

13th Meeting of the INTOSAI Working Group for the Fight against Corruption and Money Laundry

Guideline for the Audit of Corruption Prevention in Public Procurement

Subgroup 2

Members of Subgroup 2

- **Poland**
- **Chile**
- **Czech Republic**
- **Iraq**
- **Malaysia**
- **Namibia**
- **Oman**
- **Turkey**
- **Yemen**
- **Germany (chair)**
- **and Austria (co/chair since April 2018)**

Task of Subgroup 2

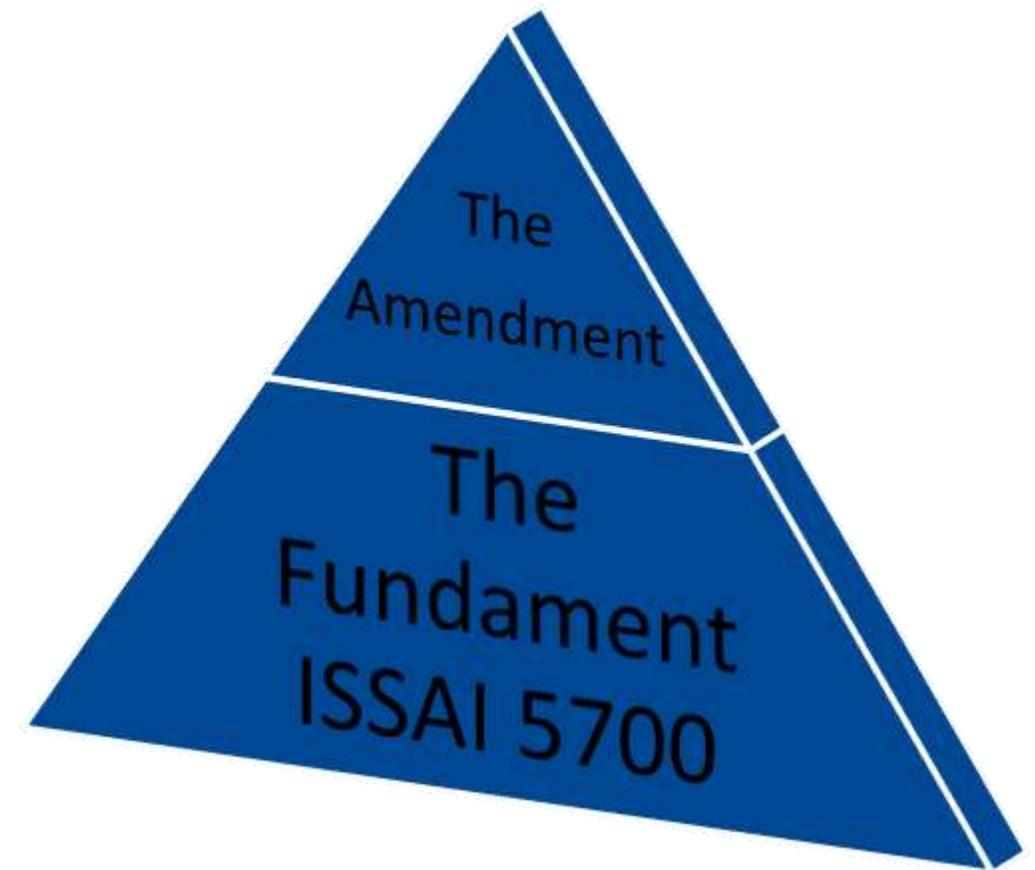
- In addition to ISSAI 5700 (Audit of Corruption Prevention), preparation of a guideline for the audit of corruption prevention measures in public procurement
- Taking into account:
 - Avoidance of duplication
 - Specialities of the public procurement process
 - Already existing international documents

Timeline



Structure of the Guideline

1. Introduction (SAI of Austria)
 - Scope of the Guideline
 - Reference to “The Fundament” – ISSAI 5700
 - Explanation of “The Amendment” – actual guideline



Structure of the Guideline

2. Corruption in Public Procurement (SAI of Poland/Austria)

- Definition
- Types of corruption
- Typical risks
- Impact of corruption

Structure of the Guideline

3. Public Procurement (SAI of Czech Republic)

- Principles of public procurement
- Types of award procedures
- Stages of procurement processes

Structure of the Guideline

4. Corruption Prevention on organizational level (SAI of Austria, Malaysia, Poland)

- Requirement of professional management
- Supporting instruments and tools (e.g. e-procurement)

Structure of the Guideline

5. (**NEW CHAPTER**) Corruption Prevention in simplified procurement processes (SAI of Oman)
 - Procurement below a certain threshold
 - E.g. market research – value for money – quotation

Structure of the Guideline

6. Corruption Prevention In the different stages of the Procurement Process (SAI of Germany, Oman, Iraq, Namibia)



Structure of the Guideline

5. Corruption Prevention In the different stages of the Procurement Process - same structure for every stage

Risk	Red flags	Likely consequences	Preventive Actions
Understatement of the need	Considerable deviation compared to previous purchases	Purchase of unsuitable product or service Need not satisfied	Profound and unbiased analysis of needs
Overstatement of the need	Considerable deviation compared to previous purchases	Waste of funds	Profound and unbiased analysis of needs

Structure of the Guideline

5. Corruption Prevention In the different stages of the Procurement Process - same structure for every stage

Typical questions auditors could ask during their field work are:

- Did the public authority identify the full contract value and include options and provisions for renewals?

What next?

- Minor amendments to be made
- Request for approval of the project proposal and the exposure draft from FIPP
- Publication of exposure draft
- Evaluation of comments and remarks
- Meeting in Egypt next year (2020)



Thank you very much for your attention!