How Are Approval Responsibilities Assigned?

Idea In Short

Assign approval responsibilities by identifying the decisions that matter, the risks they carry, and the authority needed to accept them. Separate preparation, technical review, financial confirmation, recommendation, approval, and acceptance where practical. Give each decision one accountable approver, while involving specialists who can assess its consequences. Scale approval levels to value, complexity, risk, and impact rather than relying only on purchase price. Publish delegations, define limits, and document approvals with conditions. A clear approval structure supports timely decisions and prevents both uncontrolled commitments and excessive escalation.

Procurement decisions require authority as well as analysis. A sound strategy can still fail if no one knows who may approve it, who owns its consequences, or which reviews must occur before commitment. Approval design should establish a clear chain from recommendation to authorization and acceptance. The acquisition.gov source material assigns contracting authority to designated officials and emphasizes written limits, responsibilities, and coordination. General organizations can apply the same governance principle by documenting authority and matching it to accountability.

Break decisions into distinct responsibilities

Approval is often treated as a single signature, but a purchase involves several distinct judgments. A business owner validates the need and outcome. Procurement recommends the market approach and commercial terms. Finance confirms funding and tests affordability. Technical specialists assess architecture or performance. Legal and risk advisers identify obligations and exposures. An authorized leader approves the commitment, and an operational owner later accepts delivery.

Map these responsibilities at the level of decisions, not just job titles. A person may prepare

an analysis without being authorized to approve it. A technical reviewer may confirm feasibility but not accept budget risk. A budget owner may approve funding but rely on procurement for market design. The OECD's public procurement recommendation links accountability, capacity, stakeholder participation, and risk management across the procurement cycle; approval design should make those responsibilities legible.1

Match approval levels to risk

Purchase value can be a useful trigger for review, but it is an incomplete proxy for risk. A modest technology purchase may create significant data or continuity exposure. A larger repeat purchase may be routine if the market, requirement, and contract terms are well understood. Consider value alongside complexity, duration, strategic importance, competition, supplier concentration, and consequences of failure.

Use tiers that explain what additional review is needed. A routine purchase may require budget confirmation and a manager’s approval. A complex service may need business, technical, financial, procurement, and risk review. A major commitment may need executive or board authorization. The World Bank's procurement planning guidance emphasizes proportionate analysis based on context, risk, value, and complexity. Approval tiers should follow a similar logic instead of adding the same senior review to every transaction.2

Preserve separation of duties

Separate duties when one person could otherwise create, approve, and receive the same commitment without independent scrutiny. Practical separation can divide requisitioning, supplier selection, purchase authorization, invoice approval, and receipt confirmation. The degree of separation should reflect the organization’s size and risk. Small teams may use compensating controls, such as a periodic independent review or approval by a manager outside the transaction.

Independence matters most when decisions affect competition, conflicts, major financial exposure, or sensitive information. Reviewers should receive enough evidence and time to challenge the recommendation. Their role should be clear: a reviewer can raise conditions or return incomplete analysis without becoming the decision owner. The Government Functional Standard for Commercial describes governance frameworks with decision roles, authority limits, assurance, accountabilities, and responsibilities. Though jurisdiction-

specific, it illustrates the components an organization can define in its own scheme.3

Document delegations and escalation

A delegation schedule should specify who can make each decision, under what conditions, and within which limits. It should address temporary delegations, substitutions during absence, conflicts of interest, and decisions that cannot be delegated. Make the schedule accessible to employees and keep it aligned with financial authority and organizational governance.

Define escalation triggers. A decision may require higher approval when it exceeds a value limit, involves an exception, changes strategic outcomes, accepts material residual risk, or creates a long-term obligation. Escalation should not be an open-ended search for consensus. Identify who resolves a disagreement and how quickly the decision must be made. UNCITRAL's Model Law on Public Procurement emphasizes transparent procedures and accountable decisions. A clear delegation framework makes internal authority similarly visible.4

Make approvals decision-ready

Approvers need a concise description of the decision, the outcomes sought, options considered, costs, risks, market evidence, and consequences of delay. Present the recommendation and required authority first, then attach detailed analysis for review. State unresolved assumptions and what conditions the approver may impose. Do not ask someone to approve a vague “procurement” when the actual decision concerns scope, competition, price, or risk.

The Asian Development Bank's strategic procurement planning guidance connects purchasing approaches with development objectives and fit-for-purpose planning. An approval request should similarly show the line from objective to chosen method and expected result.5

Record approval and review the system

Capture who approved the decision, when, under what authority, and with what conditions. Preserve supporting evidence and link the approval to the plan and contract record. If a

decision changes, record the new approval and explain the changed assumptions. An approval record should make clear whether the approver authorized the strategy, funding, supplier selection, contract signature, or acceptance.

Review approval patterns periodically. Long delays may reflect unclear roles or excessive tiers. Repeated retrospective approvals may indicate poor planning or weak authority communication. Control findings may show that duties are not sufficiently separated. The European Commission's Better Regulation framework advocates evidence-based, proportionate policy and evaluation; organizations can use similar review principles to improve approval design.6

An effective approval structure lets capable people make routine decisions and brings material risks to the right level. It separates analysis, recommendation, authorization, and acceptance where needed. Clear delegations and records protect the organization while allowing decisions to move at the speed the work requires.

- 1Recommendation on Public Procurement
- 2Project Procurement Strategy for Development Guidance
- 3Government Functional Standard GovS 008: Commercial
- 4UNCITRAL Model Law on Public Procurement
- 5Strategic Procurement Planning
- 6Better Regulation

Summary

Approval responsibilities should make decision rights visible and keep authority close enough to the work for timely action. The design should balance control with capability, include independent review where risk warrants it, and identify what requires escalation. Revisit delegations when roles, strategy, or risk changes. Clear assignments help employees know where to take a decision and help leaders see which commitments they have accepted.