

**Public Procurement Department  
under the Ministry of Finance of the Kyrgyz Republic**



**Audit  
of Public Procurement**

**Presenter: Public Procurement Department**

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# Achievements in the field of Public Procurement of the Kyrgyz Republic

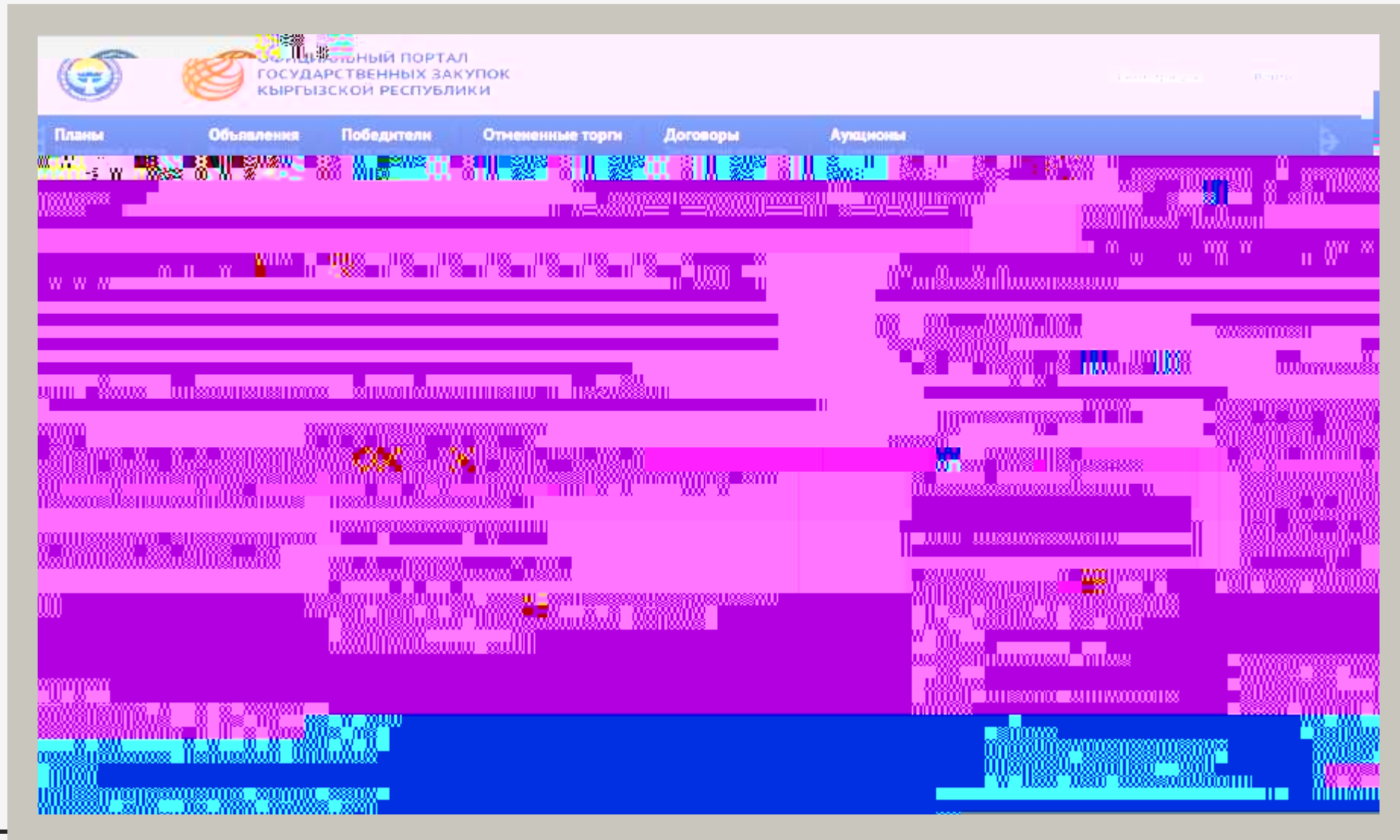
- The new Law of the Kyrgyz Republic "On Public Procurement" No. 72 entered into force on 3<sup>rd</sup> of April 2015
  - The Guidelines for application of the new Law of the Kyrgyz Republic "On Public Procurement" are developed
  - All procuring entities will be transferred to electronic method of
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# Statistical Data

- In May 2015, 862 procuring entities and 420 suppliers were registered in the electronic system
  - 89 announcements were published through the system in 2014, and 2001 announcements were published in 2015
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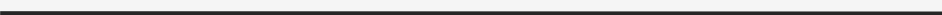
# The portal of public procurement (www.zakupki.gov.kg)



# Audit of public procurement includes **EXTERNAL and INTERNAL** audit

**EXTERNAL AUDIT:** The Chamber of Accounts is a supreme state audit body of the country in charge of auditing all state and municipal enterprises, organizations and institutions of the Republic and obliged

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# The content of the internal audit in the field of public procurement

## **Procurement Audit is:**

- analysis and evaluation of the relevance of procurement planning,
- analysis and evaluation of feasibility and effectiveness of procurement,
- analysis and evaluation of the procurement results, achievement of the objectives of procurement,
- as well as achievement of the objectives and implementation of activities stipulated by the Government of the Kyrgyz Republic.

## **Procurement Audit must cover:**

- Planning phase of procurement of goods (works, services)
  - Procurement phase
  - Contract award and execution phase
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# The content of the internal audit in the field of public procurement

Results of procurement audit are:

- Assessment of public needs satisfaction, taking into account the budget expenditures
  - Assessment of relevance of procurement planning, including the purchase price reasonableness,
  - Assessment of feasibility and
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# Objectives of Procurement Audit

- To determine how the control system works throughout the complete procurement cycle and evaluate the information on legality, appropriateness, reasonableness (including analysis and assessment of procedure for procurement justification planning and of reasonableness of procurement needs), timeliness, efficiency and effectiveness of procurement expenses related to the contracts to be signed, signed and executed; determine sufficiency of control mechanisms aimed at minimization of the main risks inherent in the system
  - To receive confirmation that the key means of control function effectively
  - To provide necessary recommendations
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# Review of the Steps in Procurement Audit

## Planning

- Step Confirmation of the scope of audit
- Step Introduction to the object of audit
- Step Review of the previous audit
- Step Preliminary planning
- Step Meeting with a responsible employee

## Defining and documenting

- Step Defining and documental system description, determination of process and control procedures

## Evaluation

- Step Comparison of means of control with the control goals, and evaluation of reliability of their functioning
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# Working documents

The main objective of the working documents are:

- documenting the evidence obtained during the audit process
  - documenting the received data and conclusions of the audit team
  - creation of the information base available for use by audit teams
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# Directions and issues of procurement audit

During the procurement audit process, internal auditor examines the following list of issues, which is not exhaustive:

- control environment
  - analysis of the procurement process
  - procurement planning
  - accounting
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**Thank you for attention!**

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