**State Fiscal Accountability Authority**

**Division of Procurement Services (DPS)**

**Office of Audit & Certification**

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**Internal Control Questionnaire (ICQ)**

for Evaluating the Efficiency and Effectiveness of

Governmental Body Procurement Operations

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Governmental Body: ***Entity Name Here***

Date of Review: ***mm/dd/yyyy***

Official(s) Questioned: ***Name(s) of Agency Procurement Official(s)***

Reviewer: [**Auditor Name Here]**

Please fill in the blue Entity Name, Date of Review, and Name of Agency Procurement Official lines on the preceding Cover Page. The Reviewer will be completed by the auditor from Audit & Certification.

Please complete the **Internal Control Questionnaire** starting on the next page.

In the column labeled: **Answer Y/N/NA**, please select the appropriate answer in the drop-down box. If there is not a drop-down box, there are probably subsections that follow requiring their own response.

In some instances, there is a place to enter an explanation beneath the question in the **Question & Explanation** column. That space will show in *blue italics*. Please enter the applicable explanation in that space by writing over the *blue italicized words*. Your explanation should show in blue italics.

The column labeled **Basis for Answer** will be completed by Audit & Certification personnel. You do not need to enter anything in this column.

| **Question & Explanation** | ***Answer***  ***Y/N/NA*** | **Basis for Answer[[1]](#footnote-1)**  **Inq/Obs/Test** |
| --- | --- | --- |
| AUTHORITY, RESPONSIBILITY & ORGANIZATION |  |  |
| 1. Authority & Responsibility |  |  |
| 1. Is there written authority from the governing board or commission placing procurement authority with one official or department? |  |  |
| 1. Does this authority apply for all for general areas of procurement? |  |  |
| a - Goods and Services |  |  |
| b - Information Technology |  |  |
| c - Construction and Related Professional Services |  |  |
| 1. If this authority does not apply to all three areas, are there adequate alternative procedures in effect for the clear assignment of responsibility for each area of procurement?   (Describe below or in a separate memo if necessary)  *Enter explanation here* |  |  |
| 1. Does the procurement division’s authority extend also to control over warehousing and surplus property management?   If not, where does that responsibility reside?  *Enter explanation here* |  |  |
|  |  |  |
| 1. Organization |  |  |
| 1. Is there a current organizational chart clearly showing all personnel authorized to procure in the three areas of procurement? |  |  |
| 1. Are all duties of procurement personnel clearly defined in writing? |  |  |
| 1. Are department functions supervised, controlled, and/or monitored to the extent necessary to deter collusive activities between procurement personnel and contractor personnel in the agency procurement process by: |  |  |
| 1. Procurement management? |  |  |
| 1. Internal Audit? |  |  |
| GENERAL COMPLIANCE WITH THESC CONSOLIDATED PROCUREMENT CODE |  |  |
| 1. Does the agency have an internal Procurement Operating Procedures manual? |  |  |
| 1. Does the agency’s internal Procurement Operating Procedures Manual: |  |  |
| 1. Describe the overall purchasing goals and objectives? |  |  |
| 1. Specify the authority of the procurement department in all aspects of acquisition, contract administration, quality assurance, and surplus property transfer and disposal? |  |  |
| 1. Specifically set out all aspects of purchasing delegated to other departments, and the manner in which such activities are to be monitored and controlled by the procurement department? |  |  |
| 1. Cover a code or standard of conduct governing the performance of procurement officials and personnel as well as contractors and their agents? |  |  |
| 1. Communicate to the appropriate areas of the agency when a purchase must be made with or without a purchase order? |  |  |
| 1. Cross-reference forms adopted by the Agency |  |  |
| 1. Specify roles and responsibilities at all stages of the procurement/purchasing process? |  |  |
| 1. When was the manual last updated?   *mm/dd/yyyy* |  |  |
| 1. Have all agency personnel involved in the procurement process been adequately trained to procure in accordance with the SC Consolidated Procurement Code (Code) and regulations? |  |  |
| 1. Are periodic spot checks made by procurement management to determine if procurements made outside of the Central Purchasing Office are being made in compliance with the Code provisions?   By authorized personnel? |  |  |
| 1. Are periodic, at least annual, independent audits made by internal or external auditors to determine if procurements are being made in compliance with Code provisions? |  |  |
| 1. Sole Source Procurements (§ 11-35-1560) |  |  |
| 1. Who has the authority to approve this Determination?   Title/Name*: Enter Title and Name here* |  |  |
| 1. Who maintains the file?   Title/Name*:* *Enter Title and Name here* |  |  |
| 1. Where is the file located?   Dept./Rm No.*: Enter location here* |  |  |
| 1. Emergency Procurements (§ 11-35-1570) |  |  |
| 1. Who has the authority to approve this Determination?   Title/Name*:* *Enter Title and Name here* |  |  |
| 1. Who maintains the file?   Title/Name*:* *Enter Title and Name here* |  |  |
| 1. Where is the file located?   Dept./Rm No.*: Enter location here* |  |  |
| 1. Types and Forms of Contracts (§ 11-35-2010) |  |  |
| 1. Who has the authority to make this Determination?   Title/Name*: Enter Title and Name here* |  |  |
| 1. Who maintains the file?   Title/Name*: Enter Title and Name here* |  |  |
| 1. Where is the file located?   Dept./Rm No.*: Enter location here* |  |  |
| 1. Multi-term Contracts, Determinations Prior to Use   [§ 11-35-2030 (2)] |  |  |
| 1. Who has the authority to make this Determination?   Title/Name*: Enter Title and Name here* |  |  |
| 1. Who maintains the file?   Title/Name*: Enter Title and Name here* |  |  |
| 1. Where is the file located?   Dept./Rm No.*: Enter location here* |  |  |
| 1. Are proper records of all contracts made under § 11-35-1560 (Sole Source) and § 11-35-1570 (Emergency) being maintained and reported quarterly to DPS as required by § 11-35-2440? |  |  |
| Who is responsible for these reports?  Title/Name*:* *Enter Title and Name here* |  |  |
| 1. Is the agency properly reporting? |  |  |
| 1. All surplus property not in public use held for sale   (§ 11-35-3820)? |  |  |
| 1. Trade-in sales (§ 11-35-3830 (3))? |  |  |
| 1. Has the agency developed an annual Minority Business Enterprise (MBE) Utilization Plan as required by § 11-35-3240 and has the agency submitted quarterly reports on minority business utilization as required by § 11-35-5260? |  |  |
| 1. Has the agency developed a master plan for information technology procurements (IT Plan) as required by Proviso 117.107, and has this IT Plan been approved by the Division of Technology Operations/ IT Planning and Administration Section? |  |  |
| 1. Does the Agency’s internal procurement procedure manual or IT Requisition Form require Requisitions for IT greater than $50,000 to certify IT Plan approval prior to developing a solicitation? |  |  |
|  |  |  |
| PROCUREMENT TRANSACTION CONTROL |  |  |
| 1. All procurements |  |  |
| 1. Is the procurement department entirely independent of: |  |  |
| 1. The accounting department? |  |  |
| 1. The receiving and shipping departments? |  |  |
| 1. Operations departments? |  |  |
| 1. Are all purchases initiated only on the basis of an approved purchase requisition? |  |  |
| 1. Are all purchases, except those allowed by Direct Payment under the State PO Policy, required by Agency policy to be routed through the procurement department? |  |  |
| 1. Does the agency have a Direct Pay Policy describing when it is acceptable to order supplies and services without a PO? |  |  |
| 1. Is the policy consistent with the CG’s State PO Policy? |  |  |
| 1. Do all purchases by the Procurement Dept. require a PO be sent to contract vendors? |  |  |
| 1. Is the number sequence of POs accounted for in the agency ERP system (SCEIS or other)?   Indicate if there are any POs numbered outside the agency’s ERP system and describe the system  *Enter description here* |  |  |
| 1. Does the PO show product identification, quantities, unit-of-measure, prices, delivery destination, and payor? |  |  |
| 1. Is there sufficient documentation to cross reference requisitions, solicitation, contract, and purchase order files? |  |  |
| 1. Are purchase order prices confirmed and approved: |  |  |
| 1. By responsible official in the procurement department? |  |  |
| 1. If not, by any other responsible official?   Title/Name*:* *Enter Title and Name here* |  |  |
| 1. Is the quantity and condition of goods received determined at the time of receipt by someone independent of the procurement department? |  |  |
| 1. Are goods receipts prepared by receiving department? |  |  |
| 1. Is the accounting department notified promptly of purchased goods returned to the vendor? |  |  |
| 1. Are unmatched goods receipts/receiving reports reviewed periodically and investigated for proper recording? |  |  |
| 1. Is there an adequate system for the recording and checking of partial deliveries applicable to a purchase order? |  |  |
| 1. Does the invoice/voucher preparation and approval process include a documented matching of the invoice to the purchase order and goods receipt as to description, quantity, price, and terms? |  |  |
| 1. Are invoices/vouchers approved for payment by an authorized official? |  |  |
| 1. Are purchase order modifications and contract change orders documented in writing using approved forms, etc., and approved by an appropriate official? |  |  |
| 1. Other than Supplies and Services |  |  |
| 1. Is there an established procedure to verify that all IT procurements greater than $50,000 have been approved under an approved IT Plan? |  |  |
| 1. Are all architect/engineer and construction procurements reported properly to and approved by the State Engineer? |  |  |
| 1. Are construction related expenditures accurately distinguished from those for routine repairs in accordance with the Manual for Planning and Execution of State Permanent Improvements? |  |  |
| 1. Are all permanent improvement projects reported and approved by the Commission on Higher Education, the Joint Bond Review Committee and the State Fiscal Accountability Authority? |  |  |
| 1. If IT procurements and construction and related services procurements are handled by personnel outside of the procurement department, is review and approval of the transaction by the procurement department for compliance with the Code required? |  |  |
|  |  |  |
| **PLANNING AND SCHEDULING ACQUISITIONS** |  |  |
| 1. Is the procurement department included in all top level planning affecting future procurement practices or needs? |  |  |
| 1. Is the agency’s procurement system integrated with its financial management or ERP system to accumulate such data as product code, quantity purchased, and unit prices per transaction? |  |  |
| 1. Are all contracts numbered sequentially in the agency’s ERP system? |  |  |
| 1. Are all POs recorded and numbered sequentially in the agency’s ERP system? |  |  |
| 1. Are any contracts, solicitations, or POs generated outside the procurement module of the agency’s ERP system?   If so, please describe the system:  Name: *Enter name here*  Functionality: *Brief explanation of purchasing function*  Business Area served: *List business units using this system*  Please provide a copy of any documented procedures associated with the system. *Enter document or file name provided* |  |  |
| 1. Does the procurement department have a documented procedure to select the appropriate procurement method for each solicitation? |  |  |
| 1. Does the procurement department make lease versus purchase comparisons in acquiring equipment, such as vehicles? |  |  |
| 1. Does the procurement department: |  |  |
| 1. Monitor frequency and volume of purchases of the same or similar items to see whether a competitive procurement might be more advantageous? |  |  |
| 1. Monitor different departments’ purchase requests for the same or similar items to see whether consolidation may achieve economies? |  |  |
| 1. Have written procedures to govern how such potential is to be identified? |  |  |
|  |  |  |
| **COMPETITION** |  |  |
| 1. Does the agency have a written policy that requires the use of competitive procedures for acquiring all possible supplies and services other than those specifically exempted from the Consolidated Procurement Code? |  |  |
| 1. Does the procurement department: |  |  |
| 1. Participate in contracting for the services exempted from normal competitive solicitations? |  |  |
| 1. Prescribe procedures to be followed in such contracting? |  |  |
| 1. Review the procurements made for compliance with such procedures? |  |  |
| 1. In securing formal bids for contract purchases, does the procurement department: |  |  |
| 1. Prepare or have the authority to review and approve invitations for bids? |  |  |
| 1. Maintain and update a separate list of certified minority business enterprises? |  |  |
| 1. Maintain and update a list of prospective bidders? |  |  |
| 1. Have written criteria for determining the eligibility of vendors to receive requests for quotes or be added to bidders’ lists which may include the bidder’s history of performing contracts with similar requirements as the proposed procurement? |  |  |
| 1. Have written procedure governing the receipt, control, opening, and evaluation of bids? |  |  |
| 1. Is there a policy stipulating the conditions under which blanket purchase agreements (BPAs), (SCEIS PO type ZBPO) may be used? |  |  |
| 1. Are terms and conditions required to be consistent with Regulation 19-445.2100 (E)? |  |  |
| 1. Is language in BPA terms and conditions consistent with the compendium clauses (7C005-1) found on the Procurement Services website? |  |  |
| 1. Is there a provision defining the special procedures to be followed when competitive procedures are not used: |  |  |
| 1. In emergency procurements? |  |  |
| 1. Where there is no responsible competition, or sole source procurements? |  |  |
| 1. For small purchases? |  |  |
| 1. Is there a formal program for identifying suppliers not previously solicited? |  |  |
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| **STANDARDIZATION & SPECIFICATIONS** |  |  |
| 1. Does the procurement department attempt to standardize items commonly used by two or more departments? |  |  |
| 1. Is there a central stockroom from which all departments are required to draw supplies? |  |  |
| 1. Is there a catalog of items available from the stockroom? |  |  |
| 1. Where specifications are prepared for special items or series by departments does the procurement department have the power to review, modify, and approve them? |  |  |
| 1. Are brand names avoided or expressly stated to be only descriptive (identifying salient features) and not restrictive? |  |  |
| 1. Are performance specifications rather than descriptive specifications used? |  |  |
| 1. Does the procurement department use qualified product lists of acceptable brands as an alternative to developing its own specifications and is there written criteria covering procedures for placing and removing products and brands from these lists? |  |  |
|  |  |  |
| **INSPECTION AND TESTING** |  |  |
| 1. Does the procurement department have the authority to establish and oversee a program of inspection of deliveries to ensure that items delivered meet specifications? |  |  |
| 1. Are there written instructions governing receipt and inspection of deliveries? |  |  |
| 1. Are there written procedures covering the handling of user and/or contractor complaints? |  |  |
|  |  |  |
| **PROPERTY MANAGEMENT** |  |  |
| 1. Does the agency ensure that: |  |  |
| 1. Expendable property is properly controlled? |  |  |
| 1. Non-expendable property is: |  |  |
| 1. Identified? |  |  |
| 1. Assigned for accountability to specific units of the agency? |  |  |
| 1. Recorded in perpetual inventory records when purchased? |  |  |
| 1. Periodic inventories of expendable and non-expendable property are taken? |  |  |
| 1. Who supervises the property management, surplus and scrap programs?   Title/Name*:* *Enter Title and Name here*  Department*: Enter Department Name here* |  |  |
| 1. Are surplus items reported to Surplus Property within 180 days in accordance with Reg. 19-445.2150(A)(2)? |  |  |
| 1. Are other departments informed of available surplus? |  |  |
|  |  |  |
| **PROFESSIONAL DEVELOPMENT** |  |  |
| 1. Does the agency encourage procurement officials and technical staff: |  |  |
| 1. To keep current with professional trends (e.g., affiliate with professional purchasing associations)? |  |  |
| 1. To secure formal training and education as a supplement to their job-acquired knowledge? |  |  |
| 1. Does the agency provide support for (1) and (2) above by providing funding? |  |  |
|  |  |  |
| **AUDIT & EVALUATION** |  |  |
| 1. Does the internal audit department review the procurement system to evaluate the effectiveness or economy with which it is making purchases?   If so, when was the last one completed? *Enter Date here* |  |  |
| 1. Are annual performance goals established for the procurement unit?   If so, how is performance evaluated?  *Enter explanation here* |  |  |
|  |  |  |

1. To be completed by Audit & Certification [↑](#footnote-ref-1)