



Guide to **Outsourcing Governance Procedures** at Federal Government

Second Edition

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Introduction

The federal government ensures to create an integrated legislative system, which organizes its human resources, whether they are employees who legally report to this government or other individuals who report to private institutions, external companies or parties providing outsourcing services to federal entities.

Whereas the federal ministries and entities are currently outsourcing part of their duties and operations to external parties without having a regulatory and procedural framework that enables the government to manage this category in provisions of nature of services provided, numbers or costs incurred, this might have a negative impact on the operations and performance indicators of the federal government in general.

Accordingly, and based on the results indicated by the outsourcing governance-related studies, it was necessary to regulate outsourcing at federal government by developing guiding criteria and guidelines through which the government can identify the jobs to be outsourced, number of outsourced employees, and costs incurred by such services. This is in addition to the financial provisions from which such funds are paid as well as any other related aspects.

Therefore, the Guide to Outsourcing Governance Procedures has been created, according to informed benchmarking studies and best international practices in this regard. This guarantees the best utilization of the financial resources allocated for outsourcing and providing the required transparency in everything related to the human resources of the federal entities by outsourcing and enhancing the added value to outsourcing services. The purpose of doing that is to raise productivity and improve level of services at federal government.

Furthermore, this Guide to Outsourcing Governance Procedures contributes to creating an integrated database about the outsourcing service providers to the federal government. It also enables the federal government at the same time to govern outsourcing in provisions of all financial, administrative and procedural aspects, where the roles of the organizational units concerned are determined in a documented manner. That is because this Guide includes clear details about all procedures that help federal ministries and entities when they outsource some of their services. This can take place by following the best technique for organizing and documenting the procedures for seeking the support of external entities to implement the tasks and functions assigned to them. Again, this can be achieved by using highly qualified and competent staff, according to what is required by the conditions and interests of their work.

Hence, this Guide shall address the guiding policies and procedures that must be abided by when implementing outsourcing governance procedures, according to the financial and human resources at federal government and decisions issued thereto.



Chapter One

General Framework of the Guide to Outsourcing Governance Procedures

Firstly, Definitions

In the implementation of the provisions of Guide to Outsourcing Governance Procedures, the following words and expressions shall have the meaning indicated opposite to each unless it is required otherwise by the context:

State:

The United Arab Emirates

Government:

The Government of the United Arab Emirates

Cabinet:

The Cabinet of the United Arab Emirates

Federal entities :

Any ministry established, according to the Federal Law No. 1 of 1972 on the prerogatives of ministries and powers of ministers and amendments thereto as well as any federal entity, institution or regulatory authority affiliated to the government, and companies owned by the federal government.

Budget:

The budget approved for the federal entity.

Guide to Financial Procedures:

It is the unified financial guide for the federal government issued by Ministry of Finance.

Senior Management:

It is the undersecretary of the ministry or the assistant undersecretary of the ministry and any other federal entity that is of an equivalent position.

Employee:

Each person occupying any job stated in the budget.

Cabinet Resolution:

The Cabinet resolution on adoption of the Guide to the Outsourcing Governance Procedures at federal government No. 4/92 of 2020.

Outsourcing:

Part of the duties and processes that the federal entities are entrusted with, shall be carried out by the companies to which some government services are outsourced and with which a contract is signed, in line with the applicable procedures in this regard.

Guide to Outsourcing Governance Procedures at Federal Government:

It is the Guide that explains the guiding procedures related to the implementation of the outsourcing governance policy adopted by the federal government to be thereafter approved by the Cabinet.

The companies to which some of the government services shall be outsourced:

These are the private institutions, companies or other (foreign or local entities) that are licensed, which provide outsourcing services as agreed with federal entities through employees reporting to the former. This is in exchange for a financial amount that is determined in the contracts and agreements signed between the two parties, in accordance with laws and standards agreed upon in the State.

Outsourcing Employee:

The employee who administratively and legally reports to the companies to which some of the government services shall be outsourced, and provides services to the federal entities, according to the outsourcing contract signed between the entity concerned and the company to which some of the government services shall be outsourced.

Secondly, Objectives

The Guide to Outsourcing Governance Procedures at Federal Government is aimed at explaining the outsourcing-related guiding policies and procedures to be followed by those concerned at the federal entities. Thus, this contributes to enabling the federal government to exercise outsourcing governance as a result of the federal entities' commitment to document and enter all outsourcing data, according to mechanisms of the federal government human resources information system ((Bayanati)) or human resources systems at the entities linked to it via the adopted technical mechanisms in place. As a result, this creates a proper integration between the actual expenses incurred by outsourcing lines and the data recorded in the federal government human resources information system ((Bayanati)) and the linking systems. Moreover, applying them will raise the transparency level of the federal entities within the indicators of human and financial resources enablers at federal government due to their proper entry. In addition, applying them will lead to the governance of public funds through the restrictions for the correct financial provision allocated and used upon contracting with the companies to which some of the government services shall be outsourced from within the items approved in the budget. At the same time, the confidentiality and independency shall be maintained when making the decision about the outsourcing at the federal entities .

In light of the above, the objectives can be summarized as follows:

1. To develop a guiding general framework to regulate outsourcing governance at federal government.
2. To promote the outsourcing quality and efficiency level at federal government to be in line with the best international practices.

3. To enhance level of productivity, efficiency and best utilization of the financial resources allocated for outsourcing at federal government.
4. To develop an integrated technical system that documents the actual data (financial and human resources) for outsourcing at federal government, and to build higher levels of transparency supporting decision-making.
5. To promote quality, efficiency and reliability of the federal services that have been outsourced in a way that contributes to building a highly competent and productive government.
6. To develop guiding policies, procedures, controls and standards as well as guiding indicators pertaining to the outsourcing governance at federal government.
7. To reduce the risk rate related to the outsourcing governance at federal government and to manage it professionally.
8. To benefit from the growing technological advancements in the area of outsourcing.
9. To transfer knowledge to the employees at federal government entities.

Thirdly, Scope of Applicability

This Guide shall apply to all federal entities and institutions and the companies owned by the federal government, whether they are profit or non-profit ones, and it shall also apply to everything to be established in the future.



Chapter Two

Provisions, Controls and Tasks Required by Outsourcing Governance

Firstly, Aspired Benefits of Services Outsourcing

The fact that the federal entities outsource part of their services and duties, according to a methodology that includes approved standards and controls, represent an advanced technique for providing services, which is positively reflected on its performance level. By adopting the outsourcing governance method, according to a proper approach, several benefits can be achieved by the federal entities, including the following:

1. Cutting and saving costs by focusing on the main regulatory and supervisory role of the entity concerned.
2. Attracting the best skills and experts by external entities to implement the required duties in case there is no competent staff internally, where the outsourcing can compensate for any shortage faced by the federal entity concerned in provisions of experience at the internal level.
3. Reducing the risk rate and managing it professionally, which improves level of service quality provided to customers.
4. Take advantage of technology developments in this field to improve the level of service quality.
5. Increasing the opportunity for the private sector to get engaged in the government work.

Secondly, Stages of Measuring Outsourcing Governance Development

The outsourcing governance development matrix includes the four stages below:

Main Stage:

Total handover of duties to the resource concerned.

Second generation of outsourcing:

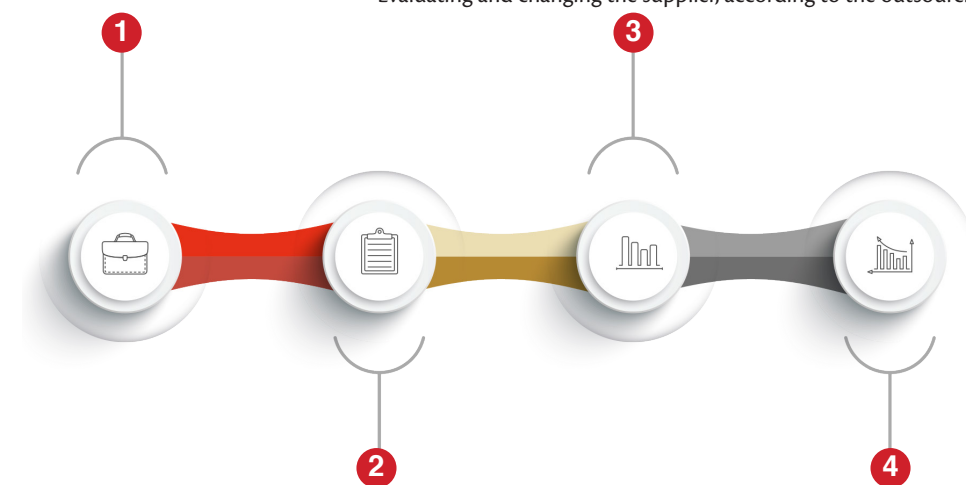
- Searching for the continuous development of outsourcing.
- Strengthening strategic relations between the entity concerned and the supplier.
- Evaluating and changing the supplier, according to the outsourcing efficiency.

First generation of outsourcing:

- Operational duties are delivered to the supplier concerned and followed up.
- Data about the outsourced services is collected.
- Management of internal changes at the entity concerned are initiated.

Third generation of outsourcing:

- Rebuilding the internal capacities, according to the previous outsourcing experience.
- Enhancing the consulting and strategic skills, according to the outsourcing results.





Chapter Three

Guiding Criteria and Mechanisms for Outsourcing Governance at Federal Government

Firstly, the main guiding criteria for the selection of companies to which some government services are outsourced

The main criteria for the selection of companies to which some government services are outsourced at federal government, which federal entities should abide by when using outsourcing, can be summarized as follows:

1. The capacity level of the company to which some government services are outsourced to meet the business needs, manage operations and ensure to maintain/raise service level.
2. The ability to meet the legal and regulatory requirements and the necessity for the company to which some government services are outsourced to be aware of the applicable laws and policies of the State.
3. The company to which some government services are outsourced must prove that it is creditworthy and financially capable and performance level.
4. There must be a clear action plan, where work arrangements should be demonstrated, and the company to which some government services are outsourced should disclose and raise the backup contingency plan.
5. It is necessary for the company to which some government services are outsourced to have a good business reputation, and it should be investigated if there is any complaint and litigation against it in provisions of any previous pending or potential issues.
6. The company to which some government services are outsourced should be acquainted with the internal policies, procedures and controls as well as ((Etimad)) procedures.
7. Ensure that the company to which some government services are outsourced presents examples of projects already done for government entities, which it dealt with in the field of outsourcing.
8. It is necessary to make sure about the external factors (political, economic, social, legal, environmental and regulatory aspects) that might affect the service performance.
9. Ability to deal with the problems and flexibility to handle changes and needs.

Secondly, Model for the mechanism of approving strategic outsourcing applications at the federal entity

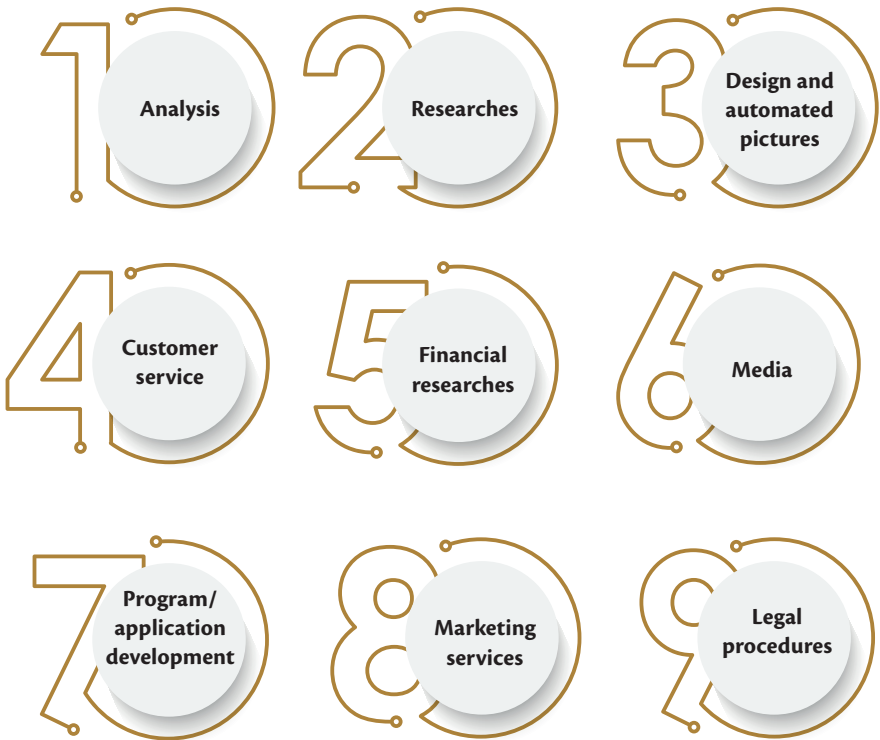
Reviewing and approving the outsourcing applications on the part of those concerned at the federal entity must depend on the aspects below for the purpose of documentation and following the best practices of the outsourcing governance:



Thirdly, Outsourceable Fields or Jobs

The figure below shows an illustrative example to be used as a guide regarding outsourceable jobs or fields at the federal entities, where such federal entities may use the international practices as a reference in this regard.

Examples for the outsourceable fields or jobs



Examples for outsourceable jobs:
<ul style="list-style-type: none">• Support services• Information technology technician• Contact center• Customer service• Advertising• Collection centers• Training and employment

Examples for jobs that are not preferred to be outsourced:
<ul style="list-style-type: none">• Executive managerial jobs• Information security• Budgeting• Procurement• Human resources (payroll)

Fourthly, Guidelines for Risk Management

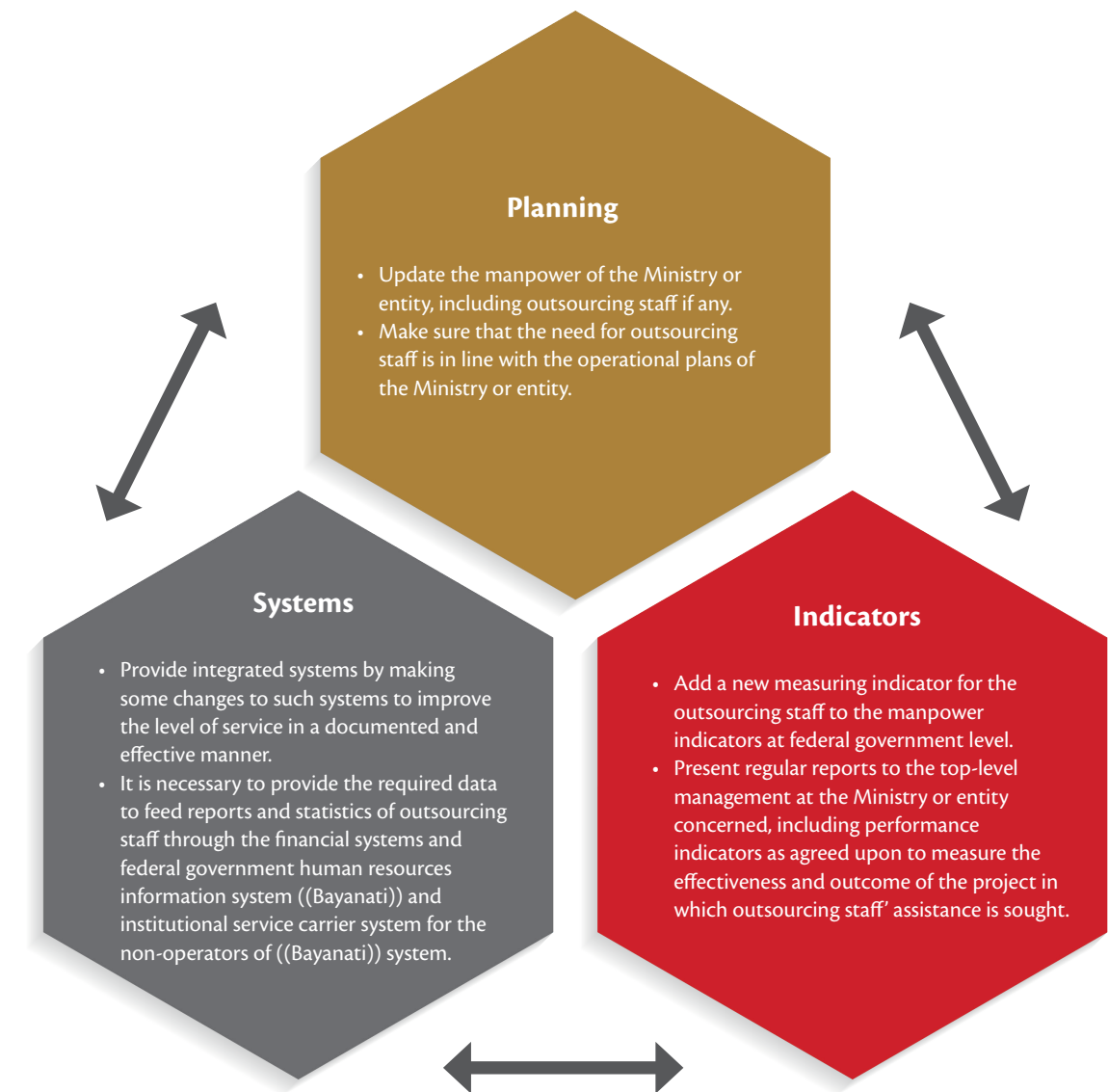
Risk	Description	Risk Level	Solution
Information security	When an outsourcing company is appointed by the entity, the important data and intellectual property of such entity must be protected, depending on nature and area of activity of the entity.	High	<ul style="list-style-type: none">• - Include a clause in the document of the contract regarding confidentiality of data.• - Sign non-closure agreement.• - Ensure that the company must have an experience in dealing with sensitive information and that there are programs and tools to handle that.• - Ensure that there is information exclusively within the sovereign scope of the State, according to the applicable standards of the State.
Breach of the articles of contract related to outsourcing governance functions	It is possible that some operations for which external sources are used cannot be controlled, especially if the company to which some government services are outsourced operates in the information technology field. Thus, the outsourced employees' management on the part of this company can serve as an example for causing less effective communication and sometimes demanding more time required for completion of the project.	High	<ul style="list-style-type: none">• - Discuss ways of cooperation and mechanism which will be used in the project.• - Ensure about that through their previous experiences and present advantages and disadvantages.• - Make sure about the capability of the company of choosing/creating solutions, and allocating the process flow, according to the customer needs and projects.• - It is necessary to have work timetable and information, and that the entity concerned should have a direct access to the entire data and tools of communication related to the project, such as tracing cases, coding and channels of communication, etc.
Knowledge, assets and data transfer from the company to the entity	The outsourcing companies sometimes use specialized electronic programs to provide certain services, which might have an impact later on the difficulty of abandoning such electronic programs or outsourcing services.	Medium	<ul style="list-style-type: none">• - Study the alternatives available for changing developers or outsourcing companies to support the project after it is completed with the first party.• - Attempt to use the open-source systems and it is important to study the online systems provided by the outsourcing companies.• - Verify whether company keeps abreast of technological changes in the area of coding and decoding data to avoid reading the data from outside the entity concerned.• - Maintain ownership of data and ensure that it is made available all the time.• - Document the processes/operations carried out by the company to ensure that knowledge is transferred upon ending the outsourcing.
invisible or undocumented facts in the contract	Most often there are other costs that are not mentioned in the contracts, where caution must be exercised against them, such as costs incurred by brining in talents from abroad.	Medium	<ul style="list-style-type: none">• - Determine and document the project requirements and have a detailed action plan.• - Double-check the prices and mechanism for distributing them throughout the phases of the project.• - Make sure about the types of contracts and their alignment with nature of the concerned entity's work.• - Make sure about the value added tax (VAT).• - Make sure to calculate all direct and indirect costs.



Chapter Four

Duties and Responsibilities Associated with Outsourcing Governance at Federal Government

Firstly, Guiding steps to be implemented at all federal ministries and entities' level regarding outsourcing:



Secondly, Roles and Responsibilities at the Federal Entities

Secondly – A - Role of the top-level management at the federal entity:

1. Make sure that the federal entity complies with the policy and Guide to the outsourcing governance procedures.
2. Adopt an action plan and durations of contract submitted by the sectors and departments at the federal entity concerned.

Secondly – B - Role of the sector/department at the federal entity:

1. Submit the study of the application for jobs outsourcing and action plan for approval from the senior management, according to the jobs outsourcing stated in this Guide.
2. Estimate the annual costs incurred by jobs outsourcing, depending upon the business needs as part of preparation of the annual budget, in coordination with Human Resources Department, Procurement Department/Contracts/Finance/Purchases Committee at the federal entity.
3. Register the companies to which some government services will be outsourced in the unified suppliers register (suppliers' port).
4. Enter contract applications into the procurement systems, according to the federal government finance procedures Guide in line with the financial circulars and legislations issued in this regard.
5. Interview the candidates for jobs under the outsourcing contract, in coordination with Human Resources Department at the federal entity.
6. Notify the Human Resources Department that the candidate has joined work and coordinate with the other department to provide the necessary equipment for work.
7. Follow up measuring the job performance of the outsourced employee on a regular basis to ensure that the aspired results are achieved, including time and attendance tracking in coordination with Human Resources Department at the federal entity concerned.
8. Make sure that the outsourced staff member abides by the laws and regulations of the federal entity where he works.
9. Follow up the outsourcing contract expiry dates and coordinate with those concerned at the federal entity concerned in this regard.
10. Enter the outsourcing invoices, in coordination with Procurement Department/Contracts/Finance/Purchases Committee at the federal entity concerned, and receive details of the outsourcing employees and certificates of completion of the required works.
11. Make sure that the outsourcing employees shall transfer data and knowledge to the employees of the federal entity where he works.
12. Make sure that the company to which some of the government services shall be outsourced shall provide training and qualification of a number of the entity's employees in outsourcing functions or duties.
13. Follow up level of commitment to disbursal upon contracting with the companies to which some of the government services shall be outsourced, from the finance provisions determined, according to the guides approved for the unified accounts structure and financial procedures at federal government.
14. The organizational unit shall develop the outsourcing governance charter by observing the components below:

Why	<ul style="list-style-type: none">• Link outsourcing needs to the entity's strategy.• Determine the main objectives according to the matrix of importance and availability of competencies.
What	<ul style="list-style-type: none">• Fields or jobs targeted for outsourcing• Assess the current situation (core competencies, capacities, feasibility and risks)
How	<ul style="list-style-type: none">• Evaluate the current outsourcing practices
Where	<ul style="list-style-type: none">• Determine the outsourcing locations, where they are inside the State or abroad.
Who	<ul style="list-style-type: none">• Evaluate the current suppliers.• Develop a framework for evaluating the service providers during implementation and indicators for measuring outsourcing results.

Secondly – C - Role of the Procurement/Contracts/Finance/Purchases Committee at the federal entity.

1. Make sure that the budget is made available to apply for jobs outsourcing as approved by the Human Resources Department at the federal entity concerned, and according to the procedures and regulations adopted by the federal government.
2. Register the companies to which some of the government services will be outsourced in the unified suppliers register ((Supplier s Port)).
3. Take the necessary procedures, in accordance with the rules approved for the procurement and contract systems adopted at federal government in this regard in a manner that guarantees the outsourcing governance at federal government.
4. Notify the organizational units at the federal entity concerned regarding expiration dates of outsourcing contracts concluded with the companies to which some of the government services will be outsourced prior to the minimum sufficient time period of two months prior to the expiration date of the contract and follow up issuance of the outsourcing -related completion certificate.

Secondly – D - Role of Human Resources Department at the federal entity.

1. Study the outsourcing applications received from the other departments at the federal entity concerned, and take the necessary procedures in this regard, according to the provisions of this Guide , standards and regulations approved at federal government.
2. Review the companies to which the government services are outsourced and make sure about the outsourcing employees belonging to them and obtain the electronic approvals for the companies and their employees in the necessary federal government human resources information system ((Bayanati)). Moreover, it should be made sure that such information is consistent with the jobs to be outsourced and must be within the list of the outsourceable jobs.
3. Support the department at the federal entity by ensuring that the outsourcing employee's performance measurement is monitored on a regular basis to guarantee obtaining the sought-after results, including time and attendance tracking.
4. Support the department at the federal entity by ensuring that the outsourcing employee abides by the rules and regulations of the federal entity where he works.
5. 5-Make sure about the data entry of the companies to which the government services are outsourced, and their employees through the systems linked to the federal government human resources information system ((Bayanati)), or those linked to it via technical mechanisms in place at federal government.
6. Submit the necessary reports and recommendations on the outsourcing applications to the senior management for approval.

Secondly – E: Role of the Ministry of Finance

1. Update the financial procedures Guide in line with the Guide to Governance Outsourcing Procedures at federal government.
2. Impose restrictions on the accounting entries and create specialized entries for the various outsourcing purposes, which are created according to the needs of the federal entity in the budget preparation system and electronic financial system for the financial system operators in compliance with the provisions of the approved outsourcing governance.
3. The Ministry of Finance shall, in coordination with the Cabinet Presidential Office and Federal Authority for Government Human Resources, review the results of the strategic indicators and submit recommendations on outsourcing at federal entities to improve productivity and govern outsourcing at federal government.
4. The Ministry of Finance shall regularly update the accounting lines pertaining to the outsourcing procedures and inform the federal entities about such updates, according to the applicable procedures at federal government.

Secondly – E: Role of the Federal Authority for Government Human Resources

1. 1-Develop the federal government human resources information system ((Bayanati)) in conformity with the procedures and provisions of the Guide to the outsourcing governance procedures at federal government.
2. 2-Support the federal entities in provisions of the administrative aspects related to the implementation of outsourcing governance Guide , especially the electronic approvals in the electronic approvals system (Etimad)).
3. 3-Monitor the commitment of the federal entities to provide the outsourcing data via the systems linked to federal government human resources information system ((Bayanati)) or via the technical mechanism in place.
4. 4-The Federal Authority for Government Human Resources shall in coordination with the Cabinet Presidential Office and Federal Authority for Government Human Resources and Ministry of Finance review the results of the strategic indicators, and submit recommendations on outsourcing at federal entities to improve productivity and govern outsourcing at federal government.
5. 5-The Federal Authority for Government Human Resources submits annual reports on the extent of implementation of the mechanisms set out in the Guide at federal entities in coordination with the appropriate authorities.



Chapter Five

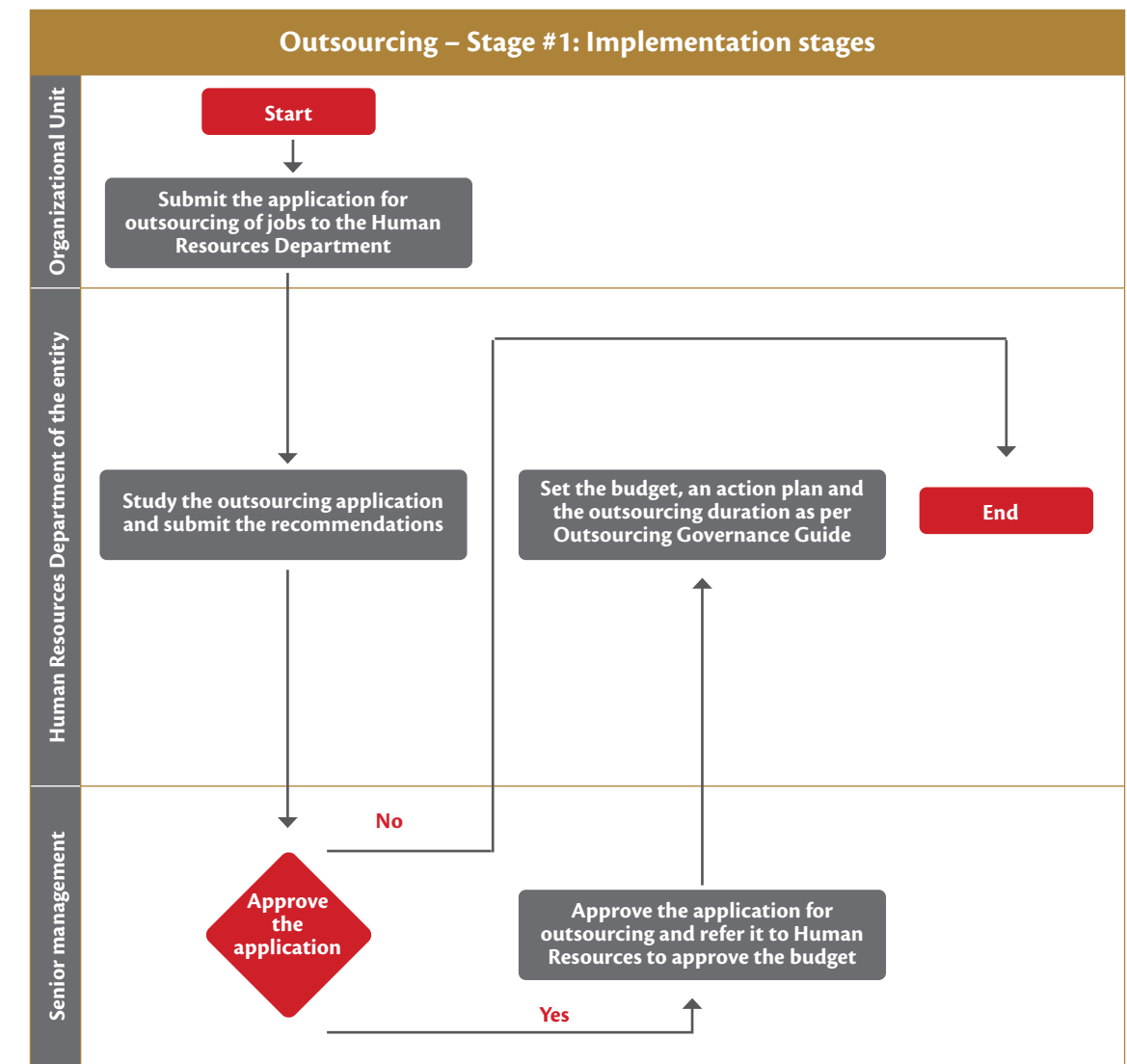
Guiding Stages and Procedures for
Implementation of the Guide to the
Outsourcing Governance Procedures
by the Federal Entity at Federal
Government

Firstly, Implementation Stages

Stage #1: Identifying needs

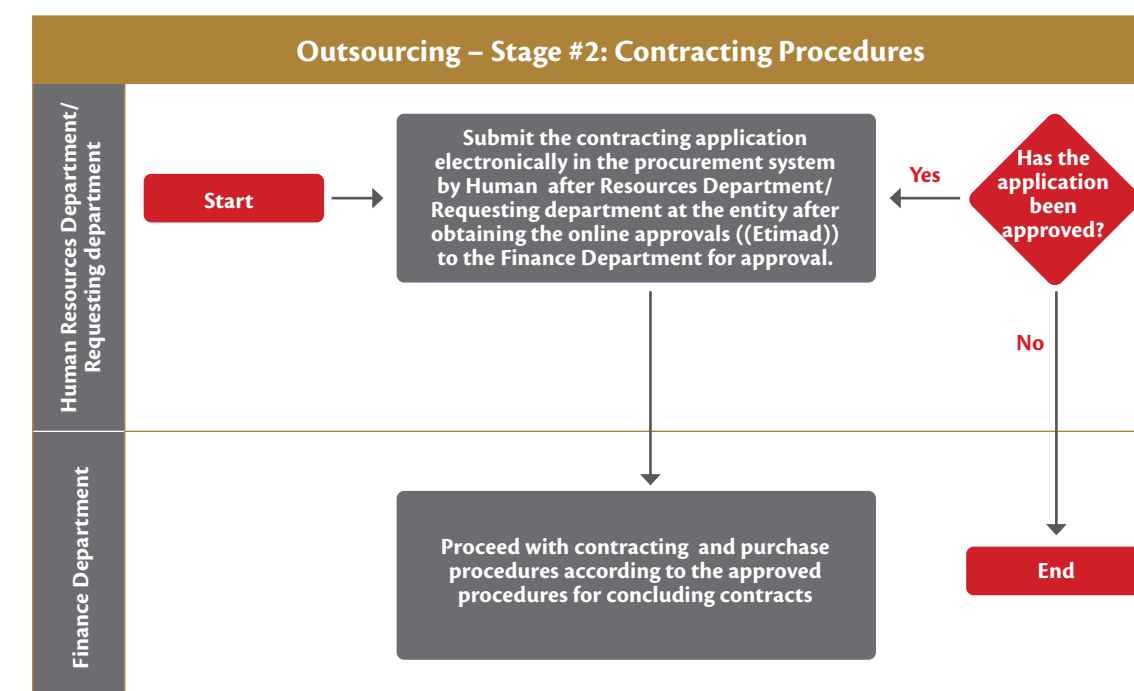
Identifying Needs Stage	Example for the planned timeframe for implementation	Responsibility
1. Submit the application for jobs outsourcing to Human Resources Department and identity the reasons and justifications for outsourcing as well as the required experiences and competencies to be attached to a full study and an action plan for approval.	10 working days at maximum	The appropriate organizational unit at the entity
2. Review the outsourcing applications, the attachments and the comprehensive action plan, which contain the outsourcing period, experiences and competencies and submit the recommendations to the executive management as may be required by the business interest, and according to what is mentioned in the Guide .		Human Resources Department at the entity
3. Approve and refer the application for the jobs accredited by the Human Resources Department to the Procurement Department/Contracts/Finance/Purchases Committee to approve that the budget is available and notify the requesting unit.		Senior management at the entity
4. Set the budget, action plan and outsourcing duration, in accordance with the Guide to Outsourcing Governance.		Human Resources Department at the entity

Flowchart of stage #1



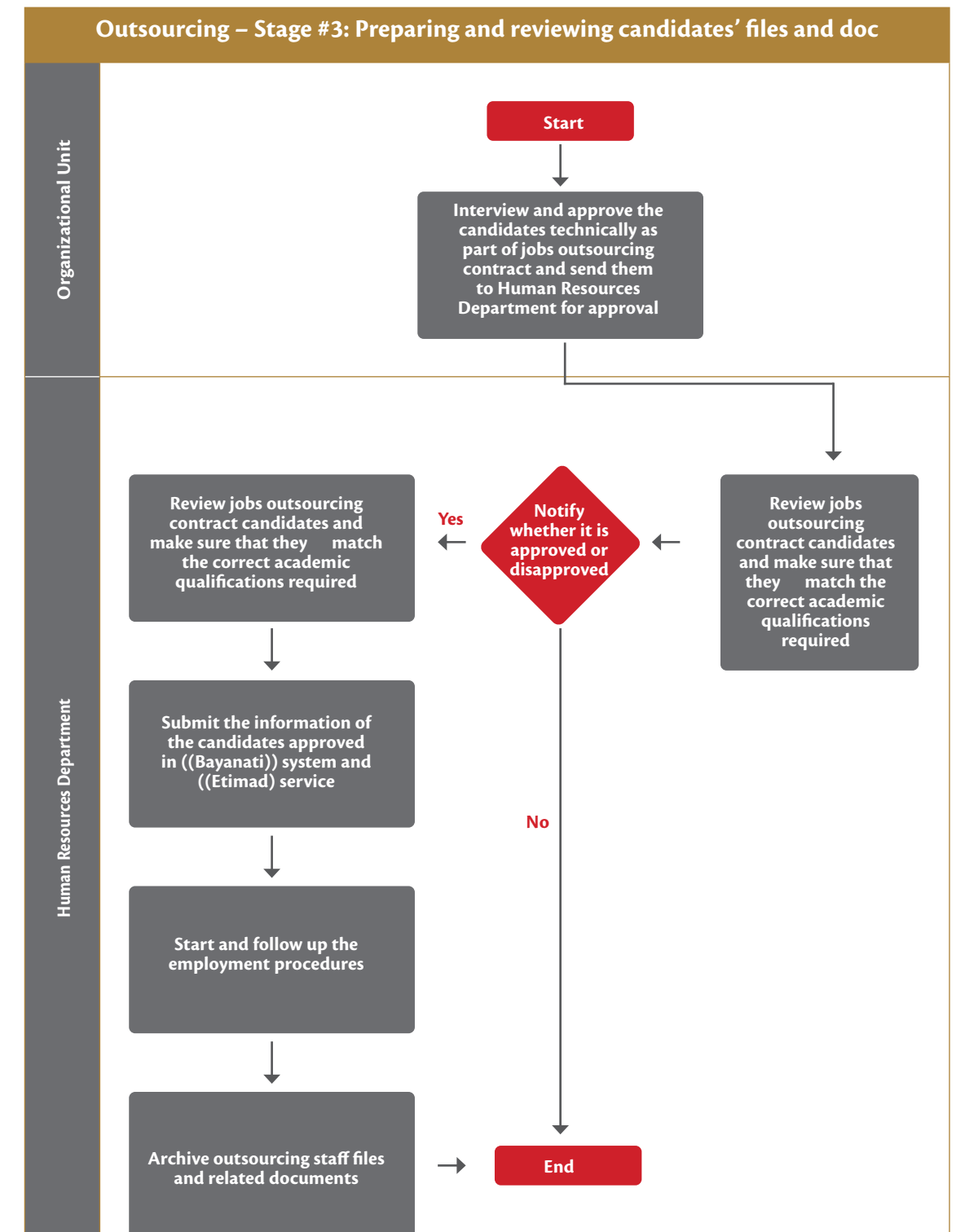
Stage #2: Contracting procedures

Contracting Procedures Stage	Example for the planned timeframe for implementation	Responsibility
1. Submit the contracting application electronically in the procurement system by Human Resources Department/Requesting department at the entity to the Human Resources Department after applying to the online approvals for the companies to which the government services are outsourced and outsourcing staff nominated by them for approval. This approval is obtained via the system adopted by the federal government, which is ((Etimad)) system for electronic approvals for companies and the individuals in the federal government human resources information system ((Bayanati)), including the information of the required and approved jobs.	10 working days at maximum	Human Resources Department/ Requesting department at the entity
2. Proceed with contracting and purchase procedures and make sure that the companies to which government services are outsourced in the unified supplier s register (supplier s port), according to the procedures in place for concluding contracts with external parties and announce the concluded contracts and inform the units concerned of that electronically.		Department/ Contracts/Finance/ Purchases Committee

Flowchart of stage #2

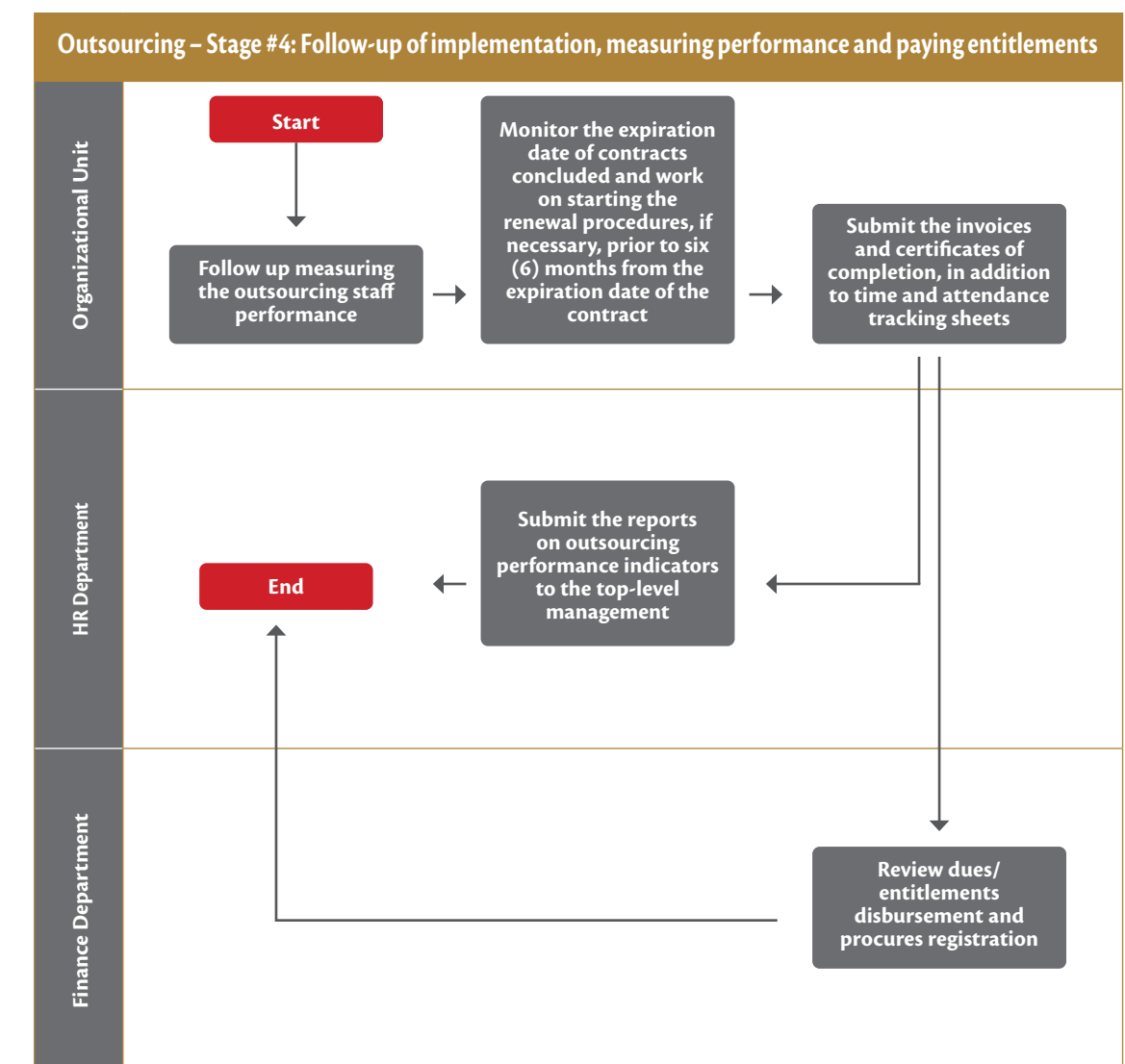
Stage #3: Preparing and reviewing candidates' files and documenting their data

Preparing and reviewing candidates' files and documenting their data	Example for the planned timeframe for implementation	Responsibility
1. Interview and approve the candidates as part of the jobs outsourcing contract technically and personally and document their personal information and work experiences and their academic certificates, and send them to Human Resources Department for approval on paper.	Maximum of 10 working days	The competent organizational unit at the entity Human Resources Department at the entity
2. Review jobs outsourcing contract candidates and make sure that they match the correct credentials as required and selection criteria for occupying such jobs, obtain the necessary online approvals and address the organizational units concerned with the approval/non-approval for candidates.		Human Resources Department at the entity
3-Submit the approved candidates' information prior to the contracting process in the systems linked to the federal government human resources information system (Bayanati) and the online approvals system (Etimad)) to be documented electronically.		The competent organizational unit at the entity + Human Resources Department at the entity
4-After the online approval from ((Etimad)) service, Human Resources Department shall be notified of that the candidate has started his work, and coordinate with the various departments to provide the necessary equipment to suit the nature of the employee's job, according to the applicable procedures.		The competent organizational unit at the entity + Human Resources Department at the entity
5-Archive the outsourcing staff files and relevant documents (penalties/leaves/vacations)		Human Resources Department at the entity

Flowchart of Stage #3

Stage #4: Follow-up of implementation, measuring performance and paying entitlements

Preparing and reviewing candidates' files and documenting their data	Example for the planned timeframe of implementation	Responsibility
1. Follow up measuring the outsourcing staff on a regular basis to guarantee achieving the aspired results, including the time and attendance tracking, and take the necessary procedures.	10 working days at maximum	organizational unit Human Resources Department at the entity
2. Monitor the expiration date of the concluded contracts and work on starting the procedures for renewal if necessary, in coordination with the various organizational units to make sure about the need for that prior to three (3) months from date of expiration of the contract.		The appropriate organizational unit at the entity
3. Submit the invoices		The appropriate organizational unit at the entity
4. Submit the reports on the outsourcing governance performance indicators to the senior management.		The appropriate organizational unit at the entity + Human Resources Department at the entity + Procurement Department/Contracts/ Finance/Purchases Committee/Audit Office at the entity
5. Review the registration of procedures and disbursement of entitlements/dues.		Finance Department at the entity

Flowchart of stage #4

Secondly, Mechanisms for governance of registering and making payments and invoices of companies to which some government services are outsourced for the information system operators of federal government human resources ((Bayanati)) and financial system

1. Register the companies to which some of the government services will be outsourced in the outsourcing systems linked to the federal government human resources information system ((Bayanati)).

- An online application for approval must be submitted for all companies to which some of the government services will be outsourced in the outsourcing systems as part of the online approval system ((Etimad)), and area of the business services provided by the these companies must be determined by linking the supplier port and outsourcing screens as part of the online approvals system (Etimad)).
- The supplier shall present the outsourcing invoice via the supplier port, where it should be observed upon registering the invoice that the supplier enter the information of the outsourcing staff in a way that each staff member should have a line in such invoice.

2. Governance of registering the companies to which government services are outsourced into the financial system as suppliers

- In case that an outsourcing service provider is added to the supplier's screen in the financial system, a reference number for the online approval issued from the outsourcing screens in the online approval system ((Etimad)) must be chosen and linked to the supplier register.
- In the event that an existing outsourcing service provider is chosen, where the online approval is not linked to the outsourcing screens in the related online approval system ((Etimad)), the person in charge of data entry should be notified to update the outsourcing service provider by including the reference number of the approval.

3. Governance of disbursement of the appropriations to the companies to which government services are outsourced via the financial system (payment screen)

1. Select from the invoice menu the option (the company to which some government services are outsourced).
2. The account from which withdrawal is made must be any of the accounts below only:
 - 224406 (consultancy entity experts fees)
 - 223101 (general service management)
3. Select from the menu the reference number of the online approval in the online approvals system ((Etimad)) for the company to which some government services are outsourced) (The financial system verifies electronically whether the application for approval in the outsourcing screen).
4. For the entities that have no account number 224406, it must be coordinated with

the Ministry of Finance to add this item when preparing the budget.

5. A new type of stoppages in the invoicing system shall be developed, which will appear in case a certain company is selected to which some government services are outsourced, and does not have any online approval in the online approval system ((Etimad)). And the person in charge of data entry shall be notified that he should obtain the online approval in the online approval system ((Etimad)) to link the invoice to the reference number in the outsourcing screens (See item 2) and remove such stoppage.

4. Register the outsourcing staff in the online approvals' system (Etimad) for Human Resources

- A request for an online approval must be submitted for all outsourcing staff in the online approval system for Human Resources ((Etimad)) and obtain a reference number for each outsourcing staff member.

5. Register the outsourcing staff in the outsourcing system as part of the online approval system (Etimad) that is linked to Federal Government Human Resources Information System ((Bayanati))

- The outsourcing staff data must be entered into the systems linked to Federal Government Human Resources Information System ((Bayanati)) for the federal entities operating it, according to the procedures of candidates' registration in the system and mechanisms for obtaining the online approvals in their online approval system ((Etimad)).

6. Governance of issuing invoices and making outsourcing staff payments

Governance must be arranged for Invoice issuing and payments making related to outsourcing staff in such a manner that the monthly invoice for the outsourcing staff member cost cannot be issued to the outsourcing company before ensuring about the following:

- There should be a reference number in the online approval system ((Etimad)) for the company to which some government services are outsourced and its outsourcing staff.
- The date of issuance or disbursement must not exceed three (3) months from the expiration date of the contract unless it is required otherwise by the business interest.

In case that an outsourcing staff data is entered to issue the invoice in the payment screen and no online approval for him or his company is issued, an automatic stoppage of such invoice shall appear in order to notify the data entry clerk that he should obtain an online approval from (Etimad)), and link the reference number in Human Resources online approval system (see item No.4) in the outsourcing staff-related invoice.

Thirdly, Mechanisms for governance of registering and issuing invoices and payments of companies to which some government services are outsourced for the non-operators of information system of federal government human resources ((Bayanati)) and financial systems

1. Register the companies to which government services are outsourced in the outsourcing screens in the online approvals system (Etimad) that is linked to the federal government human resources information system (Bayanati)).

- An online application for approval must be submitted for all companies to which some of the government services will be outsourced in the outsourcing systems as part of the online approval system ((Etimad)), and area of the business services provided by the these companies to which government services will be outsourced must be determined.

2. 2-Governance of registering the companies to which government services are outsourced into the financial system of the federal entity as suppliers

- In case that there is a financial system related to the federal entity, a reference number for the online approval issued from the outsourcing screens must be entered into the online approval system ((Etimad)) upon entering the data of companies to which some government services will be outsourced .
- In the event that there is no online financial system, the entity concerned shall follow the procedures as per the outsourcing governance at federal government.

3. 3-Governance of registration of outsourcing staff into the online approval system (Etimad)) for Human Resources

- A request for an online approval must be submitted for the outsourcing staff in the online approval system for Human Resources ((Etimad)).

4. 4-Governance of registration of outsourcing staff into the federal entity's financial system

- If there is an online financial system for the federal entity, this requires entering a reference number for the online approval issued from the online approval system (Etimad)) for Human Resources upon entering the outsourcing staff information into the payment system.
- If there is no online financial system, the entity will follow the procedures as per the outsourcing governance at federal government.

5. 5-Provide the outsourcing staff information to the linking entities via the approved technical mechanisms

- The federal entities linked to the approved technical mechanisms are required to provide the outsourcing staff information via such linkage.

General Provisions

1. The federal entities operating the information system of federal government human resources ((Bayanati)) and the linking systems with it and the financial systems at federal government must follow the steps to be issued within the user's Guide for the updated outsourcing screens, in accordance with the provisions of the policy and Guide to the outsourcing governance procedures at federal government.
2. The federal entities that are not operating the information system of federal government human resources ((Bayanati)) and the financial systems at federal government must follow the mechanisms of governance of registering and making payments and issuing invoices of the companies to which government services are outsourced as far as the non-operators of the federal government human resources information system (Bayanati) are concerned and the financial systems, according to the approved provisions of the outsourcing policy and this Guide .
3. All federal entities, whether the operators of the federal government human resources information system (Bayanati) or those linked to it via the adopted technical mechanisms, shall meet the requirements of taking the approval as per the online approval system (Etimad) before paying the outsourcing appropriations upon appointment/employment or expiration period of the outsourcing permit or renewal of the same.
4. The provisions set out in this Guide shall be amended by a Cabinet resolution upon a recommendation from the Cabinet Presidential Office, Federal Authority for Government Human Resources and Ministry of Finance.



Attachments

Guiding Indicators for Measuring the Efficiency of Outsourcing Governance at Federal Government

1. The table below demonstrates types of the strategic and guiding operational indicators for the outsourcing governance at federal government, which are measurable at the federal entity.

Type of Indicator	Performance Indicator	Purpose of Measuring the Indicator	Sources and Mechanisms of Measurement
Strategic	Total cost rate that has been saved from outsourcing	Measuring the efficiency of outsourcing governance and returns from outsourcing	<ul style="list-style-type: none">• Cost and budget reports• Outsourcing gov-ernance results' reports
	Percentage of services that have been outsourced out of the total services provided	Measuring the extent of using outsourcing in the support functions and level of focus on core functions	<ul style="list-style-type: none">• Outsourcing results' reports
	Percentage of outsourcing staff versus total staff at the entity	Measuring the extent and size of the entity's dependency on the outsourcing staff	<ul style="list-style-type: none">• Workforce statistics
	Percentage of spending on the lines of finance for outsourcing versus the payroll budget at the entity	Measuring cost of spending on outsourcing	<ul style="list-style-type: none">• Cost and budget reports
Operational	Percentage of the federal entities using mechanisms of outsourcing governance	Measuring the extent of using outsourcing governance at the federal entities	<ul style="list-style-type: none">• Outsourcing gov-ernance results' reports
	Percentage of the entity commitment to outsourcing in the outsourceable jobs/fields	Measuring the extent of the entity's commitment to the outsourceable fields and functions/jobs.	<ul style="list-style-type: none">• Outsourcing gov-ernance results' reports• Workforce statistics
	Percentage of outsourcing contracts signed with the approved companies versus total contracts at the entity	Measuring the extent of the entity's choice of the best companies to which some government services will be outsourced	<ul style="list-style-type: none">• Outsourcing gov-ernance results' reports• Reports of the companies to which some government services will be out-sourced
	Percentage of the entity's commitment to the budget allocated for outsourcing at the entity	Measuring the extent of federal entity's commitment to the lines of the budget related to outsourcing	<ul style="list-style-type: none">• Cost and budget reports• Outsourcing gov-ernance results' reports

2. Each federal entity can also measure the guiding indicators for the work quality of the companies to which some government services shall be outsourced and conduct governance at such federal entity.

Category	Performance Indicator	Purpose of Measuring the Indicator	Sources and Mechanisms of Measurement
Customers	Satisfaction rate of those concerned with the outsourced service	Measuring satisfaction rate of those concerned with service provider and outsourcing services	<ul style="list-style-type: none"> • Satisfaction survey results • Analysis results of the complaints from those concerned • Analysis results of Mystery Shopper
Operations	Percentage of compliance with the level of service agreement	Deliver the service with the highest possible standards and deliver services according to the agreed-upon dates	<ul style="list-style-type: none"> • Service reports • Online measuring
	Percentage of favorite service providers with whom contracts have been concluded out of the total suppliers	Select the suppliers/providers according approved standards	<ul style="list-style-type: none"> • Suppliers/providers' results
Finance	Percentage of compliance with the line of finance	Cost incurred by the service must remain within the budget determined for the project	<ul style="list-style-type: none"> • Cost and budget reports • Online measuring
	Cost ratio saved from outsourcing	Outsourcing must be completed with efficiency	<ul style="list-style-type: none"> • Cost and budget reports
Learning and Growth	Percentage of outsourcing applications processed/ completed out of the total outsourcing applications, according to the plan adopted by the entity	Proper and effective planning of outsourcing needs	<ul style="list-style-type: none"> • Outsourcing applications' results
	Percentage of jobs/ functions that have been outsourced out of the total staff at the entity	Make sure that the individual applications for outsourcing are studied within the workforce plans at the entity	<ul style="list-style-type: none"> • Workforce statistics at the entity
Indicators related to outsourcing service providers quality	Percentage of services provided, according to the contract signed	Deliver all services continuously with the highest possible standards, according to the contract signed	<ul style="list-style-type: none"> • Inspection and auditing • Complaints
	Percentage of compliance with the timeframes in the action plan approved	Deliver the services according to the dates as agreed	<ul style="list-style-type: none"> • Inspection and auditing • Mystery Shopper
	Number of complaints/ comments received on the service	Raise the level of satisfaction of the entity or customer about the service they receive	<ul style="list-style-type: none"> • Analysis results of customer complaints • Analysis results of Mystery Shopper

