

**Circular No (16) for 2020**  
**On implementation of Guide to Outsourcing Governance**  
**Procedures**

**To: All Federal Entities**

The Federal Authority for Government Human Resources (FAHR) would like to send you kind regards, wishing you all the success in your endeavors.

With reference to the above subject, pursuant to Cabinet Resolution No (4/2) for 2020 endorsing the implementation of the Guide to Outsourcing Governance Procedures (GOGP) in the Federal Government; and to enable ministries, federal entities as well as profit and non-profit Federal Government companies to duly implement the GOGP;

The Authority has the pleasure of attaching herewith a copy of GOGP endorsed by the Cabinet, which covers covers all ministries and federal entities, profit and non-profit Federal Government companies, and those to be created in the future. The GOGP acts as a reference to these entities in outsourcing part of their duties and operations to external parties, specifically it aims to:

- 1) Set guidelines organizing outsourcing governance in the Federal Government
- 2) Raise the quality and efficiency of outsourcing process in the Federal Government to global best practices
- 3) Enhance productivity, efficiency and optimal utilization of financial resources allocated to outsourcing
- 4) Develop an integrated technical system that documents outsourcing data in the Federal Government, particularly financial and human, and build higher levels of transparency that support decision-making
- 5) Improve the quality, efficiency and reliability of outsourced services, in order to build an efficient and high performance government
- 6) Develop policies, controls and standards related to outsourcing governance in the Federal Government
- 7) Reduce risks associated with outsourcing in the Federal Government and manage it professionally
- 8) Benefiting from the growing technological developments in the field of outsourcing
- 9) Transfer knowledge to Federal Government employees.

The Authority is ready to provide support and assistance to all ministries, federal entities, as well as profit and non-profit Federal Government companies in all matters related to the implementation of the GOGP.

**Thank you for your cooperation**

**Dr. Abdurahman Al Awar,**  
**Director General,**

Issued on: May 13, 2020

**Federal Authority for Government Human Resources**

**Att:**

Guide to Outsourcing Governance Procedures

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*This translation of the Federal Law by Decree No. 11 of 2008 on Human Resources in the Federal Government only aims at identifying and clarifying the Articles of the Law and relevant policies (and procedures) .In case of any conflict between the Arabic and English versions, the Arabic version shall prevail and overcome.*

# Guide to Outsourcing Governance Procedures in the Federal Government

May 2020

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## Introduction

As part of the Federal Government's keenness to find an integrated legislative system that regulates the work of human resources, whether those resources are its own employees, or other people who belong to private companies or external parties that provide outsourcing services to the federal entities;

Since the ministries and federal entities are currently outsourcing part of their tasks and operations to external parties without there being a regulatory and procedural framework that enables the Federal Government to organize the management of this category in terms of the nature of the services provided or resulting financial costs, which may affect negatively on the Federal Government's performance generally;

According to relevant studies on outsourcing governance, it is important to organize outsourcing in the Federal Government by setting guidelines and controls through which the government can identify the jobs being outsourced, the numbers of outsourcing staff, the financial costs allocated to those services, as well as the budget funds from which those amounts are deducted, and other related aspects.

Based on the above, a procedural Guide to Outsourcing Governance has been prepared after conducting benchmarking studies and as per global best practices. The main objective was to ensure the optimal use of financial resources allocated to outsourcing, maintain transparency in everything related to the federal entities' human resources and enhance the added value of outsourcing services, as well as raise productivity and improve the quality of services in the Federal Government.

This Guide contributes to creating an integrated database of outsourcing service providers in the Federal Government and also enables the Federal Government at the same time to properly manage outsourcing governance at all financial and administrative aspects, with specifying roles of the relevant organizational units. It includes a clear breakdown of all procedures that assist federal ministries and entities while outsourcing some of their services, by following standard methods for organizing and documenting outsourcing procedures through qualified personnel with high efficiency, to the best business interest.

So, this guide will address the policies and procedural guidelines that must be adhered to in implementing outsourcing governance procedures in accordance with HR and financial resources policies of the Federal Government and the decisions issued thereon.

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**Chapter One: General Framework of the Guide to Outsourcing Governance Procedures**

**First: Definitions:**

In implementation of the provisions of this Guide, the following words and expressions shall have the meanings assigned against each unless the text stipulates otherwise:

- State : United Arab Emirates
- Government : Government of United Arab Emirates

Cabinet	: Cabinet of United Arab Emirates
Federal Entities	: Any ministry established by the Federal Law # 1 for 1972 regarding jurisdictions of the ministries and powers of the ministers and the laws amending thereof, or any other authority, corporation, or federal organizational unit of the Federal Government
Budget	: Approved Budget of a Federal Entity
Financial Procedures Manual	: The Federal Government's Consolidated Financial Procedures Manual issued by Ministry of Finance
Senior Management	: Undersecretary/Assistant Undersecretary and equivalent positions in a Federal Entity
Employee	: Any person who occupies a budgeted job
Outsourcing	: The process whereby Federal Entities implement part of their tasks and operations by outsourcing some government services through contracts, according to procedures established in this regard
Cabinet Resolution	: Cabinet Resolution No (4/2) for 2020 endorsing the implementation of the Guide to Outsourcing Governance Procedures
Guide to Outsourcing Governance Procedures in the Federal Government	: It is the guide that explains procedural guidelines associated with implementing outsourcing governance policy of the Federal Government as approved by the Cabinet
Companies to which some government	: Private establishments, companies or other licensed entities (foreign or local) which

services are outsourced

provide outsourcing services to federal entities through their employees, against certain fees specified in the contracts and agreements concluded between the two parties in accordance with laws and standards agreed upon

**Outsourcing Employee :** The employee who administratively and legally belongs to the companies to which some government services are outsourced, and performs services for the federal entities as per the outsourcing contract signed between the two parties

### **Second: Objectives:**

The Guide to Outsourcing Governance Procedures in the Federal Government aims to highlight policies and guidelines relevant to outsourcing, to be followed by the federal entities, so as to enable the Federal Government to govern the outsourcing process as a result of the federal entities' commitment to document and enter all outsourcing data into the HR Management Information System (Bayanati) through the approved technical mechanisms. This would lead to creating a balance between the actual expenditure on outsourced services and data entered into Bayanati and the systems connected to it.

In addition, implementing the Guide will increase transparency and effectiveness in the work of entities and the Federal Government at large, in terms of HR and financial resources, as a result of entering these data in a correct manner. On the other hand, it will also lead to the governance of public money through specified controls when contracting with companies to which some government services will be outsourced against budget items, While ensuring privacy and autonomy in deciding on outsourcing in federal entities.

These objectives can be summed up as follows:

- 1) Set guidelines organizing outsourcing governance in the Federal Government

- 2) Raise the quality and efficiency of outsourcing process in the Federal Government to global best practices
- 3) Enhance productivity, efficiency and optimal utilization of financial resources allocated to outsourcing
- 4) Develop an integrated technical system that documents outsourcing data in the Federal Government, particularly financial and human, and build higher levels of transparency that support decision-making
- 5) Improve the quality, efficiency and reliability of outsourced services, in order to build an efficient and high performance government
- 6) Develop policies, controls and standards related to outsourcing governance in the Federal Government
- 7) Reduce risks associated with outsourcing in the Federal Government and manage it professionally
- 8) Benefiting from the growing technological developments in the field of outsourcing
- 9) Transfer knowledge to Federal Government employees.

### **Third: Scope:**

This Guide applies to all ministries and federal entities, profit and non-profit Federal Government companies, and those to be created in the future.

## **Chapter Two: Provisions, controls and tasks required for outsourcing governance**

### **First: Benefits of Outsourcing services**

Outsourcing part of the federal entities services and tasks based on methods that includes approved standards and controls, reflects an ideal approach for service provision which will positively impact their performance. In fact, following a sound outsourcing governance method always leads to achieving several benefits for the federal entities. For example, it helps:

- (1) Reduce costs through focusing on the primary role of the entity (regulatory and supervisory) and outsourcing services to third parties
- (2) Attract the best skills and experts from external parties to carry out the required tasks in the absence of competent employees internally, as outsourcing will compensate for any deficiency in the federal entity's expertise
- (3) Lower risks and enable professionally managing them, which improves the quality of service provided to customers
- (4) Exploit the growing technological developments in this field to improve quality of service
- (5) Increase opportunities for private sector participation in government business

**Second stages of measuring the development of outsourcing governance**

Outsourcing governance development matrix contains the four stages shown below:

Foundation	First Generation Outsourcing	Second Generation Outsourcing	Third Generation Outsourcing
<ul style="list-style-type: none"> <li>• Hand-over all tasks to supplier</li> </ul>	<ul style="list-style-type: none"> <li>• Hand over operational tasks to supplier and follow up</li> <li>• Collect data on services to be outsourced</li> <li>• Start managing internal changes</li> </ul>	<ul style="list-style-type: none"> <li>• Seek ongoing development of outsourcing</li> <li>• Enhance strategic relationship between the entity and supplier</li> <li>• Evaluate and change suppliers as required</li> </ul>	<ul style="list-style-type: none"> <li>• Build internal capacities according to previous outsourcing experiences</li> <li>• Improve consulting &amp; strategic skills as per results achieved</li> </ul>

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### Chapter Three: Guiding criteria and mechanisms for outsourcing governance in the Federal Government

#### First: Key guiding criteria for selecting companies to which some government services are outsourced

The main criteria for selecting companies to which some government services are outsourced by the Federal Government, are summarized in the following:

1. The ability to meet business requirements, proper management of operations, and ensure service quality
2. The ability to meet legal and regulatory requirements and knowledge of the laws and policies in force in the UAE
3. The company must demonstrate financial stability and capacity, as well as good performance

4. The company must have a clear business plan, work arrangement statement, embrace full disclosure principle and submit a contingency plan
5. It must be of good reputation and must have not been subject to complaints or litigation
6. It should be familiar with the internal procedures, controls and policies and "Itimad" procedures
7. It should present examples of outsourced government projects it dealt with previously
8. The need to ascertain external factors (political, economic, social, legal, and environmental) that may affect service provisions
9. The ability to deal with problems and resilience to changes and needs

**Second: Model for approval of the strategic outsourcing requests in the federal entity**

Revising and approving an outsourcing request by concerned parties in the federal entity must rely on the following elements for the purpose of documentation and pursuing the best practices in outsourcing governance:

Outsourcing Scope	Outsourcing Reasons	Outsourcing Potential Outcomes	Proposed Suppliers & Evaluation	Outsourcing Expected Cost	Outsourcing Evaluation Indicators	Addressing Outsourcing Risks
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**Third: Key areas and jobs to outsource**

The figure below shows an illustrative example for outsourcing jobs and areas in federal entities. However, federal entities may seek international practices in this regard.

**Outsourcing Areas**

<b>Research</b>	<b>Analysis</b>	<b>Legal procedures</b>	<b>Marketing Services</b>
<b>Program Development</b>	<b>Media</b>	<b>Financial Studies</b>	<b>Customer Services</b>
<b>Design and animation</b>			

<b>Examples of jobs to outsource</b>	
● Support Services	● Promotion & Ads

- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li>• IT technician</li> <li>• Call Centers</li> </ul> | <ul style="list-style-type: none"> <li>• Collection Centers</li> <li>• Training &amp; Employment</li> </ul> |
|---|---|

- | Examples of jobs not to be outsourced   |   |
|---|---|
| <ul style="list-style-type: none"> <li>• Senior Management</li> <li>• Information Security</li> <li>• Budget</li> </ul> | <ul style="list-style-type: none"> <li>• Procurement</li> <li>• HR (Payroll)</li> </ul> |

#### Fourth: Guidelines on Risk Management

Risks	Description	Risk Level	Solution
IT Security	When a federal entity appoints an outsourcing company, the entity's important data and intellectual property must be protected. This also depends on the nature and scope of work of that entity	High	<ul style="list-style-type: none"> <li>• Include an item in the contract regarding data confidentiality</li> <li>• Sign a non-disclosure agreement</li> <li>• Ensure that the company has experience in dealing with sensitive data, as well as programs and tools for that</li> <li>• Ensure that the information is confined to State sovereignty and according to the standards approved in the state</li> </ul>
Breach of Contract	It is possible that some operations performed by outsourcing could be uncontrollable, especially if the company to which some government services is outsourced works in Information technology, as the company's management might be of less effective communication, and may sometimes demand more time to complete the project	High	<ul style="list-style-type: none"> <li>• Discuss methods of cooperation and the mechanism that will be used in the project</li> <li>• Learn from previous experiences and review cons and pros</li> <li>• Ensure the company's ability to select/create solutions and operations flow to meet customer needs</li> <li>• A work schedule must be in place, as well as easy access by the entity to all data and communication tools related to the project, such as tracking issues, encryption code, communication channels, etc.</li> </ul>

<p>Knowledge Transfer</p>	<p>Sometimes, outsourcing companies use electronic software to provide specific services, which makes it difficult to abandon later</p>	<p><b>Medium</b></p>	<ul style="list-style-type: none"> <li>• Study alternatives to change developers or outsourcing companies to support the project after its completion with the first party.</li> <li>• Try to use open source systems, with the importance of studying electronic systems provided by outsourcing companies</li> <li>• Verify whether the company is keeping pace with technological changes in the field of data encoding and encryption to avoid exposing data to outside parties</li> <li>• Retain ownership of the data and ensure that it remains available at any time</li> <li>• Document the operations carried out by the company to ensure knowledge transfer after completion of outsourcing process</li> </ul>
<p>Hidden costs</p>	<p>There are often other costs not shown in the contracts, which need careful consideration, such as costs linked to attracting talents from abroad</p>	<p><b>Medium</b></p>	<ul style="list-style-type: none"> <li>• Define and document project requirements with a detailed work plan</li> <li>• Check the prices and mechanism for distributing them to project phases</li> <li>• Check the types of contracts and align them with the nature of the entity's work</li> <li>• Check the added tax</li> <li>• Ensure that all direct and indirect costs are calculated</li> </ul>

**Chapter Four: Outsourcing tasks and responsibilities in the Federal Government**

**First: The guiding steps to be implemented at the level of all ministries and federal entities regarding outsourcing**

	<b>Planning</b>	<ul style="list-style-type: none"> <li>• Manpower planning in ministry or federal entity, including outsourcing employees, if any</li> <li>• Ensure that the need to outsourcing employees matches the entity’s operational plans</li> </ul>
<b>Systems</b>		<b>Indicators</b>
<ul style="list-style-type: none"> <li>• Provide integrated systems through some changes on these systems to improve services</li> <li>• The need to provide required data to feed the outsourcing employees’ reports and statistics via financial systems, HR Management Information System in the Federal Government “Bayanati” and Enterprise Service Bus for entities not using Bayanati</li> </ul>		<ul style="list-style-type: none"> <li>• Add new measurement indicator for outsourcing employees regarding manpower planning at the Federal Government level</li> <li>• Submit periodic reports to (senior management of the ministry or federal entity including performance indicator agreed upon to measure the project’s effectiveness and outcomes carried out by outsourcing employees</li> </ul>

**Second: Federal entity’s roles & responsibilities**

**Second (A): Senior Management’s role in federal entity:**

- 1) Ensure that the federal entity adheres to the outsourcing governance policy and manual
- 2) Approve the work plan and contract periods submitted by the concerned sectors and departments in the federal entity

**Second (B): Role of sector/department in the federal entity:**

- 1) Submit outsourcing job application and work plan for approval by senior management in accordance with the outsourcing job procedures outlined in this manual.

- 2) Estimate the annual costs of outsourcing job according to need and as part of annual budget preparation in coordination with HR Department and Procurement Department / Contracts / Finance / Federal Procurement Committee in the entity
- 3) Register the companies to which some government services will be outsourced in the consolidated supplier register (Suppliers Portal)
- 4) Enter contract applications in procurement systems according to the financial procedures manual for the Federal Government and in line with financial circulars and regulations issued in this regard.
- 5) Interview job applicants under outsourcing contract in coordination with the HR Department at the federal entity.
- 6) Inform HR Department when the candidate will start work and coordinate with other departments to provide the necessary equipment for the job.
- 7) Follow-up to assess the outsourcing employee performance periodically to ensure that the desired results are achieved, including attendance and departure in coordination with HR Department at the federal entity.
- 8) Ensure that the outsourcing employee abides by the laws and regulations of the federal entity he works for.
- 9) Follow up on the expiry dates of outsourcing contracts and coordinate with the concerned authorities in the federal entity in this regard.
- 10) Enter outsourcing invoices in coordination with the Procurement / Contracts / Financial / Procurement Committee of the federal entity, including details of outsourcing employees and completion certificates for the required works.
- 11) Ensure that the outsourcing employee is committed to transferring data and knowledge to the employees of the federal entity he works for
- 12) Ensure the commitment of the company to which some government services will be outsourced to training and qualifying a number of the entity's employees in outsourcing work
- 13) Follow-up expenditure when contracting with companies to which some government services will be outsourced from specified funds according to approved manuals in the unified accounts structure and financial procedures in the Federal Government
- 14) The organizational unit develops the outsourcing governance charter by observing the following elements:

## Why

- Align outsourcing needs with the entity's strategy

	<ul style="list-style-type: none"> <li>• Identify key goals according to priorities and availability of competencies</li> </ul>
<b>What</b>	<ul style="list-style-type: none"> <li>• Areas and job targeted for outsourcing</li> <li>• Evaluate current situation (Basic competencies, capabilities, feasibility, risks)</li> </ul>
<b>How</b>	<ul style="list-style-type: none"> <li>• Evaluate outsourcing current practices</li> </ul>
<b>Where</b>	<ul style="list-style-type: none"> <li>• Specify outsourcing locations, within the country or outside</li> </ul>
<b>Who</b>	<ul style="list-style-type: none"> <li>• Evaluate current suppliers</li> <li>• Develop a framework to evaluate service provider during implementation phase, as well as indicators to measure outsourcing results</li> </ul>

**Second (C): Role of Procurement / Contracts / Finance / Procurement Committee of the federal entity:**

- 1) Ensure the availability of budgeted funds for the outsourcing job application approved by the HR Department at the federal entity and in accordance with the procedures and regulations approved in the Federal Government.
- 2) Register companies to which some government services will be outsourced in the consolidated supplier register (Suppliers Portal)
- 3) Take the necessary measures according to principles stipulated in the contract and procurement regulations and approved in the Federal Government in this regard in a way that ensures outsourcing governance
- 4) Notify the relevant organizational units in the federal entity regarding the expiry dates of outsourcing contracts concluded with companies to which some government services are outsourced before a sufficient period of time i.e not less than two months before the end of the contract date, and follow-up the issuance of outsourcing completion certificate

**Second (D): Role of HR Department at the federal entity:**

- 1) Study outsourcing requests received from other departments in the federal entity and take necessary measures in this regard in accordance with the

provisions of this manual, as well as standards and regulations adopted by the Federal Government.

- 2) Review the files of companies to which government services are outsourced and their outsourcing employees and obtain electronic approvals of companies and their outsourcing staff via Bayanati System, ensure that they are compatible with the jobs to be outsourced and are in the list of outsourable jobs
- 3) Support the concerned department in the federal entity in ensuring the outsourcing employee's performance is measured periodically to guarantee achieving the desired results, including attendance and departure.
- 4) Support the concerned department in the federal entity in ensuring that the outsourcing employee adheres to the laws and regulations of the federal entity he works for
- 5) Ensure the data of outsourcing companies and their outsourcing employees are entered into Bayanati System or other associated systems using the technical mechanisms approved in the Federal Government.
- 6) Submit reports and make recommendations on outsourcing requests to higher management for approvals

### **Second (E): Role of Ministry of Finance**

- 1) Update financial procedures manual in line with the Guide to Outsourcing Governance Procedures in the Federal Government.
- 2) Set restrictions on accounting items and create items for various outsourcing purposes, updated according to the entity's needs, in budget preparation and electronic financial system for entities operating financial systems in a manner that complies with approved outsourcing governance
- 3) Ministry of Finance shall coordinate with the Prime Minister's Office and the Federal Authority for Governmental Human Resources to view the results of strategic indicators and submission of recommendations regarding outsourcing in federal entities to improve productivity and outsourcing governance in the Federal Government.
- 4) Ministry of Finance will periodically update financial items related to outsourcing procedures and inform federal entities of such updates according to procedures used in the Federal Government.

## **Second (F): The role of the Federal Authority for Government Human Resources:**

- 1) Develop the HR Management Information System in the Federal Government “Bayanati”, in line with the Guide to Outsourcing Governance Procedures
- 2) Support the federal entities in administrative aspects related to applying the Guide to Outsourcing Governance Procedures, especially the electronic approval system “Itimad”
- 3) Follow up on the commitment of federal entities to provide outsourcing data through the systems associated with Bayanati System or through the approved technical mechanisms in the Federal Government
- 4) Coordinate with the Prime Minister’s Office and Ministry of Finance to review the results of strategic indicators and submit recommendations regarding outsourcing in federal entities to improve productivity and outsourcing governance in the Federal Government.
- 5) Submit annual progress reports on the implementation of the mechanisms contained in the Guide to Outsourcing Governance Procedures, at the level of federal entities in coordination with the competent authorities.

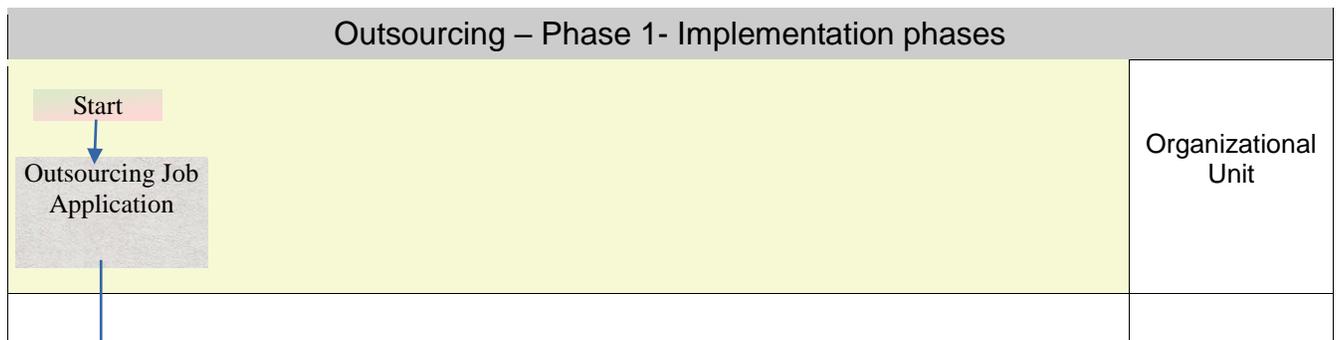
## **Chapter Five: Phases and guidelines for implementation of the Guide to Outsourcing Governance Procedures by the federal entity:**

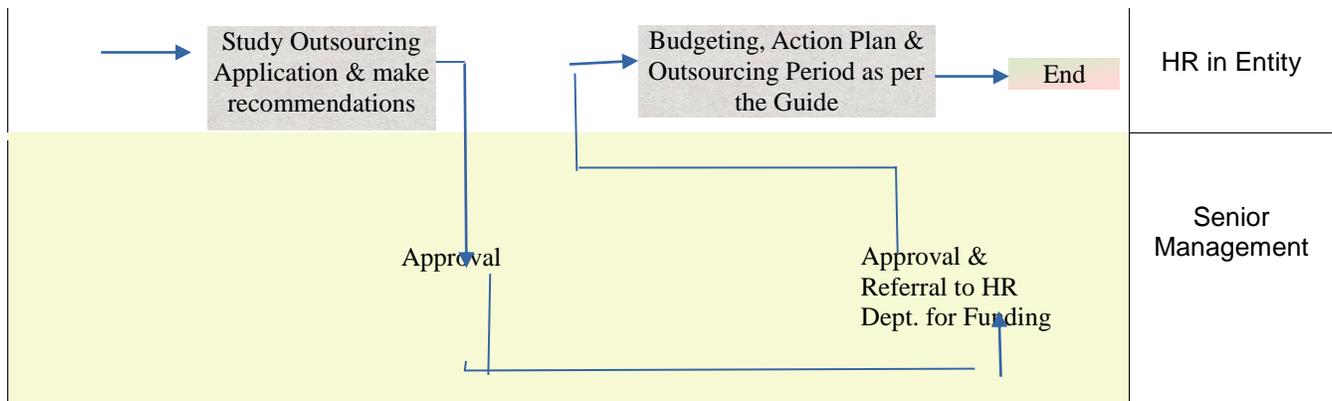
**First: Implementation Phases:**

**Phase 1: Identifying Needs**

S.	Identifying Needs	Time Frame	Responsibility
1	Submit outsourcing application to the HR Department, specifying reasons and justifications for outsourcing, as well as required expertise and competencies, accompanied by a full study and plan for approval	10 working days (Maximum)	Concerned organizational unit in the entity
2	Review outsourcing requests, attachments and the overall business plan which contains outsourcing period, and submit recommendations to senior management according to the provisions of the Guide		HR Department in the entity
3	Approval and referral of outsourcing request for jobs as approved by the HR Department to Procurement / Contracts / Finance Departments/ Procurement Committee to ensure availability of funds and notify the requesting unit		Higher Management in the entity
4	Budgeting, set work plan and outsourcing period, as per the Guide to Outsourcing Governance Procedures		HR Department in the entity

**Flowchart of Phase 1:**

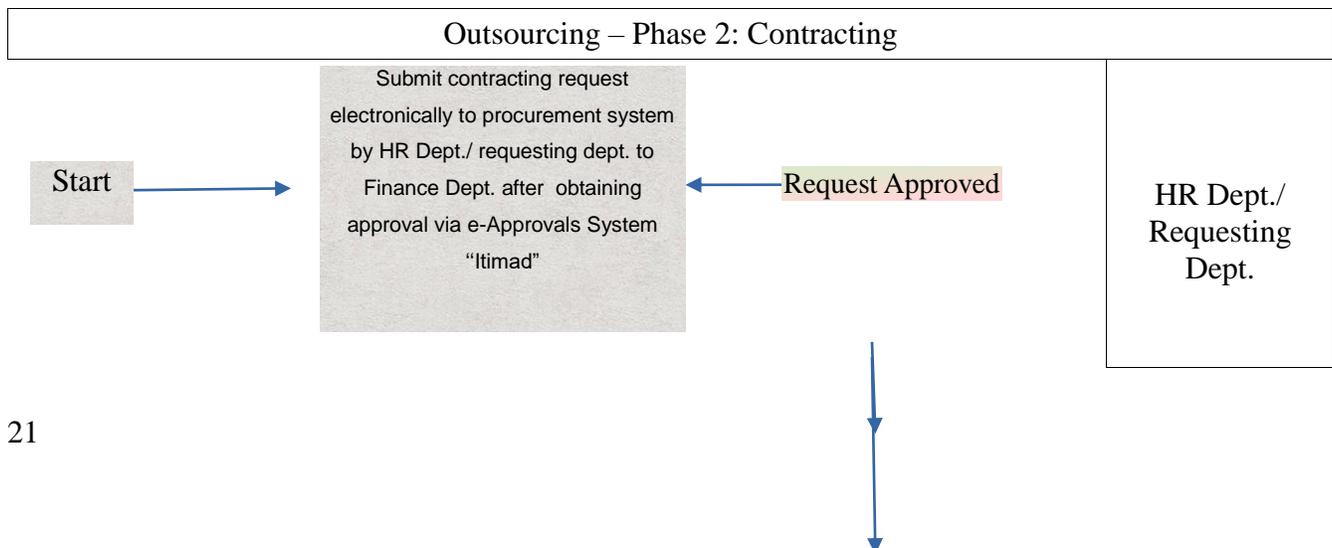




## Phase 2: Contracting

S.	Contracting Procedures Phase	Time Frame	Responsibility
1	Submit contracting request electronically to procurement system by HR Dept./ requesting dept. to Finance Dept. after applying for e-approvals by outsourcing companies & nominated outsourcing employees for approval by e-Approvals System "Itimad", through Bayanati System, including data on jobs applied for.	10 working days (Maximum)	HR Dept./ Requesting Dept. in the Entity
2	Start contracting and purchasing procedures and registration of outsourcing companies in suppliers unified registry (Supplier Portal). The process is carried out according to contracting procedures with external parties, to be followed by advertising for contracts and informing the units electronically		Procurement / Contract / Finance Depts./ Procurement Committee at the Entity

## Flowchart of Phase 2:



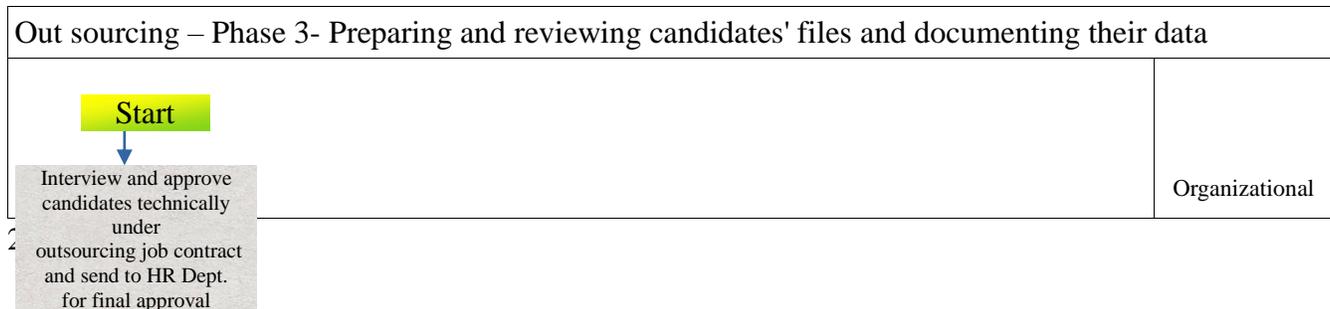
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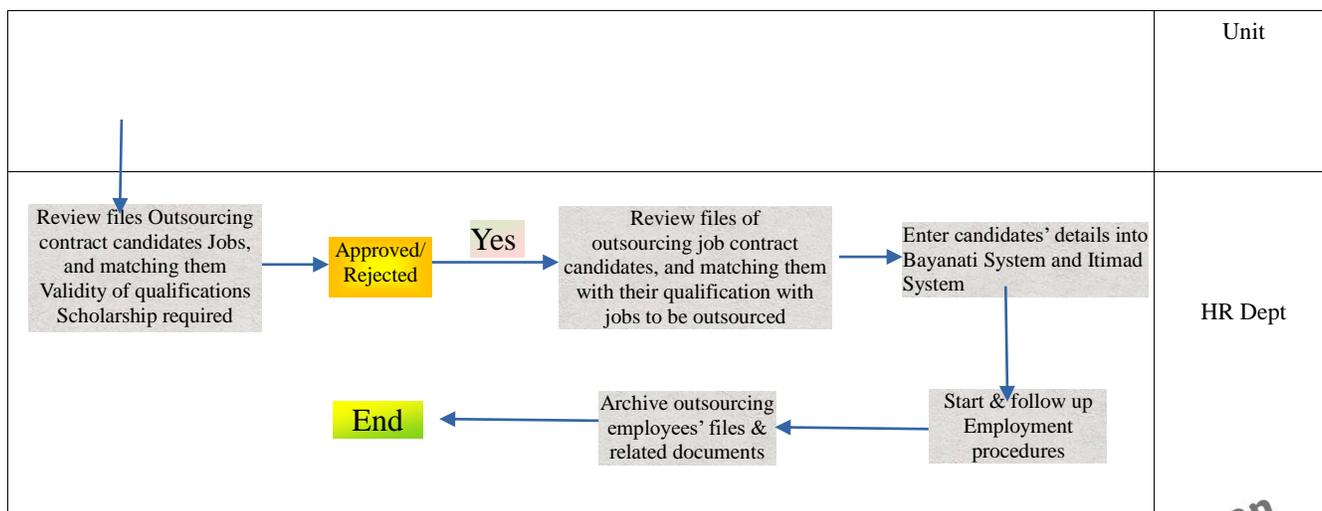
Finance

**Phase 3: Preparing and reviewing candidates' files and documenting their data**

S.	Preparing and reviewing candidates' files and documenting their data	Time Frame	Responsibility
1	Interview and recommend candidates under the technical and personal outsourcing job contract, as well as document their personal details, experiences and qualifications and send to HR Department for paper approval	10 working days (Maximum)	Concerned unit in the entity  HR Dept. in the entity
2	Review the files of candidates nominated for outsourcing job contracts and match their qualifications with jobs to be outsourced. Obtain electronic approvals, notify concerned unit of approval / rejection of candidates		HR Dept. in the entity
3	Enter selected candidates' details, before contracting process, into the systems linked to HR Management Information System in the Federal Government 'Bayanati' and Electronic Approvals System "Itimad" for documentation electronically		Concerned unit in the entity  HR Dept. in the entity
4	After the electronic approval from "Itimad" Service, HR Department will be notified for the selected to start work, and coordinate with various departments to provide him with necessary equipment for the job according to the established procedures		Concerned unit in the entity  HR Dept. in the entity
5	Archive the outsourcing employees' files and related documents (penalties, leaves)		HR Dept. in the entity

**Flowchart of Phase 3:**



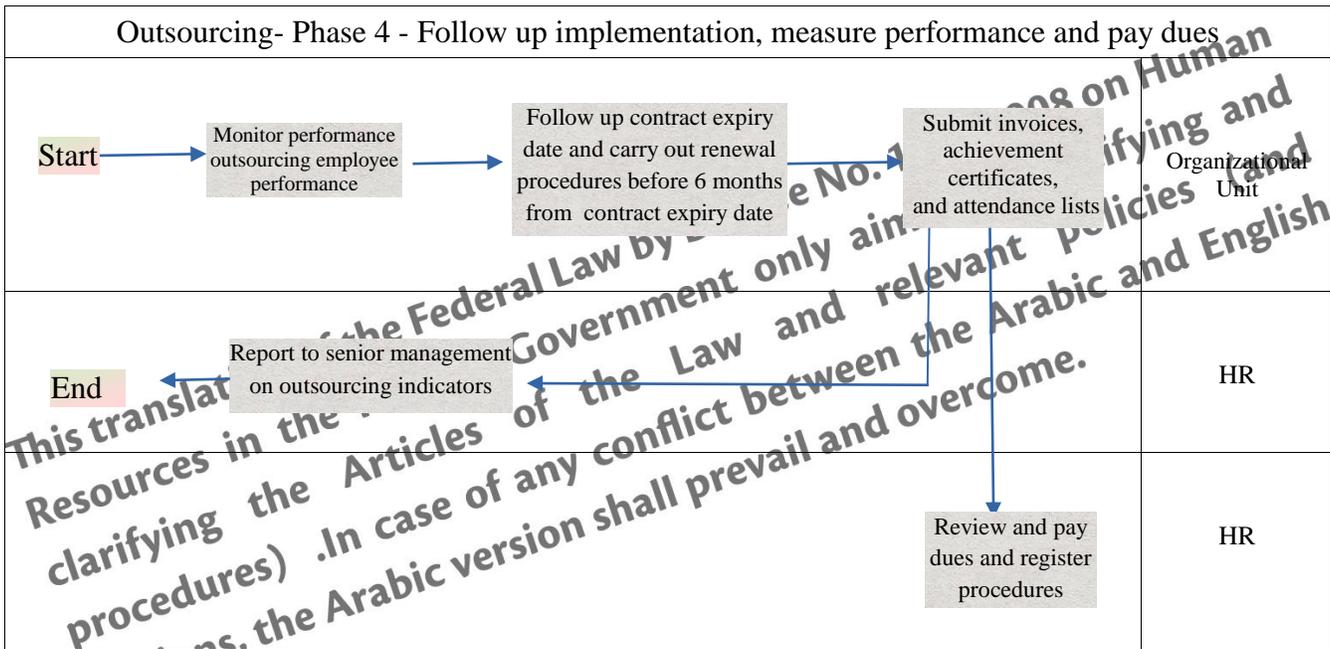


**Phase 4: Follow up implementation, measure performance and pay dues**

S.	Follow up implementation, measure performance and pay dues	Time Frame	Responsibility
1	Follow-up assessing the outsourcing employee's performance periodically to ensure he achieves desired results, including attendance, and take necessary action	Ongoing	Concerned unit in the entity HR Dept. in the entity
2	Check the expiry date of contracts and renewal procedures, if necessary, in coordination with various units to verify the need, 3 months before the date of contract expiry		Concerned unit in the entity
3	Submit invoices and certificates of achievement, along with attendance lists and supporting documents, to HR Dept. and Finance Dept. exchange for payment		Concerned unit in the entity
4	Report o senior management on outsourcing governance indicators		Concerned unit in the entity + HR Dept + Procurement/ Contract/Finance & Audit Office in the

			entity
5	Review registration of procedures and payment of dues		Finance Dept in the entity

**Flowchart of Phase 4:**



**Second: Mechanisms for registering and disbursing dues and invoices of outsourcing companies by federal entities operating the Federal Government's Bayanati System and Financial System**

**1) Registering outsourcing companies in Bayanati systems (outsourcing screens)**

- An electronic approval request must be submitted to all outsourcing companies on outsourcing screens within electronic approvals “Itimad”, specifying types of services provided by these companies by linking supplier portal to outsourcing screens in Itimad service.

- The supplier shall submit the outsourcing invoice through the suppliers portal, When registering the invoice, the supplier enters the outsourcing employees' details so that each employee has a line in the invoice

## 2) Registration of outsourcing companies in financial system as suppliers

- If a new outsourcing service provider is added to the supplier screen in financial system, a reference number for e-approval derived from outsourcing screens in E-Approvals "Itimad" must be selected and linked to supplier's record.
- If an existing outsourcing service provider is selected and electronic approval has not been linked to the outsourcing screens in Itimad service, the data entry clerk must be notified to update the provider data by including the reference number for approval

## 3) Disbursement of dues to outsourcing companies through the financial system (payments screen)

- 1 The outsourcing company shall choose from invoice list
- 2 The account withdrawn from must be only one of the following:
  - 224406 - Consultants fees
  - 223101 – Public service management
- 3 Select from the list the reference number for e-approval of outsourcing company in E-Approvals "Itimad" (The financial system electronically checks the availability of approval request in outsourcing screens)
- 4 For entities without an account 224406, coordinate with the Ministry of Finance is a must to add this item when preparing the budget
- 5 A new type of suspension shall be developed in billing system. This type appears when selecting an outsourcing company which has not e-approval in E-Approvals Service "Itimad". The data entry clerk must be notified to obtain such approval to link the invoice to the reference number on the outsourcing screens (refer to Item 2) and remove this suspension

#### **4) Registration of outsourcing employees in the e-Approvals System "Itimad"**

- An application must be made for e-approval of all outsourcing employees via E-Approvals Service "Itimad" and obtain a reference number for each employee

#### **5) Registering the outsourcing employees in the outsourcing system within Itimad System linked to Bayanati System in the Federal Government**

- Outsourcing employees data must be entered into the systems associated with Bayanati System of the Federal Government for federal entities operating the system, as stipulated in candidates registration procedures and the mechanisms for obtaining approvals via E-Approvals Service "Itimad"

#### **6) Payment of outsourcing employees invoices**

Billing / payment for outsourcing employees must be that the monthly dues of an employee cannot be disbursed to outsourcing company except after ensuring the following:

- There is a reference number in Itimad for e-approvals for the outsourcing company and its employees
- Payment date shall be within 3 months from the end of contract unless the business interest requires otherwise

If the outsourcing employee's data is entered in payments screen to pay his bill with no electronic approval being issued, he or his company, an automatic suspension of the bill appears to notify the data entry clerk of the need to obtain E-approval "Itimad" and link the reference number in HR electronic approvals system (refer to item No. 4) in outsourcing employee's invoice.

#### **Third: Mechanisms for recording, disbursing payments and invoices to outsourcing companies for entities not operating Bayanati System and Financial System**

- 1 Register outsourcing companies on the outsourcing screens in the e-

Approvals system "Itimad" linked to Bayanati System of the federal government

- An electronic approval request must be submitted to all outsourcing companies on outsourcing screens of e-Approval system "Itimad", defining type of services provided by the companies

## **2 Registration of outsourcing companies as suppliers on federal entity's financial system, if any,**

- In case there is an electronic financial system in the entity, the reference number is entered for e-approved issued by outsourcing screens in the electronic Approval System "Itimad", when entering outsourcing companies' data.
- In the absence of an electronic financial system, the entity shall follow the procedures in accordance with outsourcing governance in the federal government

## **3 Outsourcing employee registration in the e-Approvals system "Itimad" for human resources**

- An electronic approval request must be submitted for the outsourcing employee via e-Approvals System "Itimad"

## **4 Registration of outsourcing employees on the federal entity's financial system**

- In case there is an electronic financial system in the entity, the reference number is entered for e-approved issued by the electronic Approvals System "Itimad", when entering outsourcing employees' data in payment system
- In the absence of an electronic financial system, the entity shall follow the procedures in accordance with outsourcing governance in the federal government

## **5 Providing outsourcing employees' data to linked entities through the**

## approved technical mechanisms

- The federal entities linked to the approved technical mechanisms, are required to provide the outsourcing employees' data through this link.

*This translation of the Federal Law by Decree No. 11 of 2008 on Human Resources in the Federal Government only aims at identifying and clarifying the Articles of the Law and relevant policies (and procedures) .In case of any conflict between the Arabic and English versions, the Arabic version shall prevail and overcome.*

### General provisions

1. The federal entities operating HR Management Information System in the Federal Government "Bayanati", and associated financial systems, should follow the steps to be issued under outsourcing screens user manual, updated according to Guide to Outsourcing Governance Policies & Procedures in the Federal Government .
2. The federal entities not operating HR Management Information System in the Federal Government "Bayanati", and associated financial systems, should follow the mechanisms for governance of outsourcing companies payment and billing registration, as per the provisions of outsourcing policy and this Guide.

3. All federal entities, whether operating HR Management Information System in the Federal Government “Bayanati”, or connected to it shall obtain approval, through technical mechanisms via e-Approvals system “Itimad”, before payment of outsourcing dues upon appointment, after contract expiry and renewal.
4. The provisions stipulated in this Guide shall be amended by a Cabinet Resolution, on recommendation by the Prime Minister’s Office, the Federal Authority for Government Human Resources and Ministry of Finance.

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## **Annexes**

**Guiding indicators for measuring outsourcing governance efficiency in the Federal Government**

1) The table below shows the types of indicative strategic and operational indicators related to outsourcing governance in the Federal Government, as applicable to federal entities.

Type of Indicator	Performance Indicator	Purpose of Indicator	Sources and Mechanisms of Measuring
Strategic	Percentage of total cost saved from outsourcing	Measuring of and return on outsourcing governance	<ul style="list-style-type: none"> <li>• Cost &amp; Budget Reports</li> <li>• Reports on Outsourcing Governance Results</li> </ul>
	Percentage of outsourced services out of total services provided	Measuring the use of outsourcing in support functions In the fields & entities focus on core functions	Reports on Outsourcing Governance Results
	Percentage of outsourcing employees out of total	Measuring the extent of the entities' dependence on	Workforce Reports

	entity's employees	outsourcing employees	
	Percentage of expenditure on outsourcing compared to total entities' payroll	Measuring expenditure on outsourcing	Cost & Budget Reports
Operational	Percentage of entities using outsourcing governance mechanisms	Measuring entities commitment to using outsourcing governance	Reports on Outsourcing Governance Results
	Percentage of an entity's commitment to outsource in outsourcable areas / functions	Measuring an entity's commitment to outsource in outsourcable areas / functions	<ul style="list-style-type: none"> <li>• Reports on Outsourcing Governance Results</li> <li>• Workforce Reports</li> </ul>
	Percentage of outsourcing contracts with companies compared to the total contracts in the entity	Measuring the extent to which entities choose the best outsourcing companies	<ul style="list-style-type: none"> <li>• Reports on Outsourcing Governance Results</li> <li>• Outsourcing Companies Reports</li> </ul>
	Percentage of entities' commitment to budget allocated to outsource	Measuring commitment of federal entities to outsourcing budget items	<ul style="list-style-type: none"> <li>• Reports on Outsourcing Governance Results</li> </ul>

2. Each federal entity can measure the indicative indicators of the quality of work for companies to which some government services will be outsourced and to it and also outsourcing governance in the federal entity.

Areas	Performance Indicator	Purpose of Indicator	Sources and Mechanisms of Measuring
<b>Customers</b>	Percentage of stakeholders' satisfaction with outsourced services	Measuring stakeholders' satisfaction with the supplier and outsourced services	<ul style="list-style-type: none"> <li>• Satisfaction Survey Results</li> <li>• Results of Customer Complaints Analysis</li> <li>• Results of Secret Shopper Analysis</li> </ul>
<b>Operations</b>	Percentage of commitment to Service Level Agreement (SLA)	Always deliver the highest standards of service, and on time	<ul style="list-style-type: none"> <li>• Service Reports</li> <li>• Electronic Measuring</li> </ul>
	Percentage of preferred suppliers	Selecting suppliers according to approved	<ul style="list-style-type: none"> <li>• Suppliers Results</li> </ul>

	out of the total who were hired	standards	
<b>Finance</b>	Percentage of commitment to budget item	The cost must be kept within the project's specific budget	<ul style="list-style-type: none"> <li>• Cost &amp; Budget Reports</li> <li>• Electronic Measuring</li> </ul>
	Percentage of total cost saved from outsourcing	Outsourcing must be implemented efficiently	<ul style="list-style-type: none"> <li>• Cost &amp; Budget Reports</li> </ul>
<b>Learning &amp; Growth</b>	Percentage of jobs outsourced compared to the entity's total jobs	Proper planning of outsourcing needs	<ul style="list-style-type: none"> <li>• Outsourcing Operations Results</li> </ul>
	Percentage of jobs outsourced compared to the total employees in the entity	Study and include outsourcing requests (individuals) within the entity's workforce plan	<ul style="list-style-type: none"> <li>• Workforce Statistics in the Entity</li> </ul>
<b>Indicators related to quality of outsourcing service providers</b>	Percentage of services provided according to the contract	Deliver the highest standards of service, according to the contract	<ul style="list-style-type: none"> <li>• Inspection &amp; Auditing</li> </ul>
	Percentage of abidance by time frames in the approved works plan	Deliver services according to dates agreed upon	<ul style="list-style-type: none"> <li>• Inspection &amp; Auditing</li> <li>• Secret Shopper</li> </ul>
	Number of complaints /Remarks received concerning services	Raising the entities and customers satisfaction levels with the service they receive	<ul style="list-style-type: none"> <li>• Customer Complaints Analysis Results</li> <li>• Secret Shopper Analysis Results</li> </ul>