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Purpose

This policy establishes the rationale for undertaking a probity audit of projects relating to the procurement of goods and services of a high value, high profile and of a possible contentious nature that are to be procured on behalf of the University.

Scope

This policy applies to all staff, at all University locations, who are involved in the procurement of goods and services.

Definitions

<table>
<thead>
<tr>
<th>Delegated Authorities:</th>
<th>Financial delegation in accordance with the Delegations - Contract, Financial, Staffing and Tender Policy.</th>
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</thead>
<tbody>
<tr>
<td>Probity:</td>
<td>Evidence of ethical behaviour in a particular process.</td>
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<tr>
<td>Probity Auditor:</td>
<td>One engaged to establish a program of audit testing based on identified criteria.</td>
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<tr>
<td>Procurement:</td>
<td>Process of acquiring goods or services on behalf of the University and the department established by the University to promote and oversee best practice processes for goods and services purchased by the University and ensure value for money.</td>
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</tbody>
</table>
Delegated Authorities: Financial delegation in accordance with the Delegations - Contract, Financial, Staffing and Tender Policy.

University Funds: Any funds held in any University account, regardless of the source. All University funds are considered to be Public Monies and must be treated in accordance with the Financial Management Act 1994.

Policy Statement

This Policy stands to ensure effective internal control procedures that must be implemented and maintained by the University to ensure all procurement activities of the University for projects containing large and complex transactions in excess of $10 million are authorised in accordance with delegated authority and probity auditing.

Delegated University officers should consider probity auditing when:

- The transaction is of high value
- The project has a high profile (e.g., through stakeholder interest).
- The project is highly complex, unusual or contentious.
- Integrity of fairness may be subject to question.
- The project is politically sensitive.
- There is a high probability of conflict of interest, and
- There is an increased likelihood of grievances by those submitting tenders (e.g., through competitions etc.).

Probity Audit

A probity audit ensures:

1. The process is defensible and able to withstand external and internal scrutiny.
2. The process is accountable, transparent and provides bidders with fair and equitable treatment.
3. There is a proven disconnection between the Request for Tender and the Evaluation process.
4. There is a proven disconnection between the evaluation criteria and requested information from bidders.
5. That communication with bidders is fair and reasonable and ensuring all bidders are supplied with the same information.
6. Bid repair versus bid clarification monitoring; When clarification is requested by a bidder, and this changes the bidder's bid, this amounts to a bid repair rather than a bid clarification. The Tender Evaluation Panel would have to decide if the changed bid would advantage or disadvantage any of the bidders. If so, action would have to be taken on whether there would be a need to inform all bidders in order to give fair opportunity to all.
7. Management of possible conflicts of interest; Conflicts of interest should be declared before the bidding process. Where a serious conflict of interest is identified, that stakeholder should be removed from the procurement process. With less serious conflicts, some “ring fencing” of sensitive information may be sufficient.

Responsibility of a Probity Auditor

A Probity Auditor will review all procurement activity and verify that the processes undertaken are consistent with legal requirements, government regulations, policy, principles and best practice.

The Probity Auditor is engaged to audit different stages of a procurement activity but should not participate in any area of the actual procurement activity. This provides a level of independent assurance about the conduct of a procurement activity.
For very complex projects, it may be appropriate to have a probity audit conducted prior to requests for tenders being issued, before contracts are signed and at the end of the project.

**Responsibility**

The Vice-Chancellor has the authority to decide whether the complexity and sensitivity of projects less than $10 million may also 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.

**Legislative Context**

- Purchasing of Goods and Services Policy.
- Delegations – Contract, Financial Staffing and Tender Policy

**Associated Documents**

- Purchasing Thresholds.
- E-Tendering Guidelines for Obtaining Quotations and Conducting Tenders.
- Purchasing Procedure.
- Fixed Asset Guidelines.
- Tender Evaluation Templates.

**Implementation**

The Probity Auditing 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.