Government of **Western Australia**
WA Country Health Service

iProcurement Purchasing Governance and Segregation of Duties Policy

1. Purpose

The purpose of this policy is to provide a governance framework for WA Country Health Service (WACHS) purchasing activities initiated through Oracle iProcurement to ensure efficient, ethical, and compliant purchasing procedures while aligning with strategic goals and risk management practices.

This policy sets out the principles and governance requirements for accountabilities relating to the creation and approval of purchase requisitions, creation and approval of purchase orders, receipting, incurring, and certifying as well as the segregation of duties in addition to the related monitoring of these activities for WACHS.

Policy and processes surrounding purchases using Corporate Purchasing Cards (PCards) (Purchasing Card Procedure, Purchasing Card Audit Procedure) and Direct Payments at WACHS are excluded from this policy.

2. Policy

Unless exempted by the Office of the Chief Procurement Officer, purchasing transactions greater than $50,000 ($50k) must go through a formal procurement process MP 0161/21 Procurement and Contract Management Policy. Furthermore, contract (including common use arrangement (CUA) where applicable), non-contract and capital works expenditure must have a Purchase Order requested via iProcurement, rather than as a Direct Payment (processed as non-supply invoices utilising red, orange and green stamping of invoices i.e. without the use of a Purchase Order). PCard's should be used for payments against contracts only where there is relatively low total expenditure (ie. <$50k) with a high volume of low transaction values. Exclusions to maximise purchasing compliance with respect to Direct Payment should be submitted to WACHS Director Finance Operations for subsequent consideration approval by Health Support Services (HSS).

All purchases made in iProcurement must be:
- based on a clearly identified and documented business need
- made with consideration of total current and future expenditure with suppliers and in alignment with Western Australia's Procurement Rules (ie. over $50k with a single supplier requires a formal procurement process to be undertaken)
- approved by an authorised delegate before the goods and services are purchased, in accordance with the thresholds outlined in the WACHS Authorisation Schedule
- authorised by the operational area that will incur the transaction with due consideration of segregation of duties; specifically:
  o no WACHS staff member may create and approve their own purchase requisition
  o no officer may be the purchase requisition approver, purchase order creator and the receiver
- subject to suitable controls (e.g., operational and/or financial endorsement) to ensure the legitimacy and accuracy of payments and transfers

- attributable to a pre-identified cost centre and/or account code and all reasonable attempts must be made to cost in line with cost centre business rules to avoid the use of distribution journals (where a purchase requisition is raised with one line cost centre and the costs are later distributed across other cost centres)
- requisitioned, approved, received, and processed in accordance with segregation of duties (see Segregation of Duties)
- paid in a timely manner once an invoice is received from a supplier as outlined in the Treasurer's Instructions - Requirement 5.3.

2.1 Segregation of Duties

There are six distinct and separate actions in the purchasing process:
- Requisition Creator (in iProcurement)
- Requisition Approver
- Purchase Order Creator or Approver (note: this could be the same person)
- Receiver
- Incurring Officer
- Certifier.

This policy states that:
- the requisition creator and requisition approver may not be the same individual
- the requisition approver, purchase order creator and receiver may not be the same individual.

Further details relating to the above actions can be found in Roles and Responsibilities.

2.2 Reporting

The following tools are to be used for reporting and oversight of all WACHS purchases:
- HSS Procurement Analytics Dashboard contains:
  - purchasing analysis, spend analysis, performance, and compliance domains
  - analysis on purchasing pathways used (including Standing and Standard Purchase Orders as well as use of the more restricted Pay-Only Pathway.
- WACHS Purchasing Key Performance Indicator (KPI) report contains:
  - volume and value KPIs for WACHS that are extracted from the data presented in the HSS Procurement Analytics Dashboard
  - the number of active contracts in the Procurement Development and Management System (PDMS) with purchase orders created
  - compliance statistics for those WACHS staff on the WACHS purchasing hierarchy that have completed the iProcurement eLearning Course in MyLearning.
- WACHS Purchase Order Performance Dashboard
- HSS Procurement & Supply Search Tools contains:
  - an overview of Standing Orders (eg. number of purchase orders, value ordered and expiry profile)
- HSS Invoices On-Hold – WACHS Dashboard
- Monthly emails sent by HSS on Standing Purchase Orders that have had either 80% of their value exceeded or are within two months of expiry.

2.3 Training

The following eLearning packages provide an overview of the iProcurement system for new and existing users of iProcurement and these are available through MyLearning:
- mandatory requirement - iProcurement eLearning course: for all WACHS employees who are new and existing users and are on iProcurement hierarchies
- optional training - iProcurement Online Job Aids.

iProcurement access will not be provided to new users without completion of the above mandatory training requirement. Further, existing iProcurement users must have completed training by three (3) months post policy approval otherwise their access will be cancelled.

3. Roles and Responsibilities

The **Director Finance Operations** is responsible for**:**
- managing and driving performance improvement based on results from the WACHS Purchasing KPI Report and the WACHS Purchase Order Performance Dashboard on a monthly basis
- informing the WACHS Chief Finance Officer of any results that are of concern
- identifying any incidences of self-approved requisitions whereby the purchase requisition approver, purchase order creator and receiver have been the same officer conducting quarterly reviews of any self-approved requisitions
- ensuring that all reporting is in place to support the adherence and oversight with this policy
- ensuring compliance with this policy (including being the escalation point for non-compliance with this policy).

The **Director - Procurement and Contract Management Directorate (PCMD)** is responsible for ensuring:
- all active contracts in PDMS and CUA's where applicable, have a Purchase Order created unless there is approval provided by the Director Finance Operations (eg. for PCard use for contracts with relatively low expenditure or a Standard Order will be raised in the future)
- ongoing continuity in Purchase Orders created for active WACHS contracts in PDMS
- all new contracts have a Purchase Order created within one (1) month of contract award
- all Purchase Orders have the correct contract number (as named in PDMS) referenced in the designated contract number field in iProcurement
- automated Purchase Order expiry emails generated by HSS are acted upon
- automated emails flagging self-approvals are sent to the WACHS staff member involved.

The **Oracle Information Custodians** are typically WACHS Finance Managers and these custodians are responsible for:
- authorising Oracle access with appropriate cost centre coverage [User Access Request (SA01)/Position Hierarchy Maintenance (SA02) forms]
- audit and accountability of access including access review
- processing deactivation requests from line managers (due to terminations and staff movements)

- maintaining and quarterly auditing of the iProcurement Purchase Requisition hierarchies (for operational and capital entities) in accordance with the WACHS Authorisation Schedule
- compilation and maintenance of appropriate records relating to the above auditing requirements of the iProcurement hierarchy
- ensuring that iProcurement training is completed by existing and new iProcurement users
- review of the iProcurement eLearning course completion statistics to ensure adherence to mandatory training requirements.

The **Purchase Requisition Creator** is responsible for:
- identifying the requirement for the purchase of goods and services
- determining the appropriate purchase pathway to use as per Financial Management Manual (FMM) s601
- raising purchase requisitions via iProcurement with correct cost centre and account code detail and seeking approval from the appropriate authorised delegate
- ensuring all purchase requisitions are clearly describing what is being ordered including contract numbers and quote reference numbers, also ensuring the quantities and dollar values are accurate
- ensuring any relevant quotations and supporting documentation is attached to the purchase requisition
- ensuring that a reasonable attempt has been made to undertake an appropriate forecast of the amount required
- contacting PCMD via email (to wachs.pcmd@health.wa.gov.au) if the forecasted expenditure for the purchase requisition exceeds $50k (consideration must be given to contingency) and there is no contract in place. Therefore, flagging the need for a formal procurement process to establish a contract. Furthermore, instances of split purchases (eg. repeated <$50k purchase requisitions with the same supplier) needs to be raised with PCMD if there is no contract in place.

The **Purchase Requisition Approver** is responsible for:
- ensuring that they are the appropriate approver of the purchase requisition in question
- reviewing the request (e.g. details such as appropriate purchasing pathway and ensuring appropriate documentation is included in the request, cost centres are appropriate) and approving the purchase requisition via iProcurement
- considering if any potential, perceived and/or actual conflicts of interest for the requested purchase exist and actioning accordingly
- flagging any issues against policy relating to the creation of purchase requisitions.

The **Purchase Order Creator** is responsible for:
- reviewing the request and considering if there are any potential, perceived and/or actual conflicts of interest for the requested purchase and taking appropriate escalation
- undertaking appropriate due diligence if a new supplier is being requested to be added to the Oracle system (termed an Oracle Supplier Registration – see Section 4 of HSS Supplier Master Data Management - Process) when initiated by a purchase request. This due diligence could include:
  - checking a new supplier's contact details such as their ABN, email and/or phone number with methods such as performing an ABN lookup, phoning the new supplier, and undertaking an internet search for a website, respectively

- o checking where possible, whether a perceived, potential and actual conflict of interest exists with any WACHS staff member and escalating if required.
- creating the purchase order in Oracle and transmitting the order to the supplier if required
- maintaining the purchase order (in consultation with the business unit) in the Oracle system and ensuring the purchase order is closed when fully acquitted or past the purchase order need-by date
- where there is a variance between the purchase requisition and purchase order values advice as per FMM s603 and s604 should be followed.

Any **WACHS Employee at site** who processes an invoice against a Purchase Order must ensure that:
- invoices are only processed when all requirements to pay the invoice have been satisfied and evidenced
- invoices are reconciled with contracts or agreement to ensure that rates, sums payable etc are correct
- stamps applied to the invoice do not obscure important invoice details including, but not limited to; the invoice number, date, amount or the supplier details.

The **Receiver** who is located at a WACHS site is responsible for ensuring that:
- the received stamp is applied to tax invoices, to demonstrate operational and/or financial endorsement i.e.:
  - o there is a valid claim
  - o the goods and services have been satisfactorily supplied and/or performed
  - o the rates and quantity of goods/service are correct
- If the officer is unable to provide such endorsement themselves, the tax invoice must be endorsed (orange endorsement stamp) by officer/s who can, or returned to the provider for correction
- invoices are; receipted against the correct line of the purchase order and the allocated expenditure outlined on the costing and information stamp is fully reconciled, so that the likelihood that the invoice being placed on-hold is minimised
- for Standing Purchase Orders the purchase order number, purchase order line(s), allocated expenditure, and receipt number have been evidenced on the invoice
- if the invoice value is greater than the value remaining on a Purchase Order and therefore cannot be processed, then the requisition creator is contacted to create another purchase requisition and that this is completed in a timely manner.

The **Incurring Officer** (WACHS Accounts Payable Co-Ordinator/Accounts Payable Team Leaders and Accounts Payable Officers) relies upon employees at WACHS sites to endorse/receipt invoices. However, this function still requires the following before processing an invoice for payment:
- the payment has been properly authorised in accordance with the delegation arrangement in place within the agency, including receipt of appropriate evidence that the goods or services have been received in line with requirements and are invoiced in accordance with agreed rate, via application of the received stamp
- the creditor's name, address and any other relevant identifying information are correctly recorded (ie. there is a tax-compliant invoice)
- determine whether payment in advance is required
- payment or transfer charges, calculations, account to be charged, rates of charges and classification are correct and have been evidenced on the invoice
- a discount for early payment has been considered, if applicable

- liaising with stakeholders regarding identification of invoices on-hold.

The **Certifying Officer** (HSS):
- ensures that money is lawfully available for making the payment
- carries out their responsibilities as detailed above including, ensuring the requirements outlined in the Treasurer's Instructions – Requirement 1 - Financial Administration Bookcase (FAB) are adhered to.

All staff are required to comply with the directions in WACHS policies and procedures as per their roles and responsibilities. Guidelines are the recommended course of action for WACHS and staff are expected to use this information to guide practice. If staff are unsure which policies procedures and guidelines apply to their role or scope of practice, and/or are unsure of the application of directions, they should consult their manager in the first instance.

4. Monitoring and Evaluation

The **Director Finance Operations** is responsible for monitoring the results from the WACHS Purchasing KPI Report, the WACHS Purchase Order Performance Dashboard and the eLearning compliance dashboard on a monthly basis and addressing appropriately, any areas of non-compliance with this policy. Where there are no standard reports or dashboards there may be a requirement for audit.

5. References

Nil.

6. Definitions

Term	Definition
Purchase Requisition	A purchase requisition is an internal document created in iProcurement used to seek approval to purchase goods or services, or in the case of Pay-Only requisitions to make a payment.
Purchase Order	A purchase order is a document raised by a purchasing unit for a supplier requesting the provision of goods and/or services, generally specifying the type, quantity and price of goods and/or services. A Purchase Order can be any of the following type: • Standard • Standing • Pay-Only • Consignment.
Standard Order	A standard order is an order for a fixed quantity/value. Amounts for the purchased item can be determined by: • quote provided by the supplier • purchasing from catalogued Health Contracts within iProcurement • email or verbal price from supplier.
Standing Order	A standing order is raised for an approved requisition for a specified period of time (12 months is recommended) where the purchase item is ordered in repeated cycles directly from the supplier. Mandatory for all contracts established via a formal procurement process (recommended 12 months aligning with contract anniversary dates), unless otherwise excepted.
Pay Only Order	Pay only order is used for payment only and is a highly restricted pathway.
Segregation of Duties	Segregation of duties is the limiting of the performance to only one of the following functions (unless requisition creator and receiver) in relation to a payment or transfer: • Requisition Creator (in iProcurement) • Requisition Approver • Purchase Order Creator or Approver • Receiver • Incurring Officer • Certifier
Claim	A claim refers to a creditor's invoice, contract agreement or any other document evidencing the supply of goods or services. In the case of grants, the 'claim' may be evidenced by a letter of other appropriate document (New Treasurers Instructions – Chapter 5)

7. Document Summary

Coverage	Whole of WACHS
Audience	All WACHS Staff
Records Management	Non Clinical: Corporate Recordkeeping Compliance Policy Clinical: Health Record Management Policy
Related Legislation	Nil
Related Mandatory Policies / Frameworks	• MP 0161/21 Procurement and Contract Management Policy • Procurement Policy Framework
Related WACHS Policy Documents	• Review of Outstanding Purchase Order Reports Procedure
Other Related Documents	• Chart of Accounts Manual • Fees and Charges Manual • Financial Management Manual (FMM) and Treasurers Instructions (2024) (available at: Financial Administration Bookcase) • WACHS Authorisation Schedule
Related Forms	Nil
Related Training	Available from MyLearning: • iProcurement eLearning (Mandatory for all iProcurement users)
Aboriginal Health Impact Statement Declaration (ISD)	ISD Record ID: 4223
National Safety and Quality Health Service (NSQHS) Standards	Nil
Aged Care Quality Standards	Nil
Chief Psychiatrist's Standards for Clinical Care	Nil
Other Standards	Nil

8. Document Control

Version	Published date	Current from	Summary of changes
1:00	7 July 2025	7 July 2025	new policy

9. Approval

Policy Owner	Executive Director Business Services
Co-approver	Nil
Contact	Director Finance Operations
Business Unit	WACHS Business Services
EDRMS #	ED-CO-25-53918

This document can be made available in alternative formats on request.