# FINANCIAL POLICIES AND PROCEDURES

## SECTION 5: OPERATING EXPENDITURE & PAYABLES

## POLICY 3: PROCUREMENT

### Policy Rationale

It is prudent that [organisation] acquires quality goods and services at the best possible cost. Employing best practices around the selection of suppliers and the procurement of goods and services will ensure [organisation] derives the best value for money.

### Policy Statement(s)

Any activities associated with the selection of suppliers and / or the procurement of goods and services for [organisation] should be conducted in accordance with [organisation]’s Delegated Authorities.

[organisation] should only engage in procuring goods or services from suppliers where:

1. There is a specific need for the goods or services offered by suppliers
2. The goods and services and / or the terms of trade offered are not in any way considered unethical or illegal
3. There are no conflicts of interest, undisclosed and / or unapproved related party relationships between the supplier and [organisation]
4. Sufficient internal controls are put in place to manage and administer the procurement of goods and services

[organisation] shall also implement appropriate controls over [organisation]’s supplier and procurement decisions, whereby:

1. Decisions should not necessarily be based on the best price, but also take other considerations into account, such as quality, timeliness, supplier reputation, ethical production and resourcing, terms of trade etc.
2. At least three written quotes should be acquired, or a tender process undertaken where expenditure is expected to exceed $[5,000]
3. A lease versus purchase comparison is assessed for items over $[1,000]
4. The specifications or criteria for the evaluation and selection of a supplier by way of a tender process shall be determined by [organisation]’s Audit, Finance & Risk Committee
5. [organisation]’s Audit, Finance & Risk Committee shall also determine who should be involved in any evaluation processes, ensuring any persons who have a financial interest in the tender are extricated from the process

[organisation] may implement preferred supplier procurement practices in order to streamline the selection of suppliers and gain efficiencies in the procurement of goods and services. Any preferred supplier arrangements will also be subject to the provisions of this Procurement policy.

### Policy Implementation and Related Procedure Documents

The implementation and review of these Procurement policies are the responsibility of [organisation]’s Audit, Finance & Risk Committee.

[organisation]’s Audit, Finance & Risk Committee will also be responsible for evaluating any tender processes, where not otherwise within the Delegated Authorities of [organisation]’s CEO

[organisation]’s CFO / Finance Manager is responsible for implementing best practice procurement practices and procedures. These will be subject to approval by [organisation]’s Audit, Finance & Risk Committee.

The following [organisation] policies and frameworks should be referred to in this regard:

* + Finance Manual
  + Delegated Authorities Policy
  + Budgeting & Forecasting Policy
  + Accountability, Internal Controls & Audit Policy
  + Financial Systems & Procedures
  + Purchasing & Payments Policy
  + Capital Expenditure Policy

### Legislative Compliance Considerations

### Review Protocol

|  |  |
| --- | --- |
| Policy Reviewed By: | Audit, Finance & Risk Committee |
| Date Reviewed: | [Date] |
| Next Review Date: | [Date] |
| Revokes Policy Reviewed: | [Date] |