

Ministry of Finance

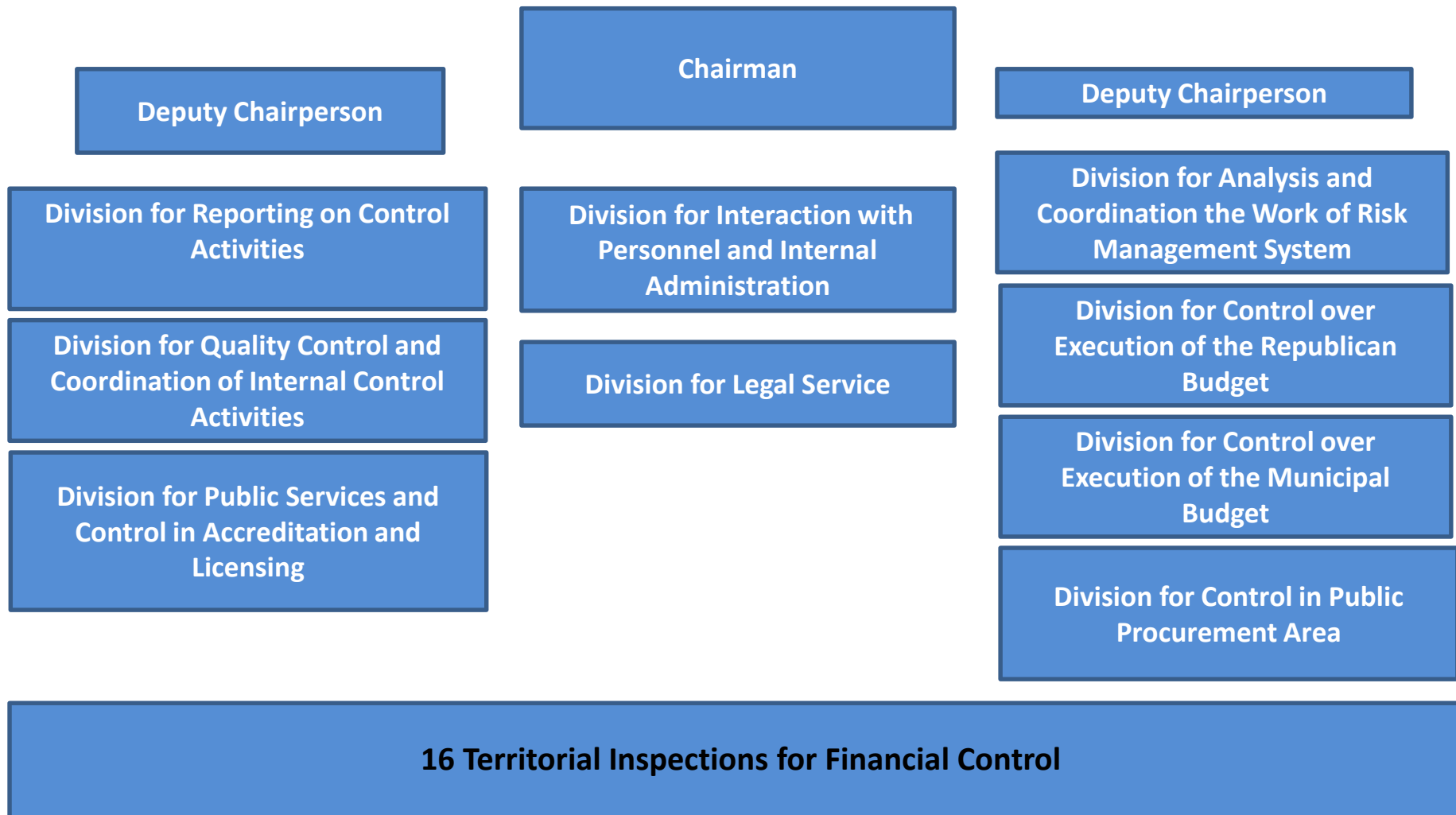


Republic of Kazakhstan

Information from the Financial Control Committee on Public Procurement

Public Procurement Forum, Batumi, Georgia - 2015

Structure of the Committee for Financial Control (CFC) of the Ministry of Finance of the Republic of Kazakhstan



Note: Total number of staff in the CFC - 741, including 86 people in the Central Office Total number of staff involved in public procurement control – 142.

Controlling Compliance with the Public Procurement Law in 2014

Control over 3838 public procurement inspections for KZT 647,5 bln. тенге

7165
tenders

67570
price quotations

13184
public procurement
form single source

213
auctions

46594
public procurement
conducted in abeyance
norms of the Article 4

Violations of the public procurement legislation for KZT 207,5 bln. or 32,0% of the conducted public procurement (KZT 647,5 bln.) have been identified

To eliminate and prevent in the future any violations of the public procurement legislation certain measures have been taken to impose disciplinary, administrative sanctions and cancel public procurement tenders (where violations have impacted the end result) in a pre-trial order, and initiate suits in the court on rescission of contracts and declaring unscrupulous suppliers/providers

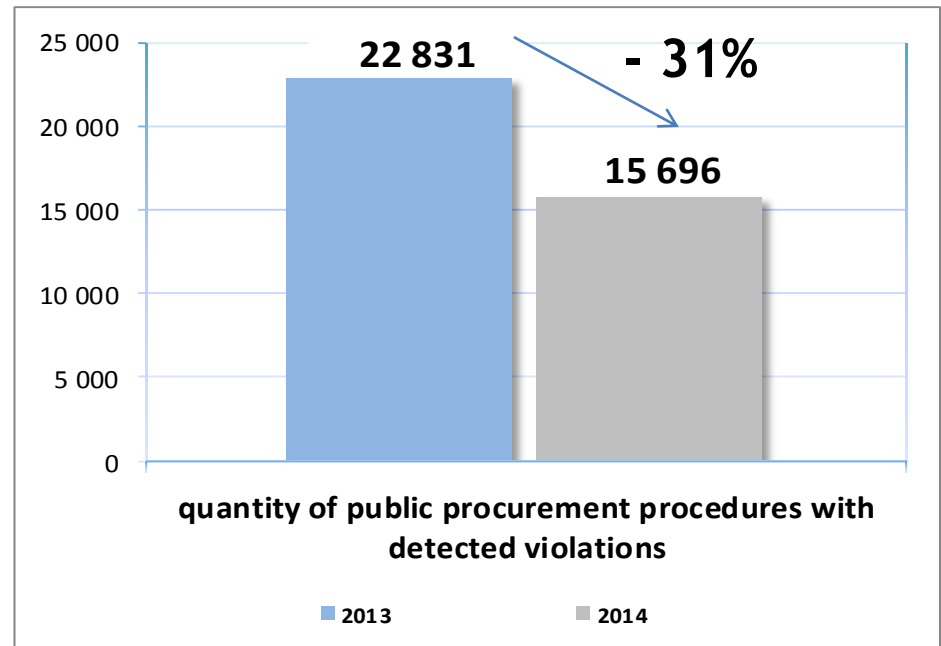
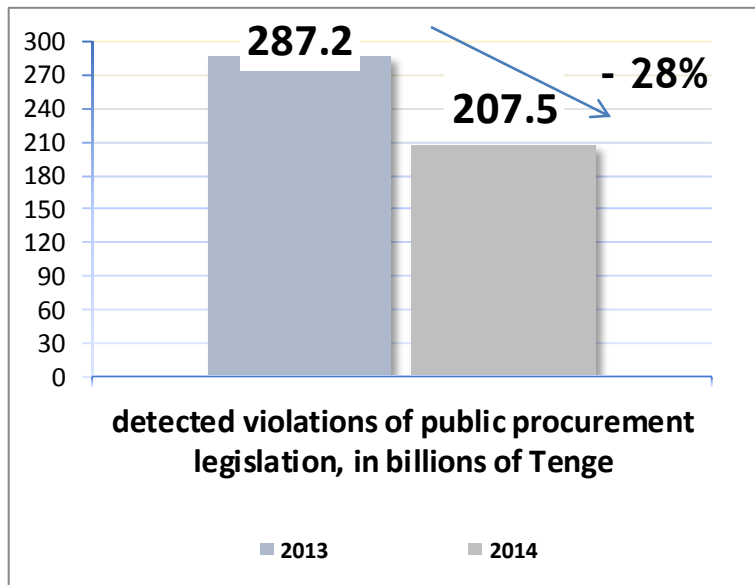
1718
officials were imposed
disciplinary sanctions,
including 11 who have been
removed from their duties

1203,5
officials have been
imposed administrative
sanctions (amount of the
administrative fine –KZT
134,4 bln.)

304
public procurement
tenders cancelled
based on the
recommendations of
the CFC

162
cases have been forwarded
to law-enforcement
agencies

Dynamics of the Detected Violations of Public Procurement Legislation in Local Executive Bodies in 2014



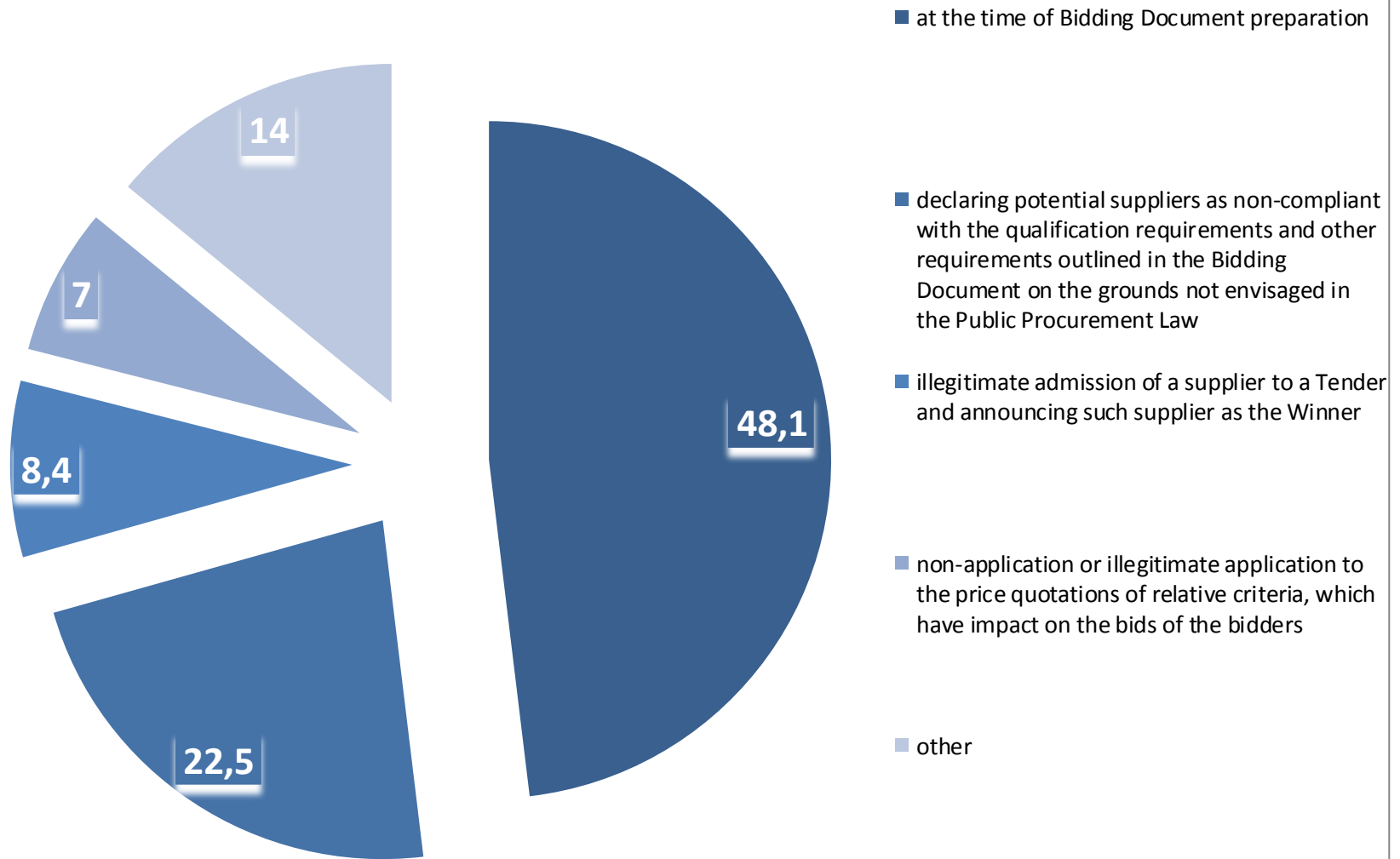
Amendments to the public procurement legislation of 2014 significantly decreased the number of violations



Hence, the norm on the rights of a supplier to bring his/her bid into compliance with tender requirements within 3 days has decreased groundless rejections of suppliers

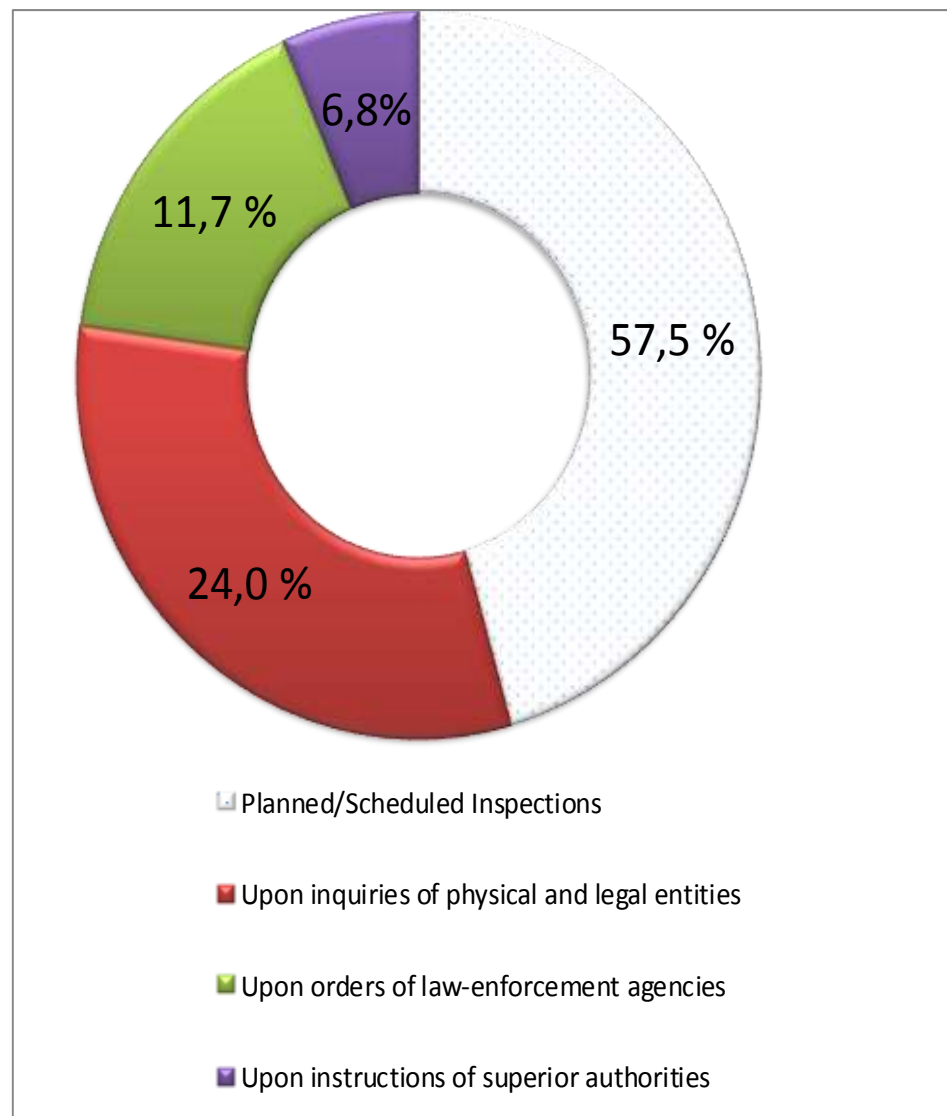


Share of Violations in Public Procurement (%)



Total number of inspections carried out to ensure compliance with the public procurement legislation in 2014

Inspections	Quantity
Total conducted inspections, including:	5 067
Planned/Scheduled inspections	2 913
Unscheduled inspections, including:	2 154
Upon inquiries of physical and legal entities	1 215
Upon orders of law-enforcement agencies	592
Upon instructions of superior authorities	347



Administrative Sanctions for Violations in Public Procurements

Imposing Administrative Sanctions to the Tender Committee

- ungrounded rejection of potential suppliers from participating in public procurement tenders;
- non-application of criteria, which affect the conditional reduction of their prices

Imposing Administrative Sanctions to Chief Managers of the Buyers/Clients

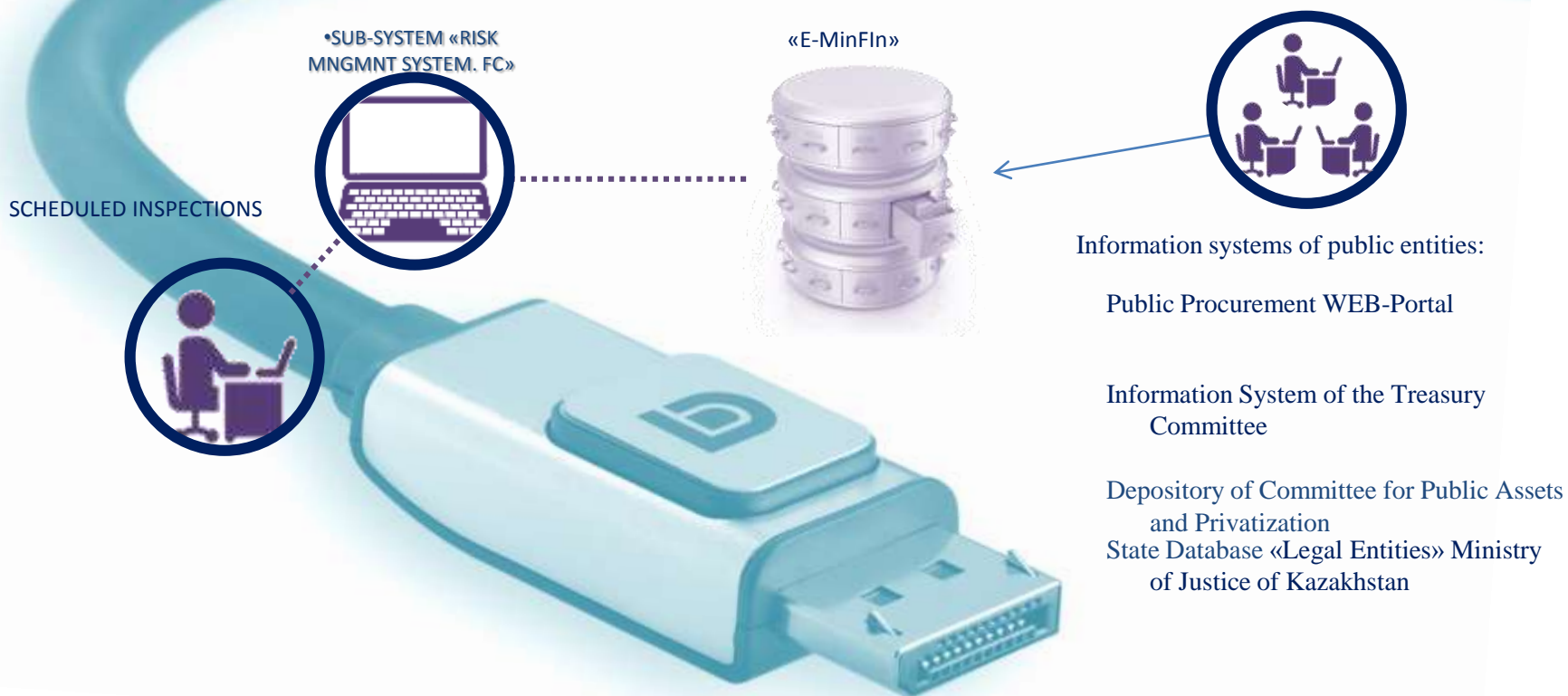
- establishment of illegitimate requirements to bidders;
- taking no action on declaring bidders violating public procurement legislation as unscrupulous;
- refusal to conduct public procurement;
- supplementing bids/applications with missing documents;
- substitution of documents;
- failure to divide into Lots;
- procurement of goods, works and services in abeyance of legislative norms.

AUTOMATION OF THE RISK MANAGEMENT SYSTEM

INSTALLATION OF THE SUB-SYSTEMS:
«RISK MANAGEMENT SYSTEM. FINANCIAL CONTROL»
OF THE «E-MINFIN» PROJECT

WILL ALLOW TO FULLY COMPUTERIZE/AUTOMATE
THE SELECTION OF AN ENTITY TO BE INSPECTED,
AND PARTIALLY, TO AUTOMATE INSPECTIONS

SUB-SYSTEM «RISK MNGMNT SYSTEM. FC»



Other Forms of Control over Public Procurement

