



(ARC) – Policy on Segregation of Duties and Delegation of Authority in Procurement

1. Purpose

To safeguard ARC's procurement process by ensuring transparency, accountability, and compliance with donor requirements. This policy establishes clear segregation of duties and delegation of authority to minimize risks of fraud, conflict of interest, and misuse of resources.



2. Scope

Applies to all ARC staff involved in procurement activities across headquarters and field offices, including program, finance, logistics, and administration units.

3. Principles

- **Segregation of Duties:** No single staff member shall control all stages of the procurement cycle.
- **Delegation of Authority:** Clear approval thresholds and responsibilities are defined to ensure accountability.
- **Transparency:** All procurement actions must be documented and auditable.
- **Compliance:** Adherence to donor regulations, ARC procurement manual, and local laws.

4. Segregation of Duties

The procurement cycle is divided into distinct roles to prevent overlap of responsibilities:

Procurement Stage	Responsible Role	Control Measure
Requisition	Program/Requesting Unit	Initiates request; specifies needs
Review & Approval of Requisition	Line Manager / Department Head	Confirms budget availability and programmatic need
Procurement Execution (RFQ, Tendering, Bid Evaluation)	Procurement Officer / Committee	Conducts fair and transparent process
Approval of Selection	Procurement Committee / Senior Management	Reviews evaluation and endorses supplier selection
Contract Signing	Country Director / Authorized Signatory	Signs contracts above defined thresholds

Procurement Stage	Responsible Role	Control Measure
Payment Processing	Finance Department	Verifies supporting documents and processes payment
Asset/Service Delivery Confirmation	Requesting Unit / Logistics	Confirms receipt and quality of goods/services
Audit & Compliance Review	MEAL/Compliance Unit	Ensures adherence to policy and donor rules

5. Delegation of Authority

Approval thresholds are established to ensure proportional oversight:

Procurement Value (USD)	Approval Authority
Up to \$1,000	Procurement Officer + Line Manager
\$1,001 – \$10,000	Procurement Committee + Programs Manager
\$10,001 – \$50,000	Country Director
Above \$50,000	Country Director + Donor Approval (if required)

6. Conflict of Interest

- Staff must declare any personal or financial interest in suppliers.
- Members of the procurement committee must sign a **Conflict of Interest Declaration** before evaluations.

7. Documentation & Record Keeping

- All procurement actions must be documented (requisitions, RFQs, bid evaluations, contracts, delivery notes, payment vouchers).
- Records retained for **minimum 7 years** in line with ARC's archiving SOP.

8. Monitoring & Compliance

- Compliance Unit conducts periodic reviews of procurement files.
- External audits may be conducted by donors or third parties.
- Breaches of this policy may result in disciplinary action.

