PROCUREMENT AND ASSETS MANAGEMENT POLICY MANUAL

FOR THE

INITIATIVE FOR LEGAL AID

(ILA)

@2026

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PROCUREMENT AND ASSETS MANAGEMENT POLICY

CHAPTER ONE

GENERAL PROVISIONS

1.1 Introduction

The Initiative for Legal Aid (ILA) recognizes that procurement and asset management are essential functions that directly support the achievement of the organization's mission, strategic objectives, and programme implementation. Effective procurement practices ensure that goods, works, and services are acquired in a manner that delivers value for money while maintaining the highest standards of integrity, fairness, transparency, and accountability.

Similarly, sound asset management safeguards organizational resources, promotes operational efficiency, minimizes losses, and ensures that assets are utilized solely for authorized organizational purposes throughout their useful life.

This Procurement and Asset Management Policy establishes the principles, procedures, responsibilities, and internal controls governing the procurement of goods, works, and services, as well as the acquisition, registration, use, maintenance, safeguarding, and disposal of organizational assets. The Policy seeks to ensure that all procurement and asset management activities are conducted consistently, ethically, economically, and in compliance with applicable laws, donor requirements, and internationally accepted best practices.

This Policy shall be read together with the organization's:

- Finance and Accounting Policy;
- Human Resource and Administration Policy;
- Safeguarding and PSEAH Policy;
- Code of Conduct and Ethics;
- Anti-Fraud and Anti-Corruption Policy (where applicable);
- Conflict of Interest Policy (where applicable); and
- Any other policies adopted by the Board of Directors.

1.2 Purpose

The purpose of this Policy is to establish a comprehensive framework for the planning, procurement, receipt, custody, utilization, maintenance, control, and disposal of goods, works, services, and organizational assets in a manner that:

a. Promotes transparency, accountability, fairness, and integrity in all procurement activities;

b. Ensures prudent utilization of organizational resources;

c. Achieves value for money through efficient and competitive procurement processes;

d. Protects organizational assets against loss, misuse, theft, damage, or unauthorized disposal;

e. Strengthens internal controls and risk management;

f. Ensures compliance with applicable laws, donor regulations, contractual obligations, and organizational policies; and

g. Supports the effective implementation of the Initiative for Legal Aid's programmes and operations.

1.3 Objectives

The objectives of this Policy are to:

a. Establish standardized procurement procedures applicable across all organizational operations;

b. Promote open, fair, equitable, transparent, and competitive procurement practices;

c. Ensure timely acquisition of quality goods, works, and services at the most economical cost consistent with required standards;

d. Define clear procurement roles, responsibilities, and approval authorities;

e. Prevent fraud, corruption, bribery, favoritism, collusion, conflicts of interest, and other unethical procurement practices;

f. Strengthen financial accountability through adequate segregation of duties and effective internal controls;

g. Establish proper systems for inventory and stores management;

h. Ensure that all organizational assets are properly identified, recorded, safeguarded, maintained, and periodically verified;

i. Provide procedures for asset transfer, maintenance, depreciation, and disposal;

j. Ensure full documentation of procurement transactions for audit and accountability purposes;

k. Promote sustainability and environmentally responsible procurement where practicable; and

l. Enhance donor confidence through compliance with internationally recognized procurement standards.

1.4 Scope of Application

This Policy applies to all procurement and asset management activities undertaken by or on behalf of the Initiative for Legal Aid.

It shall apply to:

a. Members of the Board of Directors;

b. Management;

c. Employees;

d. Temporary staff;

e. Consultants;

f. Volunteers;

g. Interns;

h. Procurement Committee members;

i. Project staff funded by donors;

j. Suppliers, contractors, consultants, and service providers engaged by the organization, to the extent applicable under their contractual obligations.

This Policy governs all procurement financed through:

- Organizational funds;
- Donor grants;
- Government funding;
- Partner contributions;
- Membership contributions;
- Project-specific funding; and
- Any other lawful source of organizational income.

The Policy covers the procurement of:

- Goods;
- Works;
- Consultancy services;

- Professional services;
- Non-consultancy services;
- Information technology equipment and software;
- Office supplies;
- Vehicles;
- Furniture and fixtures;
- Construction works;
- Training services;
- Insurance services; and
- Any other procurement undertaken by the organization.

1.5 Guiding Procurement Principles

All procurement and asset management activities shall be guided by the following principles:

1.5.1 Value for Money

Procurement decisions shall seek the optimum balance between cost, quality, sustainability, timeliness, and fitness for purpose, rather than focusing solely on obtaining the lowest price.

1.5.2 Transparency

All procurement processes shall be conducted openly and documented adequately to enable independent verification, accountability, and audit.

1.5.3 Fair Competition

Eligible suppliers shall be afforded equal opportunity to compete for procurement opportunities without discrimination, favoritism, or unjustified restrictions.

1.5.4 Accountability

Every individual participating in procurement or asset management shall be accountable for decisions made and resources entrusted to them.

1.5.5 Integrity

Procurement activities shall be conducted honestly, professionally, and ethically, free from bribery, corruption, coercion, collusion, fraud, or improper influence.

1.5.6 Economy

Resources shall be acquired and managed in a manner that minimizes waste and unnecessary expenditure while maintaining required quality standards.

1.5.7 Efficiency

Procurement processes shall be planned and executed in a timely manner to ensure uninterrupted programme implementation and organizational operations.

1.5.8 Equity and Non-Discrimination

Suppliers shall be treated equally regardless of nationality, ethnicity, religion, gender, disability, political affiliation, or any other prohibited ground, subject to applicable laws and donor eligibility requirements.

1.5.9 Sustainability

Where feasible, procurement decisions shall take into account environmental, social, and economic sustainability considerations.

1.5.10 Confidentiality

Information obtained during procurement processes shall be protected and disclosed only to authorized persons or as required by law, organizational policy, or donor requirements.

1.6 Legal and Regulatory Framework

This Policy shall be implemented in accordance with:

a. The Constitution of the Republic of South Sudan, 2011 (as amended);

b. The Non-Governmental Organizations Act and its applicable Regulations;

c. The Companies Act, where applicable;

d. The Public Financial Management framework, where relevant;

e. Applicable tax laws and regulations;

f. Labour laws governing employment relationships;

g. Applicable anti-corruption legislation;

h. Donor procurement regulations and grant agreements;

i. The Constitution and governing documents of the Initiative for Legal Aid; and

j. Other applicable laws, regulations, directives, and international standards governing procurement and asset management.

Where donor procurement requirements are more stringent than this Policy, the donor requirements shall prevail for the relevant donor-funded procurement, provided they do not conflict with the laws of the Republic of South Sudan.

1.7 Definitions

For purposes of this Policy:

Asset means any tangible or intangible property owned, leased, or controlled by the Initiative for Legal Aid that has economic value or operational utility.

Competitive Procurement means a procurement process in which qualified suppliers are afforded an equal opportunity to compete.

Conflict of Interest means any situation in which an individual's personal, financial, professional, or family interests may improperly influence, or appear to influence, the impartial performance of procurement or asset management duties.

Contract means a legally binding agreement between the Initiative for Legal Aid and a supplier, contractor, consultant, or service provider.

Emergency Procurement means procurement undertaken to address unforeseen circumstances requiring immediate action to prevent significant harm, disruption of operations, or threats to life, safety, or property.

Goods means physical items, equipment, materials, supplies, furniture, vehicles, software, or other commodities procured by the organization.

Procurement means the process of acquiring goods, works, or services from external sources through purchase, lease, rental, framework agreements, or other lawful means.

Procurement Committee means the committee established by the organization to oversee and approve procurement activities in accordance with this Policy.

Supplier means any individual, firm, company, consultant, contractor, or organization providing goods, works, or services to the Initiative for Legal Aid.

User Department means the department or programme requiring the procurement of goods, works, or services for the implementation of its functions.

Works means construction, renovation, repair, maintenance, installation, civil engineering, or other related infrastructure activities.

CHAPTER TWO

PROCUREMENT GOVERNANCE

2.1 Introduction

Effective procurement governance is fundamental to ensuring that the Initiative for Legal Aid (ILA) conducts procurement and asset management activities with integrity, transparency, accountability, and efficiency. Sound governance establishes clear authority, responsibilities, oversight mechanisms, and internal controls that safeguard organizational resources and promote confidence among donors, beneficiaries, partners, suppliers, and other stakeholders.

This Chapter establishes the governance framework for procurement and asset management, defines the responsibilities of various organs and officers of the organization, prescribes approval authorities, and outlines the ethical standards expected of all persons involved in procurement processes.

2.2 Procurement Governance Structure

The procurement governance structure of the Initiative for Legal Aid shall comprise the following:

a. Board of Directors;

b. Board Finance and Audit Committee (where established);

c. Executive Director;

d. Procurement Committee;

e. Finance Department;

f. Procurement Officer or designated Procurement Focal Person;

g. Stores and Logistics Officer;

h. Programme and User Departments;

i. Internal Auditor or Internal Audit Function;

j. External Auditors; and

k. All employees entrusted with procurement or asset management responsibilities.

Each governance level shall exercise its functions within the authority delegated by the Board of Directors and in accordance with this Policy.

2.3 Roles and Responsibilities

2.3.1 Board of Directors

The Board of Directors shall provide strategic oversight over procurement and asset management and shall be responsible for:

a. Approving this Procurement and Asset Management Policy and any amendments thereto;

b. Approving procurement strategies and major procurement plans where required;

c. Approving annual budgets from which procurement activities are funded;

d. Approving procurement contracts exceeding delegated management authority;

e. Approving disposal of high-value organizational assets in accordance with this Policy;

f. Establishing procurement governance structures;

g. Ensuring adequate internal controls;

h. Promoting ethical procurement practices;

i. Overseeing compliance with legal and donor obligations;

j. Receiving reports on procurement performance, procurement risks, audit findings, and asset management; and

k. Taking appropriate action where procurement irregularities or misconduct are identified.

2.3.2 Board Finance and Audit Committee

Where established, the Finance and Audit Committee shall:

a. Review procurement performance reports;

b. Monitor implementation of procurement recommendations;

c. Review procurement audit findings;

d. Oversee implementation of corrective measures;

e. Review major procurement risks;

f. Monitor compliance with internal controls;

g. Recommend policy improvements to the Board; and

h. Review major asset disposal recommendations before submission to the Board.

2.3.3 Executive Director

The Executive Director shall serve as the Accounting Officer of the organization and shall have overall responsibility for procurement administration.

The Executive Director shall:

a. Ensure implementation of this Policy;

b. Approve procurement activities within delegated authority;

c. Ensure procurement is consistent with approved budgets and work plans;

d. Establish effective procurement systems;

e. Appoint Procurement Evaluation Committees where necessary;

f. Ensure procurement records are maintained properly;

g. Authorize contract awards within delegated authority;

h. Ensure proper management of organizational assets;

i. Report significant procurement matters to the Board;

j. Ensure procurement complies with donor agreements; and

k. Institute disciplinary or legal action where procurement misconduct occurs.

2.3.4 Procurement Committee

The Procurement Committee shall be the principal management committee responsible for overseeing procurement activities.

The Committee shall comprise not fewer than five (5) members appointed by the Executive Director, including representatives from:

- Administration;
- Finance;
- Programmes;

- Procurement/Logistics;
- Senior Management; and
- Any technical department relevant to the procurement under consideration.

Where necessary, technical experts may be co-opted to advise the Committee but shall not have voting rights unless formally appointed.

The Procurement Committee shall:

a. Review procurement requisitions;

b. Approve procurement methods;

c. Ensure procurement thresholds are observed;

d. Review bid evaluation reports;

e. Recommend contract awards;

f. Ensure fairness and transparency throughout procurement processes;

g. Review supplier performance;

h. Monitor procurement risks;

i. Recommend procurement improvements;

j. Review procurement complaints; and

k. Maintain minutes of all procurement meetings and decisions.

2.3.5 Finance Department

The Finance Department shall:

a. Confirm budget availability before procurement commences;

b. Verify funding sources;

c. Ensure compliance with financial policies;

d. Process supplier payments;

e. Maintain procurement-related financial records;

f. Verify invoices against supporting documentation;

g. Participate in procurement planning;

h. Reconcile procurement expenditures;

i. Monitor procurement budgets; and

j. Support financial reporting.

2.3.6 Procurement Officer

Where a Procurement Officer is appointed, or where procurement functions are assigned to a designated staff member, that officer shall:

a. Coordinate all procurement activities;

b. Prepare annual procurement plans;

c. Conduct market surveys;

d. Obtain quotations and bids;

e. Prepare solicitation documents;

f. Maintain supplier databases;

g. Ensure procurement files are complete;

h. Prepare procurement reports;

i. Monitor contract implementation;

j. Ensure procurement complies with this Policy;

k. Advise management on procurement matters;

l. Coordinate procurement committee meetings; and

m. Maintain confidentiality throughout procurement processes.

2.3.7 Stores and Logistics Officer

The Stores and Logistics Officer shall:

a. Receive delivered goods;

b. Verify quantities and specifications;

c. Prepare Goods Received Notes (GRNs);

d. Maintain inventory records;

e. Issue stock only upon approved requisitions;

f. Conduct periodic stock counts;

g. Safeguard inventory;

h. Maintain stores registers;

i. Report shortages and losses immediately;

j. Maintain asset movement records; and

k. Coordinate physical verification of assets.

2.3.8 User Departments

Each user department shall:

a. Identify procurement needs;

b. Prepare procurement requisitions;

c. Develop technical specifications;

d. Participate in technical evaluations where appropriate;

e. Confirm satisfactory delivery;

f. Monitor contract performance;

g. Ensure procured goods are used for official purposes;

h. Safeguard assets assigned to the department; and

i. Report procurement or asset management concerns promptly.

2.3.9 Internal Auditor

The Internal Auditor or Internal Audit Function shall independently assess procurement and asset management systems and shall:

a. Audit procurement transactions;

b. Review compliance with this Policy;

c. Assess effectiveness of internal controls;

d. Investigate procurement irregularities where assigned;

e. Review procurement documentation;

f. Verify existence of assets;

g. Report audit findings directly to the Executive Director and the Board or Audit Committee, as applicable; and

h. Recommend corrective measures.

The Internal Auditor shall remain independent of procurement decision-making and shall not participate in procurement approvals or evaluations.

2.4 Delegation of Procurement Authority

The Board of Directors may delegate procurement authority to the Executive Director, who may further delegate specific procurement responsibilities to designated officers, provided such delegation is:

a. Made in writing;

b. Clearly defines the scope and limits of authority;

c. Is consistent with this Policy;

d. Does not relieve the delegating officer of accountability; and

e. May be amended or withdrawn at any time.

No officer shall exercise procurement authority beyond the limits of their delegated powers.

2.5 Segregation of Duties

To reduce the risk of fraud, error, abuse, or conflicts of interest, procurement responsibilities shall be segregated to ensure that no single individual controls all stages of a procurement transaction.

Where practicable, the following functions shall be performed by different individuals:

- Identification of procurement need;
- Preparation of specifications;

- Approval of requisition;
- Solicitation of quotations or bids;
- Bid evaluation;
- Procurement approval;
- Receipt and inspection of goods;
- Processing of payment;
- Recording of assets; and
- Internal audit.

Where staffing limitations make complete segregation impracticable, compensating controls, such as enhanced supervisory review, shall be implemented.

2.6 Procurement Ethics

All procurement officials shall uphold the highest standards of professional ethics and integrity.

Every person involved in procurement shall:

a. Act honestly, impartially, and professionally;

b. Avoid favoritism and discrimination;

c. Protect confidential information;

d. Treat suppliers fairly;

e. Avoid abuse of authority;

f. Use organizational resources responsibly;

g. Comply with applicable laws and policies; and

h. Promote public confidence in the procurement process.

Any breach of procurement ethics shall constitute misconduct and may result in disciplinary action, termination of employment, civil recovery, referral to law enforcement, or any other lawful sanction.

2.7 Conflict of Interest

All persons involved in procurement shall avoid actual, potential, or perceived conflicts of interest.

A conflict of interest arises where an individual's personal, financial, business, or family interests could improperly influence procurement decisions.

Accordingly:

a. Every member of the Procurement Committee, Evaluation Committee, or any employee involved in procurement shall disclose any conflict of interest immediately upon becoming aware of it.

b. A person with a conflict shall not participate in discussions, evaluations, recommendations, approvals, or decisions relating to the affected procurement.

c. Conflict of interest declarations shall be documented and retained in the procurement file.

d. Failure to disclose a conflict of interest shall constitute serious misconduct and may result in disciplinary action, termination of employment, cancellation of contracts, recovery of losses, and referral to competent authorities where appropriate.

2.8 Gifts, Hospitality, and Undue Influence

Employees, Board members, consultants, volunteers, and committee members shall neither solicit nor accept gifts, commissions, favors, entertainment, travel, hospitality, or any other benefit from actual or prospective suppliers where such benefit could influence, or reasonably appear to influence, procurement decisions.

Nominal promotional items of insignificant value may only be accepted where permitted under the organization's Code of Conduct and where acceptance does not create a conflict of interest or compromise impartiality.

Any offer of an improper benefit shall be reported promptly to the Executive Director or the appropriate authority.

2.9 Confidentiality

All procurement information shall be treated as confidential before contract award, except where disclosure is required by law, donor requirements, or organizational policy.

Persons involved in procurement shall not:

a. Disclose bid prices before official opening;

b. Reveal evaluation reports to unauthorized persons;

c. Share confidential supplier information;

d. Use procurement information for personal benefit; or

e. Release commercially sensitive information without authorization.

Confidentiality obligations shall continue even after an individual ceases to serve the organization.

2.10 Accountability and Sanctions

Every person exercising procurement or asset management responsibilities shall be personally accountable for compliance with this Policy.

Any person who:

- Violates procurement procedures;
- Commits fraud, bribery, corruption, collusion, or favoritism;
- Misuses procurement authority;
- Misappropriates organizational assets;
- Falsifies procurement records;
- Circumvents procurement thresholds;
- Knowingly approves irregular procurements; or
- Otherwise breaches this Policy,

shall be subject to appropriate disciplinary measures, which may include:

a. Written warning;

b. Suspension;

c. Recovery of financial losses;

d. Termination of employment or appointment;

e. Cancellation of procurement decisions or contracts;

f. Debarment from future procurement processes; and

g. Referral to the relevant law enforcement or regulatory authorities for investigation and prosecution where warranted.

CHAPTER THREE

PROCUREMENT PLANNING

3.1 Introduction

Procurement planning is the foundation of an effective, efficient, and accountable procurement system. It ensures that the procurement of goods, works, and services is undertaken in a timely, transparent, and cost-effective manner, while supporting the strategic objectives and operational needs of the Initiative for Legal Aid (ILA).

All procurement activities shall be based on approved procurement plans linked to the organization's strategic plan, annual work plans, approved budgets, and project implementation schedules. Procurement shall not be undertaken on an ad hoc basis except in cases of emergency as provided for under this Policy.

The objectives of procurement planning are to:

a. Ensure the timely availability of goods, works, and services;

b. Promote efficient utilization of organizational resources;

c. Enhance value for money through proper scheduling and competition;

d. Minimize procurement risks and delays;

e. Facilitate budgetary control and financial planning;

f. Improve coordination among departments; and

g. Ensure compliance with donor requirements and applicable laws.

3.2 Annual Procurement Planning

The organization shall prepare an Annual Procurement Plan (APP) for each financial year.

The Annual Procurement Plan shall be prepared before the commencement of the financial year and shall form part of the annual budgeting and operational planning process.

The Annual Procurement Plan shall:

a. Identify all anticipated procurement requirements for the financial year;

b. Estimate the value of each procurement activity;

c. Specify the proposed procurement method;

d. Indicate the expected procurement timelines;

e. Identify the responsible department or project;

f. Indicate the funding source;

g. Identify approval requirements;

h. Include anticipated framework agreements and recurring purchases; and

i. Be reviewed and approved by the Executive Director before implementation.

The Procurement Officer shall coordinate the preparation and consolidation of the Annual Procurement Plan in consultation with all departments.

3.3 Departmental Procurement Planning

Each department shall prepare and submit its procurement requirements to the Procurement Officer within the timelines established during the annual planning process.

Departmental procurement plans shall be based on:

- Approved work plans;
- Programme activities;
- Project implementation schedules;
- Budget allocations;
- Existing inventory levels;
- Forecasted operational requirements; and
- Anticipated maintenance and replacement needs.

Departments shall ensure that procurement requirements are realistic, necessary, and properly justified.

3.4 Procurement Needs Assessment

Prior to initiating any procurement, the requesting department shall conduct a needs assessment to determine:

a. Whether procurement is necessary;

b. Whether existing organizational resources can meet the requirement;

c. The quantity required;

d. Required quality standards;

e. Delivery timelines;

f. Operational priorities;

g. Cost implications; and

h. Risks associated with the procurement.

The needs assessment shall prevent over-procurement, duplication, and unnecessary expenditure.

3.5 Linkage Between Procurement Planning and Budgeting

No procurement activity shall be undertaken unless adequate funds have been budgeted for and are available.

Procurement planning shall be fully integrated with:

a. The annual organizational budget;

b. Donor-approved budgets;

c. Project implementation plans;

d. Cash flow projections; and

e. Strategic priorities.

The Finance Department shall certify the availability of funds before procurement commences.

3.6 Procurement Requisition

Every procurement shall originate from an approved Procurement Requisition Form (PRF).

The Procurement Requisition shall include:

a. Name of requesting department;

b. Date of request;

c. Description of required goods, works, or services;

d. Quantity required;

e. Technical specifications;

f. Estimated cost;

g. Budget line;

h. Funding source;

i. Required delivery date;

j. Justification for the procurement;

k. Name and signature of the requesting officer;

l. Departmental approval; and

m. Finance confirmation of budget availability.

Incomplete procurement requisitions shall not be processed.

3.7 Technical Specifications

Technical specifications shall clearly describe the goods, works, or services required without unnecessarily restricting competition.

Specifications shall:

a. Be clear and complete;

b. Be based on functional and operational requirements;

c. Promote fair competition;

d. Avoid references to specific brands unless objectively justified;

e. Reflect quality standards appropriate to the intended use;

f. Consider maintenance and lifecycle costs where relevant; and

g. Be prepared by technically competent personnel.

Where reference to a specific brand, manufacturer, or proprietary product is unavoidable, the phrase **"or equivalent"** shall be included unless donor rules or technical compatibility requirements justify otherwise.

3.8 Market Research and Price Analysis

Before commencing procurement, the Procurement Officer shall undertake appropriate market research to:

a. Identify potential suppliers;

b. Assess prevailing market prices;

c. Evaluate product availability;

d. Determine suitable procurement methods;

e. Understand market conditions;

f. Identify technological developments; and

g. Promote value for money.

Market research may include:

- Supplier consultations;
- Internet research;
- Catalogue reviews;
- Price comparisons;
- Previous procurement records;
- Industry publications; and
- Market surveys.

The results of market research shall be documented and retained in the procurement file.

3.9 Procurement Scheduling

Each procurement activity shall be scheduled to ensure timely completion without disrupting programme implementation.

Procurement schedules shall take into account:

a. Bid preparation periods;

b. Evaluation timelines;

c. Approval processes;

d. Manufacturing lead times;

e. Shipping and transportation;

f. Customs clearance, where applicable;

g. Inspection requirements;

h. Installation requirements; and

i. Seasonal or market conditions that may affect supply.

Departments shall avoid initiating procurement requests at the last minute except where justified by unforeseen circumstances.

3.10 Consolidation of Procurement Requirements

Where practical, similar procurement requirements from different departments shall be consolidated to:

a. Reduce procurement costs;

b. Achieve economies of scale;

c. Improve supplier competition;

d. Reduce administrative costs;

e. Enhance procurement efficiency; and

f. Minimize transaction costs.

Artificial splitting of procurement requirements to avoid competition or approval thresholds is strictly prohibited.

3.11 Multi-Year Procurement Planning

For long-term projects, donor-funded programmes, and recurring operational requirements, the organization may prepare multi-year procurement plans.

Such plans may include:

- Framework agreements;
- Long-term service contracts;
- Equipment replacement schedules;
- Vehicle replacement plans;
- ICT infrastructure upgrades;
- Office lease renewals; and
- Strategic procurement initiatives.

Multi-year plans shall be reviewed annually and updated as necessary.

3.12 Emergency Procurement Planning

Although emergencies may require expedited procurement, the organization shall, where feasible, identify foreseeable emergency requirements during procurement planning.

Examples include:

- Humanitarian emergencies;
- Security incidents;
- Natural disasters;
- Emergency legal interventions;
- Urgent repairs to organizational facilities;
- Replacement of essential equipment; and
- Public health emergencies.

Emergency procurement shall remain subject to the accountability requirements established under this Policy, even where simplified procedures are applied.

3.13 Procurement Risk Assessment

The Procurement Officer shall identify and assess procurement risks during the planning stage.

Potential risks include:

a. Supplier failure;

b. Price volatility;

c. Foreign exchange fluctuations;

d. Delayed deliveries;

e. Fraud and corruption;

f. Limited supplier competition;

g. Political instability;

h. Security concerns;

i. Customs delays; and

j. Force majeure events.

Appropriate risk mitigation measures shall be incorporated into procurement plans.

3.14 Sustainable Procurement

The Initiative for Legal Aid shall, where practical and economically feasible, incorporate sustainability considerations into procurement planning.

Departments should consider:

a. Energy-efficient products;

b. Environmentally friendly goods;

c. Durable and repairable equipment;

d. Suppliers with responsible business practices;

e. Reduced packaging;

f. Recyclable materials; and

g. Products with lower lifecycle costs.

Sustainability considerations shall not compromise value for money, legal compliance, or programme effectiveness.

3.15 Review and Amendment of Procurement Plans

Procurement plans shall be reviewed periodically throughout the financial year.

Revisions may be made where there are:

a. Budget revisions;

b. New donor funding;

c. Project modifications;

d. Emergencies;

e. Changes in operational priorities;

f. Market changes affecting procurement; or

g. Other justified circumstances.

Any significant amendments to the procurement plan shall be documented, justified, and approved by the Executive Director or other authorized approving authority.

3.16 Procurement Planning Records

The Procurement Officer shall maintain complete records relating to procurement planning, including:

a. Annual Procurement Plans;

b. Departmental procurement plans;

c. Procurement requisitions;

d. Budget confirmations;

e. Market research reports;

f. Cost estimates;

g. Procurement schedules;

h. Procurement risk assessments;

i. Plan amendments; and

j. Approval records.

These records shall be retained in accordance with the organization's Records Management Policy and shall be available for audit, inspection, and donor review.

3.17 Monitoring Compliance with Procurement Plans

The Procurement Officer shall monitor implementation of approved procurement plans and provide periodic reports to management.

Monitoring shall include:

a. Planned versus actual procurements;

b. Procurement timelines;

c. Budget utilization;

d. Procurement delays and their causes;

e. Contract implementation status;

f. Compliance with procurement procedures; and

g. Recommendations for improving future procurement planning.

Management shall review procurement performance regularly and take corrective action where significant deviations from approved procurement plans are identified.

CHAPTER FOUR

PROCUREMENT METHODS

4.1 Introduction

The Initiative for Legal Aid (ILA) shall adopt procurement methods that promote fairness, competition, transparency, efficiency, accountability, and value for money. The selection of the appropriate procurement method shall depend on the estimated value, nature, complexity, urgency, market conditions, and funding source of the procurement.

All procurement shall, as a general rule, be conducted through open and competitive processes unless this Policy or applicable donor requirements expressly permit an alternative method.

The Procurement Officer shall recommend the appropriate procurement method, subject to approval by the Procurement Committee or the relevant approving authority.

4.2 General Principles for Selecting Procurement Methods

In selecting a procurement method, the following factors shall be considered:

a. Estimated procurement value;

b. Nature and complexity of the goods, works, or services;

c. Availability of qualified suppliers;

d. Time available to complete the procurement;

e. Risks associated with the procurement;

f. Market conditions;

g. Donor procurement requirements;

h. Availability of framework agreements;

i. Previous supplier performance; and

j. The need to achieve value for money.

Procurement methods shall not be manipulated or selected with the intention of avoiding competition, procurement thresholds, or approval requirements.

4.3 Approved Procurement Methods

The organization may utilize one or more of the following procurement methods:

a. Petty Cash Procurement (Micro Purchases);

b. Request for Quotations (RFQ);

c. Request for Proposals (RFP);

d. Open Competitive Tendering;

e. Restricted Tendering;

f. Single-Source Procurement;

g. Direct Procurement;

h. Framework Agreements;

i. Emergency Procurement;

j. Procurement of Consultancy Services;

k. Community-Based Procurement, where appropriate;

l. Procurement through Intergovernmental or UN Agencies, where authorized; and

m. Any other procurement method approved by the Board or required by donor regulations.

4.4 Petty Cash Procurement (Micro Purchases)

Petty Cash Procurement shall be used for low-value purchases of routine operational items where the cost of conducting a formal procurement process would be disproportionate to the value of the procurement.

Examples include:

- Office stationery;
- Minor office supplies;
- Local transport services;
- Emergency office consumables;

- Minor repairs;
- Refreshments for official meetings; and
- Other incidental operational expenses.

Petty Cash Procurement shall be subject to the following conditions:

a. The expenditure shall fall within the approved petty cash limit established in the Finance and Accounting Policy;

b. The expenditure shall be supported by an approved requisition;

c. Original receipts or invoices shall be obtained;

d. The purchase shall represent value for money;

e. Procurement shall not be split to remain within petty cash limits; and

f. All petty cash transactions shall be properly recorded and reconciled.

4.5 Request for Quotations (RFQ)

The Request for Quotations (RFQ) method shall be used for the procurement of readily available goods, simple works, or standard services where specifications are clear and the estimated value falls within the prescribed procurement threshold.

Under this method:

a. Written quotations shall normally be requested from at least three (3) qualified suppliers.

b. Quotations shall specify:

- Unit prices;
- Total price;
- Delivery period;
- Payment terms;
- Warranty, where applicable;
- Validity period; and
- Any other relevant commercial terms.

c. Quotations shall be evaluated based on:

- Compliance with specifications;
- Price;
- Delivery schedule;
- Quality;
- Supplier capacity;

- Warranty and after-sales service, where applicable.

d. The procurement shall be awarded to the responsive supplier offering the best value for money.

Where fewer than three quotations are obtained despite reasonable efforts, the Procurement Officer shall document the reasons and seek approval from the Procurement Committee before proceeding.

4.6 Request for Proposals (RFP)

A Request for Proposals shall be used where the procurement involves consultancy, advisory, research, legal, technical, or other professional services in which quality and technical expertise are significant evaluation factors.

The RFP shall include:

a. Terms of Reference (TOR);

b. Evaluation criteria;

c. Submission instructions;

d. Technical requirements;

e. Financial proposal requirements;

f. Contract terms; and

g. Proposal submission deadline.

Proposals shall be evaluated using a two-stage process comprising:

1. Technical Evaluation; and
2. Financial Evaluation.

The relative weighting of technical and financial criteria shall be specified in the solicitation documents before proposals are submitted.

4.7 Open Competitive Tendering

Open Competitive Tendering shall be the preferred procurement method for high-value procurements and where broad market competition is appropriate.

The process shall include:

a. Public advertisement of the tender;

b. Availability of tender documents to all eligible bidders;

c. Adequate bidding period;

d. Public or officially witnessed bid opening;

e. Independent evaluation;

f. Approval of evaluation recommendations;

g. Contract award; and

h. Notification of unsuccessful bidders upon request.

Open tendering shall maximize competition, transparency, and equal opportunity.

4.8 Restricted Tendering

Restricted Tendering may be used where:

a. Only a limited number of suppliers possess the necessary technical capability;

b. The procurement concerns specialized goods or services;

c. Security considerations require restricted participation;

d. Time constraints make open tendering impracticable; or

e. Donor rules permit restricted competition.

Restricted Tendering shall:

- Invite an adequate number of qualified suppliers, normally not fewer than three (3), where available;
- Be fully documented;
- Require justification; and
- Receive prior approval from the Procurement Committee.

4.9 Single-Source Procurement

Single-Source Procurement may only be used in exceptional circumstances where competition is not feasible.

Such circumstances include:

a. Only one supplier possesses exclusive rights;

b. Proprietary software, equipment, or spare parts can only be obtained from the original manufacturer or authorized distributor;

c. Standardization with existing equipment is essential;

d. Continuity of specialized consultancy services is required;

e. Additional goods or services must be obtained from the original supplier for compatibility reasons; or

f. Donor regulations expressly authorize single-source procurement.

Every Single-Source Procurement shall:

- Be fully justified in writing;
- Demonstrate value for money;
- Receive prior approval from the Procurement Committee and the Executive Director; and
- Be supported by market analysis where appropriate.

4.10 Direct Procurement

Direct Procurement may be used where:

a. The procurement value falls within approved direct procurement thresholds;

b. An existing framework agreement applies;

c. Previous competitive procurement has established pricing;

d. The procurement concerns subscriptions, utilities, or statutory fees;

e. Immediate operational continuity requires direct engagement; or

f. Other exceptional circumstances exist and are properly documented.

Direct Procurement shall not be used to avoid competition or procurement approval requirements.

4.11 Emergency Procurement

Emergency Procurement may be undertaken where immediate procurement is necessary to:

a. Protect life or health;

b. Respond to humanitarian emergencies;

c. Prevent serious disruption of organizational operations;

d. Protect organizational property;

e. Address urgent security threats;

f. Restore essential services; or

g. Comply with emergency donor requirements.

Emergency Procurement shall:

a. Be limited to the immediate emergency requirement;

b. Be approved by the Executive Director or the most senior available authorized officer;

c. Be documented fully after the emergency;

d. Be reported to the Procurement Committee at its next meeting; and

e. Remain subject to audit.

4.12 Framework Agreements

The organization may establish Framework Agreements with suppliers for frequently purchased goods or services.

Framework Agreements may be used for:

- Office supplies;
- Fuel;
- Printing services;
- Internet services;
- Vehicle maintenance;
- Cleaning services;
- Security services;
- Hotel accommodation;
- Catering services; and

- Other recurring operational requirements.

Framework Agreements shall:

a. Be competitively established;

b. Specify pricing mechanisms;

c. Define service standards;

d. State contract duration;

e. Include performance monitoring provisions; and

f. Not create an obligation to purchase minimum quantities unless expressly stated.

4.13 Procurement of Consultancy Services

Consultants shall be selected based on qualifications, experience, methodology, and value for money.

Selection methods may include:

a. Quality and Cost-Based Selection (QCBS);

b. Quality-Based Selection (QBS);

c. Selection Based on Consultants' Qualifications (CQS);

d. Individual Consultant Selection; or

e. Single-Source Consultant Selection, where justified.

Consultancy contracts shall clearly specify:

- Scope of work;
- Deliverables;
- Timelines;
- Reporting requirements;
- Payment terms;
- Intellectual property rights;
- Confidentiality obligations; and
- Performance evaluation criteria.

4.14 Procurement of Goods

Procurement of goods shall include:

- Office equipment;
- Furniture;
- ICT equipment;
- Vehicles;
- Educational materials;
- Legal publications;
- Protective equipment;
- Office consumables;
- Medical supplies, where applicable; and
- Other tangible items.

Goods procured shall:

a. Meet required quality standards;

b. Be inspected upon delivery;

c. Be supported by warranties where appropriate;

d. Be properly recorded in inventory systems; and

e. Be tagged where classified as fixed assets.

4.15 Procurement of Works

Works procurement shall include:

- Office construction;
- Renovation;
- Repairs;
- Civil works;
- Installation services;
- Electrical works;
- Plumbing;
- Landscaping; and
- Other infrastructure-related projects.

Before commencement:

a. Technical specifications shall be prepared;

b. Cost estimates shall be developed;

c. Necessary approvals shall be obtained;

d. Site inspections shall be conducted where necessary; and

e. Contract supervision arrangements shall be established.

Completion certificates shall be issued only after satisfactory inspection.

4.16 Procurement of Non-Consultancy Services

Non-consultancy services include:

- Cleaning;
- Security;
- Transport;
- Courier services;
- Catering;
- Printing;
- Maintenance;
- Event management;
- Equipment servicing; and
- Similar operational services.

Such services shall be procured using the procurement method appropriate to their estimated value and complexity.

4.17 Electronic Procurement

The organization may utilize electronic procurement systems where appropriate.

Electronic procurement may include:

a. Electronic advertisements;

b. Electronic Requests for Quotations;

c. Online supplier registration;

d. Electronic bid submission, where secure systems exist;

e. Digital approvals;

f. Electronic contract management; and

g. Electronic procurement records.

Electronic procurement systems shall maintain confidentiality, integrity, authenticity, and adequate audit trails.

4.18 Prohibited Procurement Practices

The following practices are strictly prohibited:

a. Artificial splitting of procurements to avoid procurement thresholds or approval levels;

b. Collusion among suppliers;

c. Bid rigging;

d. Bribery and kickbacks;

e. Solicitation or acceptance of improper gifts or inducements;

f. Falsification of procurement documents;

g. Awarding contracts to suppliers with undisclosed conflicts of interest;

h. Procurement without approved budgetary provision;

i. Backdating procurement documents;

j. Awarding contracts before obtaining the required approvals;

k. Procurement based on personal relationships rather than objective criteria;

l. Unauthorized disclosure of confidential procurement information; and

m. Any procurement practice that violates applicable laws, donor requirements, or this Policy.

Any employee or representative found to have engaged in prohibited procurement practices shall be subject to disciplinary action, which may include dismissal, recovery of losses, debarment, contract termination, and referral to law enforcement authorities where appropriate.

4.19 Procurement Thresholds

The procurement methods described in this Chapter shall be applied in accordance with the procurement thresholds established under **Chapter Five** of this Policy.

Where donor regulations prescribe different thresholds or methods, the donor requirements shall prevail for the relevant procurement, provided they are not inconsistent with the laws of the Republic of South Sudan.

CHAPTER FIVE

PROCUREMENT THRESHOLDS AND APPROVAL AUTHORITY

5.1 Introduction

Procurement thresholds provide a structured framework for determining the appropriate procurement method, approval authority, and level of competition required for different procurement transactions. The establishment of procurement thresholds promotes consistency, transparency, accountability, and value for money while ensuring that procurement decisions are commensurate with the value and complexity of the procurement.

The thresholds set out in this Chapter shall guide all procurement activities undertaken by the Initiative for Legal Aid (ILA). They are intended to facilitate efficient decision-making while maintaining adequate oversight and internal controls.

The Board of Directors may review and amend the procurement thresholds from time to time to reflect changes in the organization's operational needs, inflation, market conditions, donor requirements, and applicable laws.

5.2 General Principles

The following principles shall govern the application of procurement thresholds:

a. Procurement thresholds shall be applied based on the total estimated value of the procurement and not on individual invoices or payments.

b. Procurement requirements shall not be divided or split into smaller transactions for the purpose of avoiding competition or approval requirements.

c. All procurement shall be supported by an approved budget and procurement requisition.

d. The prescribed procurement method shall be followed unless an exception is approved in accordance with this Policy.

e. Donor-specific procurement thresholds shall apply where required by the applicable funding agreement, provided they are not inconsistent with the laws of the Republic of South Sudan.

f. Procurement approvals shall be obtained before commitments are made to suppliers.

5.3 Procurement Threshold Matrix

Unless otherwise required by donor regulations, the following procurement thresholds shall apply:

Estimated Procurement Value (USD Equivalent)	Procurement Method	Minimum Competition Requirement	Approval Authority
Up to **USD 500**	Petty Cash / Micro Purchase	Price reasonableness to be confirmed	Department Head and Finance Officer
Above USD 500 – USD 5,000	Request for Quotations (RFQ)	At least three (3) written quotations	Procurement Committee and Executive Director
Above USD 5,000 – USD 20,000	Competitive Request for Quotations or Restricted Tender	At least three (3) qualified suppliers	Procurement Committee and Executive Director
Above USD 20,000 – USD 75,000	Open Competitive Tender	Public or widely circulated invitation	Procurement Committee and Executive Director
Above USD 75,000	Open Competitive Tender	Public advertisement	Procurement Committee and Board of Directors

Notes:

a. The Executive Director may require a more competitive procurement method than the minimum prescribed where considered necessary in the organization's best interest.

b. The Procurement Committee may recommend additional competition regardless of value where procurement risks justify doing so.

c. The Board may prescribe different thresholds for specific projects or donor-funded activities.

5.4 Approval Authority

Procurement approvals shall be exercised only by officers authorized under this Policy.

The approval authority shall verify that:

a. The procurement is necessary;

b. Funds are available;

c. The proposed procurement method complies with this Policy;

d. Appropriate competition has been undertaken;

e. The procurement process has been properly documented; and

f. The recommended supplier represents the best value for money.

No person shall approve a procurement in which they have an actual, potential, or perceived conflict of interest.

5.5 Financial Approval Limits

Unless otherwise determined by the Board of Directors, procurement approvals shall be exercised as follows:

(a) Department Heads

Department Heads may:

- Approve procurement requisitions within their approved departmental budgets;
- Certify technical specifications;
- Confirm operational necessity; and
- Verify satisfactory delivery of goods or services.

Department Heads shall not approve supplier selection or contract awards unless expressly authorized.

(b) Finance Officer/Finance Manager

The Finance Officer or Finance Manager shall:

- Confirm budget availability;
- Verify funding sources;
- Confirm financial compliance;
- Approve payment processing after verification of supporting documentation; and
- Ensure procurement commitments do not exceed available funds.

(c) Procurement Committee

The Procurement Committee shall:

- Review procurement documentation;
- Confirm compliance with procurement procedures;
- Review evaluation reports;
- Recommend supplier selection;
- Recommend contract awards; and
- Ensure procurement decisions are properly documented.

(d) Executive Director

The Executive Director may:

a. Approve procurement awards within delegated authority;

b. Approve procurement plans;

c. Authorize emergency procurement;

d. Approve contract execution within delegated limits;

e. Approve contract variations within prescribed limits; and

f. Recommend high-value procurements to the Board of Directors.

(e) Board of Directors

The Board shall approve:

a. Procurement exceeding the Executive Director's delegated authority;

b. Strategic procurement of significant organizational importance;

c. Disposal of high-value organizational assets;

d. Long-term procurement commitments extending beyond approved management authority;

e. Major infrastructure or capital projects; and

f. Any procurement specifically reserved for Board approval by law, donor agreement, or Board resolution.

5.6 Procurement Planning and Threshold Compliance

The estimated procurement value shall be determined during procurement planning and before the procurement process begins.

Estimated value shall include:

a. The total contract value;

b. Applicable taxes where payable by the organization;

c. Delivery and transportation costs;

d. Installation costs;

e. Maintenance costs included in the procurement;

f. Contract extensions that are reasonably foreseeable; and

g. Any optional components likely to be exercised.

Artificial understatement of procurement values is prohibited.

5.7 Prohibition Against Splitting Procurement

No employee or representative of the organization shall divide, split, fragment, or otherwise manipulate procurement requirements to:

a. Avoid competitive procurement;

b. Circumvent approval authority;

c. Avoid procurement thresholds;

d. Avoid Procurement Committee review; or

e. Evade Board approval.

Where several procurements relate to the same requirement, project, or programme and are reasonably foreseeable, they shall be treated as a single procurement for the purpose of determining the applicable procurement threshold.

Any deliberate splitting of procurements shall constitute serious misconduct and may result in disciplinary action, recovery of losses, termination of employment, and referral to law enforcement authorities where appropriate.

5.8 Contract Variations

Contract variations shall be kept to the minimum necessary and shall not be used to circumvent procurement requirements.

Any variation shall:

a. Be justified in writing;

b. Be approved before implementation;

c. Remain within available budget;

d. Be necessary for successful completion of the contract; and

e. Be properly documented.

Where a proposed variation substantially changes the scope, value, or nature of the original contract, the Procurement Committee shall determine whether a new procurement process is required.

5.9 Emergency Procurement Approval

Emergency procurement shall only be undertaken where immediate action is necessary to:

- Protect life or health;
- Prevent significant disruption of operations;
- Safeguard organizational property;
- Respond to humanitarian emergencies; or
- Address other urgent and unforeseen circumstances.

Emergency procurement shall require:

a. Written justification;

b. Approval by the Executive Director or the most senior authorized officer available;

c. Documentation of the circumstances necessitating emergency procurement;

d. Reporting to the Procurement Committee at its next meeting; and

e. Inclusion in the organization's procurement records.

Emergency procurement shall not be used to compensate for poor procurement planning or avoid competitive procurement.

5.10 Donor-Funded Procurement

Where procurement is financed by a donor, the organization shall comply with the procurement requirements contained in the applicable grant agreement or donor guidelines.

Where donor requirements differ from this Policy:

a. The stricter requirement shall generally apply;

b. Compliance with the laws of the Republic of South Sudan shall remain mandatory;

c. Any deviation from this Policy due to donor requirements shall be documented; and

d. The Procurement Officer shall maintain records demonstrating compliance with donor procurement rules.

5.11 Delegation of Approval Authority

The Board may delegate procurement approval authority to the Executive Director, who may further delegate limited approval authority to designated officers.

All delegations shall:

a. Be in writing;

b. Clearly specify the scope and financial limits of the delegated authority;

c. Be reviewed periodically;

d. Be subject to appropriate internal controls; and

e. Not relieve the delegating authority of overall accountability.

No officer may further delegate procurement approval authority unless expressly authorized to do so.

5.12 Documentation Requirements

Every procurement shall be supported by appropriate documentation, including, where applicable:

a. Approved procurement requisition;

b. Budget confirmation;

c. Procurement plan reference;

d. Technical specifications;

e. Quotations or tender documents;

f. Bid opening records;

g. Evaluation reports;

h. Procurement Committee minutes;

i. Approval records;

j. Purchase Order or contract;

k. Delivery notes;

l. Goods Received Note (GRN);

m. Inspection and acceptance reports;

n. Supplier invoices;

o. Payment vouchers; and

p. Any other records required by this Policy, donor agreements, or applicable laws.

Failure to maintain adequate procurement documentation may result in rejection of the procurement for payment or audit purposes.

5.13 Review of Procurement Thresholds

The procurement thresholds established under this Chapter shall be reviewed periodically to ensure that they remain appropriate for the organization's operations.

The review shall take into account:

a. Inflation and market conditions;

b. Organizational growth;

c. Donor requirements;

d. Audit recommendations;

e. Procurement performance;

f. Legislative changes; and

g. Operational experience.

Any amendment to the procurement thresholds shall require approval by the Board of Directors.

CHAPTER SIX

THE PROCUREMENT PROCESS

6.1 Introduction

The procurement process of the Initiative for Legal Aid (ILA) shall follow a structured and transparent cycle designed to ensure that goods, works, and services are acquired efficiently, economically, and in compliance with approved procedures.

The procurement cycle shall begin with identification of need and shall continue through planning, requisition, solicitation, evaluation, approval, contracting, delivery, inspection, payment, and contract close-out.

All procurement activities shall be conducted in accordance with the principles of:

- Transparency;
- Fair competition;
- Accountability;
- Integrity;
- Value for money;
- Timeliness; and
- Compliance with applicable laws and donor requirements.

No procurement commitment shall be made before completion of the required approvals under this Policy.

6.2 Overview of the Procurement Cycle

The procurement cycle shall generally consist of the following stages:

1. Identification of procurement need;
2. Procurement requisition;
3. Confirmation of budget availability;
4. Preparation of specifications or Terms of Reference;
5. Selection of procurement method;
6. Solicitation of suppliers;
7. Receipt and opening of quotations or bids;
8. Evaluation of submissions;
9. Approval of recommendation;
10. Contract award or purchase order issuance;
11. Delivery of goods, works, or services;
12. Inspection and acceptance;
13. Payment processing;
14. Contract monitoring;
15. Record keeping; and

16. Procurement review and close-out.

6.3 Identification of Procurement Need

The procurement process shall commence when a department identifies a legitimate operational or programme requirement.

The requesting department shall assess:

a. The necessity of the procurement;

b. Whether the requirement is included in the approved work plan;

c. Whether funds are available;

d. Whether the item or service already exists within the organization;

e. The required quantity and quality;

f. The urgency of the requirement; and

g. The expected outcomes of the procurement.

Departments shall avoid unnecessary procurement and shall consider the economical use of existing organizational resources.

6.4 Preparation of Procurement Requisition

All procurement requests shall be initiated through an approved Procurement Requisition Form.

The Procurement Requisition shall contain:

a. Requesting department;

b. Description of goods, works, or services required;

c. Purpose and justification;

d. Quantity required;

e. Technical specifications or Terms of Reference;

f. Estimated cost;

g. Proposed funding source;

h. Applicable budget line;

i. Required delivery timeline;

j. Name of requesting officer;

k. Departmental approval; and

l. Finance confirmation.

The Procurement Officer shall not process incomplete requisitions.

6.5 Review and Approval of Requisition

Upon receipt of a Procurement Requisition, the Procurement Officer shall review:

a. Completeness of information;

b. Compliance with procurement plans;

c. Availability of specifications or Terms of Reference;

d. Applicable procurement threshold;

e. Appropriate procurement method; and

f. Availability of supporting approvals.

The requisition shall then be submitted to the appropriate approving authority.

No procurement shall proceed without prior approval.

6.6 Confirmation of Budget Availability

Before commencing procurement, the Finance Department shall confirm:

a. Availability of funds;

b. Correct budget allocation;

c. Funding source;

d. Donor restrictions, where applicable;

e. Tax implications; and

f. Financial compliance requirements.

The Finance Department shall issue budget confirmation before procurement solicitation begins.

6.7 Preparation of Specifications and Terms of Reference

6.7.1 Goods Specifications

For procurement of goods, specifications shall clearly identify:

a. Required quantity;

b. Technical characteristics;

c. Quality standards;

d. Delivery requirements;

e. Warranty requirements;

f. Compatibility requirements;

g. Packaging requirements; and

h. Any relevant compliance standards.

Specifications shall not unnecessarily restrict competition.

6.7.2 Terms of Reference for Services

For consultancy or service procurement, the Terms of Reference shall include:

a. Background information;

b. Purpose of the assignment;

c. Scope of work;

d. Expected deliverables;

e. Required qualifications and experience;

f. Duration of assignment;

g. Reporting requirements;

h. Evaluation criteria;

i. Payment terms; and

j. Applicable contractual conditions.

6.8 Selection of Procurement Method

The Procurement Officer shall determine the appropriate procurement method based on:

a. Procurement value;

b. Nature of requirement;

c. Market availability;

d. Complexity;

e. Urgency;

f. Risk considerations; and

g. Applicable donor requirements.

The selected procurement method shall comply with Chapter Four and Chapter Five of this Policy.

6.9 Solicitation of Suppliers

Depending on the procurement method, solicitation may involve:

a. Requesting quotations;

b. Issuing tender documents;

c. Publishing procurement notices;

d. Requesting proposals;

e. Inviting qualified suppliers; or

f. Engaging approved framework suppliers.

Solicitation documents shall clearly specify:

- Description of requirement;

- Submission deadline;
- Required documentation;
- Evaluation criteria;
- Terms and conditions;
- Delivery requirements;
- Contact details; and
- Any other relevant instructions.

6.10 Supplier Communication During Procurement

All communication with suppliers shall be managed through authorized procurement personnel.

Employees shall not:

a. Provide preferential information to suppliers;

b. Negotiate privately with suppliers during competitive processes;

c. Alter specifications to favor a supplier;

d. Accept unauthorized submissions; or

e. Make commitments on behalf of the organization without approval.

Clarifications provided to one supplier during competitive procurement shall, where necessary, be shared equally with all participating suppliers.

6.11 Receipt of Quotations, Bids, and Proposals

All quotations, bids, and proposals shall be submitted according to the instructions contained in the solicitation documents.

The Procurement Officer shall ensure that:

a. Submissions are received before the deadline;

b. Late submissions are handled according to procurement rules;

c. Bid documents remain confidential before opening;

d. Records of received submissions are maintained; and

e. Submission procedures are fair and consistent.

6.12 Bid and Quotation Opening

Where applicable, bids shall be opened by an authorized Bid Opening Committee or designated officials.

The opening process shall:

a. Take place at the approved time;

b. Verify received submissions;

c. Record supplier names;

d. Record bid prices where applicable;

e. Confirm completeness of submissions; and

f. Prepare a Bid Opening Record.

Confidential evaluation information shall not be disclosed during or after bid opening except to authorized persons.

6.13 Evaluation of Bids and Quotations

All procurement submissions shall be evaluated objectively against established criteria.

Evaluation criteria may include:

a. Compliance with specifications;

b. Technical capability;

c. Price;

d. Quality;

e. Delivery timelines;

f. Supplier experience;

g. Financial capacity;

h. Warranty and support services;

i. Previous performance; and

j. Other relevant factors.

Evaluation criteria shall be established before receiving bids or proposals.

6.14 Evaluation Committee

For competitive procurement, an Evaluation Committee shall be appointed where necessary.

The Evaluation Committee shall:

a. Review submissions;

b. Apply approved evaluation criteria;

c. Maintain confidentiality;

d. Declare conflicts of interest;

e. Prepare an Evaluation Report;

f. Recommend the most suitable supplier; and

g. Provide justification for its recommendation.

Members of the Evaluation Committee shall sign confidentiality and conflict of interest declarations.

6.15 Evaluation Report

The Evaluation Report shall include:

a. Procurement reference number;

b. Description of procurement;

c. Procurement method used;

d. Suppliers invited;

e. Suppliers who submitted offers;

f. Evaluation criteria;

g. Evaluation results;

h. Reasons for selection or rejection;

i. Recommended supplier;

j. Recommended contract value; and

k. Signatures of evaluation members.

The Evaluation Report shall form part of the official procurement file.

6.16 Procurement Approval

Before contract award, the procurement recommendation shall be submitted to the appropriate approving authority.

The approving authority shall confirm:

a. Compliance with this Policy;

b. Availability of funds;

c. Proper evaluation process;

d. Value for money;

e. Absence of conflicts of interest; and

f. Adequate documentation.

No supplier shall be engaged before receiving formal approval.

6.17 Contract Award and Purchase Orders

Following approval:

a. The supplier shall be formally notified;

b. A Purchase Order or Contract shall be issued;

c. The supplier shall confirm acceptance;

d. Delivery timelines shall be agreed;

e. Contract conditions shall become binding.

Purchase Orders and Contracts shall specify:

- Description of goods/services;
- Quantities;
- Prices;
- Delivery requirements;
- Payment terms;
- Warranties;
- Penalties for non-performance where applicable;
- Confidentiality obligations;
- Termination provisions; and
- Dispute resolution mechanisms.

6.18 Contract and Supplier Performance Monitoring

The responsible department shall monitor supplier performance to ensure:

a. Timely delivery;

b. Compliance with specifications;

c. Quality standards;

d. Contract obligations;

e. Resolution of deficiencies; and

f. Completion of deliverables.

Poor supplier performance shall be documented and considered in future procurement decisions.

6.19 Receipt and Inspection of Goods

All goods delivered to ILA shall undergo inspection before acceptance.

Inspection shall verify:

a. Correct quantity;

b. Quality;

c. Compliance with specifications;

d. Physical condition;

e. Serial numbers where applicable;

f. Supporting documentation; and

g. Delivery timelines.

The receiving officer shall prepare a Goods Received Note (GRN) upon satisfactory delivery.

6.20 Acceptance of Services and Works

Services and works shall only be accepted after confirmation that:

a. Required deliverables have been completed;

b. Quality standards have been met;

c. Contract requirements have been fulfilled;

d. Required reports have been submitted; and

e. The responsible department has approved completion.

Completion certificates shall be issued where applicable.

6.21 Payment Processing

Payment shall only be processed after verification of:

a. Approved procurement documents;

b. Purchase Order or Contract;

c. Supplier invoice;

d. Goods Received Note or acceptance certificate;

e. Inspection report;

f. Approval documentation; and

g. Any other required supporting documents.

The Finance Department shall ensure payments are made only to approved suppliers and through authorized payment procedures.

6.22 Procurement File Closure

Upon completion of procurement, the Procurement Officer shall ensure that the procurement file contains all relevant documents.

The file shall include:

a. Procurement requisition;

b. Budget approval;

c. Solicitation documents;

d. Quotations or bids;

c. Evaluation documents;

d. Approvals;

e. Contract or Purchase Order;

f. Delivery documents;

g. Inspection records;

h. Payment records;

i. Correspondence; and

j. Contract completion documents.

6.23 Procurement Records Retention

Procurement records shall be retained in accordance with the organization's Records Management Policy, donor requirements, and applicable laws.

Records shall be maintained in a manner that allows:

a. Audit verification;

b. Donor review;

c. Management oversight;

d. Legal compliance; and

e. Institutional learning.

CHAPTER SEVEN

PROCUREMENT COMMITTEE

7.1 Introduction

The Initiative for Legal Aid (ILA) recognizes that effective procurement governance requires independent review, collective decision-making, and appropriate oversight mechanisms. The Procurement Committee is established as a key internal control mechanism responsible for ensuring that procurement processes are conducted fairly, transparently, competitively, and in accordance with this Policy.

The Procurement Committee shall provide oversight, technical review, and procurement recommendations while ensuring that organizational resources are acquired in a responsible and accountable manner.

The Procurement Committee shall operate independently and shall not be influenced by personal interests, external pressure, political considerations, or improper relationships with suppliers or service providers.

7.2 Establishment of the Procurement Committee

The Initiative for Legal Aid shall establish a Procurement Committee responsible for reviewing and overseeing procurement activities in accordance with this Policy.

The Procurement Committee shall be established by the Executive Director with approval of the Board of Directors or in accordance with delegated authority.

The Committee shall operate as a standing management committee and shall perform its functions throughout the financial year.

7.3 Composition of the Procurement Committee

The Procurement Committee shall consist of members representing key organizational functions to ensure balanced decision-making.

The Committee shall comprise not fewer than five (5) members, including:

1. **Chairperson**
    - Senior management representative appointed by the Executive Director.
2. **Finance Representative**
    - Responsible for financial review and budget compliance.
3. **Procurement/Administration Representative**
    - Responsible for procurement procedures and documentation.

4. **Programme Representative**
    - Responsible for confirming programme requirements.
5. **Technical Representative**
    - Appointed where specialized technical evaluation is required.

Additional members may be appointed depending on the nature and complexity of the procurement.

7.4 Appointment of Committee Members

Members of the Procurement Committee shall be appointed based on:

a. Relevant professional competence;

b. Knowledge of procurement procedures;

c. Understanding of organizational operations;

d. Integrity and ethical conduct;

e. Ability to exercise independent judgment; and

f. Absence of conflicts of interest.

Appointments shall be documented in writing and shall specify:

- Position held;
- Term of appointment;
- Roles and responsibilities;
- Confidentiality obligations; and
- Conflict of interest obligations.

7.5 Term of Appointment

Members of the Procurement Committee shall serve for a period determined by the Executive Director.

The organization may:

a. Renew appointments;

b. Replace members due to transfer, resignation, misconduct, or conflict of interest;

c. Appoint temporary members for specific procurement activities; or

d. Establish specialized evaluation committees where necessary.

7.6 Independence and Impartiality

Members of the Procurement Committee shall perform their duties objectively and independently.

Committee members shall:

a. Avoid favoritism;

b. Apply approved evaluation criteria consistently;

c. Base decisions solely on procurement requirements;

d. Declare any conflict of interest;

e. Maintain confidentiality;

f. Avoid communication with bidders except through authorized channels; and

g. Protect the integrity of the procurement process.

A member with a conflict of interest shall immediately disclose the conflict and shall withdraw from participation in the relevant procurement.

7.7 Functions and Responsibilities of the Procurement Committee

The Procurement Committee shall be responsible for:

7.7.1 Procurement Oversight

The Committee shall:

a. Ensure compliance with this Procurement and Asset Management Policy;

b. Review procurement plans;

c. Monitor procurement performance;

d. Identify procurement risks;

e. Recommend improvements to procurement systems; and

f. Promote accountability and transparency.

7.7.2 Review of Procurement Requests

The Committee shall:

a. Review procurement requisitions submitted for approval;

b. Confirm procurement justification;

c. Verify compliance with approved budgets;

d. Review procurement methods proposed;

e. Ensure appropriate specifications or Terms of Reference are prepared; and

f. Confirm that procurement procedures are appropriate.

7.7.3 Evaluation of Procurement Documents

The Committee shall review:

a. Requests for Quotations;

b. Tender documents;

c. Bid evaluation reports;

d. Proposal evaluations;

e. Supplier due diligence reports;

f. Procurement recommendations; and

g. Contract award recommendations.

7.7.4 Supplier Selection Recommendations

The Committee shall:

a. Evaluate supplier selection recommendations;

b. Confirm compliance with evaluation criteria;

c. Assess value for money;

d. Verify supplier capacity;

e. Recommend contract awards; and

f. Document reasons for supplier selection.

The Committee shall not select suppliers based on personal relationships, political influence, or other improper considerations.

7.8 Procurement Committee Meetings

The Procurement Committee shall meet:

a. Regularly as required by procurement activities;

b. Whenever significant procurement decisions require review;

c. Upon request of the Chairperson; or

d. In emergency circumstances where urgent procurement decisions are required.

Meetings may be conducted physically or through approved electronic communication platforms.

7.9 Notice of Meetings

Members shall receive reasonable notice of meetings together with relevant documentation.

Meeting notices shall include:

a. Date and time;

b. Venue or communication platform;

c. Agenda;

d. Procurement documents for review; and

e. Supporting information necessary for informed decisions.

For emergency procurement matters, shorter notice may be provided where circumstances require immediate action.

7.10 Quorum

The quorum for Procurement Committee meetings shall be:

a. At least half of appointed members; and

b. The presence of either the Chairperson or designated alternate.

Where financial decisions are being considered, the Finance Representative shall participate unless unavailable and formally replaced.

No procurement decision shall be made without quorum.

7.11 Decision-Making

The Procurement Committee shall strive to reach decisions through consensus.

Where consensus cannot be reached:

a. Decisions shall be made by majority vote;

b. Each member shall have one vote;

c. The Chairperson shall have a casting vote where there is a tie;

d. The reasons for dissenting opinions shall be recorded in the minutes.

Decisions shall be based on:

- Procurement requirements;
- Approved evaluation criteria;
- Value for money;
- Compliance with policy;
- Risk considerations; and
- Organizational interest.

7.12 Procurement Committee Minutes

Minutes shall be prepared for every Procurement Committee meeting.

Minutes shall record:

a. Date and venue of meeting;

b. Members present;

c. Apologies received;

d. Declaration of conflicts of interest;

e. Procurement matters considered;

f. Key discussions;

g. Decisions reached;

h. Recommendations made;

i. Dissenting opinions, where applicable; and

j. Action points and responsible persons.

Minutes shall be approved at the subsequent meeting and retained as part of procurement records.

7.13 Procurement Evaluation Committees

For complex, high-value, or technical procurements, the Procurement Committee may establish a separate Evaluation Committee.

The Evaluation Committee shall:

a. Assess technical and financial submissions;

b. Apply approved evaluation criteria;

c. Maintain confidentiality;

d. Sign conflict of interest declarations;

e. Prepare evaluation reports; and

f. Submit recommendations to the Procurement Committee.

Members of an Evaluation Committee may include:

- Technical experts;
- Programme specialists;
- Finance representatives;
- External specialists where necessary; and
- Other persons with relevant expertise.

7.14 Confidentiality Obligations

Procurement Committee members shall maintain strict confidentiality regarding:

a. Supplier information;

b. Bid prices;

c. Evaluation discussions;

d. Commercial information;

e. Procurement strategies;

f. Internal deliberations; and

g. Any information obtained through committee activities.

Confidential information shall not be disclosed except:

- To authorized persons;
- For audit purposes;
- As required by law; or
- In accordance with donor obligations.

7.15 Conflict of Interest Declaration

Before participating in procurement decisions, every Committee member shall declare whether they have:

a. Personal relationships with suppliers;

b. Financial interests in bidding companies;

c. Family relationships with suppliers;

d. Previous professional relationships that may affect impartiality; or

e. Any other interest that may influence decision-making.

Where a conflict exists, the member shall:

a. Disclose the conflict;

b. Abstain from participation;

c. Leave discussions where necessary; and

d. Allow the conflict to be recorded in the minutes.

7.16 Procurement Committee Authority Limitations

The Procurement Committee shall not:

a. Approve procurement beyond its delegated authority;

b. Override approved budgets;

c. Waive procurement requirements without proper authorization;

d. Participate where conflicts of interest exist;

e. Approve payments without supporting documentation; or

f. Replace the role of management in contract implementation.

7.17 Reporting Responsibilities

The Procurement Committee shall provide periodic reports to management covering:

a. Procurement activities undertaken;

b. Procurement status;

c. Major procurement decisions;

d. Procurement challenges;

e. Supplier performance;

f. Compliance issues;

g. Procurement risks; and

h. Recommendations for improvement.

Significant procurement matters shall be reported to the Board of Directors.

7.18 Removal or Replacement of Committee Members

A Committee member may be removed or replaced where:

a. They resign;

b. They cease to hold the position that qualified them for appointment;

c. They fail to attend meetings without reasonable cause;

d. They breach confidentiality;

e. They engage in misconduct;

f. They fail to disclose conflicts of interest; or

g. Their continued participation compromises procurement integrity.

7.19 Ethical Conduct of Committee Members

Procurement Committee members shall:

a. Act honestly and professionally;

b. Avoid improper influence;

c. Treat suppliers fairly;

d. Protect organizational interests;

e. Avoid accepting benefits from suppliers;

f. Report suspected fraud or corruption; and

g. Uphold the reputation and values of Initiative for Legal Aid.

CHAPTER EIGHT

CONTRACT MANAGEMENT

8.1 Introduction

Contract management is a critical component of the procurement process that ensures goods, works, and services acquired by the Initiative for Legal Aid (ILA) are delivered in accordance with agreed terms, conditions, quality standards, timelines, and financial commitments.

Effective contract management protects the interests of the organization, promotes supplier accountability, minimizes contractual risks, and ensures that organizational resources are utilized efficiently.

All contracts entered into by ILA shall be managed in a manner that promotes:

- Compliance with contractual obligations;
- Value for money;
- Timely delivery;
- Quality assurance;
- Risk management;
- Transparency;
- Accountability; and
- Protection of organizational interests.

8.2 Contract Management Principles

All contract management activities shall be guided by the following principles:

8.2.1 Clear Contractual Terms

All contracts shall clearly define:

a. Parties to the agreement;

b. Scope of work or supply;

c. Deliverables;

d. Contract value;

e. Payment terms;

f. Performance standards;

g. Delivery timelines;

h. Responsibilities of each party;

i. Reporting requirements;

j. Confidentiality obligations;

k. Dispute resolution mechanisms; and

l. Termination conditions.

8.2.2 Accountability

Every contract shall have a designated contract manager responsible for monitoring performance and ensuring compliance.

8.2.3 Transparency

Contract decisions, amendments, payments, and performance assessments shall be properly documented and maintained for audit purposes.

8.2.4 Risk Management

Contract managers shall identify, monitor, and mitigate risks that may affect successful contract implementation.

8.3 Contract Development

Contracts shall be prepared based on:

a. Approved procurement decisions;

b. Procurement evaluation reports;

c. Approved budgets;

d. Supplier proposals or quotations;

e. Technical specifications;

f. Terms of Reference;

g. Applicable donor requirements; and

h. Organizational legal requirements.

Contracts shall not contain terms that contradict applicable laws, donor agreements, or organizational policies.

8.4 Contract Review and Approval

Before execution, contracts shall undergo appropriate review to confirm:

a. Accuracy of contractual terms;

b. Compliance with procurement procedures;

c. Availability of funds;

d. Legal sufficiency;

e. Risk allocation;

f. Supplier obligations;

g. Payment conditions;

h. Performance requirements; and

i. Protection of organizational interests.

Where necessary, contracts shall be reviewed by:

- Finance Department;
- Procurement Committee;
- Legal Advisor or Legal Consultant;
- Relevant technical department; and
- Executive Director.

No contract shall become binding unless approved by the authorized officer.

8.5 Contract Signing Authority

Contracts shall only be signed by persons authorized under the organization's Delegation of Authority framework.

The signing authority shall ensure that:

a. Procurement approval has been obtained;

b. Contract terms have been reviewed;

c. Funding is available;

d. Required documentation exists; and

e. The contract serves the interests of ILA.

Employees without delegated authority shall not sign contracts on behalf of the organization.

8.6 Contract Register

The Procurement Officer or designated contract administrator shall maintain a Contract Register.

The Contract Register shall contain:

a. Contract reference number;

b. Supplier or contractor name;

c. Description of goods/services;

d. Contract value;

e. Contract start date;

f. Contract completion date;

g. Responsible contract manager;

h. Payment status;

i. Performance status;

j. Contract amendments;

k. Renewal dates; and

l. Contract closure status.

The Contract Register shall be updated regularly.

8.7 Contract Manager

Each contract shall have a designated Contract Manager responsible for overseeing implementation.

The Contract Manager may be:

- Procurement Officer;
- Programme Manager;
- Department Head;
- Technical Officer; or
- Other designated staff member.

The Contract Manager shall:

a. Monitor supplier performance;

b. Ensure compliance with contract terms;

c. Verify delivery of goods, works, or services;

d. Review supplier invoices;

e. Coordinate inspections;

f. Document performance issues;

g. Recommend corrective actions;

h. Maintain contract records;

i. Ensure timely completion;

j. Report significant issues to management.

8.8 Supplier Performance Monitoring

Supplier performance shall be monitored throughout the contract period.

Performance monitoring shall consider:

a. Quality of goods or services;

b. Compliance with specifications;

c. Timeliness of delivery;

d. Responsiveness;

e. Professional conduct;

f. Compliance with contractual obligations;

g. Accuracy of invoices;

h. Resolution of problems; and

i. Overall value delivered.

Supplier performance evaluations shall be documented and retained.

8.9 Contract Performance Reports

For significant contracts, the responsible department shall prepare periodic performance reports.

Reports may include:

a. Contract progress;

b. Deliverables completed;

c. Outstanding obligations;

d. Payment status;

e. Risks and challenges;

f. Corrective actions required; and

g. Recommendations.

High-value or strategic contracts shall be reported to senior management and, where appropriate, the Board.

8.10 Contract Deliverables and Acceptance

ILA shall only accept goods, works, or services that meet contractual requirements.

Acceptance shall be based on:

a. Compliance with specifications;

b. Completion of agreed deliverables;

c. Quality standards;

d. Inspection results;

e. Technical verification;

f. Required documentation; and

g. Approval by the responsible officer.

Acceptance documents shall include, where applicable:

- Goods Received Notes;
- Inspection reports;
- Completion certificates;
- Service acceptance forms;
- Delivery notes; and
- Performance reports.

8.11 Contract Payments

Payments shall only be made after confirmation that:

a. The contract is valid;

b. Goods or services have been delivered;

c. Deliverables have been accepted;

d. Invoices are accurate;

e. Supporting documents are complete;

f. Payment approval has been obtained; and

g. Budget funds are available.

Payments shall be processed according to:

- Contract terms;
- Finance and Accounting Policy;
- Approved payment procedures; and
- Donor requirements where applicable.

8.12 Advance Payments

Advance payments may only be made where:

a. They are justified;

b. They are provided for in the contract;

c. They are necessary for contract performance;

d. Appropriate approval is obtained;

e. Adequate safeguards exist; and

f. Recovery arrangements are established.

Where appropriate, advance payments shall be secured through:

- Advance payment guarantees;
- Performance guarantees; or
- Other risk mitigation measures.

8.13 Contract Amendments and Variations

Contract amendments shall only be made where necessary and justified.

A contract amendment may be required due to:

a. Changes in scope;

b. Extension of delivery periods;

c. Changes in technical requirements;

d. Changes in quantities;

e. Force majeure events;

f. Regulatory changes; or

g. Other legitimate circumstances.

All amendments shall:

a. Be documented in writing;

b. Explain the reasons for change;

c. Be approved by the appropriate authority;

d. Maintain value for money; and

e. Not fundamentally alter the original procurement purpose.

8.14 Contract Extensions and Renewals

Contract extensions or renewals shall only be approved where:

a. The supplier has performed satisfactorily;

b. The extension is permitted under the original contract;

c. Funding remains available;

d. Continued engagement provides value for money;

e. The extension does not unfairly restrict competition; and

f. Required approvals are obtained.

Repeated extensions shall not be used to avoid competitive procurement.

8.15 Contract Non-Performance

Where a supplier fails to meet contractual obligations, ILA may take corrective action including:

a. Issuing a written warning;

b. Requesting corrective action plans;

c. Withholding payment for incomplete work;

d. Applying contractual penalties;

e. Requiring replacement of defective goods;

f. Seeking compensation;

g. Terminating the contract; or

h. Taking legal action.

All instances of non-performance shall be documented.

8.16 Contract Termination

Contracts may be terminated where:

a. The supplier breaches contractual obligations;

b. The supplier fails to deliver;

c. Fraud, corruption, or misconduct is identified;

d. The supplier becomes insolvent;

e. The contract becomes impossible to perform;

f. Funding is withdrawn;

g. There is a material breach of contract; or

h. Termination is permitted under contractual provisions.

Termination shall follow the procedures established in the contract and applicable law.

8.17 Dispute Resolution

ILA shall seek to resolve contractual disputes through negotiation and good-faith discussions.

Where disputes cannot be resolved amicably, the organization may pursue:

a. Mediation;

b. Arbitration;

c. Alternative dispute resolution mechanisms; or

d. Litigation before competent courts.

Contracts shall specify applicable dispute resolution mechanisms.

8.18 Contract Close-Out

A contract shall be formally closed after:

a. Completion of all deliverables;

b. Final inspection or acceptance;

c. Final payment;

d. Resolution of outstanding issues;

e. Return of organizational property;

f. Completion of documentation;

g. Evaluation of supplier performance; and

h. Filing of contract records.

The Contract Manager shall prepare a contract completion report where appropriate.

8.19 Contract Records Management

All contract-related documents shall be maintained in the procurement file, including:

a. Contract agreement;

b. Purchase orders;

c. Amendments;

d. Correspondence;

e. Performance reports;

f. Inspection records;

g. Payment records;

h. Acceptance documents;

i. Evaluation reports; and

j. Closure documents.

Contract records shall be available for audit, donor review, and legal verification.

8.20 Lessons Learned

Upon completion of significant contracts, ILA shall conduct lessons-learned reviews to identify:

a. Successful practices;

b. Procurement challenges;

c. Supplier performance issues;

d. Cost-saving opportunities;

e. Process improvements; and

f. Risk mitigation measures for future contracts.

Lessons learned shall inform future procurement planning and contract management.

CHAPTER NINE

VENDOR AND SUPPLIER MANAGEMENT

9.1 Introduction

The Initiative for Legal Aid (ILA) recognizes that effective supplier management is essential for achieving value for money, maintaining procurement integrity, and ensuring the reliable delivery of goods, works, and services.

Supplier management involves the identification, registration, assessment, selection, monitoring, evaluation, and management of suppliers, contractors, consultants, and service providers engaged by the organization.

ILA shall maintain a supplier management system that promotes:

- Fair and transparent supplier participation;
- Supplier competence and reliability;
- Ethical business practices;
- Competitive procurement;
- Quality assurance;
- Risk management; and
- Long-term beneficial relationships with reputable suppliers.

9.2 Objectives of Supplier Management

The objectives of supplier management are to:

a. Establish a reliable database of qualified suppliers;

b. Ensure suppliers meet required technical, financial, legal, and ethical standards;

c. Promote fair competition among suppliers;

d. Reduce procurement risks;

e. Monitor supplier performance;

f. Encourage accountability and continuous improvement;

g. Prevent engagement with fraudulent or unsuitable suppliers;

h. Support efficient procurement processes; and

i. Ensure compliance with donor requirements and applicable laws.

9.3 Supplier Registration

ILA shall establish and maintain a Supplier Register containing information on approved suppliers.

Suppliers seeking to provide goods, works, or services to ILA may be required to complete a Supplier Registration Form.

Supplier registration information shall include:

a. Legal name of supplier;

b. Business registration details;

c. Physical and postal address;

d. Contact details;

e. Ownership information;

f. Tax registration details where applicable;

g. Banking information;

h. Nature of goods or services provided;

i. Relevant licenses or certifications;

j. Previous experience;

k. References from previous clients;

l. Declaration of conflict of interest;

m. Declaration of ethical compliance; and

n. Any other information required by ILA.

9.4 Supplier Eligibility Requirements

Before registration or engagement, suppliers shall meet minimum eligibility requirements.

Suppliers may be required to demonstrate:

a. Legal registration and authorization to operate;

b. Technical capacity;

c. Financial capability;

d. Relevant experience;

e. Adequate staffing and resources;

f. Compliance with applicable laws;

g. Tax compliance where required;

h. Commitment to ethical business practices; and

i. Ability to meet contractual obligations.

ILA reserves the right to reject suppliers that do not meet eligibility requirements.

9.5 Supplier Due Diligence

Before awarding significant contracts, ILA shall conduct appropriate supplier due diligence.

Due diligence may include verification of:

a. Legal existence;

b. Ownership structure;

c. Beneficial ownership where applicable;

d. Previous performance;

e. Financial stability;

f. Reputation;

g. Litigation history;

h. Fraud or corruption concerns;

i. Sanctions or exclusion lists where relevant; and

j. Compliance with donor requirements.

The level of due diligence shall be proportionate to the procurement value and risk.

9.6 Supplier Categorization

ILA may categorize suppliers according to the nature of goods, works, or services provided.

Categories may include:

9.6.1 Goods Suppliers

Providing items such as:

- Office supplies;
- ICT equipment;
- Furniture;
- Vehicles;
- Publications;
- Equipment; and
- Other materials.

9.6.2 Service Providers

Providing:

- Transport services;
- Security services;
- Cleaning services;
- Printing;
- Catering;
- Maintenance;
- Accommodation; and
- Other operational services.

9.6.3 Consultants and Professional Service Providers

Providing:

- Legal services;
- Research;
- Training;

- Technical advisory services;
- Auditing;
- Evaluation;
- Consultancy; and
- Specialized expertise.

9.6.4 Contractors

Providing:

- Construction;
- Renovation;
- Repairs;
- Installation;
- Engineering works; and
- Infrastructure services.

9.7 Supplier Selection

Supplier selection shall be conducted objectively based on approved procurement criteria.

Selection factors may include:

a. Compliance with specifications;

b. Price competitiveness;

c. Technical capability;

d. Experience;

e. Delivery capacity;

f. Quality standards;

g. Financial capacity;

h. Previous performance;

i. Warranty and after-sales support; and

j. Ethical and legal compliance.

Selection decisions shall be documented and supported by procurement records.

9.8 Supplier Code of Conduct

All suppliers engaged by ILA shall be expected to conduct business ethically and responsibly.

Suppliers shall:

a. Comply with applicable laws;

b. Avoid bribery and corruption;

c. Provide accurate information;

d. Avoid conflicts of interest;

e. Respect confidentiality;

f. Maintain professional standards;

g. Avoid exploitation or abuse;

h. Respect human rights;

i. Comply with safeguarding requirements; and

j. Maintain appropriate environmental and social standards.

ILA may require suppliers to sign a Supplier Code of Conduct as part of contractual arrangements.

9.9 Supplier Performance Management

ILA shall monitor supplier performance throughout the contract period.

Performance evaluation shall consider:

a. Quality of goods or services;

b. Compliance with specifications;

c. Delivery timelines;

d. Responsiveness;

e. Communication;

f. Professional conduct;

g. Accuracy of documentation;

h. Compliance with contractual obligations;

i. Problem resolution; and

j. Overall value for money.

9.10 Supplier Performance Evaluation

Supplier performance evaluations shall be conducted:

a. Upon completion of significant contracts;

b. Periodically for framework suppliers;

c. Before contract renewal;

d. When performance concerns arise; and

e. As part of procurement reviews.

Evaluation results shall be recorded and maintained in supplier files.

9.11 Supplier Rating System

ILA may establish a supplier rating system to assess performance.

Supplier ratings may consider:

Performance Area	Assessment Criteria
Quality	Compliance with specifications and standards
Delivery	Timeliness and reliability
Cost	Competitiveness and accuracy of pricing
Communication	Responsiveness and professionalism
Compliance	Adherence to contractual obligations
Ethics	Integrity and responsible conduct

Supplier ratings may influence future procurement decisions.

9.12 Supplier Improvement Measures

Where supplier performance is below expectations, ILA may implement corrective measures including:

a. Written performance warnings;

b. Requests for improvement plans;

c. Additional monitoring;

d. Restriction from certain procurements;

e. Suspension; or

f. Termination of contractual relationships.

Suppliers shall be given reasonable opportunity to address performance concerns unless circumstances require immediate action.

9.13 Supplier Suspension

ILA may suspend a supplier from participating in procurement activities where:

a. The supplier fails to perform contractual obligations;

b. There is evidence of fraud or corruption;

c. The supplier provides false information;

d. The supplier repeatedly delivers poor quality goods or services;

e. The supplier breaches confidentiality;

f. The supplier violates ethical requirements;

g. The supplier engages in misconduct; or

h. The supplier creates unacceptable organizational risk.

Suspension decisions shall be documented and approved by the appropriate authority.

9.14 Supplier Debarment or Blacklisting

ILA may permanently or temporarily exclude suppliers from future procurement where serious misconduct occurs.

Grounds for debarment may include:

a. Fraud;

b. Corruption;

c. Bribery;

d. Collusion;

e. Bid manipulation;

f. Forgery of documents;

g. Serious breach of contract;

h. Theft or misappropriation;

i. Abuse or safeguarding violations; or

j. Other serious unethical conduct.

Debarred suppliers shall not participate in ILA procurement activities during the period of exclusion.

9.15 Supplier Complaints and Appeals

Suppliers shall have the opportunity to raise concerns regarding procurement processes.

Complaints may relate to:

a. Unfair treatment;

b. Procurement irregularities;

c. Lack of transparency;

d. Errors in evaluation;

e. Conflict of interest concerns; or

f. Breach of procurement procedures.

Complaints shall:

a. Be submitted through official channels;

b. Be handled confidentially;

c. Be reviewed objectively;

d. Be investigated where necessary; and

e. Receive a documented response.

9.16 Prohibited Supplier Practices

Suppliers shall not engage in:

a. Bribery;

b. Fraud;

c. Collusion;

d. Bid manipulation;

e. Misrepresentation;

f. Unauthorized disclosure of confidential information;

g. Conflicts of interest;

h. Offering improper benefits to staff;

i. Submitting false documentation; or

j. Any conduct inconsistent with ILA's values.

9.17 Supplier Records Management

Supplier records shall include:

a. Registration documents;

b. Supplier application forms;

c. Due diligence records;

d. Contracts;

e. Performance evaluations;

f. Complaints;

g. Suspension records;

h. Debarment decisions;

i. Correspondence; and

j. Other relevant documentation.

Supplier records shall be maintained securely and made available for audit purposes.

9.18 Supplier Confidentiality

Supplier information shall be handled confidentially.

ILA shall protect:

a. Supplier commercial information;

b. Pricing information;

c. Technical proposals;

d. Personal information;

e. Evaluation records; and

f. Contractual information.

Confidential information shall only be disclosed where authorized or legally required.

9.19 Local Supplier Participation

ILA shall, where practical and consistent with procurement principles, encourage participation of qualified local suppliers.

Local supplier participation may promote:

a. Local economic development;

b. Reduced logistical costs;

c. Faster service delivery;

d. Community engagement; and

e. Sustainability.

Local preference shall not compromise transparency, competition, quality, or value for money.

9.20 Supplier Relationship Management

ILA shall maintain professional relationships with suppliers while preserving procurement independence.

Supplier relationships shall be based on:

a. Mutual respect;

b. Clear communication;

c. Contractual obligations;

d. Performance accountability;

e. Ethical conduct; and

f. Continuous improvement.

No supplier relationship shall create dependency, favoritism, or preferential treatment.

CHAPTER TEN

STORES AND INVENTORY MANAGEMENT

10.1 Introduction

The Initiative for Legal Aid (ILA) recognizes that effective stores and inventory management is essential for safeguarding organizational resources, ensuring availability of operational supplies, preventing losses, and promoting accountability in the use of organizational property.

This Chapter establishes procedures for the receipt, inspection, recording, storage, issuance, monitoring, verification, and disposal of inventory items owned, controlled, or managed by ILA.

All inventory management activities shall be conducted in accordance with the principles of:

- Accountability;
- Accuracy;
- Security;
- Transparency;
- Efficiency;
- Proper documentation;
- Cost control; and
- Responsible resource utilization.

10.2 Objectives of Stores and Inventory Management

The objectives of stores and inventory management are to:

a. Ensure proper control and safeguarding of organizational inventory;

b. Maintain accurate records of all stock items;

c. Ensure availability of necessary supplies for programme and operational activities;

d. Prevent theft, loss, damage, misuse, and wastage;

e. Establish clear procedures for receiving, storage, and issuance;

f. Promote efficient utilization of organizational resources;

g. Support accurate financial reporting;

h. Facilitate audits and physical verification;

i. Identify obsolete, damaged, or excess inventory; and

j. Ensure accountability of persons responsible for inventory management.

10.3 Stores Management Responsibility

The responsibility for stores management shall rest with the designated Stores and Logistics Officer or another officer assigned by management.

The Stores Officer shall be responsible for:

a. Maintaining stores records;

b. Receiving delivered goods;

c. Inspecting incoming items;

d. Maintaining stock cards and inventory registers;

e. Issuing items upon approved requests;

f. Ensuring proper storage conditions;

g. Conducting stock counts;

h. Reporting shortages and losses;

i. Monitoring stock levels;

j. Coordinating disposal of obsolete items; and

k. Ensuring compliance with this Policy.

10.4 Establishment of Stores Facilities

Where necessary, ILA shall maintain designated storage facilities appropriate to its operational requirements.

Stores facilities shall:

a. Be secure;

b. Have restricted access;

c. Protect items from damage;

d. Maintain proper organization;

e. Allow easy identification of items;

f. Provide adequate ventilation and safety measures where required;

g. Protect against theft, fire, moisture, and pests; and

h. Support efficient inventory management.

10.5 Access to Stores

Access to stores shall be limited to authorized personnel.

The Stores Officer shall maintain control over access and shall ensure that:

a. Unauthorized persons do not enter storage areas;

b. Stock movements are recorded;

c. Keys or access credentials are controlled;

d. Visitors are supervised;

e. Security incidents are reported promptly; and

f. Stores remain locked when unattended.

10.6 Receipt of Goods

All goods delivered to ILA shall be received through the designated receiving process.

Upon delivery, the receiving officer shall verify:

a. Purchase Order or Contract reference;

b. Supplier delivery note;

c. Quantity delivered;

d. Quality and specifications;

d. Physical condition;

e. Serial numbers or identification details where applicable;

f. Packaging condition; and

g. Supporting documentation.

No goods shall be accepted without verification.

10.7 Goods Received Note (GRN)

A Goods Received Note shall be prepared for all received goods.

The GRN shall include:

a. Date of receipt;

b. Supplier name;

c. Purchase Order reference;

d. Description of goods;

e. Quantity received;

f. Condition of goods;

g. Inspection results;

h. Name and signature of receiving officer; and

i. Approval by the responsible officer.

The GRN shall form part of the procurement and payment documentation.

10.8 Inspection of Delivered Goods

Inspection shall determine whether goods received conform to procurement requirements.

Inspection shall verify:

a. Correct specifications;

b. Quantity;

c. Quality;

d. Functionality;

e. Compliance with standards;

f. Absence of defects;

g. Warranty documentation where applicable; and

h. Any discrepancies.

Where goods do not meet requirements:

a. The supplier shall be notified;

b. Goods may be rejected or returned;

c. Corrective action shall be requested; and

d. The matter shall be documented.

10.9 Inventory Classification

ILA shall classify inventory according to its nature and use.

Inventory categories may include:

10.9.1 Office Consumables

Including:

- Stationery;
- Printing materials;
- Toners;
- Cleaning supplies;
- Other regularly consumed items.

10.9.2 Programme Materials

Including:

- Training materials;
- Awareness materials;
- Legal aid materials;
- Community outreach materials;
- Project supplies.

10.9.3 Equipment and Supplies

Including:

- Computers;
- Office equipment;
- Communication equipment;
- Tools;
- Specialized equipment.

10.9.4 Maintenance Supplies

Including:

- Spare parts;
- Repair materials;
- Operational supplies.

10.10 Inventory Records

ILA shall maintain accurate inventory records for all stock items.

Inventory records may include:

a. Stock cards;

b. Inventory register;

c. Bin cards;

d. Issue vouchers;

e. Goods Received Notes;

f. Stock movement records;

g. Disposal records; and

h. Physical verification reports.

Records shall be updated immediately following any stock movement.

10.11 Stock Cards

A Stock Card shall be maintained for each inventory item.

The Stock Card shall record:

a. Item description;

b. Item code;

c. Date of receipt;

d. Quantity received;

e. Quantity issued;

f. Balance available;

g. Reference documents;

h. Person responsible; and

i. Remarks.

Stock Cards shall be maintained in either physical or electronic format.

10.12 Inventory Coding and Identification

ILA shall assign identification codes to inventory items where practical.

Coding shall assist with:

a. Identification;

b. Tracking;

c. Reporting;

d. Stock verification;

e. Asset classification; and

f. Accountability.

Codes shall be unique and consistently applied.

10.13 Storage and Arrangement of Inventory

Inventory shall be arranged to facilitate:

a. Easy identification;

b. Efficient retrieval;

c. Stock counting;

d. Prevention of damage;

e. Proper rotation of supplies; and

f. Security control.

Where applicable, ILA shall apply the principle of:

First-In, First-Out (FIFO)

to ensure older stock is used before newer stock.

10.14 Inventory Issuance

Inventory shall only be issued upon receipt of an approved Stock Issue Request.

The issue request shall include:

a. Requesting department;

b. Description of items required;

c. Quantity requested;

d. Purpose of use;

e. Date of issue;

f. Authorized approval;

g. Recipient details; and

h. Signature acknowledging receipt.

No employee shall remove organizational stock without authorization.

10.15 Departmental Responsibility for Issued Items

Departments receiving inventory shall:

a. Use items only for authorized purposes;

b. Prevent misuse or wastage;

c. Maintain accountability for issued materials;

d. Return unused items where applicable;

e. Report losses or damages immediately; and

f. Cooperate during verification exercises.

10.16 Minimum and Maximum Stock Levels

Where appropriate, ILA shall establish minimum and maximum stock levels.

Minimum stock levels shall ensure that essential items do not run out before replenishment.

Maximum stock levels shall prevent:

a. Overstocking;

b. Unnecessary tying up of funds;

c. Expiry or deterioration;

d. Storage challenges; and

e. Waste.

10.17 Inventory Monitoring

The Stores Officer shall regularly monitor inventory levels.

Monitoring shall include:

a. Stock balances;

b. Consumption patterns;

c. Fast-moving items;

d. Slow-moving items;

e. Expiry dates where applicable;

f. Damaged items;

g. Reorder requirements; and

h. Stock discrepancies.

Inventory reports shall be submitted periodically to management.

10.18 Physical Stock Verification

ILA shall conduct periodic physical verification of inventory.

Physical verification shall:

a. Confirm existence of stock;

b. Compare physical quantities with records;

c. Identify shortages or excesses;

d. Identify damaged or obsolete items;

e. Assess storage conditions; and

f. Recommend corrective actions.

Physical verification shall be conducted by persons independent of day-to-day custody of inventory where possible.

10.19 Inventory Discrepancies

Where discrepancies are identified, the Stores Officer shall:

a. Investigate the cause;

b. Document findings;

c. Notify management;

d. Update records where justified;

e. Recommend corrective measures; and

f. Report suspected misconduct for investigation.

Inventory shortages caused by negligence, misconduct, or unauthorized actions may result in recovery of losses and disciplinary action.

10.20 Damaged, Expired, or Obsolete Inventory

Inventory that is damaged, expired, or no longer useful shall be identified and reported.

The organization shall determine whether items should be:

a. Repaired;

b. Returned to supplier;

c. Reallocated;

d. Written off;

e. Donated;

f. Recycled; or

g. Disposed of.

Disposal shall comply with Chapter Thirteen of this Policy.

10.21 Inventory Write-Off

Inventory may be written off where:

a. Items are damaged beyond repair;

b. Items have expired;

c. Items are obsolete;

d. Loss has occurred despite reasonable controls;

e. Recovery is impossible; or

f. Disposal is economically justified.

Write-offs shall:

a. Be properly documented;

b. Include justification;

c. Receive approval from the appropriate authority; and

d. Be recorded in financial and inventory records.

10.22 Emergency Stock Management

Where ILA maintains emergency supplies for rapid response activities, such stock shall be managed through:

a. Separate identification;

b. Regular inspection;

c. Expiry monitoring;

d. Emergency usage records;

e. Replenishment planning; and

f. Appropriate security measures.

10.23 Inventory Reporting

The Stores Officer shall prepare periodic inventory reports containing:

a. Opening balances;

b. Receipts;

c. Issues;

d. Closing balances;

e. Stock movements;

f. Losses or damages;

g. Verification results; and

h. Recommendations.

Reports shall be submitted to the Administration and Finance Departments and management as required.

10.24 Audit of Inventory

Inventory records and physical stock shall be subject to:

a. Internal audits;

b. External audits;

c. Donor reviews;

d. Management inspections; and

e. Regulatory inspections where applicable.

The organization shall cooperate fully with audit processes.

CHAPTER ELEVEN

ASSET MANAGEMENT

11.1 Introduction

The Initiative for Legal Aid (ILA) recognizes that organizational assets represent valuable resources acquired through donor funding, grants, organizational income, and other legitimate sources. Proper management of these assets is essential to ensure accountability, sustainability, operational efficiency, and protection against loss, misuse, theft, and damage.

This Chapter establishes procedures for the acquisition, recording, classification, custody, utilization, maintenance, movement, verification, safeguarding, depreciation, impairment, and disposal of assets owned, controlled, or managed by ILA.

All employees, consultants, volunteers, and representatives of ILA who have custody or access to organizational assets shall be responsible for ensuring their proper use and protection.

11.2 Objectives of Asset Management

The objectives of asset management are to:

a. Ensure effective control and accountability of organizational assets;

b. Protect assets from theft, loss, misuse, and damage;

c. Maintain accurate asset records;

d. Ensure assets are used only for authorized organizational purposes;

e. Maximize the useful life of assets;

f. Support accurate financial reporting;

g. Facilitate planning for replacement and maintenance;

h. Ensure compliance with donor and audit requirements;

i. Establish clear responsibility for asset custody; and

j. Promote responsible stewardship of organizational resources.

11.3 Scope of Asset Management

This Chapter applies to all assets owned, leased, controlled, or managed by ILA, including:

a. Property and land interests;

b. Buildings and improvements;

c. Motor vehicles;

d. Computers and ICT equipment;

e. Office furniture and fittings;

f. Communication equipment;

g. Machinery and tools;

h. Programme equipment;

i. Security equipment;

j. Laboratory or technical equipment where applicable;

k. Intangible assets such as software licenses; and

l. Any other items classified as organizational assets.

11.4 Asset Classification

ILA shall classify assets according to their nature, value, and useful life.

Assets may include:

11.4.1 Fixed Assets

Fixed assets are long-term resources expected to provide organizational benefit beyond one financial year.

Examples include:

- Vehicles;
- Buildings;
- Computers;
- Furniture;
- Equipment;
- Machinery; and
- Office installations.

11.4.2 Low-Value Assets

Low-value assets are items that may not meet the capitalization threshold but require tracking due to their nature and risk.

Examples include:

- Mobile phones;
- Tablets;
- Cameras;
- Small electronic devices;
- Tools; and
- Specialized equipment.

11.4.3 Intangible Assets

Intangible assets include:

- Software licenses;
- Digital systems;
- Intellectual property rights;
- Databases; and
- Other non-physical resources.

11.5 Asset Recognition and Capitalization

An item shall be recognized as an asset where:

a. ILA controls the item;

b. The item provides future organizational benefit;

c. The cost can be measured reliably;

d. It is acquired for organizational purposes; and

e. It meets the approved capitalization threshold.

The Finance Department shall determine capitalization requirements in accordance with applicable accounting standards and the Finance and Accounting Policy.

11.6 Asset Acquisition

All assets shall be acquired through approved procurement procedures.

Asset acquisition shall require:

a. Approved procurement requisition;

b. Budget confirmation;

c. Compliance with procurement procedures;

d. Proper authorization;

e. Supplier documentation;

f. Receipt and inspection; and

g. Recording in the Asset Register.

No employee shall acquire assets on behalf of ILA without proper authorization.

11.7 Asset Register

ILA shall maintain a comprehensive Asset Register containing details of all organizational assets.

The Asset Register shall include:

a. Asset identification number;

b. Asset description;

c. Category;

d. Date of acquisition;

e. Acquisition cost;

f. Funding source;

g. Supplier details;

h. Location;

i. Assigned custodian;

j. Condition;

k. Useful life;

l. Depreciation information;

m. Disposal details where applicable; and

n. Other relevant information.

The Asset Register shall be maintained by the Finance or Administration Department.

11.8 Asset Identification and Tagging

All qualifying assets shall be assigned unique identification numbers and, where practical, asset tags.

Asset tags shall:

a. Identify ownership;

b. Support tracking;

c. Facilitate physical verification;

d. Reduce risk of loss or unauthorized disposal; and

e. Improve accountability.

Asset tags shall not be removed, altered, or transferred without authorization.

11.9 Asset Custody and Responsibility

Every organizational asset shall have an assigned custodian responsible for its proper use and care.

Asset custodians shall:

a. Safeguard assigned assets;

b. Use assets only for authorized purposes;

c. Prevent unauthorized access;

d. Report loss, theft, or damage;

e. Return assets upon transfer, resignation, or termination;

f. Participate in verification exercises; and

g. Maintain assets in good condition.

Assignment of assets shall be documented through an Asset Handover Form.

11.10 Use of Organizational Assets

Organizational assets shall be used:

a. Only for official ILA activities;

b. In accordance with operational requirements;

c. In a responsible and cost-effective manner;

d. By authorized persons only; and

e. In compliance with relevant security and usage guidelines.

Personal use of organizational assets shall only be permitted where:

a. It is incidental;

b. It does not interfere with organizational operations;

c. It does not increase costs or risks; and

d. It is authorized by management.

11.11 Employee Responsibility for Assets

Employees entrusted with organizational assets shall:

a. Exercise reasonable care;

b. Prevent damage and misuse;

c. Keep assets secure;

d. Follow maintenance instructions;

e. Report faults promptly;

f. Not sell, transfer, lend, or dispose of assets;

g. Return assets upon request; and

h. Cooperate with investigations relating to asset loss.

Failure to properly safeguard assets may result in disciplinary action.

11.12 Asset Movement and Transfer

Assets shall not be moved between locations or users without authorization.

Asset movement shall be documented through an Asset Movement Form containing:

a. Asset identification number;

b. Description;

c. Previous location;

d. New location;

e. Previous custodian;

f. New custodian;

g. Reason for movement;

h. Date of transfer; and

i. Approval.

11.13 Motor Vehicle Management

ILA vehicles shall be managed in accordance with strict operational controls.

Vehicle management shall include:

a. Vehicle registration and documentation;

b. Assignment of responsible drivers;

c. Authorized usage;

d. Vehicle logbooks;

e. Fuel records;

f. Maintenance schedules;

g. Insurance coverage;

h. Accident reporting procedures; and

i. Periodic inspection.

ILA vehicles shall not be used for unauthorized personal activities.

11.14 Vehicle Use Authorization

Vehicle use shall require:

a. Approved travel authorization;

b. Authorized driver;

c. Official purpose;

d. Completed vehicle movement documentation; and

e. Compliance with safety requirements.

Drivers shall:

a. Maintain vehicle records;

b. Observe traffic laws;

c. Report mechanical issues;

d. Protect organizational property; and

e. Avoid negligent conduct.

11.15 Asset Maintenance

ILA shall maintain assets to ensure operational efficiency and extend useful life.

Maintenance shall include:

a. Preventive maintenance;

b. Corrective repairs;

c. Regular inspections;

d. Servicing schedules;

e. Maintenance records; and

f. Budget planning.

Asset users shall report defects promptly to prevent further damage.

11.16 Asset Insurance and Risk Protection

Where appropriate and financially feasible, ILA shall insure significant assets against risks including:

a. Theft;

b. Fire;

c. Accidental damage;

d. Loss;

e. Vehicle accidents; and

f. Other relevant risks.

The organization shall maintain appropriate documentation for insured assets.

11.17 Asset Verification

ILA shall conduct periodic physical verification of assets.

Verification shall confirm:

a. Existence of assets;

b. Location;

c. Condition;

d. Assigned custodian;

e. Asset identification;

f. Accuracy of records; and

g. Need for repair, replacement, or disposal.

Verification shall be conducted by persons independent from daily custody where possible.

11.18 Asset Impairment

Assets shall be assessed for impairment where circumstances indicate that their value or usefulness has reduced significantly.

Indicators of impairment may include:

a. Physical damage;

b. Obsolescence;

c. Technological changes;

d. Loss of functionality;

e. Significant decline in value; or

f. Reduced operational usefulness.

The Finance Department shall determine appropriate accounting treatment.

11.19 Depreciation of Assets

Assets subject to depreciation shall be depreciated in accordance with applicable accounting standards and the Finance and Accounting Policy.

Depreciation records shall include:

a. Asset cost;

b. Depreciation method;

c. Useful life;

d. Accumulated depreciation; and

e. Carrying value.

Depreciation shall not affect the responsibility of users to maintain and safeguard assets.

11.20 Lost, Stolen, or Damaged Assets

Any loss, theft, or significant damage to organizational assets shall be reported immediately.

The report shall include:

a. Description of asset;

b. Asset identification number;

c. Circumstances of loss or damage;

d. Date and location;

e. Persons involved;

f. Police report where appropriate;

g. Investigation findings; and

h. Recommended action.

Where loss results from negligence or misconduct, ILA may seek recovery of the loss.

11.21 Asset Write-Off

Assets may be written off where:

a. They are beyond economical repair;

b. They are lost and recovery is impossible;

c. They are obsolete;

d. They have no remaining useful value; or

e. Disposal is more economical than continued maintenance.

Asset write-off shall require:

a. Written justification;

b. Verification;

c. Approval by the appropriate authority;

d. Updating of records; and

e. Proper documentation.

11.22 Donor-Funded Assets

Assets acquired using donor funds shall be managed according to:

a. This Policy;

b. Grant agreements;

c. Donor asset management requirements; and

d. Applicable laws.

Where donor ownership restrictions apply, ILA shall comply with requirements relating to:

- Use;
- Maintenance;
- Reporting;
- Transfer; and

- Disposal.

11.23 Asset Audit

Assets shall be subject to:

a. Internal audit;

b. External audit;

c. Donor verification;

d. Management inspection; and

e. Regulatory review where applicable.

All employees shall cooperate with asset audit processes.

11.24 Separation, Resignation, and Exit Procedures

Before an employee, consultant, or volunteer leaves ILA, they shall:

a. Return all assigned assets;

b. Complete asset clearance procedures;

c. Return documents and equipment;

d. Settle outstanding responsibilities; and

e. Obtain clearance confirmation.

No final payment or clearance shall be completed without confirmation of asset return where applicable.

CHAPTER TWELVE

ASSET DISPOSAL AND WRITE-OFF PROCEDURES

12.1 Introduction

The Initiative for Legal Aid (ILA) recognizes that assets may, over time, become obsolete, damaged, surplus, uneconomical to maintain, or no longer required for organizational operations. Proper disposal and write-off procedures are necessary to ensure transparency, accountability, protection of organizational resources, and compliance with donor and regulatory requirements.

This Chapter establishes procedures for identifying, evaluating, approving, disposing of, and recording the disposal or write-off of organizational assets.

No asset belonging to ILA shall be sold, transferred, donated, destroyed, or otherwise disposed of without prior authorization in accordance with this Policy.

12.2 Objectives of Asset Disposal

The objectives of asset disposal are to:

a. Ensure assets are disposed of in a transparent and accountable manner;

b. Maximize residual value where possible;

c. Prevent unauthorized disposal of organizational property;

d. Ensure accurate financial and asset records;

e. Comply with donor requirements;

f. Protect organizational reputation;

g. Promote environmental responsibility; and

h. Ensure that obsolete or unusable assets do not create unnecessary costs or risks.

12.3 Grounds for Asset Disposal

An asset may be considered for disposal where:

a. It has reached the end of its useful life;

b. It is damaged beyond economical repair;

c. Repair costs exceed the asset's remaining value;

d. It has become obsolete due to technological changes;

e. It is surplus to organizational requirements;

f. It is no longer compatible with operational needs;

g. It poses safety, security, or operational risks;

h. It has no reasonable prospect of future use;

i. It has been replaced by a newer asset; or

j. Disposal is required under donor or legal requirements.

12.4 Asset Disposal Committee

ILA shall establish an Asset Disposal Committee to oversee disposal processes for significant assets.

The Asset Disposal Committee shall comprise:

a. Administration Representative;

b. Finance Representative;

c. Procurement Representative;

d. Technical Officer where specialized assets are involved; and

e. Any other person appointed by management.

Members shall act independently and shall disclose any conflict of interest.

12.5 Functions of the Asset Disposal Committee

The Committee shall:

a. Review assets proposed for disposal;

b. Verify asset condition;

c. Confirm justification for disposal;

d. Recommend disposal methods;

e. Determine whether valuation is required;

f. Ensure compliance with donor requirements;

g. Recommend approval for disposal;

h. Supervise disposal processes; and

i. Ensure disposal records are maintained.

12.6 Asset Disposal Assessment

Before disposal, the responsible department shall prepare an Asset Disposal Assessment Report.

The report shall include:

a. Asset description;

b. Asset identification number;

c. Acquisition date;

d. Original cost;

e. Current condition;

f. Current book value;

g. Maintenance history;

h. Reason for disposal;

i. Estimated residual value;

j. Recommended disposal method; and

k. Supporting evidence, including photographs where appropriate.

12.7 Approval for Disposal

No asset shall be disposed of without written approval from the authorized authority.

Approval levels shall depend on:

a. Asset value;

b. Type of asset;

c. Funding source;

d. Donor restrictions; and

e. Organizational risk.

High-value assets shall require approval by the Board of Directors.

12.8 Donor-Funded Asset Disposal

Where an asset was acquired using donor funds, disposal shall comply with donor requirements.

Before disposal, ILA shall verify:

a. Whether donor approval is required;

b. Whether the asset must be transferred or returned;

c. Whether proceeds must be refunded or reallocated;

d. Whether disposal restrictions exist; and

e. Whether reporting obligations apply.

No donor-funded asset shall be disposed of contrary to grant conditions.

12.9 Methods of Asset Disposal

Approved methods of disposal may include:

a. Public auction;

b. Competitive sale;

c. Private sale;

d. Transfer to another organization or project;

e. Donation;

f. Trade-in;

g. Recycling;

h. Destruction; or

i. Other methods approved by management.

The chosen method shall consider:

- Transparency;
- Financial benefit;
- Administrative cost;
- Asset condition;

- Security concerns; and
- Environmental considerations.

12.10 Public Auction

Public auction may be used where:

a. The asset has significant residual value;

b. Competitive disposal is appropriate;

c. Transparency is required; or

d. The organization seeks to maximize proceeds.

Auction procedures shall include:

a. Proper identification of assets;

b. Public notice where appropriate;

c. Independent valuation where necessary;

d. Documentation of bidders;

e. Recording of successful bids;

f. Issuance of receipts;

g. Collection of payment before transfer; and

h. Maintenance of auction records.

12.11 Competitive Sale

ILA may conduct competitive sale where auction is not practical.

The process shall include:

a. Obtaining reasonable market information;

b. Inviting interested buyers where appropriate;

c. Comparing offers;

d. Selecting the best offer;

e. Documenting the decision; and

f. Obtaining approval before transfer.

12.12 Private Sale

Private sale may be used where:

a. The asset has limited market value;

b. Auction costs would exceed expected proceeds;

c. Only specialized buyers exist;

d. The asset requires specific expertise; or

e. Other circumstances justify private disposal.

Private sale shall require:

a. Written justification;

b. Approval by the appropriate authority;

c. Evidence of reasonable pricing; and

d. Complete documentation.

12.13 Donation or Transfer of Assets

ILA may donate or transfer assets where:

a. The assets are no longer required;

b. The recipient supports legitimate charitable or community purposes;

c. The transfer represents responsible resource utilization;

d. Donor requirements permit such transfer; and

e. Approval has been obtained.

Documentation shall include:

a. Description of assets;

b. Recipient details;

c. Reason for transfer;

d. Approval records;

e. Transfer agreement; and

f. Handover documentation.

12.14 Disposal of ICT Equipment

Special procedures shall apply to disposal of computers, storage devices, and electronic equipment.

Before disposal:

a. Organizational data shall be securely removed;

b. Confidential information shall be protected;

c. Storage devices shall be wiped or destroyed where necessary;

d. Software licenses shall be reviewed;

e. Equipment condition shall be assessed; and

f. Disposal shall comply with information security requirements.

12.15 Environmentally Responsible Disposal

ILA shall promote environmentally responsible disposal practices.

Where applicable:

a. Electronic waste shall be handled responsibly;

b. Hazardous materials shall not be disposed of improperly;

c. Recycling shall be encouraged;

d. Destruction shall comply with safety standards; and

e. Disposal providers shall be appropriately qualified.

12.16 Asset Destruction

Destruction may be authorized where:

a. The asset has no economic value;

b. It cannot be safely reused;

c. It contains sensitive information;

d. It poses safety risks; or

e. Disposal through other methods is impractical.

Destruction shall be witnessed by authorized persons and documented through a Disposal Certificate.

12.17 Disposal Proceeds

Revenue generated from asset disposal shall:

a. Be deposited into the organization's designated bank account;

b. Be properly receipted;

c. Be recorded in financial records;

d. Be reported appropriately;

e. Be used in accordance with donor requirements where applicable.

Employees shall not receive disposal proceeds unless expressly authorized.

12.18 Asset Write-Off Procedures

Asset write-off refers to removal of an asset from accounting and asset records where recovery or disposal value is negligible or impossible.

An asset may be written off where:

a. It has been lost;

b. It has been stolen;

c. It has been destroyed;

d. It is beyond repair;

e. It has no useful value;

f. Recovery costs exceed value; or

g. Disposal has been completed.

12.19 Write-Off Approval Requirements

A write-off request shall include:

a. Asset description;

b. Asset identification number;

c. Date of acquisition;

d. Acquisition cost;

e. Current value;

f. Circumstances leading to write-off;

g. Investigation report where applicable;

h. Recovery efforts undertaken;

i. Recommendation for write-off; and

j. Approval signatures.

12.20 Loss Due to Negligence or Misconduct

Where asset loss or damage results from:

a. Negligence;

b. Unauthorized use;

c. Misconduct;

d. Fraud;

e. Theft involving an employee; or

f. Failure to follow procedures,

ILA may:

a. Conduct investigation;

b. Recover the value of the asset;

c. Take disciplinary action;

d. Terminate employment or engagement;

e. Report the matter to authorities; and

f. Pursue legal remedies.

12.21 Updating Asset Records

Following disposal or write-off:

The Finance and Administration Departments shall update:

a. Asset Register;

b. Accounting records;

c. Depreciation schedules;

d. Insurance records where applicable;

e. Inventory records; and

f. Disposal documentation.

12.22 Disposal Documentation

The disposal file shall contain:

a. Disposal request;

b. Asset assessment report;

c. Approval documents;

d. Valuation report where applicable;

e. Disposal method records;

f. Sale receipts;

g. Transfer documents;

h. Disposal certificates;

i. Photographs where appropriate; and

j. Updated asset records.

12.23 Audit of Asset Disposal

All asset disposal activities shall be subject to:

a. Internal audit review;

b. External audit;

c. Donor verification;

d. Management review; and

e. Regulatory inspection where applicable.

Auditors shall have access to all disposal records.

12.24 Prohibited Disposal Practices

The following are prohibited:

a. Disposal without authorization;

b. Selling assets to employees without approval;

c. Undervaluing assets for personal benefit;

d. Concealing asset losses;

e. Destroying assets to avoid accountability;

f. Diverting disposal proceeds;

g. Falsifying disposal records; and

h. Disposing of donor-funded assets contrary to grant conditions.

Any person involved in prohibited disposal practices shall be subject to disciplinary action and possible legal proceedings.

CHAPTER THIRTEEN

PROCUREMENT ETHICS, ANTI-FRAUD, ANTI-CORRUPTION AND CONFLICT OF INTEREST MANAGEMENT

13.1 Introduction

The Initiative for Legal Aid (ILA) is committed to maintaining the highest standards of integrity, transparency, accountability, and ethical conduct in all procurement activities.

Procurement involves the management of organizational resources and therefore presents risks of fraud, corruption, conflicts of interest, abuse of authority, and other unethical practices. ILA shall maintain strong controls to prevent, detect, investigate, and address any misconduct arising from procurement activities.

All employees, Board members, consultants, volunteers, suppliers, contractors, and other persons involved in procurement processes shall comply with this Chapter.

13.2 Objectives

The objectives of this Chapter are to:

a. Promote ethical procurement practices;

b. Prevent fraud, corruption, and misconduct;

c. Ensure procurement decisions are based on fairness and value for money;

d. Protect organizational resources;

e. Establish mechanisms for reporting and investigating misconduct;

f. Manage conflicts of interest;

g. Promote accountability among staff and suppliers; and

h. Ensure compliance with applicable laws, donor requirements, and organizational values.

13.3 Ethical Principles in Procurement

All procurement activities shall be guided by the following ethical principles:

13.3.1 Integrity

All persons involved in procurement shall act honestly, professionally, and in the best interests of ILA.

13.3.2 Transparency

Procurement decisions shall be open, documented, and capable of independent review.

13.3.3 Fairness

All qualified suppliers shall receive equal opportunity and shall be evaluated using consistent criteria.

13.3.4 Accountability

Persons responsible for procurement decisions shall be answerable for their actions and decisions.

13.3.5 Confidentiality

Sensitive procurement information shall be protected and only disclosed to authorized persons.

13.3.6 Value for Money

Procurement decisions shall consider the best combination of quality, cost, efficiency, and sustainability.

13.4 Applicability of Ethical Requirements

Ethical procurement requirements apply to:

a. Board members;

b. Executive Director;

c. Procurement Committee members;

d. Procurement staff;

e. Finance personnel;

f. Programme staff;

g. Employees involved in procurement;

h. Consultants;

i. Volunteers;

j. Suppliers;

k. Contractors; and

l. Any person participating in procurement activities.

13.5 Prohibition of Fraud

Fraud is strictly prohibited in all procurement activities.

Fraud includes any deliberate act of deception intended to obtain an improper benefit or cause loss to ILA.

Examples include:

a. Submission of false quotations;

b. Forged documents;

c. False invoices;

d. Fictitious suppliers;

e. Inflated prices;

f. False delivery claims;

g. Misrepresentation of qualifications;

h. Manipulation of procurement records;

i. Unauthorized payments; and

j. Concealing procurement irregularities.

13.6 Prohibition of Corruption

ILA maintains a zero-tolerance approach to corruption.

Corruption includes:

a. Bribery;

b. Kickbacks;

c. Facilitation payments;

d. Improper influence;

e. Abuse of authority;

f. Extortion;

g. Preferential treatment; and

h. Any exchange of benefits intended to influence procurement decisions.

No employee or representative of ILA shall request, offer, promise, give, receive, or authorize any improper benefit.

13.7 Gifts, Hospitality, and Benefits

Employees involved in procurement shall not accept gifts, hospitality, favors, or benefits from suppliers where such acceptance may influence or appear to influence procurement decisions.

Employees shall:

a. Avoid situations that create obligations to suppliers;

b. Declare any offered gifts or benefits;

c. Refuse inappropriate offers;

d. Report attempted inducements; and

e. Comply with ILA's Code of Conduct.

Minor customary hospitality may only be accepted where:

- It is reasonable;
- It is not intended to influence decisions;
- It does not create a conflict of interest; and
- It is disclosed where required.

13.8 Conflict of Interest

A conflict of interest occurs where personal interests, relationships, financial interests, or other considerations interfere with objective procurement decisions.

Conflicts may be:

13.8.1 Actual Conflict

Where a personal interest directly affects a procurement decision.

13.8.2 Potential Conflict

Where circumstances could develop into a conflict.

13.8.3 Perceived Conflict

Where a reasonable person may believe that a conflict exists.

13.9 Examples of Conflicts of Interest

Conflicts may include:

a. Ownership interest in a bidding company;

b. Family relationship with a supplier;

c. Financial relationship with a supplier;

d. Previous employment with a supplier;

e. Personal business dealings with suppliers;

f. Receiving benefits from suppliers;

g. Participating in procurement involving close associates; or

h. Using confidential information for personal benefit.

13.10 Declaration of Conflict of Interest

All persons involved in procurement shall declare conflicts of interest before participating in procurement activities.

The declaration shall include:

a. Name of person;

b. Procurement reference;

c. Nature of conflict;

d. Whether the person will withdraw;

e. Date of declaration; and

f. Signature.

Failure to disclose a conflict of interest shall constitute misconduct.

13.11 Management of Conflicts of Interest

Where a conflict exists, ILA shall:

a. Require disclosure;

b. Remove the affected person from the procurement process;

c. Appoint an alternative decision-maker where necessary;

d. Document the action taken; and

e. Monitor the procurement process.

A person with a conflict shall not influence procurement decisions.

13.12 Procurement Collusion and Bid Rigging

ILA prohibits collusion among suppliers or between suppliers and employees.

Collusion includes:

a. Agreement between suppliers to manipulate prices;

b. Sharing confidential bidding information;

c. Coordinated submission of quotations;

d. Artificial competition;

e. Agreements to divide procurement opportunities; and

f. Any arrangement designed to undermine fair competition.

13.13 Supplier Ethical Obligations

Suppliers engaged by ILA shall:

a. Provide truthful information;

b. Compete fairly;

c. Avoid bribery and corruption;

d. Disclose conflicts of interest;

e. Protect confidential information;

f. Comply with contractual obligations;

g. Respect safeguarding requirements;

h. Avoid exploitation or abuse; and

i. Maintain professional conduct.

Violation of supplier ethical obligations may result in suspension, termination, or debarment.

13.14 Procurement Fraud Risk Management

ILA shall establish controls to reduce procurement fraud risks, including:

a. Segregation of duties;

b. Competitive procurement;

c. Approval controls;

d. Supplier verification;

e. Documentation requirements;

f. Procurement Committee oversight;

g. Asset and inventory controls;

h. Regular audits;

i. Staff awareness training; and

j. Monitoring of high-risk procurement activities.

13.15 Segregation of Procurement Duties

To reduce risks, procurement responsibilities shall be separated among different persons.

Where practical:

- The requesting department shall identify needs;
- Procurement shall manage supplier engagement;
- Finance shall verify funds and process payments;
- Receiving officers shall confirm delivery;
- Management shall approve commitments.

No single person shall control the entire procurement process.

13.16 Reporting of Procurement Misconduct

ILA encourages reporting of suspected:

a. Fraud;

b. Corruption;

c. Conflict of interest;

d. Procurement irregularities;

e. Theft;

f. Misuse of organizational resources;

g. Supplier misconduct; or

h. Other unethical practices.

Reports may be made through:

- Supervisors;
- Executive Director;
- Board representatives;
- Internal reporting mechanisms;
- Safeguarding channels; or
- Other approved reporting systems.

13.17 Protection of Whistleblowers

ILA shall protect persons who report procurement misconduct in good faith.

Protection measures may include:

a. Confidential handling of reports;

b. Protection against retaliation;

c. Restricted access to information;

d. Appropriate investigation procedures; and

e. Corrective action where retaliation occurs.

False reports made intentionally to harm others may result in disciplinary action.

13.18 Investigation of Procurement Misconduct

Where allegations arise, ILA shall conduct appropriate investigations.

Investigations shall:

a. Be impartial;

b. Protect confidentiality;

c. Gather relevant evidence;

d. Allow affected persons an opportunity to respond;

e. Document findings;

f. Recommend corrective actions; and

g. Report serious matters to relevant authorities where required.

13.19 Disciplinary and Corrective Measures

Persons found responsible for procurement misconduct may face:

a. Warning;

b. Retraining;

c. Suspension;

d. Termination of employment or engagement;

e. Recovery of financial losses;

f. Contract termination;

g. Supplier debarment;

h. Civil action; or

i. Criminal referral.

The severity of sanctions shall depend on:

- Nature of misconduct;
- Financial impact;
- Intent;
- Position of responsibility;
- Cooperation during investigation; and
- Previous conduct.

13.20 Procurement Compliance Training

ILA shall provide appropriate training to persons involved in procurement.

Training may cover:

a. Procurement procedures;

b. Ethical standards;

c. Fraud prevention;

d. Conflict of interest;

e. Donor compliance;

f. Documentation requirements;

g. Safeguarding obligations; and

h. Reporting mechanisms.

13.21 Procurement Ethics Monitoring

ILA shall periodically assess procurement integrity through:

a. Internal audits;

b. Procurement reviews;

c. Supplier feedback;

d. Management assessments;

e. Donor reviews; and

f. Compliance monitoring.

Findings shall be used to improve procurement systems.

13.22 Relationship with Other Policies

This Chapter shall be read together with:

a. Finance and Accounting Policy;

b. Human Resource and Administration Policy;

c. PSEAH Policy;

d. Anti-Fraud and Anti-Corruption procedures;

e. Code of Conduct;

f. Whistleblower Policy; and

g. Applicable donor compliance requirements.

CHAPTER FOURTEEN

PROCUREMENT PLANNING, BUDGETING AND MONITORING

14.1 Introduction

The Initiative for Legal Aid (ILA) recognizes that effective procurement planning is essential for achieving organizational objectives, ensuring timely availability of goods and services, controlling costs, improving efficiency, and promoting accountability.

Procurement shall not be undertaken on an ad hoc basis but shall be guided by approved annual procurement plans aligned with:

- Organizational strategic priorities;
- Annual work plans;
- Programme implementation plans;
- Approved budgets;
- Donor agreements; and
- Operational requirements.

This Chapter establishes procedures for procurement planning, budgeting, forecasting, implementation monitoring, reporting, and evaluation.

14.2 Objectives of Procurement Planning

The objectives of procurement planning are to:

a. Ensure procurement activities support organizational objectives;

b. Identify procurement requirements in advance;

c. Improve efficiency and reduce emergency procurement;

d. Ensure availability of financial resources;

e. Promote competition and value for money;

f. Coordinate procurement activities across departments;

g. Improve supplier engagement;

h. Facilitate timely delivery of goods and services;

i. Support donor compliance requirements; and

j. Strengthen procurement oversight.

14.3 Annual Procurement Plan

ILA shall prepare an Annual Procurement Plan at the beginning of each financial year.

The Procurement Plan shall be based on:

a. Approved organizational budget;

b. Departmental work plans;

c. Programme implementation schedules;

d. Grant agreements;

e. Operational requirements;

f. Asset replacement plans;

g. Expected funding availability; and

h. Strategic priorities.

The Procurement Plan shall be approved before commencement of major procurement activities.

14.4 Responsibility for Procurement Planning

The responsibility for preparing the Procurement Plan shall involve:

14.4.1 Departments

Departments shall:

a. Identify their procurement needs;

b. Provide specifications or Terms of Reference;

c. Submit procurement forecasts;

d. Indicate expected timelines;

e. Confirm budget requirements; and

f. Justify procurement needs.

14.4.2 Procurement Unit

The Procurement Unit shall:

a. Consolidate departmental procurement requests;

b. Prepare the draft Procurement Plan;

c. Review procurement methods;

d. Identify procurement timelines;

e. Ensure compliance with this Policy; and

f. Submit the Plan for approval.

14.4.3 Finance Department

Finance shall:

a. Confirm budget availability;

b. Align procurement with financial plans;

c. Monitor expenditure against approved budgets; and

d. Provide financial guidance.

14.4.4 Management

Management shall:

a. Review procurement priorities;

b. Approve the Procurement Plan;

c. Ensure availability of resources; and

d. Monitor implementation.

14.5 Contents of Procurement Plan

The Procurement Plan shall include:

a. Procurement reference number;

b. Description of goods, works, or services;

c. Department requesting procurement;

d. Procurement justification;

e. Estimated cost;

f. Budget source;

g. Procurement method;

h. Expected procurement timeline;

i. Responsible officer;

j. Contract duration where applicable;

k. Expected delivery date; and

l. Status of implementation.

14.6 Procurement Forecasting

Departments shall provide forecasts of anticipated procurement needs to allow adequate preparation.

Forecasting shall consider:

a. Programme activities;

b. Historical consumption patterns;

c. Project expansion;

d. Seasonal requirements;

e. Contract expiry dates;

f. Asset replacement needs;

g. Funding cycles; and

h. Operational risks.

14.7 Procurement and Budget Alignment

All procurement activities shall be linked to approved budgets.

Before initiating procurement:

a. Funds must be available;

b. The expenditure must be budgeted;

c. The procurement must support approved activities;

d. Appropriate approval must be obtained; and

e. Funding restrictions must be verified.

No procurement commitment shall be made without confirmation of financial availability.

14.8 Procurement Budget Controls

ILA shall maintain controls to prevent unauthorized expenditure.

Controls shall include:

a. Budget approval;

b. Procurement authorization;

c. Purchase order approval;

d. Commitment tracking;

e. Expenditure monitoring;

f. Variance analysis; and

g. Financial reporting.

14.9 Procurement Methods Planning

The Procurement Plan shall identify the appropriate procurement method for each requirement.

Procurement methods may include:

a. Direct procurement;

b. Request for Quotations;

c. Competitive bidding;

d. Request for Proposals;

e. Framework agreements;

f. Consultant selection procedures; or

g. Emergency procurement.

The selected method shall correspond with:

- Procurement value;
- Complexity;
- Risk level;
- Market conditions; and
- Applicable donor requirements.

14.10 Procurement Scheduling

Procurement activities shall be scheduled to allow sufficient time for:

a. Preparation of specifications;

b. Approval processes;

c. Supplier identification;

d. Evaluation;

e. Contract negotiation;

f. Delivery;

g. Inspection; and

h. Payment processing.

Departments shall avoid late requests that compromise procurement quality and transparency.

14.11 Emergency Procurement Planning

ILA recognizes that emergency situations may require urgent procurement.

Emergency procurement may arise due to:

a. Humanitarian emergencies;

b. Security incidents;

c. Urgent operational needs;

d. Unexpected programme requirements; or

e. Other unforeseen circumstances.

Emergency procurement shall:

a. Be justified in writing;

b. Receive appropriate approval;

c. Follow minimum required controls;

d. Maintain documentation;

e. Ensure reasonable pricing; and

f. Be reported after completion.

Emergency procurement shall not be used to avoid normal procurement procedures.

14.12 Procurement Monitoring

ILA shall monitor procurement implementation throughout the financial year.

Monitoring shall assess:

a. Procurement progress;

b. Compliance with timelines;

c. Budget utilization;

d. Supplier performance;

c. Contract status;

d. Procurement challenges;

e. Delays;

f. Risks; and

g. Corrective actions.

14.13 Procurement Performance Indicators

ILA may use procurement performance indicators including:

Efficiency Indicators

- Percentage of procurements completed on time;
- Procurement cycle duration;
- Cost savings achieved;
- Number of delayed procurements.

Compliance Indicators

- Percentage of procurements following approved procedures;
- Completeness of procurement files;
- Number of audit findings;
- Number of procurement exceptions.

Supplier Performance Indicators

- Delivery performance;
- Quality compliance;
- Contract completion rates;
- Supplier responsiveness.

14.14 Procurement Status Reports

The Procurement Officer shall prepare periodic procurement reports.

Reports may include:

a. Procurements completed;

b. Ongoing procurements;

c. Pending procurements;

d. Budget utilization;

e. Contract status;

f. Supplier performance;

g. Challenges encountered;

h. Exceptions granted;

i. Risks identified; and

j. Recommendations.

Reports shall be submitted to management and relevant committees.

14.15 Procurement Variance Management

Where procurement activities differ significantly from the approved plan, the reasons shall be documented.

Variances may include:

a. Delayed procurement;

b. Increased costs;

c. Change in procurement method;

d. Cancellation;

e. Additional requirements;

f. Funding changes; or

g. Emergency purchases.

Significant variances shall require management approval.

14.16 Procurement Review Meetings

Management may conduct periodic procurement review meetings to:

a. Assess procurement progress;

b. Review challenges;

c. Address delays;

d. Monitor expenditure;

e. Review supplier issues;

f. Ensure compliance; and

g. Improve procurement performance.

14.17 Procurement Documentation and Record Keeping

All procurement planning documents shall be maintained.

Records shall include:

a. Approved Procurement Plan;

b. Departmental procurement requests;

c. Budget approvals;

d. Procurement reports;

e. Monitoring records;

f. Variance approvals;

g. Review meeting minutes; and

h. Performance reports.

14.18 Donor-Funded Procurement Planning

Where procurement is funded by donors, ILA shall ensure compliance with:

a. Grant agreements;

b. Donor procurement rules;

c. Approved budgets;

d. Reporting obligations;

e. Restricted procurement requirements; and

f. Donor approval requirements.

Where donor requirements differ from this Policy, the stricter applicable requirement shall apply unless otherwise approved.

14.19 Procurement Capacity Planning

ILA shall periodically assess procurement capacity to ensure effective implementation.

Capacity assessment shall consider:

a. Staffing levels;

b. Procurement skills;

c. Training needs;

d. Procurement systems;

e. Technology requirements;

f. Workload; and

g. Operational growth.

14.20 Continuous Improvement

ILA shall continuously improve procurement planning systems through:

a. Lessons learned;

b. Audit recommendations;

c. Staff feedback;

d. Supplier feedback;

e. Donor reviews;

f. Performance analysis; and

g. Policy updates.

CHAPTER FIFTEEN

PROCUREMENT PROCEDURES AND THRESHOLDS

15.1 Introduction

The Initiative for Legal Aid (ILA) shall conduct procurement activities through transparent, fair, competitive, and accountable procedures designed to achieve value for money while ensuring compliance with organizational, legal, and donor requirements.

This Chapter establishes procurement procedures, approval requirements, procurement methods, and financial thresholds applicable to the acquisition of goods, works, services, and consultancy services.

The procurement method selected shall depend on:

- Estimated procurement value;
- Nature and complexity of the requirement;
- Availability of suppliers;
- Level of risk;
- Urgency;
- Donor requirements; and
- Applicable laws and regulations.

15.2 General Procurement Principles

All procurement activities shall comply with the following principles:

a. **Transparency** – Procurement decisions shall be properly documented and open to review.

b. **Competition** – Qualified suppliers shall be given fair opportunity to participate.

c. **Value for Money** – Procurement shall achieve the best balance between cost, quality, and suitability.

d. **Fairness** – Suppliers shall be treated equally and evaluated objectively.

e. **Accountability** – All procurement decisions shall have responsible officers.

f. **Efficiency** – Procurement shall be conducted within reasonable timelines.

g. **Integrity** – Procurement shall be free from fraud, corruption, and conflicts of interest.

15.3 Procurement Authorization Before Commencement

No procurement process shall begin unless:

a. A procurement need has been identified;

b. The requirement is included in an approved procurement plan or properly justified;

c. Budget availability has been confirmed;

d. Necessary approvals have been obtained;

e. Specifications or Terms of Reference have been prepared; and

f. The appropriate procurement method has been determined.

15.4 Procurement Requisition

All procurement shall begin with a Procurement Requisition submitted by the requesting department.

The requisition shall contain:

a. Description of goods, works, or services required;

b. Purpose and justification;

c. Quantity;

d. Required delivery date;

e. Estimated cost;

f. Budget code or funding source;

g. Technical specifications or Terms of Reference;

h. Requesting department;

i. Name of requesting officer; and

j. Approval by authorized personnel.

15.5 Procurement Methods

ILA may use the following procurement methods:

1. Direct Procurement;
2. Request for Quotations (RFQ);
3. Competitive Bidding;
4. Request for Proposals (RFP);
5. Framework Agreements;
6. Consultant Selection Procedures;
7. Emergency Procurement; and
8. Other approved methods appropriate to the circumstances.

15.6 Direct Procurement (Single Source Procurement)

Direct procurement involves obtaining goods, works, or services from a single supplier without competition.

Direct procurement may only be used where justified, including:

a. There is only one available supplier;

b. The goods or services are highly specialized;

c. Compatibility with existing equipment requires a specific supplier;

d. Emergency circumstances exist;

e. Additional procurement from an existing supplier is more economical;

f. Competition is impractical; or

g. Other exceptional circumstances exist.

Direct procurement shall require:

a. Written justification;

b. Appropriate approval;

c. Confirmation of reasonable pricing;

d. Documentation of the decision; and

e. Conflict of interest checks.

Direct procurement shall not be used to avoid competition.

15.7 Request for Quotations (RFQ)

Request for Quotations shall be used for procurement of goods, works, or services of relatively low value and where specifications are clear.

The RFQ process shall include:

a. Preparation of specifications;

b. Requesting quotations from qualified suppliers;

c. Receiving written quotations;

d. Evaluation based on approved criteria;

e. Selection recommendation;

f. Approval;

g. Issuance of purchase order or contract; and

h. Receipt and verification of delivery.

15.8 Minimum Number of Quotations

Unless otherwise justified:

a. At least three (3) quotations shall be obtained for competitive quotation processes;

b. Quotations shall be obtained from independent suppliers;

c. Quotations shall contain sufficient details for comparison;

d. Supplier selection shall not be based solely on price where quality or technical requirements are relevant.

Where fewer quotations are received, the procurement file shall contain justification.

15.9 Competitive Bidding

Competitive bidding shall be used for higher-value procurement requiring open competition.

The process shall include:

a. Preparation of bidding documents;

b. Advertisement or invitation to qualified suppliers;

c. Issuance of bidding documents;

d. Bid submission period;

e. Bid opening;

f. Evaluation;

g. Approval of recommendation;

h. Contract award; and

i. Contract management.

15.10 Request for Proposals (RFP)

Request for Proposals shall be used where procurement requires technical expertise, consultancy services, or complex solutions.

The RFP process shall include:

a. Preparation of Terms of Reference;

b. Invitation of proposals;

c. Technical evaluation;

d. Financial evaluation;

e. Combined assessment where applicable;

f. Negotiation where permitted;

g. Approval;

h. Contract award; and

i. Performance monitoring.

15.11 Consultancy Procurement

Consultants shall be selected based on:

a. Technical competence;

b. Relevant experience;

c. Qualifications;

d. Methodology;

e. Proposed timelines;

f. Financial proposal; and

g. Value for money.

Consultant selection shall ensure independence and avoidance of conflicts of interest.

15.12 Procurement Thresholds

ILA shall establish procurement thresholds to determine the appropriate procurement method.

The following thresholds shall apply unless donor requirements or Board-approved procedures provide otherwise:

15.12.1 Low Value Procurement

Estimated value: Up to USD 500

Requirements:

- Approved requisition;
- Budget confirmation;
- Direct purchase or simplified quotation process;
- Receipt documentation;
- Payment approval.

15.12.2 Small Value Procurement

Estimated value: USD 501 – USD 5,000

Requirements:

- Procurement requisition;
- Minimum of three quotations where possible;
- Comparative quotation analysis;
- Procurement approval;
- Purchase order or agreement;
- Delivery confirmation.

15.12.3 Medium Value Procurement

Estimated value: USD 5,001 – USD 25,000

Requirements:

- Formal procurement process;
- Minimum three written quotations or competitive process;
- Procurement Committee review;
- Documented evaluation;
- Contract or purchase order;
- Management approval.

15.12.4 High Value Procurement

Estimated value: Above USD 25,000

Requirements:

- Formal competitive procurement;
- Detailed specifications or Terms of Reference;
- Procurement Committee oversight;
- Formal evaluation process;
- Contract agreement;
- Senior management approval;
- Board approval where required.

15.13 Splitting of Procurement

ILA prohibits splitting procurement requirements into smaller purchases to avoid approval thresholds or competitive procedures.

Examples of prohibited splitting include:

a. Dividing one purchase into multiple invoices;

b. Separating related purchases unnecessarily;

c. Delaying procurement to avoid approval requirements.

Any suspected procurement splitting shall be investigated.

15.14 Preparation of Specifications

Specifications shall be:

a. Clear;

b. Objective;

c. Non-discriminatory;

d. Appropriate to the requirement;

e. Based on performance needs; and

f. Free from unnecessary restrictions favoring specific suppliers.

Specifications shall not be designed to unfairly exclude competition.

15.15 Evaluation of Quotations and Bids

Evaluation shall be conducted objectively using approved criteria.

Evaluation criteria may include:

a. Price;

b. Technical compliance;

c. Quality;

d. Delivery timeline;

e. Supplier experience;

f. Capacity;

g. Warranty;

h. After-sales support; and

i. Compliance requirements.

Evaluation records shall clearly demonstrate the basis for selection.

15.16 Procurement Evaluation Committee

For complex procurement, an Evaluation Committee may be established.

The Committee shall:

a. Review submissions;

b. Apply evaluation criteria;

c. Maintain confidentiality;

d. Declare conflicts of interest;

e. Prepare evaluation reports; and

f. Recommend award decisions.

15.17 Purchase Orders

A Purchase Order shall be issued where appropriate before delivery of goods or services.

A Purchase Order shall contain:

a. Supplier details;

b. Description of items;

c. Quantities;

d. Prices;

e. Delivery terms;

f. Payment terms;

g. Authorized signatures; and

h. Reference numbers.

15.18 Procurement Approval Authority

Procurement approvals shall follow the Delegation of Authority framework.

Approval shall consider:

a. Procurement value;

b. Funding source;

c. Procurement method;

d. Risk level; and

e. Organizational impact.

No person shall approve procurement where they have participated in supplier selection and have a conflict of interest.

15.19 Procurement Exceptions

Exceptions to standard procurement procedures may only be granted where:

a. Exceptional circumstances exist;

b. The reason is documented;

c. Appropriate approval is obtained;

d. Risks are assessed; and

e. Transparency is maintained.

Exceptions shall be recorded and reported.

15.20 Procurement File Requirements

Every procurement file shall contain:

a. Procurement requisition;

b. Budget approval;

c. Specifications or Terms of Reference;

d. Supplier quotations or proposals;

e. Evaluation documents;

f. Approval records;

g. Purchase order or contract;

h. Delivery documents;

i. Payment documentation; and

j. Related correspondence.

15.21 Procurement Review and Audit

Procurement activities shall be subject to:

a. Internal reviews;

b. External audits;

c. Donor audits;

d. Management monitoring; and

e. Regulatory review.

ILA shall maintain complete procurement records to demonstrate compliance.

15.22 Non-Compliance with Procurement Procedures

Failure to comply with procurement procedures may result in:

a. Rejection of procurement transactions;

b. Withdrawal of approval;

c. Recovery of unauthorized expenditure;

d. Disciplinary action;

e. Contract cancellation;

f. Supplier sanctions; or

g. Legal action.

CHAPTER SIXTEEN

PROCUREMENT RECORDS MANAGEMENT, REPORTING AND AUDIT COMPLIANCE

16.1 Introduction

The Initiative for Legal Aid (ILA) recognizes that accurate, complete, and accessible procurement records are essential for transparency, accountability, effective decision-making, financial control, and compliance with donor and regulatory requirements.

Proper records management provides evidence that procurement activities have been conducted fairly, competitively, and in accordance with approved procedures.

This Chapter establishes requirements for the creation, maintenance, protection, retention, retrieval, reporting, and audit review of procurement records.

16.2 Objectives of Procurement Records Management

The objectives of procurement records management are to:

a. Ensure accountability for procurement decisions;

b. Provide evidence of compliance with procurement procedures;

c. Support financial reporting and audits;

d. Facilitate monitoring and evaluation;

e. Protect organizational and supplier information;

f. Ensure continuity of procurement information;

g. Promote transparency and institutional memory; and

h. Meet donor, legal, and regulatory obligations.

16.3 Procurement Records Principles

Procurement records shall be managed according to the following principles:

16.3.1 Completeness

All relevant documents relating to a procurement process shall be maintained.

16.3.2 Accuracy

Records shall reflect the actual procurement process and decisions made.

16.3.3 Confidentiality

Sensitive information shall be protected from unauthorized disclosure.

16.3.4 Accessibility

Authorized persons shall be able to retrieve records when required.

16.3.5 Security

Records shall be protected against loss, alteration, destruction, or unauthorized access.

16.4 Responsibility for Procurement Records

The Procurement Officer shall be responsible for maintaining procurement records.

Responsibilities include:

a. Opening procurement files;

b. Ensuring documentation completeness;

c. Filing procurement documents;

d. Maintaining electronic records;

e. Ensuring confidentiality;

f. Supporting audits;

g. Monitoring retention requirements; and

h. Transferring records appropriately when responsibilities change.

The Finance and Administration Departments shall maintain related financial and asset records.

16.5 Procurement File Structure

A procurement file shall contain sufficient documentation to demonstrate the entire procurement process.

A standard procurement file shall include:

16.5.1 Procurement Planning Documents

Including:

- Procurement Plan;
- Procurement forecast;
- Departmental request;
- Budget confirmation;
- Procurement justification.

16.5.2 Procurement Initiation Documents

Including:

- Procurement requisition;
- Specifications;
- Terms of Reference;
- Technical requirements;
- Approval to proceed.

16.5.3 Supplier Solicitation Documents

Including:

- Request for Quotations;
- Invitation letters;
- Tender notices;
- Bid documents;
- Supplier communications.

16.5.4 Supplier Submission Documents

Including:

- Quotations;
- Bids;
- Proposals;
- Company registration documents;
- Tax documents;
- Supplier declarations;
- Conflict of interest declarations.

16.5.5 Evaluation Documents

Including:

- Evaluation criteria;
- Evaluation reports;
- Scoring sheets;
- Procurement Committee minutes;
- Recommendation reports;
- Approval decisions.

16.5.6 Contract and Implementation Documents

Including:

- Purchase orders;
- Contracts;
- Amendments;
- Delivery notes;
- Goods Received Notes;
- Inspection reports;
- Acceptance certificates;
- Supplier invoices;
- Payment approvals.

16.6 Electronic Procurement Records

ILA may maintain procurement records electronically.

Electronic records shall:

a. Be securely stored;

b. Have controlled access;

c. Be regularly backed up;

d. Maintain version control;

e. Protect confidential information;

f. Be protected against unauthorized modification; and

g. Remain accessible for audit purposes.

16.7 Procurement Record Retention

ILA shall retain procurement records for a period consistent with:

a. Applicable laws;

b. Donor requirements;

c. Grant agreements;

d. Audit requirements; and

e. Organizational retention policies.

Unless a longer period is required, procurement records shall generally be retained for not less than **seven (7) years** after completion of the procurement activity.

16.8 Confidential Procurement Information

Certain procurement records shall be treated as confidential, including:

a. Supplier quotations;

b. Bid prices;

c. Technical proposals;

d. Evaluation discussions;

e. Negotiation records;

f. Commercial information;

g. Personal information; and

h. Internal procurement deliberations.

Access shall be limited to authorized persons.

16.9 Access to Procurement Records

Access to procurement records may be granted to:

a. Authorized ILA personnel;

b. Internal auditors;

c. External auditors;

d. Donors;

e. Regulators;

f. Investigators; and

g. Other persons legally entitled to access.

Unauthorized disclosure of procurement records shall constitute misconduct.

16.10 Procurement Reporting Requirements

ILA shall prepare procurement reports to support oversight and accountability.

Reports may include:

a. Procurement activities completed;

b. Procurement activities in progress;

c. Procurement expenditure;

d. Contract commitments;

e. Supplier performance;

f. Procurement exceptions;

g. Procurement challenges;

h. Compliance issues; and

i. Recommendations.

16.11 Procurement Reports to Management

The Procurement Officer shall provide periodic reports to management.

Reports shall assist management to:

a. Monitor procurement performance;

b. Identify delays;

c. Manage procurement risks;

d. Review expenditure;

e. Improve procurement planning; and

f. Ensure compliance.

16.12 Procurement Reports to the Board

The Board of Directors shall receive periodic procurement reports, particularly regarding:

a. High-value procurements;

b. Significant contracts;

c. Procurement risks;

d. Major supplier issues;

e. Procurement irregularities;

f. Audit findings; and

g. Strategic procurement matters.

16.13 Donor Procurement Reporting

Where procurement is funded through donor resources, ILA shall provide procurement information required under grant agreements.

Reports may include:

a. Procurement status;

b. Procurement expenditure;

c. Supplier information;

d. Contract awards;

e. Competitive process evidence;

f. Exceptions;

g. Compliance declarations; and

h. Audit documentation.

16.14 Procurement Audit Compliance

ILA shall maintain procurement systems capable of supporting internal, external, and donor audits.

Audits may examine:

a. Procurement planning;

b. Compliance with procedures;

c. Supplier selection;

d. Contract management;

e. Value for money;

f. Documentation;

g. Conflict of interest controls;

h. Fraud prevention measures; and

i. Asset management linkages.

16.15 Internal Procurement Reviews

ILA may conduct periodic internal procurement reviews to assess:

a. Compliance;

b. Efficiency;

c. Documentation quality;

d. Procurement risks;

e. Staff adherence to procedures;

f. Supplier management; and

g. Improvement opportunities.

Findings shall be documented and corrective actions monitored.

16.16 External Audits

External auditors may review procurement activities as part of financial or compliance audits.

ILA shall provide auditors with:

a. Procurement files;

b. Contracts;

c. Supplier records;

d. Payment documentation;

e. Inventory records;

f. Asset records; and

g. Relevant correspondence.

16.17 Donor Verification and Monitoring

Where required, donors may conduct procurement verification.

ILA shall cooperate with donor reviews by providing:

a. Access to procurement records;

b. Supporting documentation;

c. Procurement explanations;

d. Supplier information;

e. Implementation evidence; and

f. Corrective action responses.

16.18 Audit Findings and Corrective Actions

Where audits identify procurement weaknesses, ILA shall:

a. Review findings;

b. Identify root causes;

c. Develop corrective actions;

d. Assign responsible persons;

e. Establish timelines;

f. Monitor implementation; and

g. Report progress.

16.19 Procurement Compliance Monitoring

ILA shall monitor compliance through:

a. Procurement checklists;

b. File reviews;

c. Internal audits;

d. Management reviews;

e. Supplier feedback;

f. Staff assessments; and

g. Donor feedback.

16.20 Record Security and Disaster Recovery

Procurement records shall be protected against:

a. Fire;

b. Theft;

c. Unauthorized access;

d. Cyber threats;

e. Physical damage;

f. Accidental deletion; and

g. Other risks.

ILA shall maintain appropriate backup and recovery arrangements.

16.21 Handover of Procurement Records

Where procurement responsibilities change due to:

a. Staff transfer;

b. Resignation;

c. Termination;

d. Organizational restructuring; or

e. Other circumstances,

all procurement records shall be formally handed over.

The handover shall include:

- Active procurement files;
- Supplier records;
- Contract information;
- Pending procurement actions;
- Outstanding issues; and
- Electronic records.

16.22 Procurement Transparency and Disclosure

ILA shall promote appropriate transparency while protecting confidential information.

Transparency measures may include:

a. Maintaining procurement records;

b. Documenting decisions;

c. Providing procurement information to authorized stakeholders;

d. Reporting procurement activities; and

e. Maintaining accountability mechanisms.

16.23 Non-Compliance with Records Requirements

Failure to maintain procurement records may result in:

a. Audit findings;

b. Suspension of procurement authority;

c. Corrective action requirements;

d. Disciplinary measures;

e. Recovery of unsupported expenditure; or

f. Other appropriate action.

16.24 Continuous Improvement of Records Systems

ILA shall periodically review procurement records systems to improve:

a. Filing methods;

b. Digital systems;

c. Reporting processes;

d. Compliance controls;

e. Accessibility; and

f. Audit readiness.

CHAPTER SEVENTEEN

PROCUREMENT RISK MANAGEMENT AND INTERNAL CONTROLS

17.1 Introduction

The Initiative for Legal Aid (ILA) recognizes that procurement activities involve various operational, financial, legal, ethical, and reputational risks. Effective risk management and internal controls are necessary to ensure that procurement processes are conducted efficiently, transparently, and in accordance with organizational objectives.

This Chapter establishes a framework for identifying, assessing, mitigating, monitoring, and reporting procurement risks while strengthening internal controls throughout the procurement cycle.

ILA shall ensure that procurement risks are managed proactively through:

- Effective planning;
- Segregation of duties;
- Approval controls;
- Documentation requirements;
- Supplier due diligence;
- Monitoring mechanisms;
- Audit reviews; and
- Continuous improvement.

17.2 Objectives of Procurement Risk Management

The objectives of procurement risk management are to:

a. Identify and manage risks affecting procurement activities;

b. Prevent fraud, corruption, and misuse of organizational resources;

c. Strengthen accountability and oversight;

d. Ensure compliance with procurement procedures;

e. Protect organizational finances and reputation;

f. Improve procurement efficiency;

g. Support informed decision-making;

h. Reduce operational disruptions; and

i. Promote continuous improvement of procurement systems.

17.3 Procurement Risk Management Principles Procurement risk management shall be guided by the following principles:

17.3.1 Prevention ILA shall establish controls to prevent procurement failures before they occur.

17.3.2 Early Identification Risks shall be identified at the planning stage and throughout procurement implementation.

17.3.3 Proportionality Controls shall correspond to the level and nature of procurement risk.

17.3.4 Accountability Responsible officers shall be assigned for managing identified risks.

17.3.5 Continuous Monitoring Risks shall be regularly reviewed and updated.

17.4 Procurement Risk Categories Procurement risks may include:

17.4.1 Planning Risks

Including:

a. Inadequate procurement planning;

b. Unclear procurement requirements;

c. Poor budgeting;

d. Unrealistic timelines;

e. Failure to identify operational needs; and

f. Delayed procurement initiation.

17.4.2 Financial Risks

Including:

a. Overpricing;

b. Budget overruns;

c. Unauthorized expenditure;

d. Payment for undelivered goods;

e. Fraudulent invoices;

f. Poor cost estimation; and

g. Loss of funds.

17.4.3 Supplier Risks

Including:

a. Supplier failure;

b. Poor quality delivery;

c. Inadequate capacity;

d. False documentation;

e. Supplier insolvency;

f. Conflict of interest; and

g. Ethical violations.

17.4.4 Operational Risks

Including:

a. Delayed delivery;

b. Incorrect specifications;

c. Inadequate goods or services;

d. Project disruption;

e. Poor contract management; and

f. Lack of technical oversight.

17.4.5 Compliance Risks

Including:

a. Failure to follow procurement procedures;

b. Breach of donor requirements;

c. Inadequate documentation;

d. Unauthorized approvals;

e. Regulatory non-compliance; and

f. Audit failures.

17.4.6 Integrity Risks

Including:

a. Fraud;

b. Corruption;

c. Bribery;

d. Collusion;

e. Conflict of interest;

f. Favoritism; and

g. Procurement manipulation.

17.5 Procurement Risk Assessment

Before undertaking significant procurement, ILA shall assess relevant risks.

Risk assessment shall consider:

a. Procurement value;

b. Complexity;

c. Supplier availability;

d. Market conditions;

e. Funding source;

f. Timeline requirements;

g. Technical requirements;

h. Potential fraud risks; and

i. Operational importance.

17.6 Procurement Risk Register

ILA shall maintain a Procurement Risk Register for significant procurement risks.

The Risk Register shall include:

a. Identified risk;

b. Risk category;

c. Likelihood;

d. Potential impact;

e. Risk rating;

f. Existing controls;

g. Additional mitigation measures;

h. Responsible officer; and

i. Monitoring status.

The Risk Register shall be reviewed periodically.

17.7 Internal Control Framework

ILA shall maintain internal controls throughout the procurement process.

Internal controls shall include:

a. Authorization controls;

b. Segregation of duties;

c. Documentation controls;

d. Budget controls;

e. Supplier verification;

f. Approval controls;

g. Payment controls;

h. Physical verification;

i. Audit controls; and

j. Monitoring mechanisms.

17.8 Segregation of Duties

ILA shall separate procurement responsibilities to reduce risks of error, fraud, and abuse.

Where possible:

Function	Responsible Unit
Identifying need	Requesting Department
Budget confirmation	Finance Department
Supplier sourcing	Procurement Unit
Evaluation	Evaluation Committee
Approval	Authorized Management
Receipt verification	Stores/Technical Officer
Payment processing	Finance Department
Audit review	Internal/External Audit

No individual shall control all stages of a procurement transaction.

17.9 Approval Controls

All procurement shall follow established approval procedures.

Approval controls shall ensure:

a. Procurement authority is respected;

b. Expenditure is justified;

c. Funds are available;

d. Procurement method is appropriate;

e. Risks are considered; and

f. Decisions are documented.

17.10 Budgetary Controls

Before procurement commitment:

a. Budget availability shall be confirmed;

b. Funding restrictions shall be reviewed;

c. Procurement costs shall be reasonable;

d. Commitments shall be recorded; and

e. Budget utilization shall be monitored.

17.11 Supplier Due Diligence Controls

Before engaging suppliers, ILA shall conduct appropriate checks including:

a. Verification of legal registration;

b. Review of ownership information;

c. Confirmation of experience;

d. Reference checks;

e. Assessment of capacity;

f. Conflict of interest checks;

g. Fraud screening; and

h. Compliance verification.

17.12 Procurement Documentation Controls

ILA shall ensure that procurement decisions are supported by complete documentation.

Required documentation may include:

a. Procurement request;

b. Quotations;

c. Evaluation records;

d. Approval documents;

e. Contracts;

f. Delivery confirmation;

g. Payment records; and

h. Correspondence.

Incomplete procurement files shall be investigated and corrected.

17.13 Payment Controls

Payments shall only be processed after confirmation of:

a. Valid procurement process;

b. Contract or purchase order;

c. Goods or services received;

d. Invoice accuracy;

e. Approval authorization;

f. Supporting documents; and

g. Budget availability.

17.14 Fraud and Corruption Risk Controls

ILA shall maintain measures to prevent fraud and corruption, including:

a. Conflict of interest declarations;

b. Supplier screening;

c. Competitive procurement;

d. Procurement Committee oversight;

e. Staff awareness;

f. Whistleblower mechanisms;

g. Audit reviews; and

h. Investigation procedures.

17.15 Emergency Procurement Controls

Emergency procurement shall remain subject to minimum controls.

Controls shall include:

a. Written justification;

b. Approval by authorized personnel;

c. Reasonable price verification;

d. Documentation of suppliers contacted;

e. Confirmation of delivery;

f. Post-procurement review; and

g. Reporting to management.

17.16 ICT and Electronic Procurement Controls

Where electronic procurement systems are used, ILA shall ensure:

a. User access controls;

b. Password protection;

c. Data security;

d. Backup systems;

e. Audit trails;

f. Protection against unauthorized changes; and

g. Confidentiality of supplier information.

17.17 Procurement Monitoring and Review

Procurement risks shall be monitored through:

a. Procurement reviews;

b. Contract monitoring;

c. Supplier evaluations;

d. Internal audits;

e. Management meetings;

f. Risk assessments; and

g. Donor reviews.

17.18 Internal Audit Role

Where an internal audit function exists, it shall:

a. Review procurement compliance;

b. Assess internal controls;

c. Identify weaknesses;

d. Recommend improvements;

e. Follow up implementation of recommendations; and

f. Report significant risks.

17.19 Management Responsibility

Management shall:

a. Establish procurement controls;

b. Ensure adequate resources;

c. Promote ethical conduct;

d. Address identified risks;

e. Review procurement performance; and

f. Implement corrective measures.

17.20 Staff Responsibilities

All staff involved in procurement shall:

a. Follow approved procedures;

b. Protect organizational resources;

c. Report irregularities;

d. Maintain accurate records;

e. Avoid conflicts of interest;

f. Cooperate with audits; and

g. Promote ethical procurement practices.

17.21 Procurement Risk Reporting

Significant procurement risks shall be reported to:

a. Executive Director;

b. Procurement Committee;

c. Finance Committee;

d. Board of Directors; or

e. Donors where required.

Risk reports shall include:

a. Description of risk;

b. Impact;

c. Actions taken;

d. Outstanding concerns; and

e. Recommendations.

17.22 Continuous Improvement of Procurement Controls

ILA shall periodically review procurement controls to ensure effectiveness.

Improvements may arise from:

a. Audit findings;

b. Risk assessments;

c. Procurement reviews;

d. Staff feedback;

e. Donor recommendations;

f. Changes in law; and

g. Organizational growth.

17.23 Review of Procurement Policy

This Procurement and Asset Management Policy shall be reviewed periodically to ensure continued relevance and effectiveness.

Reviews shall consider:

a. Operational changes;

b. Donor requirements;

c. Legal developments;

d. Audit recommendations;

e. Risk environment; and

f. Organizational experience.

17.24 Final Compliance Statement

All employees, Board members, consultants, volunteers, suppliers, and contractors engaged by ILA shall comply with this Procurement and Asset Management Policy.

Failure to comply may result in:

a. Corrective action;

b. Disciplinary measures;

c. Contract termination;

d. Recovery of losses;

e. Supplier sanctions; or

f. Legal action.

CHAPTER EIGHTEEN.

POLICY APPROVAL AND IMPLEMENTATION

18.1 Approval of the Policy

This Procurement and Asset Management Policy is adopted by the Board of Directors of the Initiative for Legal Aid (ILA) and shall become effective on the date approved by the Board.

This Policy supersedes all previous procurement and asset management procedures, manuals, directives, or guidelines previously issued by the organization relating to procurement and asset management.

18.2 Effective Date

Effective Date: ______________________

18.3 Policy Owner

The Executive Director shall be the custodian of this Policy.

The Executive Director shall ensure:

- Proper implementation;
- Staff awareness;
- Capacity building;
- Monitoring of compliance;
- Periodic review; and
- Reporting to the Board.

18.4 Policy Administration

Day-to-day administration of this Policy shall be undertaken by:

- Procurement Officer;
- Finance Manager;
- Administration Manager;
- Programme Managers;
- Asset Custodian(s); and
- Other authorized officers.

18.5 Policy Review

This Policy shall be reviewed:

- Every three (3) years;

INITIATIVE FOR LEGAL AID
ILA
DATE: ....../....../......
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JUBA, SOUTH SUDAN

- Whenever donor requirements change;
- Following significant legal reforms;
- Following major audit recommendations;
- Following organizational restructuring; or
- Whenever approved by the Board.

18.6 Interpretation

Any questions regarding interpretation of this Policy shall be referred to the Executive Director.

Where ambiguity exists, the Board shall provide the final interpretation.

18.7 Conflict with Donor Requirements

Where donor procurement requirements are stricter than this Policy, the stricter donor requirements shall apply to donor-funded activities.

Where South Sudanese law imposes stricter requirements, the applicable law shall prevail.

CERTIFICATION

This Procurement and Asset Management Policy was approved by the Board of Directors of the Initiative for Legal Aid (ILA).

Approved by	Signature	Date
Chairperson, Board of Directors		
Executive Director		
Board Secretary		