Procurement of Goods and Services Policy

Policy Code: FN1523

Table of Contents

Purpose ......................................................................................................................................................... 1
Scope ............................................................................................................................................................ 1
Definitions ...................................................................................................................................................... 1
Policy Statement ............................................................................................................................................. 2
Responsibility ................................................................................................................................................. 3
Legislative Context ......................................................................................................................................... 3
Associated Documents ................................................................................................................................... 4
Implementation and Communication ................................................................................................................ 4

Purpose

This Policy outlines the obligations to ensure consistent procurement practices across the University and defines our approach to purchasing. The procurement of goods, services and capital projects account for a significant percentage of the University’s expenditure. The University recognises the impact its purchasing activities have on the financial, social and environmental health of the University and the broader community. The purpose of this policy is to establish a more strategic approach to procurement involving greater management and oversight, and better coordination and integration of activity across the University.

This Policy establishes the directions that must be implemented relating to the procurement of goods and services by the University. The University is required to implement and maintain an effective internal control framework over procurement activities.

Scope

This Policy applies to the acquisition of all goods and services by University staff, students or contractors either purchased or leased from vendors, for and on behalf of the University (including University controlled entities).

Definitions

<table>
<thead>
<tr>
<th>Terms</th>
<th>Definitions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit and Risk committee</td>
<td>Committee of University Council.</td>
</tr>
<tr>
<td>Australian Accounting Standards</td>
<td>Relates to the Accounting Standards issued by the joint committee of the Institute of Chartered Accountants and the Australian Society of Certified Practicing Accountants.</td>
</tr>
</tbody>
</table>
Terms | Definitions
--- | ---
Cash payments | These are payments made to volunteers, research participants, students or focus group members in cash for services rendered. These will be considered to be unsuitable for a Staff Reimbursement and treated as not acquitted. These types of payments breach the Universities obligations under tax, superannuation, workers compensation law and industrial and workplace relations instruments and must therefore not be made.
Conflict of Interest | Is assessed in terms of the likelihood that members of the university community possessing a particular interest could be improperly influenced, or might appear to be improperly influenced, in the performance of their duties.
Council member | Member of University Council other than a staff member of Council
Delegated Authorities | Financial delegation in accordance with the Delegations - Contract, Financial, Staffing and Tender Policy.
Disbursements | Payments made to third parties including, but not limited to, grants, capital expenditure, salaries and other recurrent expenditure.
Financial Records | University Financial Management System General Ledger incorporating subsidiary ledgers as maintained by the Finance department.
Gratuity | A token offering provided in return for a voluntarily service as a sign of appreciation for providing the service. There must not be any expectation of payment of value by the recipient for the service they provide at the time of providing the service.
Probity | Evidence of ethical behaviour in a particular process.
Probity Auditor | One engaged to establish a program of audit testing based on identified criteria.
Procurement | Process of acquiring goods on behalf of the University and the department established by the University to ensure value for money.
Purchasing | The process of placing orders and buying goods or services for the University.
Purchasing Card | An official University corporate credit card available to University Staff members with a Financial Delegation.
Staff member(s) | Staff employed by the University
University Funds | Any funds held in any University account, regardless of the funding source. All University funds are considered to be Public Monies and must be treated in accordance with the Financial Management Act 1994.
Voucher | A Gift voucher, food voucher, book voucher, gift card, movie ticket, movie money, entry pass or any voucher, ticket or right.
Voucher Account Code | A dedicated University account code has been established on the finance system to record the purchase of Vouchers. This is within expenses; 5442-Gratuities, Gift Cards and Vouchers.

Policy Statement

Effective internal control procedures must be implemented and maintained by the University to ensure all procurement activities of the University are authorised in accordance with the delegated authorities and business requirements within a documented procurement framework.

Procurement to purchasing activities within the University includes ethical, compliance and financial obligations, as well as opportunities for financial savings, improved sustainability, service and quality. The University must ensure the following procurement principles are adhered to:
• Value for Money (low environmental and social impacts)
• Accountability and Maintain comprehensive and well documented records
• Open and Fair Competition (Quotation and Tender processes adhered to)
• Risk Management.
• Probity and Transparency
• Innovation
• Customer Service
• Reductions in the administrative costs of procurement processes
• Improved purchasing efficiency and control (avoid unnecessary consumption)
• Electronic transaction data for reporting, analysis and control
• Comply with any and all directions regarding the use of University Approved Vendor Agreements / Contracts, e.g. travel, stationery etc.
• Comply with Conflict of Interest Policy and Procedure

There must be sufficient justification to demonstrate that there is a need for the goods and services to be provided and that the economical and sustainability considerations have been fully considered prior to the purchase of any goods and / or services.

The University recognises that it has a role to play in providing support for the development of awareness, understanding and competency in relation to sustainable procurement.

Responsibility

The Vice-Chancellor has the authority to decide whether the complexity and sensitivity of projects less than $10 million may warrant the appointment of a probity auditor. The Vice-Chancellor (or nominee) may select the probity auditor from an agreed list of probity auditors approved by the Audit and Risk Committee of Council.

The Management Accountant, Strategic and Corporate is responsible for the maintenance of this policy.

University Purchasing Cardholders will be required to be familiar with the requirements of the Procurement of Goods and Services Policy, the Purchasing Procedure and also the “Conditions of Use” by the University’s appointed Purchasing Card provider.

Legislative Context

The establishment and maintenance of financial management policies and procedures is required by Direction 3.1.3 of the Minister for Finance Directions that are regulated under the Financial Management Act 1994. More specifically, this policy is required by clause 3.4.5 of the Directions of the Minister for Finance under this Act.

• Delegations – Contract, Financial, Staffing and Tender Policy.
• Probit Auditing Policy.
• Travel Policy.
• Conflict of Interest Policy.
• Conflict of Interest Procedure.
Associated Documents

- Australian Accounting Standards.
- Bank Accounts Policy and Procedures Statement.
- Cash Flow Forecasting Policy and Procedure Statements.
- Purchasing Procedure.
- Reconciliations Policy and Procedure Statements.
- Approved Vendors – E-Tendering for Obtaining Quotations and Conducting Tenders Guidelines.
- Request for Quotation (RFQ) and Request for Tender (RFT) Guidelines.
- Completion of Vendor Application Form Guidelines.
- Tender Evaluation Guidelines.

Implementation and Communication

The Procurement of Goods and Services Policy will be implemented throughout the University via:

1. An Announcement Notice under ‘FedNews’ on the ‘FedUni’ website and through the University Policy ‘Recently Approved Documents’ webpage to alert the University-wide community of the approved Policy, and
2. inclusion on the University’s online Policy Library