

Contract Improvement Process
Criteria for Delegation
October 24, 2006

Criteria for Delegation

The SCO will review the following items as part of the SCO review to determine whether to delegate contracts signature authority for certain low risk contracts:

1. Organization Structure

- a. Segregation of duties
- b. Resources
- c. Other types of delegation, such as Group 1 and 2 for State Purchasing
- d. Depth in the Contracts Unit

2. Internal Controls

- a. Control Environment
 - i. Integrity and ethical values
 - ii. Commitment to competence
 - iii. Review committee
 - iv. Management philosophy and operating style
 - v. Assignment of authority and responsibility
 - vi. Human resource policies and procedures
- b. Risk Assessment
 - i. Changes in operating environment
 - ii. New personnel
 - iii. New or revamped information systems
 - iv. New functions, operations or activities
 - v. Restructuring
- c. Control Activities
 - i. Performance reviews
 - ii. Information processing
 - iii. Physical controls
 - iv. Segregation of duties (covered above)
- d. Information and Communication
 - i. How information is shared
 - ii. How are contract issues identified and resolved
 - iii. How data is entered into the system
 - iv. Nature of processing involved in approving contracts
- e. Monitoring
 - i. Design
 - ii. Implementation
 - iii. Operation

3. Expertise of Delegatee

- a. Education
- b. Experience and training in contracts
- c. Ethics
- d. Prior experience with SCO
- e. Contracts staff experience
- f. Experience and training of contract writers

4. Certification

- a. Controller
 - i. Risk Analysis review
 - ii. Ethics
 - iii. Identify situations where legal review is needed
 - iv. Fiscal Rules
 - v. Continuing education, CCIT
- b. Contracts Unit
 - i. Preparation of Risk Analysis
 - ii. Fiscal Rules
 - iii. Contracts Training
 - iv. Continuing education, CCIT
- c. Program Staff – certification offered but not required for delegation