

# NAO's Perspective on Public Procurement



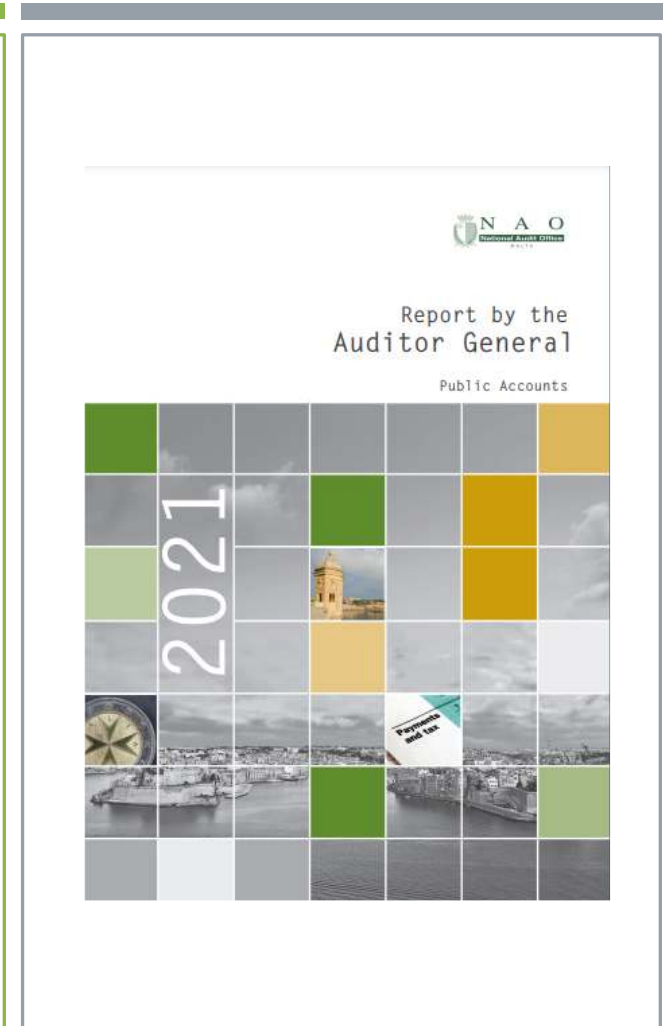
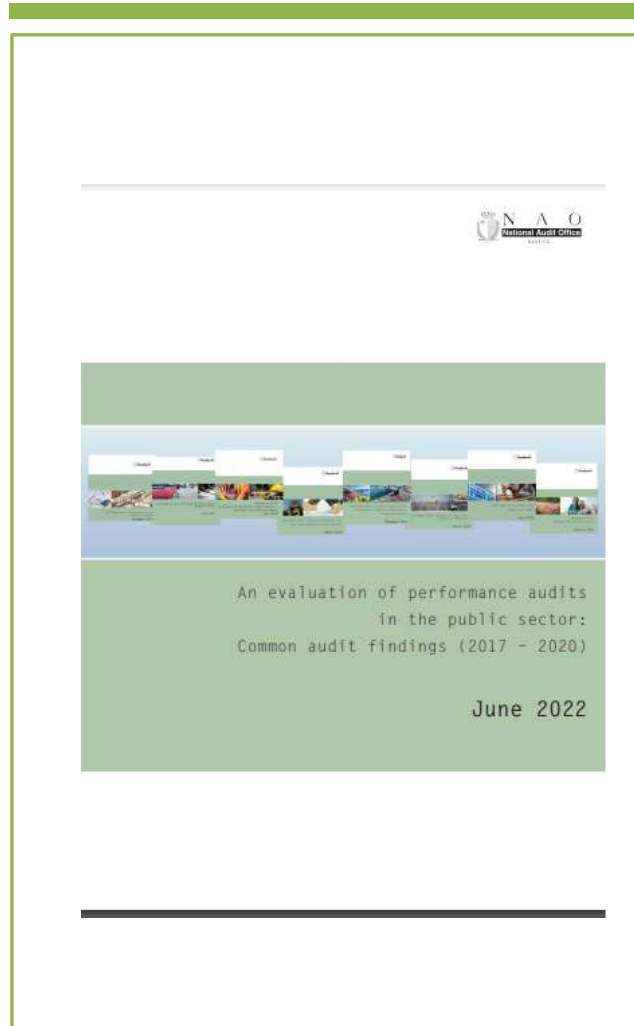
## WHY IS PUBLIC PROCUREMENT A HIGH RISK AREA?

- Amounts involved
- Direct orders rather than following the PPR process
- Complexities related to the PPR process
- Numerous sectors and stakeholders involved
- Interaction and close contact between the public officers and private parties
  - Risk of corruption and fraud
- All above factors impinge on Good Governance



# REPORTS UNDER REVIEW

- An evaluation of performance audits in the public sector: Common audit findings (2017 – 2020) (June 2022)
- REPORT BY THE AUDITOR GENERAL ON THE PUBLIC ACCOUNTS 2021 (Dec 2022)



## AN EVALUATION OF PERFORMANCE AUDITS IN THE PUBLIC SECTOR: COMMON AUDIT FINDINGS (2017 – 2020) (JUNE 2022)

<b>Inadequate and/or crude strategic planning</b>	<b>23</b>
<b>Inadequate marketing and /or marketing research</b>	<b>4</b>
<b>Services procured directly from the open market rather than through a public call for quotations or tenders</b>	<b>5</b>
<b>Weak negotiation stance</b>	<b>6</b>
<b>Absence of formal agreements to regulate a number of contractual services</b>	<b>5</b>
<b>Contract and/or Agreement in place does not appropriately safeguard Government's and/or stakeholders' interests</b>	<b>28</b>
<b>Unbalanced Partnership</b>	<b>2</b>

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# AR 2021: MAJOR CONCERNS

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## SOURCING STAGE

- 
- Lack of strategic planning
  - Fragmented procurement to bypass regulations
  - Quotations obtained directly from selected suppliers rather than through a public call for quotations
  - Direct contracts without obtaining the necessary approvals
  - Planned budget and amounts committed exceeded
  - Numerous variations
  - Contracts renewed which renewal is not covered by the original tender
  - Valid performance guarantees not in place or not covering the required amount

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# AR 2021: MAJOR CONCERNS

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## PAYMENT STAGE

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- Lack of adequate audit trail
  - Non-compliance with VAT fiscal requirements
  - Incomplete or untimely bill of quantities
  - Payments of unverified works
  - Unauthorised payments

## CONCLUSIONS AND RECOMMENDATIONS

1

Transparency

2

Fair  
Treatment

3

Value for  
Money

4

Control



**Thank  
You**

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