



PROCUREMENT INTEGRITY CONSULTING SERVICES, LLC

"Specializing in assessment and mitigation strategies for procurement integrity to reduce the risk of financial and reputation losses"

Our Procurement Integrity Assurance Review utilizes our proprietary PICS Procurement Integrity Control System® model to assess our client(s) processes, procedures, and management systems in order to ensure they are designed appropriately to address the prevention, detection, prompt reporting, and capability to respond to vulnerabilities of procurement fraud and abuse. For those clients required to comply with U.S. Code, Title 48, Federal Acquisition Regulation, Subpart 3.10 "Contractor Code of Business Ethics and Conduct," we include its requirements within our review.

▶ **COMMITMENT TO PROCUREMENT INTEGRITY**

Demonstrated commitment to procurement integrity within an ethical culture.

The ability to have honest, fair, impartial and legal procurements can only occur when there is a commitment to procurement integrity, embraced in an ethical culture. Management demonstrates their commitment to procurement integrity by ensuring there is the appropriate authority, tone at the top, accountability, responsibility, capability, and the parameters to carry out procurement oversight responsibilities.

▶ **TAILORED VULNERABILITY ASSESSMENT**

Focused and tailored assessment of the organization's greatest risks to the traditional procurement fraud and abuses in today's contracting schemes, along with employee non-compliance to procurement policies, procedures, processes and instructions.

The primary threat to procurement integrity are the 44 procurement fraud and abuse schemes, the people that commit those schemes, and non-compliance with internal policies, procedures, processes and instructions designed to mitigate the inherent procurement integrity risks. Once understanding these threats, establishing procurement integrity must start with a vulnerability assessment that is tailored to the business environment of the entity in order to identify its degree of risk(s) and response capabilities to the procurement integrity threats. After the assessment has identified the unique risk areas, the results will allow the entity to identify and design effective protections built into their policies, procedures, processes and instructions that are consistent with management's risk tolerance.

▶ **PROTECTIONS WITHIN POLICY**

Sound protections built into organizational policies, procedures, processes and instructions that are designed to the organization's unique vulnerabilities.

Knowing the entity's unique risks to achieving or maintaining procurement integrity, their policies, procedures, processes and instructions need to be designed to protect against the identified risks and achieve sound contracting practices consistent with the management's risk tolerance. These protections will be preventive or detective in nature and may encompass a range of manual and automated activities such as authorizations and approvals, verifications, thresholds, and independent management quality reviews and audits.

▶ **TARGETED INFORMATION SHARING**

Targeted training and information sharing in the areas of fraud, abuse and impact of procurement policy non-compliance, to all appropriate levels within the organization.

To sustain procurement integrity, the entity must obtain, generate, train, and share information on its unique risks to procurement fraud, abuse, and non-compliance along with the internal mitigation efforts being used to ensure procurement integrity. This information must be shared at all appropriate levels as its effectiveness relies on employees' understanding of the traditional procurement fraud and abuse schemes, the type of people who performed these schemes, the impact of non-compliance to policies, procedures, and processes that are designed to prevent and detect procurement fraud and abuses; and management's commitment to procurement integrity.

▶ **IDENTIFICATION OF DEFICIENCIES**

Robust quality assurance processes which identify internal and external deficiencies in the procurement integrity control system.

To confirm the entity's efforts in mitigating their unique risks and maintaining procurement integrity are functioning as expected, there must be ongoing periodic evaluations, reviews, audits, and follow ups. These ongoing efforts will provide timely and actionable information which helps strengthen the business activities at different levels of the procurement process. The evaluations, reviews, audits, and follow ups may vary in scope and frequency depending on degree of risks, deficiencies, findings, corrections, and other management considerations.

