# Procurement Policy

## 1. Purpose

The purpose of this Policy is to establish a structured, transparent and risk-based framework for the procurement of goods and services by King's Own Institute (KOI). The Policy supports value for money, lawful and ethical conduct, sound financial stewardship, effective risk management, clear accountability and appropriate governing-body oversight. It supports KOI's compliance with applicable legislation and the Higher Education Standards Framework (Threshold Standards) 2021, as amended from time to time.

It also supports early implementation of the 2026 governance amendments scheduled to apply to KOI from 1 July 2027, including Standards 6.5, 6.9 and 6.11, while continuing to support Standards 5.4, 6.2 and 7.3 where relevant to procurement and third-party arrangements.

The Policy also establishes approval requirements for budgeted, unbudgeted and emergency expenditure; supplier due diligence; contract management; maintenance of the Contracts Register; procurement reporting; and assurance arrangements designed to enable senior management and Council to exercise effective oversight of procurement risks and controls.

## 2. Scope

This Policy applies to all directors, staff, contractors and other persons authorised to initiate, evaluate, approve, enter into or manage procurement activity on behalf of KOI.

It applies to:

- operational purchases, capital expenditure, consultancy and professional services, technology procurement, education agent engagements and other third-party services;
- all procurement activity that creates or may create a financial, legal, operational, academic, safety, privacy, cybersecurity, reputational or regulatory obligation for KOI;
- all budgeted, unbudgeted and emergency expenditure, including cost overruns, new initiatives and unplanned operational or capital requirements; and
- all contracts, agreements, purchase orders, memoranda of understanding and other arrangements arising from procurement activity.

## 3. Related Documents

- Delegations Policy
- Administrative Delegations Register
- Staff Code of Conduct; Student Code of Conduct
- Privacy Policy
- Documents and Records Control Policy
- Work Health and Safety Policy
- Modern Slavery Statement / applicable supplier due diligence requirements

## 4. Definitions

- Budgeted Expenditure: Purchases that have been approved as part of the annual budget.
- Conflict of Interest: has the meaning given to that term in KOI's Conflict of Interest Policy as amended from time to time.
- Contract: A legally binding agreement between KOI and a supplier that sets out the rights, obligations, deliverables, pricing, performance standards and terms under which goods or services will be provided.
- Procurement: The end to end process of acquiring goods or services, including planning, sourcing, evaluation, contracting and supplier management.
- Quotation: A formal, written offer provided by a supplier that specifies the price, terms and conditions for defined goods or services.
- Quotation Purchase Order: A formal document issued by KOI authorising a supplier to provide goods or services.
- Supplier/Vendor: Any external party providing goods or services to KOI.
- Tender: A formal, structured procurement process in which KOI invites suppliers to submit competitive bids for the provision of specified goods or services.
- Unbudgeted Expenditure: Purchases are not included in the approved budget and requiring additional approval

## 5. Policy Statement

KOI is committed to conducting procurement lawfully, ethically, responsibly and in a manner consistent with its purpose, strategy, values and risk appetite. Procurement decisions must be transparent, defensible and proportionate to the value and risk of the procurement, and must protect KOI's financial sustainability, operational continuity, academic quality, student and staff safety, information assets, reputation and social licence. KOI will maintain effective delegations, due diligence, segregation of duties, recordkeeping, contract management, monitoring and assurance controls so that procurement activity can withstand appropriate internal, audit and regulatory scrutiny.

## 6. Governance Framework and Delegations Alignment

Procurement accountabilities must be clearly delineated between Council, the Chief Executive Officer, Finance, business owners, Governance, Risk and Compliance and authorised delegates, consistent with KOI's governance framework and the Delegations Policy and Register.

- The Council is responsible for governance oversight of procurement risk, internal controls and material expenditure within its reserved authorities. Council does not undertake operational procurement except where approval is expressly reserved to Council.

- The Chief Executive Officer is accountable for ensuring that effective procurement and contract-management arrangements are implemented and that material procurement risks and exceptions are escalated appropriately.

- The Director Finance & Accounts is the Policy Owner and is responsible for administration of the procurement framework, financial control, procurement reporting, supplier due diligence oversight and maintenance of the Contracts Register.

- Business owners are responsible for defining business need, confirming specifications and funding, participating in supplier evaluation where required, managing supplier performance and confirming that contracted goods or services have been delivered.

- The Director Governance, Risk & Compliance provides independent governance, legal/compliance and risk review where required by this Policy, particularly for high-risk, strategically significant or non-standard contractual arrangements. GRC does not replace the accountability of Finance or the relevant business owner for operational procurement decisions.

- All procurement decisions must be exercised strictly in accordance with the Delegations Policy and Delegations Register. Delegations attach to positions, not individuals. Staff may only commit expenditure within their approved delegation and no person may approve their own expenditure or otherwise circumvent segregation-of-duties controls.

- Contracts, purchase orders and supplier agreements must be approved and signed only by persons with the
- required delegated authority. Delegates remain accountable for decisions made under delegation and must ensure that material risks, exceptions and conflicts are appropriately documented and escalated.

## 7. Procurement Principles

- Value for Money – Procurement must consider whole-of-life cost, quality, capability, service continuity, sustainability, risk and intended outcomes, not price alone.
- Lawful, Ethical and Responsible Conduct – Procurement must be conducted honestly, fairly and consistently with KOI's public purpose, values, legal obligations and Code of Conduct.
- Fairness and Impartiality – Suppliers must be treated fairly and consistently and must not receive preferential treatment. Procurement specifications and evaluation criteria must be objective and non-discriminatory.
- Transparency and Defensibility – Procurement decisions, approvals, exceptions and evaluation outcomes must be sufficiently documented to demonstrate the basis for the decision and permit appropriate review.
- Accountability and Segregation of Duties – Responsibility for initiation, evaluation, approval, receipt of goods/services and payment must be allocated so far as practicable to avoid inappropriate concentration of authority.
- Conflicts and Probity – Actual, potential and perceived conflicts of interest must be declared, recorded and appropriately managed before participation in procurement activity.
- Risk-Based and Proportionate Controls – The level of due diligence, competition, approval, contractual protection and monitoring must reflect both the financial value and the broader risk profile of the procurement.
- Information Security and Confidentiality – Procurement involving personal information, confidential information, systems or data must include appropriate privacy, cybersecurity, access, storage, breach notification and exit controls.
- Ethical and Sustainable Sourcing – KOI will consider modern slavery, unlawful discrimination, work health and safety, environmental and other material risks where relevant and proportionate.
- Continuous Improvement – Procurement and contract-management controls will be monitored and periodically reviewed, with material deficiencies, exceptions and recurring issues addressed through

corrective action.

## 8. Procurement Requirements (Ex GST)

Procurement sourcing requirements and financial approval delegations are separate controls. All expenditure and commitments must be approved by the relevant authority under the current Council-approved Administrative Delegations Register. The Register is the authoritative source of approval limits; no financial approval authority is conferred by this Policy.

**Low-value Procurement**

- Up to $5,000: Direct purchase permitted, with at least one written quotation or documented price check and an authorised purchase order.
- $5,001-$25,000: At least two written quotations, documented evaluation and an authorised purchase order.

**Medium-value Procurement**

- $25,001-$50,000: At least three written quotations, documented evaluation, Finance review and a purchase order or contract. GRC review is required where warranted by risk.
- $50,001-$100,000: At least three written quotations and documented evaluation, Finance review and proportionate GRC contract/risk review.

**High-value, High-risk and Strategic Procurement**

- Above $100,000: Formal tender or a documented exemption approved by the authority specified in the Administrative Delegations Register. Executive, Finance and proportionate GRC review are required. High-risk or strategically significant procurements require a business case and documented evaluation irrespective of value.
- Approval and execution must be undertaken by the appropriate delegate under the Register before KOI makes a commitment. Council approval is required wherever reserved by the Register.

**General Requirements Applying to All Procurement**

- Procurement value means the total gross transaction value, excluding GST, across its full term, including implementation, instalments, extensions, renewals, options, variations and related purchases. It must not be reduced by a trade-in, set-off or similar arrangement.
- Procurement must not be divided or split to avoid sourcing requirements or approval delegations.
- Departures from quotation or tender requirements require a documented exemption explaining the rationale, market circumstances, value for money, risks and proposed duration. Exemptions must be approved by the same or a higher authority than that required for the underlying procurement under the Administrative Delegations Register.
- Financial approval bands in the Register prevail over any sourcing category described in this Policy.

## 9. Procurement Process

The procurement process will follow the following process and be conducted in accordance with the Delegations Policy and Delegations Register:

### a. Planning and Needs Identification

- Identify the need and confirm alignment with strategic and operational objectives.
- Check whether there is budget available for the procurement.
- Check whether the item or service is already available under an existing contract or preferred supplier arrangement.
- Conduct Supplier Verification Checks
- Conduct and document a proportionate procurement risk assessment for medium-value, high-value, high-risk and strategically significant procurements. The assessment must consider, as relevant, financial, legal and regulatory, operational, academic/student, work health and safety, privacy, cybersecurity, business continuity, supplier concentration/dependency, fraud, conflicts, reputation and social-licence risks, and consistency with KOI's risk appetite.

### b. Sourcing

- Select the appropriate procurement method based on thresholds.
- Prepare specifications that are clear, non-discriminatory, and outcome-focused.
- Ensure all suppliers receive the same information.

### c. Evaluation

- Assess quotes/tenders against predetermined criteria (e.g., price, quality, capability, sustainability).
- Document the evaluation process and decisions.
- For tenders, use an evaluation panel with at least two members.

### d. Approval

- Approvals must align with the Delegations Register.
- No commitment may be made before approval is granted.

### e. Contracting

- Use standard contract templates where possible.
- Contracts are reviewed by the Director Finance & Accounts for budget alignment.
- Contract terms must be reviewed at a level proportionate to risk. Review must consider, where relevant, legal and regulatory obligations, financial exposure, liability and indemnities, insurance, service levels, data/privacy and cybersecurity, subcontracting, business continuity, termination and exit, intellectual property, recordkeeping, audit/access rights and any risks to students, staff, academic quality or KOI's regulatory standing.
- Contracts must be signed only by those with delegated authority.
- The contract is entered in the Contracts Register.

### f. Purchase Order and Payment

- A Purchase Order must be issued before goods or services are delivered (except in approved emergencies).
- Invoices must match the PO and contract terms.
- Payments are processed only after verification of delivery and quality.

### g. Supplier and contract management

- Maintain Contracts Register documenting contract management data
- Monitor performance of suppliers
- Track key dates (commencement, renewal and expiry)
- Ensure compliance with key deliverables and service levels
- Address issues promptly with suppliers
- Maintain records relating to supplier performance
- Conduct periodic reviews for ongoing or multi-year contracts.

## 10. Supplier Verification Requirements

Before engaging a supplier for procurement exceeding $5,000, or any procurement assessed as high-risk or strategically significant regardless of value, the relevant business owner must complete and document proportionate supplier due diligence. Due diligence must be sufficient to establish that the supplier is legitimate, capable, financially and operationally viable, and able to meet applicable legal, ethical, safety, privacy, cybersecurity and regulatory requirements. The Finance & Accounts Director oversees compliance with the due diligence process, while specialist reviews must be obtained from Governance, Risk & Compliance, IT or other functions where relevant to the risk profile of the procurement.

Supplier verification must be completed before issuing a purchase order, signing a contract, or committing funds.

### a. Mandatory Verification Checks

The following checks must be completed for all suppliers where procurements exceed $5,000:

- ABN/ACN validation: Confirm the supplier's Australian Business Number (ABN) or Australian Company Number (ACN) is active and registered for the correct business activities;
- GST registration status: Verify whether the supplier is registered for GST;
- Business legitimacy: Confirm the supplier's legal name, trading name, and business address;
- Insurance coverage: Ensure the supplier holds appropriate insurance (e.g., public liability, professional indemnity, workers compensation), with currency and coverage levels appropriate to the risk;
- Financial viability: Conduct a basic financial health check (e.g., credit rating, solvency indicators, or financial statements for high-value contracts);
- Modern Slavery compliance: Confirm the supplier is not listed on sanctions registers and, where applicable, request a Modern Slavery Statement or equivalent assurance;
- Integrity and regulatory standing: For higher-risk engagements, consider relevant adverse regulatory findings, debarments, sanctions, fraud/corruption concerns or other matters that may materially affect KOI's risk exposure or reputation;
- Student/staff-facing services: Where a supplier will interact with students or staff or operate on KOI premises, assess relevant conduct, safety, anti-discrimination and safeguarding requirements and include appropriate contractual obligations;
- Work Health and Safety compliance: Ensure the supplier can demonstrate compliance with WHS obligations relevant to the goods or services being provided; and

- Conflict of interest declaration: Confirm no staff member involved in the procurement has an undeclared conflict of interest.

### b. Additional Checks for High-Risk or High Value Suppliers

For suppliers engaged in high-risk, high-value, or strategically significant procurements, additional due diligence may include:

- Reference checks;
- Site visits or capability assessments;
- Verification of professional licences or accreditations;
- Cybersecurity and data-handling assessments (for ICT suppliers);
- ESG (environmental, social, governance) risk assessment;
- External financial viability reports;
- Business continuity and disaster recovery capability;
- Use of subcontractors and material fourth-party dependencies; and
- Data location, access, retention and secure exit arrangements where information or technology services are involved.

### c. Documentation Requirements

All verification checks must be:

- Documented and stored in KOI's approved recordkeeping system;
- Completed prior to contract execution;
- Referenced in the Contracts Register entry for the supplier; and
- Retained for audit and compliance purposes.

### d. Supplier Approval

A supplier may only be approved for engagement when:

- All mandatory verification checks are complete or have been completed;
- Any identified risks have been assessed and mitigated; and
- The relevant delegated authority has approved the supplier.

## 11. Unbudgeted and Emergency Expenditure

In recognition that some expenditures will be planned well in advance and included in the approved budget, whereas other expenditure may result from decisions taken after a budget is approved, and that unforeseen expenditures may arise and/or require emergency procurement, the following principles will apply to unbudgeted and emergency procurement:

### a. Unbudgeted Procurement

Unbudgeted procurement can occur for a variety of reasons, such as a business requirement necessary to meet a strategic need and include expenditure:

- Not included in the approved annual budget;
- Exceeds the approved budget allocation for a cost centre, project, or initiative; and
- Represents a cost overrun or unplanned operational or capital requirement.

- Justification outlining the operational necessity;
- An impact assessment, including the financial impact, operational impact, strategic need, and risks;
- Confirmation from the Director Finance & Accounts that there is no existing budget available;
- An analysis of alternatives and options;
- The proposed funding source (e.g. a reallocation of budget, use of reserves or contingencies); and
- The proposed procurement method.
- No unbudgeted expenditure may be committed without prior approval. The approving authority and applicable financial limits are those specified in the current Council-approved Administrative Delegations Register.
- Before approval, unbudgeted expenditure must be reviewed by the Director Finance & Accounts and escalated to the CEO or Council where required by the Register. Governance, Risk & Compliance review must be obtained where warranted by the nature or risk of the procurement.
- Unbudgeted procurement remains subject to the sourcing, due diligence, contracting, documentation and other requirements of this Policy. An approval under this Policy does not enlarge a financial delegation under the Register.

### b. Emergency Procurement

- Emergency procurement may be undertaken when an unforeseen and urgent situation arises that poses an immediate risk to health, safety, essential operations, compliance or regulatory obligations, business continuity threats or the protection of KOI's assets, and where following standard procurement processes would cause unacceptable delay;
- In such circumstances, staff with appropriate delegated authority may directly engage suppliers without obtaining the usual number of quotes or conducting competitive processes, provided the decision is reasonable, proportionate, and documented;
- If possible, approval should be sought from the CEO prior to making the emergency procurement. If approval cannot be obtained from the CEO and the emergency procurement is urgently required, then the Finance & Accounts Director and the CEO must be notified as soon as possible after the emergency procurement has occurred.
- As soon as practicable after the emergency, the staff member must provide the Finance & Accounts Director and the CEO with a written justification outlining the nature of the emergency and the procurement decision, and ensure that all records are captured for audit purposes.
- Emergency procurement must not be used to circumvent normal procedures for convenience or expediency.

## 12. Contracts Register

KOI will maintain a central Contracts Register that records all active contracts, agreements, and MOUs valued at $25,000 or greater, or deemed strategically significant.

The Contracts Register must include:

- Contract title and description;
- Supplier/contracting party;
- Internal contract owner;
- Contract value and funding source;
- Procurement method used;
- Start and end dates;
- Renewal/extension options;
- Key deliverables and performance measures;
- Risk rating;
- Criticality / strategic significance;
- Material legal, regulatory, privacy, cybersecurity, WHS or student-impact obligations;
- Key risk controls and assurance requirements;
- Data access or hosting arrangements where applicable;
- Responsible contract manager and review frequency; and
- Delegated authority approving the contract.

The Register will be:

- Maintained by the Director Finance & Accounts;
- Updated upon contract execution, variation, renewal, or termination; and
- Updated to reflect the achievement of key milestones.

No contract may be executed unless it is entered into the Contracts Register.

## 13. Reporting and Oversight

### a. Procurement Reporting

The Director Finance & Accounts will report:
Monthly to the Senior Executive Group on:

- Procurement activities;
- Exceptions to procurement requirements;
- Supplier performance issues;
- Contract expiries and renewals due within 90 days;
- At least quarterly to the Audit & Risk Committee, with material matters escalated or reported to Council in accordance with the governance reporting schedule;
- material, high-value, high-risk and strategically significant procurements;
- procurement compliance trends, exceptions and recurring control issues;
- material supplier, concentration, continuity and contract-performance risks; and
- significant contract activity, upcoming renewals/expiries and material changes to the Contracts Register.

### b. Contract Register Reporting

The Contract Register will be reviewed:

- Monthly by the Director Finance & Accounts;
- Quarterly by the Senior Executive Group;
- Annually by the Audit & Risk Committee and the result of the review reported to the Council;

The annual review will include:

- Contract concentration risk;
- Contracts requiring re-tendering;
- Supplier performance and value for money; and
- Compliance with procurement and delegation requirements.

### c. Unbudgeted and Emergency Expenditure Reporting

Material unbudgeted and emergency procurement, significant procurement exceptions and their cumulative financial impact must be included in the monthly Management Report. The Finance & Accounts Director must escalate material matters to the Senior Executive Group, Audit & Risk Committee and Council through the applicable reporting cycle. Routine matters that remain within an approved budget and delegation may be recorded in the Procurement or Contracts Register without separate governance reporting.

**Third-Party and Outsourced Services**

- Where procurement involves a third party delivering a function or service that contributes to KOI's higher education operations, KOI remains accountable for meeting applicable legal and regulatory obligations. The relevant business owner must ensure that the arrangement includes appropriate service standards, monitoring, access to information and records, incident and breach notification, audit/assurance rights, subcontracting controls and termination/transition arrangements proportionate to the service and risk.
- Outsourcing or contracting does not transfer KOI's responsibility for the quality, safety, integrity or regulatory compliance of the activity. Material third-party risks must be incorporated into relevant business and enterprise risk management and escalated where required.

## 14. Conflict of Interest

- Delegates must not exercise authority or be involved with a tender where a conflict of interest exists. No delegate may approve a transaction that results in a direct or indirect personal benefit. Conflicts must be declared and managed in accordance with the Conflict of Interest Policy.
- Non-compliance with the Conflict of Interest Policy, in particular any connection or collusion with a supplier, is considered a serious act of misconduct and will involve disciplinary action, including the potential for dismissal and referral to law enforcement authorities and regulatory bodies.

## 15. Contract and MOU Distinction

- Delegates must distinguish between legally binding contracts and a non-binding Memorandum of Understanding (MOU).
- Contracts are legally binding agreements involving financial commitments that create enforceable rights and obligations between KOI and a supplier and is subject to contract law. All contracts must comply with delegation limits and be reviewed in accordance with this Policy.
- MOUs are generally not legally binding and are used to outline intentions, expectations, or cooperative agreements between parties without creating enforceable financial obligations.
- While a MOU may describe roles, responsibilities, or shared objectives, it does not replace a contract where goods, services, financial commitments or legal obligations are involved. Where there is any exchange of value, risk or deliverables, a formal contract must be executed rather than an MOU.

## 16. Financial Controls and Payment

All procurement-related payments must comply with KOI's financial control framework to ensure accuracy, accountability, and protection against fraud or misuse of funds. Payments may only be made after goods or services have been received, verified, and approved in accordance with this policy and the Delegations Policy. The Director Finance & Accounts must confirm that the supplier is valid, the contract or purchase order is in place, and the expenditure aligns with the approved budget or approved unbudgeted expenditure process. All invoices must be supported by appropriate documentation, including itemised tax invoices, delivery confirmations, and evidence of contract compliance. Payments must be processed through approved financial systems, with segregation of duties maintained between purchasing, approval, and payment functions. Under no circumstances may payments be made in cash, to personal accounts, or outside approved payment channels.

## 17. Credit Card Usage

- KOI issued credit cards may only be used for approved business purposes. Credit card expenditure must comply with all procurement thresholds, the Delegations Policy, Delegations Register and documentation requirements as set out in this Policy.
- Cardholders are responsible for ensuring that all transactions are legitimate, supported by itemised tax invoices, and recorded in accordance with KOI's requirements.
- Credit cards must not be used to bypass procurement processes, split purchases to avoid thresholds, or incur personal expenditure under any circumstances.
- Credit card limits do not override substantive delegation limits. Approval of credit card payments must be undertaken by a supervisor holding appropriate delegation authority.
- Misuse of a KOI credit card may result in disciplinary actions and, where appropriate, recovery of funds.

## 18. Monitoring and Compliance

Compliance with this Policy and the effectiveness of procurement controls will be monitored through management reporting, exception reporting, contract and supplier performance monitoring, risk oversight, compliance assurance and internal audit activity as appropriate. Material or systemic deficiencies must be subject to corrective action and reported through the relevant governance pathway.

Non-compliance may result in cancellation or remediation of the procurement, withdrawal of delegation, disciplinary action, recovery of loss, contractual remedies, enhanced monitoring or referral to an appropriate regulatory or law-enforcement body. Deliberate purchase splitting, undisclosed conflicts, unauthorised commitments, false records or intentional circumvention of controls are serious breaches of this Policy.

## 19. Relevant Legislation

Procurement activities must comply with:

- Australian Consumer Law (Cth)
- Corporations Act 2001 (Cth)
- Modern Slavery Act 2018 (Cth)
- Work Health and Safety Act 2011 (NSW)
- Privacy Act 1988 (Cth)
- Higher Education Standards Framework (Threshold Standards) 2021, as amended in 2026, including where relevant:
- Standard 5.4 Delivery with Other Parties
- Standard 6.2 Corporate Monitoring, Assurance and Controls
- Standards 6.5 Governance Structures and Accountabilities; 6.9 Lawful, Ethical and Responsible Operations; 6.11

Risk Management; and 7.3 Information Management

## 20. Review and Continuous Improvement

This Policy will be reviewed at least every two years, and earlier where there is a material change to legislation, the Higher Education Standards Framework, KOI's risk profile, delegations, procurement operating model, audit findings or material procurement/contract-management failures. The review will consider both policy currency and evidence that the procurement control framework is operating effectively.

**Document control**

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| Policy title | Procurement Policy |
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