award of contracts or disposals is in accordance with risk-based delegations of authority.</p> <p>The review of each procurement and disposal action to advise the person exercising the relevant delegation of authority on the efficacy of the results and compliance with required procedures.</p>	<p>Accounting Officer; Chief Executive Officer of a Municipal Corporation; Head of a Statutory Authority; Chief Executive of a State Enterprise, and those fulfilling a similar function in other procuring entities.</p>	<p>Accountability</p>
Information & communication	<p>Regulatory: Failure to report as required to the Office of Procurement Regulation.</p>	<p>Reporting as and when required to the Office of Procurement Regulation</p>	<p>The Office of Procurement Regulation</p>	<p>Transparency</p>
Monitoring	<p>Organisational and Financial: Shortcomings in the outcomes or process of procurement or disposal actions are not identified prior to approval of contract awards or disposals.</p>	<p>Under a delegation of authority, the appointment of</p> <ul style="list-style-type: none"> reviewers for each procurement action on a risk basis with a Procurement and Disposal Advisory Committee appointed to review the outcomes and processes of significant procurement and disposal actions; and, senior procurement officers to review the outcomes and process of low risk/low value actions. 	<p>Accounting Officer; Chief Executive Officer of a Municipal Corporation; Head of a Statutory Authority; Chief Executive of a State Enterprise, and those fulfilling a similar function in other procuring entities.</p>	<p>Integrity Accountability Objects of the Act</p>

	<p>Financial and Organisational: Sub-optimal procurement decisions continue to be made and opportunities to address issues affecting procurement performance are not acted upon in a timely manner.</p>	<p>The approval of the Annual Procurement Performance Reports and the consideration of monthly reports on issues in the management of organisation level procurement effort.</p> <p>The consideration of recommendations for improvement made in those reports.</p>	<p>Accounting Officer; Chief Executive Officer of a Municipal Corporation; Head of a Statutory Authority; Chief Executive of a State Enterprise, and those fulfilling a similar function in other procuring entities.</p>	<p>Objects of the Act Accountability</p>
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Organisation level procurement management				
Internal control component	Risk	Control point	Authority	Applicable good governance principles
Risk assessment	Financial, Reputational and Organisational: Supply risk is not assessed and therefore not managed, exposing the organisation to unacceptable risks.	The systematic assessment of risks associated with each category of goods and services procured by the entity on an annual basis to identify the optimal management strategies.	'Named' Procurement Officer	Objects of the Act
	Financial, Reputational and Organisational: The procurement effort does not address the supply risks.	The preparation of the Annual Procurement Plan to match procurement objectives, strategy, organisation, systems, policies and procedures to the identified supply risks.	'Named' Procurement Officer	Objects of the Act
Control activity	Financial, Reputational and Organisational: The procurement effort is not managed in accordance with Annual Procurement Plan resulting in sub-optimal procurement that does not address risks.	The delegation of responsibility and accountability for the management of procurement effort in accordance with the Annual Procurement Plan.	Accounting Officer; Chief Executive Officer of a Municipal Corporation; Head of a Statutory Authority; Chief Executive of a State Enterprise, and those fulfilling a similar function in other procuring entities.	Accountability

	<p>Financial, Reputational and Organisational: Inadequate or inappropriate capabilities are applied to the procurement effort, resulting in inefficiency and ineffectiveness.</p>	<p>Assigning staff with appropriate responsibilities that are consistent with their delegation and capability to lead procurement actions.</p>	<p>'Named' Procurement Officer</p>	<p>Accountability Objects of the Act</p>
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Internal control component	Risk	Control point	Authority	Applicable good governance principles
Information & communication	<p>Organisational: Opportunities to address ineffectiveness and/or inefficiency in a timely manner are not reported and acted upon.</p>	<p>Monthly reporting on issues in managing procurement effort with recommendations for improvement.</p>	<p>‘Named’ Procurement Officer</p>	<p>Accountability Objects of the Act</p>
Monitoring	<p>Financial and Organisational: Issues affecting procurement performance are not identified and therefore opportunities for improvement are missed.</p>	<p>Establishing systems and information for monitoring procurement performance. Taking appropriate action based on results of monitoring procurement performance.</p>	<p>‘Named’ Procurement Officer</p>	<p>Accountability Objects of the Act</p>
	<p>Financial and Organisational: Opportunities for procurement performance improvement are not identified and reported, resulting in failure to meet procurement objectives.</p>	<p>Establishing a process to analyse the procurement activities in order to identify opportunities for improvement in</p> <ul style="list-style-type: none"> • procurement performance in the Annual Procurement Performance Report; and, • procurement processes for inclusion in the Handbook(s). <p>Taking appropriate action based on results of monitoring procurement performance.</p>	<p>‘Named’ Procurement Officer</p>	<p>Accountability Objects of the Act</p>

Significant procurement and disposal action				
Internal control component	Risk	Control point	Authority	Applicable good governance principles
Risk assessment	Financial, Reputational and Organisational: Inadequate resources applied to the management of high-risk procurement or disposals resulting in failure to meet objectives.	The appointment of an appropriately qualified and experienced team which is assigned to undertake significant procurement or disposal actions under the leadership of a senior procurement officer with the delegated authority to lead a team and the associated procurement or disposal action	'Named' Procurement Officer	Accountability Objects of the Act
	Financial, Reputational and Organisational: Risks and opportunities arising from the requirement, the market and/or from stakeholders' needs and issues are not identified resulting in failure to meet objectives.	Establishing a strategy for significant procurement or disposal action that is based on documented research and analysis of the requirement, of the relevant market and of the stakeholders' needs and issues.	Senior Procurement Officer	Objects of the of the Act Transparency
Control Activity	Financial, Organisational and Reputational: Not undertaking significant procurement actions in accordance with a valid	The approval of the procurement strategy before procurement or disposal action may commence by those with delegated authority.	'Named' Procurement Officer and	Accountability Objects of the Act Transparency

	strategy resulting in failure to achieve objectives.		Officer in charge of user or executing organisational unit	
	Reputational and Financial: Sub-optimal or fraudulent procurement or disposal action resulting from an individual subverting the process for nefarious purposes.	The development of a strategy for a significant procurement or disposal actions by a team with the resultant documented strategy reflecting team consensus.	Senior Procurement Officer	Accountability Transparency

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Internal control component	Risk	Control point	Authority	Applicable good governance principles
Control Activity	<p>Financial, Organisational and Reputational: The approved strategy for a significant procurement action or disposal is not pursued, resulting in failure to meet objectives.</p>	<p>The results of a significant procurement or disposal action are reviewed, and an opinion is given on whether or not the approved strategy was in fact followed, whether or not Objects of the act and the programmatic/ business goals and objectives were achieved and on whether or not the proper process outlined in the relevant Handbook(s) was followed.</p>	<p>Procurement and Disposal Advisory Committee</p>	<p>Accountability Transparency Objects of the Act</p>
	<p>Financial, Organisational and Reputational: A contract is awarded, or a disposal action approved without proper authority.</p>	<p>The approval of an award or disposal action by a person with the authority to bind the entity upon the advice of the Procurement and Disposal Advisory Committee that the approved procurement strategy and process have been followed and that the objects of the Act and the programmatic/business objectives have been achieved.</p>	<p>Accounting Officer; Chief Executive Officer of a Municipal Corporation; Head of a Statutory Authority; Chief Executive of a State Enterprise, and those fulfilling a similar function in other procuring entities.</p>	<p>Accountability Objects of the Act</p>

Contract delivery				
Internal control component	Risk	Control point	Authority	Applicable good governance principles
Control Activity	Financial and Organisational: A contract is not effectively or efficiently managed, resulting in failure to meet procurement objectives.	The appointment of a suitably qualified and experienced contract manager to manage the contract/project.	Officer in charge of user or executing organisational unit	Accountability
	Financial and Organisational: The objects of the Act or programmatic/business objectives that were expected to be met are not achieved after award of a contract or disposal is approved.	Managing the contract in accordance with the contract management plan that was approved in the significant procurement or disposal strategy.	Contract Officer	Accountability Objects of the Act
Monitoring	Financial, Organisational and Reputational: Problems with the progress of the contract are not identified and managed in a timely manner.	Ensuring there is regular progress reporting in accordance with the schedule set out in the contract management plan.	Contract Officer	Accountability Transparency Objects of the Act
	Financial, Organisational and Reputational: Supplier/ contractor performance is not evaluated with the result that	Documenting supplier/contractor performance and including it in:	Contract Officer	Accountability Transparency Objects of the Act

	<p>this experience is not taken into account in future dealings.</p>	<ul style="list-style-type: none"> the contract close out report which is to be included on the original significant procurement action/disposal file; and in, any other relevant supplier/contractor performance management system. 		
	<p>Financial, Organisational and Reputational: Lessons learnt from the experience with the delivery of a contract are not recorded and therefore do not inform future procurement or disposal actions.</p>	<p>The recording of lessons learnt from the experience with the delivery of a contract in the contract close out report.</p>	<p>Contract Officer</p>	<p>Objects of the Act</p>
		<p>Using lessons learnt to inform the improvement of entity’s procurement and disposal processes</p>	<p>‘Named’ Procurement Officer</p>	<p>Objects of the Act</p>



Low risk/low value procurement action				
Internal control component	Risk	Control point	Authority	Applicable good governance principles
Control Environment	Organisational and Financial: A low risk/ low value procurement action is not competently managed and fails to meet objectives.	The appointment of a suitably qualified and experienced Junior Procurement Officer with the delegated authority to manage the procurement.	'Named' Procurement Officer	Accountability
	Organisational and Financial: Lack of a strategy for procurement resulting in failure to achieve programmatic/business goals and objectives and objects of the Act.	A simple strategy is prepared by the Procurement Officer that identifies how objects of the Act will be achieved, taking into account the nature of the requirement, the operation of the relevant market and the needs and interests of stakeholders.	Junior Procurement Officer	Accountability Transparency Objects of the Act
Control Activity	Organisational and Financial: Failure to pursue an effective and efficient procurement strategy results in failure to achieve objectives.	The review and approval of the strategy which is to be executed by the Junior Procurement Officer.	Senior Procurement Officer	Accountability Transparency Objects of the Act
	Organisational and Financial:	The results of a procurement are reviewed and an opinion is given on whether or not the approved strategy was in fact followed, whether or not the objects of the Act and the programmatic/ business	Senior Procurement Officer	Accountability Transparency

Sample Delegation of Authority

	The approved procurement strategy was not followed and/or objectives were not achieved.	goals and objectives were achieved and on whether or not proper the process outlined in the Handbook of Procurement, Retention and Disposal of Public Property and relevant Guidelines was followed.		Objects of the Act
	Organisational and Financial: Contract award was not properly made.	The approval or withholding of approval of the contract award by the 'Named' Procurement Officer after considering the recommendation of the review by the Senior Procurement Officer giving reasons in writing.	'Named' Procurement Officer	Accountability Transparency

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Simple buying or shopping				
Internal control component	Risk	Control point	Authority	Applicable good governance principles
Control Environment	Organisational and Financial: Inefficient and administratively costly procurement of very low value/low risk goods and services	Establishing simplified procurement processes in the Handbook and Guidelines which apply to <ul style="list-style-type: none"> ordering under arrangements over which procurement authority and due process have already been exercised; and, buying low value goods or services using a corporate purchasing or credit card. 	The Office of Procurement Regulation	Objects of the Act Transparency
	Organisational and Financial Buyers and shoppers do not understand their role, responsibilities and accountabilities	Establishing entity specific procedures addressing roles applicable to simple buying or shopping.	Accounting Officer; Chief Executive Officer of a Municipal Corporation; Head of a Statutory Authority; Chief Executive of a State Enterprise, and those fulfilling a similar function in other procuring entities.	Integrity Transparency
		Providing training to buyers and shoppers in their role, responsibilities and	'Named' Procurement Officer	Accountability Objects of the Act

		accountabilities prior to being issued with a delegation of authority.		
Control Activity	Organisational and Financial: Unauthorised ordering or shopping.	Buyers/shoppers are given delegated authority to bind the entity within pre-defined limits.	Accounting Officer; Chief Executive Officer of a Municipal Corporation; Head of a Statutory Authority; Chief Executive of a State Enterprise, and those fulfilling a similar function in other procuring entities.	Accountability

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