
PERFORMANCE OF INTERNAL ACQUISITION MANAGEMENT REVIEW
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General

1. GENERAL

1.1 Purpose. This Supplement explains the Internal Acquisition Management Review (IAMR) and defines and assigns responsibilities for carrying out the Internal Acquisition Management Review (IAMR) relative to acquisition and assistance agreement management in the Bureau. The Internal Acquisition Management Review (IAMR) is designed to provide the Deputy to the Assistant Secretary - Indian Affairs (Operations) with inhouse capability for internal control and review of acquisition and assistance resources, related analysis, trouble shooting, and the discharge of assigned review responsibilities. Internal control of acquisition and assistance management activities is implicit in this responsibility relative to the acquisition (by purchase order and contract) of supplies and services and for the transfer of Bureau funds (by grants and cooperative agreement).

A. Allegations of waste, abuse, and other mismanagement regarding acquisition and assistance-related activities of the Federal Government as a whole have resulted in increased attention to these problems at the Executive and Legislative branches of the government. A vigorous Internal Acquisition Management Review is required to both detect any instances of waste and abuse and to identify areas that are susceptible to these problems in the acquisition and assistance agreement system. Perhaps the most important benefits of Internal Acquisition Management Review are the resulting recognition of satisfactory performance as well as recommendations for improvements, controls, communications, and procedures in the existing acquisition and grants system. The latter can help to eliminate the potential for misuse of acquisition and grant authority, procedures, or resources.

B. The Internal Acquisition Management Review (IAMR) is designed to assess the level of compliance by Bureau contracting/grant activities with Federal, Departmental, and Bureau acquisition and assistance standards. Significantly, the IAMR protocol provides a vehicle for delivering technical assistance to remedy Bureau acquisition problems. It meets the requirements for establishing and maintaining internal controls under Pub. L. 97-225 and OMB Circular A-123, as well as serving as the certifying instrument under Executive Order 12352.

1.2 Objective. The objective of the Internal Acquisition Management Review (IAMR) is to aid the Deputy to the Assistant Secretary - Indian Affairs (Operations), senior line officials, Contracting Officers/Specialists, and the Division of Contracting and Grants Administration staff (Central Office) in their respective roles as administrators by assessing the fidelity with which prescribed acquisition and grants regulations, policies and procedures are being followed. Thus, priority attention will be given to those activities where operational conditions or complexity may hinder effective delivery of services or staff support to line managers, or in optimum use of resources.

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The IAMR is a performance monitoring and oversight approach to evaluate and analyze the operations and results of the contracting/grants activity, its organization as well as its employees.

A. Local Bureau activities would achieve information from the IAMR, as follows:

- (1) Identification of policy and procedural compliance, and weaknesses therein.
- (2) Identification of noncompliance problems.
- (3) Assessment of the effectiveness of corrective action in alleviating problems and deficiencies.
- (4) Determination of the kind and amount of technical assistance required within their jurisdiction, as well as the resource materials useful to build local capability.
- (5) Allocation of staffing resources.
- (6) Development of an enforcement strategy for reducing fraud, waste, and other mismanagement and the selection of specific enforcement actions.
- (7) Identification of possible modifications to Contract Office operations to enhance outputs, results and impacts.

B. Central Office would achieve the following information and decision needs from the IAMR instrument, as follows:

- (1) Identification of Bureauwide compliance status through the kind of documentation required to remain accountable to the Office of the Inspector General and the Department, the General Accounting Office, and the Congress, as well as complying with Pub. L. 97-225, OMB Circular A-123, and Executive Order 12352.
- (2) Identification of Bureauwide noncompliance-related problems.
- (3) Assessment of legislative, regulatory or acquisition and assistance policy modifications needed to address acquisition and grants needs, deficiencies or problems.
- (4) Clarification of acquisition and grants problem areas requiring further study to determine the exact nature of the difficulty, its causes, and the feasibility and cost of alternative solutions.

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(5) Identification of Bureauwide technical assistance resource needs and materials.

(6) Formulation of monitoring strategy involving the use of Central Office personnel.

(7) Information for certification of the surveyed site under Executive Order 12352.

1.3 Policy. The Deputy to the Assistant Secretary - Indian Affairs (Operations) expects all acquisition and assistance activities to conform to legislative intent, have a clear set of goals and objectives, have a detailed plan and set of procedures to carry out the objectives, have adequate but not excessive or inappropriate resources to accomplish the objectives, be managed efficiently and expeditiously, and contain feedback systems that inform managers and other interested parties how well the activity is doing and what adjustments are needed.

A. Bureau acquisition and grants activities shall have communications and coordination with program and related activities. There shall be central guidance and direction where needed. Above all, there shall be adequate documentation to assure that acquisition and grants performance outputs and results can be monitored and evaluated.

B. A strong Internal Acquisition Management Review (IAMR) activity will be implemented in Central Office by the Division of Contracting and Grants Administration staff to service all Bureau activities. This management initiative will support the purpose and policy of Pub. L. 97-225, OMB Circular A-123, as well as Executive Order 12352.

1.4 Definitions.

A. "Abuse" means administrative violations of Department of the Interior, Bureau of Indian Affairs, or program regulations and guidelines which impair the effective and efficient execution of programs. These violations may result in losses or in denial or reduction in legal benefits to participants.

B. "Fraud" means the intentional wrongful obtaining of either money or some other advantage or benefit from Government programs. Fraud embraces theft, embezzlement, false statements, illegal commissions, kickbacks, conspiracies, obtaining contracts or grants through collusive arrangements, and similar devices.

C. "Internal Acquisition Management Review (IAMR)" means the conducting of management and technical studies, analyses, and assessments of Bureau

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acquisition and assistance operations and the use of management resources to evaluate staff performance and product outputs; detecting deficiencies, improprieties, and inefficiencies; and, providing program recommendations and resource assistance. These actions will strengthen the program and correct those conditions that adversely impact on acquisition and grants management, mission accomplishment, or the integrity of management. The internal review does not duplicate the internal audit; the former deals exclusively with acquisition/ grants assistance program results reviews, while the latter addresses financial compliance.

D. "Waste" or "Mismanagement" means incurring unnecessary costs as a result of ineffective or inefficient practices, systems or controls.

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Scope

2. SCOPE

2.1 Responsibilities. Internal Acquisition Management Review is an acquisition and assistance agreement management function and affects all Bureau acquisition and grants elements, their activities, personnel, and accomplishments. Specific actions and responsibilities are assigned, as follows:

2.2 Director, Office of Administration. Provides overall Bureauwide direction and responsibility for acquisition and grants management IAMR. The Director, Office of Administration (Central Office) has the responsibility to recommend that other Bureau elements provide personnel to the IAMR staff on a case-by-case basis. The augmentation may be required because of a short deadline established by higher authority, the scope of the review, the requirement for expert knowledge in disciplines related to acquisition and assistance management, or the concurrency of separate reviews which would necessitate additional staff resources. The Director shall:

A. Present an annual FY plan for the IAMR to the Deputy to the Assistant Secretary - Indian Affairs (Operations) by August 15 for approval.

B. Announce the scheduled Internal Acquisition Management Reviews to be conducted by the Division of Contracting and Grants Administration staff during the upcoming fiscal year, based on the approved IAMR plan. The final report on each Internal Acquisition Management Review will be submitted to the Deputy to the Assistant Secretary - Indian Affairs (Operations) through the Director, Office of Administration for approval of recommended actions.

C. On a case-by-case basis, the Director, Office of Administration will make recommendations for other Bureau personnel required in the conduct of Internal Acquisition Management Reviews.

2.3 Division of Contracting and Grants Administration Staff. The IAMR is a primary responsibility of the Chief, Division of Contracting and Grants Administration under the overall supervision of the Director, Office of Administration. The IAMR will be performed at least once every four years at all Bureau contracting activities/ locations.

A. Based on the annual IAMR plan, schedules and conducts the planning and evaluation activities. Prepares the evaluation report at the conclusion of the IAMR for submission to the Director, Office of Administration, the Deputy to the Assistant Secretary - Indian Affairs (Operations), and the Bureau contracting activity surveyed. Copies are provided to the Office of the Inspector General (OIG).

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B. Provides periodic follow-up monitoring of progress on approved recommended actions in previous Internal Acquisition Management Reviews conducted at Bureau activities to ensure compliance. In addition, reviews and monitors the implementation of Management Plans submitted by field sites in response to correction of OIG audit recommendations. A quarterly progress report will be submitted to the Director, Office of Administration on the status of ongoing reviews, problems encountered or anticipated, summary of events relating to Internal Acquisition Management Reviews, and progress on audit-related Management Plans.

2.4 Other Bureau Senior Line Officials. Area Office senior line officials, upon notification of an agreement to a forthcoming Internal Acquisition Management Review which impacts on acquisition and grants activities within their jurisdiction, are expected to provide full cooperation and assistance to the IAMR team personnel.

A. All Bureau facilities, when tasked in accordance with paragraph 2.2 above, will make qualified personnel available to the IAMR team to assist in specific reviews. After nomination by the appropriate line managers, such personnel will be designated in writing as specific IAMR team members by the Director, Office of Administration.

B. Senior line officials will ensure that a viable IAMR activity is supported within their respective activities. This involvement includes the development of the supportive protocols for the onsite IAMR activities complementary to the Central Office IAMR plan; the cooperation of all local contracting activity personnel to ensure that the IAMR is conducted in a timely fashion; and, the maintenance of effort to follow-up on compliance with Internal Acquisition Management Review report recommendations and audit-related Management Plans.

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3. PRINCIPLES AND PROCEDURES

3.1 General. The acquisition function relates to the purchase of supplies, goods, materials, and equipment as well as to services such as telecommunications, utilities, rents, printing, and graphic reproduction. The Bureau exercises adequate internal and administrative review controls over all procurement-related transactions to assure that only required property and services are purchased, at the best price; they are in fact received in their entirety, and they are well-controlled after receipt by the Bureau.

The decentralized operations and dollar magnitudes of Bureau acquisition and assistance agreement activities make vitally important that management have timely, accurate, and complete knowledge of the effectiveness (quality) and efficiency (economy) of this operation. The scope and diversity of Bureau procurements/grants requires monitoring and oversight by Central Office Procurement Analysts to determine (qualitative) system effectiveness and (quantitative) system efficiency with regard to policies and procedures prescribed by and for the Department of the Interior and the Bureau of Indian Affairs. Compilation of report statistics per se on acquisitions and grants, while available and helpful, do not always serve as a valid or reliable index of operational effectiveness. Nor do they indicate how efficiently each Contract Office performs as a unit (as well as an interdisciplinary element) of the greater logistics effort in fulfilling the Bureau's mission.

3.2 Methods. Internal Acquisition Management Review (IAMR) surveys are conducted at periodic intervals to assess Contract Office effectiveness, integrity, and operational efficiency. The IAMR survey has three essential characteristics:

A. It is conducted by Procurement/Grants Analysts who have broad knowledge, skills, and abilities in the respective content areas; and,

B. It is performed in accordance with established, stated, and recognized uniform principles and standards of acceptable performance; and,

C. The factual findings and recommendations of each IAMR are set forth in an IAMR Report that is responsive to the needs of the surveyed activity; the Area Office Director and Supervisory Contract Specialist; the Director, Office of Administration; and, the Deputy to the Assistant Secretary - Indian Affairs (Operations). The IAMR Report informs these persons and their staffs of the Bureau's current operational status for acquisition/assistance effectiveness, and facilitates the prompt and mutual implementation of any required improvements.

3.3 Internal and Administrative Control Review. The IAMR provides the Bureau with a management tool for assessing present procurement/grants activities,

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comparing these activities to governing and controlling documents, evaluating the findings, and reporting recommendations to Bureau decision-makers. In doing so, the principles of Pub. L. 97-225 and OMB Circular A-123 shall guide the reviewers in the conduct and follow-up of the program results review.

3.4 Certification under Executive Order 12352. The IAMR Team develops findings and recommendations for formal certification of the procurement operations of the surveyed site by the Assistant Secretary - Indian Affairs.

3.5 Procedures. As internal control system is an organizational plan and all attendant protocols that are used to: (1) safeguard resources; (2) assure the accuracy, reliability, and scope of its data/information; (3) assure adherence to applicable laws, regulations, and policies; and (4) promote operational efficiency and effectiveness.

A. Documentation used in this system effort includes manuals, memoranda, flow-charts, decision tables, completed questionnaires, and procedural and substantive releases to: (1) describe the internal review method(s) and measures; (2) communicate authorities and responsibilities for operating such methods and measures; and (3) serve as a reference for persons reviewing the internal controls and their functioning. Thus, the IAMR is an ongoing, systematic, and comprehensive assessment of the Bureau's internal controls to assess whether adequate control and communication measures exist; are routinely exercised to anticipate, prevent, detect, or correct potential risk elements in a cost effective manner; for improving the operation, management, and administration of the acquisition and assistance agreement activities.

B. To this end, the IAMR objectives are to provide Bureau management with reasonable (underlined for emphasis) assurance that its critical resources (dollars, staff, information, property, time, space) are safeguarded from unauthorized use or disposition; procurement and grant transactions are executed in accordance with authorizations; records and reports system are timely, valid, and reliable; applicable laws, regulations and policies are adhered to in a uniform manner; and, Bureau resources are efficiently and effectively managed.

C. The effectiveness of the Bureau's control system for its procurement and grants activities is based on five interlocking phases:

(1) Setting standards, goals, or objectives (the criteria as to "What should be");

(2) Checking on performance of staff and awardees, and on the quality of effort (the condition as to "What is");

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(3) Appraising outputs (efficiency and quantity) and impacts (effectiveness and quality) and identifying effects (major and side; positive and negative) and causes;

(4) Communicating findings and conclusions, and providing recommendations (stating "What can be"); and

(5) Taking corrective action(s), where needed.

D. The IAMR Team reviews the legislation, policies, procedures, practices, and controls having specific bearing on attainment of the goals and objectives specified by the law or regulations for the Bureau's acquisition and assistance agreement function, organization, program, and activity. The overall objective of the IAMR is to seek convergence over time between what should be and what is by pointing out to management and responsible officials what can be.

3.6 Review Details. The Internal Acquisition Management Review (IAMR) includes conducting periodic management and technical studies, analyses, and assessments of Bureau contract acquisition and grants operations; the use of management resources to recognize satisfactory performance and to detect performance deficiencies, improprieties, and inefficiencies; and, to provide program recommendations for strengthening acquisition and assistance agreement accomplishments thereby correcting those conditions that adversely impact on acquisition and grants management, mission accomplishment, or the integrity of management. The guidelines for the IAMR systems approach is found in the Acquisition and Assistance Agreement Management (AMS) HANDBOOK No. 4, issued separately.

A. Internal Acquisition Management Review (IAMR) is a vehicle for monitoring and assessing contract acquisition and assistance agreement policies, controls, practices and procedures at all Bureau locations to determine adequacy in concept and effectiveness in application. Further, it ensures that there is provision for acquisition and assistance agreement management integrity and effective use of all available Bureau resources. In addition and where applicable, the IAMR includes:

(1) Monitoring the correction of procurement/grant systems weaknesses which are revealed by previous Internal Acquisition Management Reviews, or by external reports, analyses or observations.

(2) Monitoring and assessing the design and implementation of contract acquisition and grant systems and procedures, with emphasis upon the identification and use of valid record trails and other management controls.

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(3) Providing timely advice and reviewing the use of quality control or other indicators that routinely gauge the effectiveness of acquisition and assistance agreement management and efficient use of Bureau resources.

(4) Designing and applying management checklists for internal review of acquisition and grants systems components that are considered unique or critical to Bureau activities.

(5) Reviewing safeguards or refinements to existing controls for management, performance, and product accountability.

(6) Reviewing the proper execution of Bureau acquisition and assistance agreement policies, procedures, and programs. These reviews will assess such areas as the efficiency of planning and execution, adequacy of funding, appropriateness of decisions, program cost/effectiveness, timeliness of response, quality of effort and product, and appropriate support to non-procurement/grant functions.

(7) Participating from time to time, in reviews of other problem areas related to acquisition and assistance agreement management, as directed by higher authority.

(8) Rendering advice on matters of organization, function and staffing within the acquisition and assistance agreement management activities.

(9) Maintaining liaison with (and providing assistance to) other management analysts of the Bureau; to auditors of the General Accounting Office assigned to perform continuous, periodic, or integrated audits; and to provide similar assistance and liaison where appropriate to other audit or inspector representatives such as the Office of the Inspector General.

B. Site visits to Bureau contracting activities will focus on key operational elements of the Contract Office. In addition, a prior review of management reports will have been done of those materials submitted to the Division of Contracting and Grants Administration (Central Office). The operational elements to be assessed include the following:

(1) Acquisition and assistance agreement policies, plans, methods, procedures and management subject to Federal, Department and Bureau regulations, guidelines, and instructions.

(2) The Contracting Officers' Warrant System.

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(3) Financial management, including:

(a) Basic accounting procedures; the system used to keep disbursement records and journals, preparation of cashflow statement, advance payments, letter of credit, ordering documents, etc.

(b) Bookkeeping; the mathematical process of keeping records.

(4) Office management; the overall system providing for direction of planning for and coordination of activities and monitoring in the office, including:

(a) Office administration; the direction of day-to-day activities within the office.

(b) Office organization; staff arrangement, functions, duties, and responsibilities.

(c) Files; the system (manual or electronic) which is adequate, economical, and understandable in order to store and retrieve necessary and relevant data/information and eliminate the use and storage of unnecessary paper.

(d) Secretarial/Clerical techniques; the methods and procedures that includes use of secretarial manuals, reception desk requirements, and other activities required to accomplish necessary Contract Office work.

(e) Basic oral and written communication; the established standards to ensure adequate communication, such as manuals, procedures, guidelines, etc.

(5) Personnel management; the direction, coordination, and monitoring of activities related to Contract Office employees including:

(a) Policies; the documented standards, rules, regulations, and practices which govern staff activities.

(b) Employee conduct; the activities which include supervisor-employee relationships.

(c) Personnel training and development; the process by which the employee is prepared to function better in a work assignment (including orientation, on-the-job training, career development reflected in a current Individual Development Plan (IDP), affirmative action, upward mobility program) to assume more and other

responsibilities. Scheduled maintenance of critical and required job elements, performance standards, and counseling is included herein.

(6) Program management; the planning, implementation, monitoring and evaluation of activities necessary to carry out the acquisition/grants program including:

(a) Budgeting; the process for forecasting financial needs and use of financial resources in accordance with plan.

(b) Staff resources; the process for forecasting staff resources needed for the program and the use of these resources in accordance with the program plan.

(c) Information system; the process whereby relevant data and information are identified, obtained, stored, retrieved and disseminated. Particular attention will be directed to the material generated for the Department, as well as Bureau acquisition and grants scheduled, and special reports.

(d) Planning; the identification and definition of program goals, assessment of current situation, identification of alternatives for attaining goals, priority setting and ranking of alternatives with the ultimate aim of decision-making and selection of alternatives.

(e) Implementation; the process whereby the plan is carried out using strategies developed in the plan. These strategies include development of action steps that must be taken to arrive at a goal.

(f) Monitoring; the process of constantly reviewing the acquisition/grants operation for adherence to the program plan.

(g) Evaluation; the analysis of the acquisition/grants program progress to determine if current status is consistent with projection status, if resource expenditures are consistent or compatible with program status, and if goals are still relevant and attainable.

(7) Special professional issues and problems of concern to the Supervisory Contract/Grants Specialists and staff.