

Ad Hoc Internal Review Policy 18-01

Version: 2.00
Effective Date: 07/13/2018

I. Policy Statement

Upon report to or discovery by the Office of State Procurement (OSP) of any overpayment, overcharge, miscalculation, allegation of potential fraud, or other compliance issue concerning any contract managed by the Office of State Procurement the Office of State Procurement shall take immediate steps to conduct an internal review of the issue, determine its validity, and implement a plan, if necessary, to correct the issue and recoup public funds.

II. Statement of Purpose

The primary objective of this policy is to protect public resources, the integrity of the procurement process, and preserve documents and information necessary for further contract compliance efforts. This policy aims 1) create a clear, consistent, and well-documented process for conducting an internal review of a state contract upon report or discovery of any overpayment, overcharge, miscalculation, allegation of potential fraud, or other contract issue, 2) identify specific roles and responsibilities for state staff related to any report or discovery; and 3) establish protocol for escalation of reports and discoveries to leadership.

III. Interested Parties

1. OSP Compliance Staff – conducts reviews of OSP managed acquisitions contracts for the purchase of goods and general services.
2. OSP Contract owner – the OSP staff member who manages the contract will work with OSP Compliance Staff and interested parties to mitigate any identified issues.
3. OSP Management and Chief Procurement Officer (CPO) – will be kept informed of principal compliance issues and specific cases that are escalated due to the seriousness of issues identified by OSP Compliance Staff.
4. All contract end users for the Office of State Procurement for all departments, agencies, offices, councils, boards, commissions, other entities in the executive branch of the Minnesota State Government, and Cooperative Purchasing Venture (CPV) members.

IV. Procedure

- 1) If any overpayment, overcharge, miscalculation, allegation of potential fraud, or other compliance issue is discovered concerning a contract managed by the Office of State Procurement, the individual or individuals who first became aware of the issue must immediately notify OSP. If a contract end user discovers an issue that individual must notify the OSP contract owner.
 - 2) The contract owner must then notify their supervisor, who will determine whether a review of the contract by OSP Compliance is necessary.
 - 3) Supervisor shall then notify OSP Compliance Staff to initiate a review of contract.
-

- 4) OSP Compliance Staff review of contract will consist of:
 - i. Review of the contract to identify terms of the contract are clear and do not conflict.
 - ii. Review of the contract release to identify specific parameters and terms of the release.
 - iii. Review of representative sample of transactions to confirm price point matches the contract pricing schedule on the Contract Release and the invoice is consistent with the terms of the contract.
 - iv. Review of all invoices to confirm consistency with purchase order, contract, and contract release.
 - v. Any other actions appropriate to confirm terms and conditions of the contract are being followed.
- 5) Compliance Staff will then complete Internal Review Reporting Form based on review of contract documents.
- 6) Once complete, Internal Reporting Form will be submitted, with any findings and recommendations to the Contract Owner and the contract owner’s supervisor. Compliance Staff will meet with Contract Owner and Contract Owner’s supervisor to go over the report if beneficial to the understanding of the report or the Contract Owner or Contract Owner’s supervisor has questions regarding the report. OSP management and CPO will be apprised as necessary. *Notification up the chain of leadership should be immediate whenever there is reason to believe the state is at-risk of impending financial loss that could be prevented by immediate notification.*
- 7) If there are findings and recommendations in the Internal Review Report that are confirmed by OSP Management, interested parties will be notified.
- 8) Compliance Staff then will work with interested parties to assure final recommendations are followed and any recovery of funds will be carried out.

V. Applicability

This policy applies to all contracts held or managed by the Office of State Procurement on behalf of and to be utilized by all departments, agencies, offices, councils, boards, commissions, other entities in the executive branch of Minnesota State Government, and Cooperative Purchasing Venture (CPV) members. State agencies and other Governmental Units must refer any known issues concerning state-held contracts to the Office of State Procurement.

VI. Data Classification

Internal review data and findings pursuant to this policy are subject to Minn. Stat. §13.392, which states in part: “[d]ata, notes, and preliminary drafts of reports created, collected, and maintained by the internal audit offices of government entities, or persons performing audits for government entities, and relating to an audit or investigation are confidential data on individuals or protected nonpublic data until the final report has been published or the audit or investigation is no longer being pursued actively...”

VII. History

Version	Description	Date
1.0	Internal Review Policy	07/13/2018
2.0	Update to Internal Review Policy	10/10/2022

Internal Review Reporting Form.

I. Initial Review by OSP Staff

SECTION A: SUBJECT OF THE REPORT

1. Name of Business:
2. Business Address:
3. Contract at Issue:
4. Contract Effective Dates:
5. Vendor Contact:
6. Acquisitions Management Specialist (AMS):

SECTION B: BACKGROUND

[In this section include background information about the vendor, contract, and contract release. Include items such as how long the vendor has been in business, size of the vendor, type of work vendor performs etc. For the contract and release include a description of what the contract is for, how orders are made on the contract, how pricing is determined, any special terms, and any other relevant information.]

SECTION C: FINDINGS AND RECOMMENDATIONS

[In this section include any findings from review of contract transactions if applicable. Otherwise identify that no issues were found.]

SECTION D: INFORMATION OF INDIVIDUAL COMPLETING THIS REPORT

1. Name:
2. Title:
3. Email:
4. Phone:

II. Escalated Review to OSP Management/CPO

[This section is to be completed by OSP CPO if there are findings within the report that OSP Management believes action should be taken and escalation is required. If no findings that require action then delete this section.]

SECTION F: FINDINGS AND RECOMMENDATIONS

[If applicable, include in this section the findings that resulted in this review being escalated to OSP management/CPO.]

SECTION I: INFORMATION OF INDIVIDUAL COMPLETING THIS REPORT

5. Name:
6. Title:
7. Email:
8. Phone: