

Procurement Compliance Review (FAQ)

Q: What's a procurement compliance review?

A: It is the process of monitoring a state agency's compliance with state procurement laws.

Q: What is the basis for a compliance review?

A: ARS 41-2511; 41-2512; R2-7-201 and SPO TB# 003

Q: Who conducts compliance reviews?

A: The SPO Compliance Officer conducts agency procurement compliance reviews

Q: When is it conducted?

A: Procurement compliance reviews are conducted based on the schedule set by the SPO Procurement Administrator.

Q: How long does it take?

A: The whole compliance review process may sometimes take up to three months. Since we have a tight schedule, we would need all your help and cooperation in keeping this process within schedule.

Q: What is included in procurement compliance reviews?

A: The compliance review focuses on the agency's ability to properly exercise procurement authority in accordance with its procurement delegation, the AZ procurement code, applicable executive orders, and SPO technical bulletins. A typical compliance review may usually include, but is not limited, to the following:

- Examination of your procurement policies and procedures
- Review of previous audit records
- Observation of internal systems and controls
- Review of procurement personnel training
- Review of annual and quarterly procurement reports
- Random examination of your solicitations and contracts (RFQs, RFPs, IFBs, sole sources, emergency procurements and competition impracticable procurements)
- Random examination of your purchase orders
- Review of PCard purchases (if available)
- Noteworthy procurement practices

Q: What's the brief summary of the review process?

A: The process works like this:

1. When an agency is scheduled for compliance review, SPO sends a notice to the agency chief procurement officer (CPO).
2. An entrance conference is scheduled to initiate the onsite review.
3. On-site review is performed.
4. Procurement report is drafted
5. Draft is sent to the agency for input and comments
6. Report is finalized and sent to the agency.

Note: If corrective actions are needed, the agency must comply within a set time. SPO will monitor and follow-up any unresolved issues. If necessary, SPO will write up a follow-up compliance report on the progress of the agency.