



# Local Government Procurement Professionals Masterclass Webinar Series

Part 2. Mastering Procurement  
Governance

**Presented by**  
Peter Morichovitis

Thursday 13 February 2025



A woman with grey hair and glasses, wearing a beige blazer, is seated and looking down at a document. A man with a beard, wearing a light blue shirt and a dark tie, is also seated and looking at the same document. They are in an office environment with a lamp and framed pictures in the background. A teal diagonal overlay is present on the left side of the image.

# Who is Peak Services?

# The Relationship between the Entities



Independent systems ensure compliance with regulations supported by annual QAO audit.

Ministerial approval sought for Peak Services to be appointed to a Local Buy Panel.

Both entities independently and wholly owned by the LGAQ.



## Governed by an independent Board of Directors

- Consulting Services
    - Procurement Office
    - Probity and Assurance Office
    - Grant Office
    - Professional Advisory and Energy Services
  - Peak 247
  - Training RTO
  - Legal & Workforce
  - Recruitment
- Pre-qualified Arrangements
  - Procurement Technology & Data Analytics
  - Annual Conference + Summit Series





## Our Purpose

We are here to deliver a contribution to LGAQ and its members and **help local government achieve more.**

## Our People

Are at the heart of everything we do, **they are your team** and bring diverse capability and experience.

## Our Customer

We are **focused on the needs of Queensland Local Government** first and foremost.

# Our Services

		<b>Recruitment Talent Acquisition</b> 	<b>Training eLearning Platform</b> 	<b>Consulting Procurement Office</b> 
<b>Consulting Energy Advisory</b> 	<b>Peak 247 24 Hour Call Centre</b> 	<b>Training Accredited Courses</b> 	<b>Workforce LGAQ IR Helpdesk</b> 	<b>Training Harness Safety</b> 
<b>Recruitment Permanent &amp; Contractors</b> 	<b>Consulting Grant Program Office</b> 	<b>Workforce HR/IR Services</b> 	<b>Consulting Probity &amp; Assurance</b> 	<b>Workforce HR Assist Platform</b> <b>HR</b>
<b>Training Elected Member Training</b> 	<b>Workforce Peak Services Legal</b> 	<b>Training Short Courses</b> 	<b>Recruitment Organisational Consultancy</b> 	<b>Consulting Professional Advisory</b> 

# Peak's Procurement Specialists

*Supported by our broader Consulting and Advisory Team*



**Brian Jackson**  
Director Consulting  
Services



**Peter Morichovitis**  
Principal Advisor - Procurement  
Office & Professional Advisory



**Sonali Cordeiro**  
Senior Advisor - Procurement Office  
Probity and Assurance Office



**Joneil Palenzuela**  
Senior Advisor - Procurement  
Office & Professional Advisory



**Michael Byrne**  
Principal Advisor - Probity and  
Assurance Office



**John Lee**  
Principal Advisor - Procurement Office  
and Probity and Assurance Office



2024

**Thursday  
November 28**

**1. Mastering Procurement Strategy,  
Planning and Performance**

**Thursday  
June 26**

**5. Mastering Sourcing**

2025

**Thursday  
February 13**

**2. Mastering Procurement  
Governance**

**Thursday  
September 18**

**6. Mastering Contract and  
Supplier Relationship  
Management**

**Wednesday  
March 27**

**3. Mastering Probity**

**Thursday  
August 14**

**7. Mastering Procure-to-  
Pay**

**Thursday  
May 8**

**4. Mastering the  
Organisational Interface**

**Thursday  
November 27**

**8. Mastering Procurement  
Technology**

**Register here: [wearepeak.com.au/events-1](https://wearepeak.com.au/events-1)**



# The 6 Building Blocks for Enhancing Local Government Procurement







## #2. Mastering Procurement Governance

# Topics for Masterclass #2

1. What is procurement governance?
2. What are the benefits of procurement governance?
3. What are the essential components of a procurement governance framework?
4. What is the 'right' procurement structure and operating model?
5. How does probity fit in?
6. What does good procurement governance look like?



# 1. What is Procurement Governance?

## Procurement Governance:

**Control and direction** for an organisation's procurement function via a framework of **formal structures, mandates, policies, operating procedures, delegations** and **other decision-rights**.

### Other governance areas

- Finance
- ICT
- HR
- Planning
- WHS
- Risk



# Topics for Masterclass #2

1. What is procurement governance?
2. What are the benefits of procurement governance?
3. What are the essential components of a procurement governance framework?
4. What is the 'right' procurement structure and operating model?
5. How does probity fit in?
6. What does good procurement governance look like?





## 2. Benefits of (good) Procurement Governance

### 1. Compliance and Accountability

**Regulatory compliance:** ensures adherence to laws, acts and regulations.

**Audit readiness:** transparent processes with clear documentation make audits smoother and less disruptive.

**Ethical accountability:** establishes a culture of integrity where decisions can be traced and justified.

### 2. Reputation and Public Trust (especially in Government)

- **Transparency builds trust:** public access to procurement data reduces perceptions of favouritism or corruption.
- **Credibility with stakeholders:** demonstrates fiscal responsibility to taxpayers, investors, donors, and regulatory bodies.
- **Social Impact:** enables socially responsible procurement, such as supporting local businesses, indigenous suppliers, or environmentally sustainable products.

## 2. Benefits of (good) Procurement Governance

### 3. Financial Benefits

**Cost savings:** identify cost-cutting opportunities (e.g. through competitive bidding, leveraged purchasing, and strong supplier negotiations).

**Value for money:** not just the lowest price but the best combination of cost, quality, and service.

**Budgetary control:** strong governance reduces overspending, cost overruns, and budget leakage through better forecasting and spending discipline.

### 4. Risk Mitigation

**Fraud and corruption prevention:** Clear rules, segregation of duties, and audit trails reduce opportunities for unethical behaviour.

**Contract risk reduction:** standardised contracts and legal reviews minimise the risk of disputes, penalties, and non-performance.

**Supply chain resilience:** better risk assessment identifies potential supply chain vulnerabilities early, improving continuity during crises (e.g. pandemics, natural disasters).

## 2. Benefits of (good) Procurement Governance

### 5. Operational Efficiency

**Streamlined processes:** reduces administrative bottlenecks through automation, standardised workflows, and clear decision-making hierarchies.

**Faster procurement cycles:** well-defined roles and approval authorities speed up procurement timelines without compromising controls.

**Continuous improvement:** data-driven decision-making enables the refinement of procurement strategies based on performance analytics.

**Policy adaptability:** a strong governance framework provides mechanisms to update procurement policies quickly in response to regulatory or market changes.

**Agility in crisis:** strong governance structures can be designed to allow for rapid procurement in emergencies while maintaining necessary checks and balances.

## 2. Benefits of (good) Procurement Governance

### 6. Strategic Value-add

**Superior procurement planning:** strong governance includes procurement planning as an enabler for a robust end-to-end source-to-contract process.

**Market competitiveness:** transparent tendering processes attract a broader pool of suppliers, enhancing competition and driving better outcomes.

**Innovation enablement:** Strong governance frameworks allow for the adoption of new technologies and sustainable practices.

**Supplier Relationship Management:** Encourages long-term, strategic partnerships with suppliers, leading to better service levels and innovation.

**Training and capacity building:** provides staff with regular training on procurement policies, procedures, and best practices and offers mentoring and support to staff involved in procurement activities.



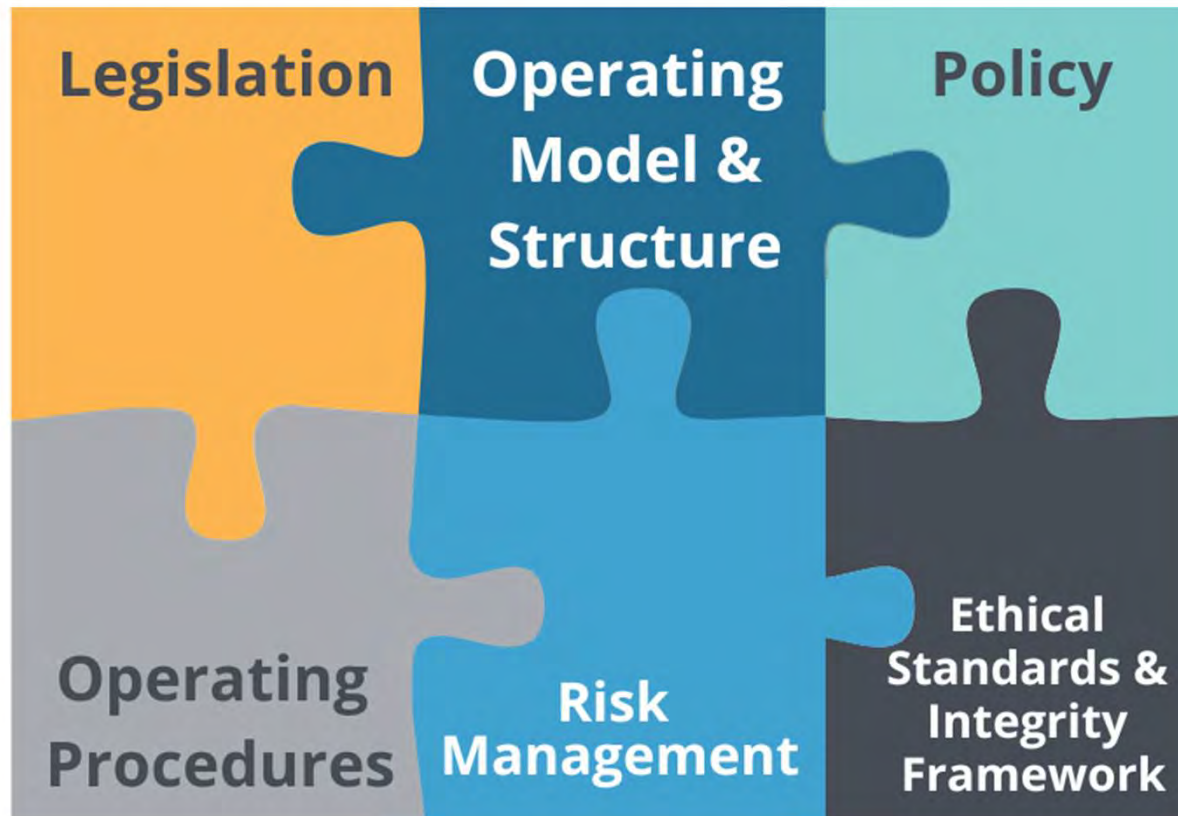
# Topics for Masterclass #2

1. What is procurement governance?
2. What are the benefits of procurement governance?
3. What are the essential components of a procurement governance framework?
4. What is the 'right' procurement structure and operating model?
5. How does probity fit in?
6. What does good procurement governance look like?



### 3. Essential Components:

#### Procurement Governance Framework



### 3. Essential Components:

#### Procurement Governance Framework



# Legislation



Local Government Act 2009 (Qld)			Local Government Regulation 2012 (Qld)	
A New Tax System (Goods and Services Tax) Act 1999 (Cth)	Financial Accountability Act 2009 (Qld)	Financial and Performance Management Standard 2019 (Qld)	Statutory Bodies Financial Arrangements Act 1982 (Qld)	Right to Information Act 2009 (Qld)
Public Sector Ethics Act 1994 (Qld)	Competition and Consumer Act 2010 (Cth)	Fair Trading Act 1989 (Qld)	Trade Practices Act 1974 (Cth)	Crime and Corruption Act 2001 (Qld)
Work Health and Safety Act 2011 (Qld)	Work Health and Safety Regulation 2011 (Qld)	Environmental Protection Act 1994 (Qld)	Information Privacy Act 2009 (Qld)	Human Rights Act 2019 (Qld)
Queensland Building and Construction Commission Act 1991(Qld)	Queensland Building and Construction Commission Regulation 1991(Qld)	Building and Construction Industry Payment Act 2004 (Qld)	Building Industry Fairness (Security of Payment) Act 2017 (Qld)	Planning Act 2016 (Qld)



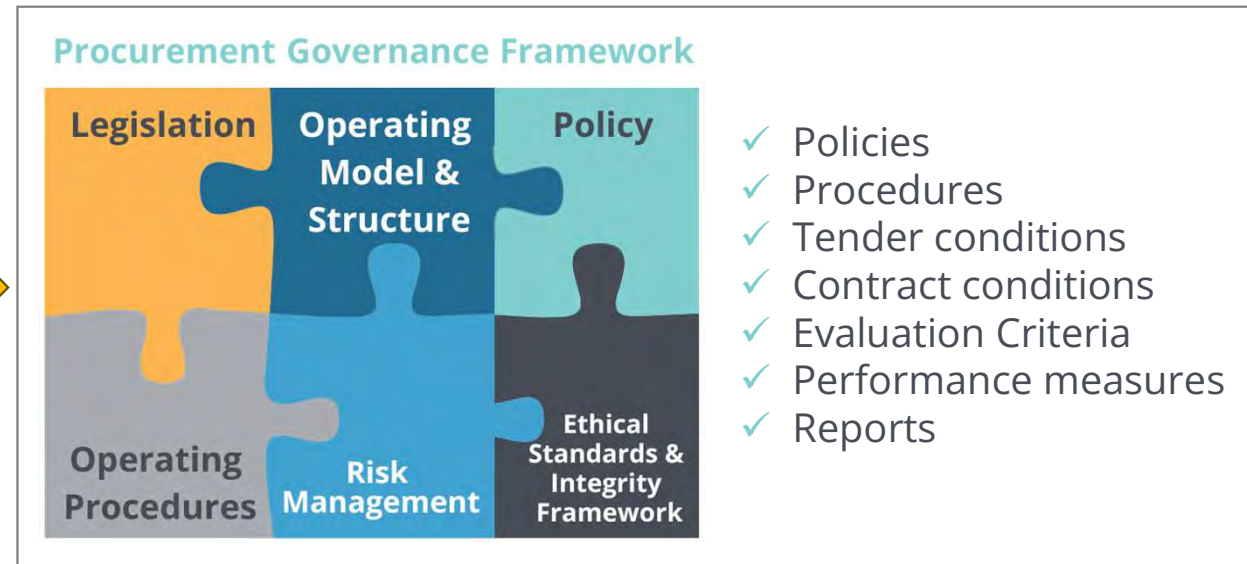


# Legislation

The Legislation needs to be operationalised throughout the Governance Framework to ensure compliance



Local Government Act 2009 (Qld)		Local Government Regulation 2012 (Qld)		
A New Tax System (Goods and Services Tax) Act 1999 (Cth)	Financial Accountability Act 2009 (Qld)	Financial and Performance Management Standard 2019 (Qld)	Statutory Bodies Financial Arrangements Act 1982 (Qld)	Right to Information Act 2009 (Qld)
Public Sector Ethics Act 1994 (Qld)	Competition and Consumer Act 2010 (Cth)	Fair Trading Act 1989 (Qld)	Trade Practices Act 1974 (Cth)	Crime and Corruption Act 2001 (Qld)
Work Health and Safety Act 2011 (Qld)	Work Health and Safety Regulation 2011 (Qld)	Environmental Protection Act 1994 (Qld)	Information Privacy Act 2009 (Qld)	Human Rights Act 2019 (Qld)
Queensland Building and Construction Commission Act 1991(Qld)	Queensland Building and Construction Commission Regulation 1991(Qld)	Building and Construction Industry Payment Act 2004 (Qld)	Building Industry Fairness (Security of Payment) Act 2017 (Qld)	Planning Act 2016 (Qld)



# Legislation

## Default Contracting Procedures

(Local Government Regulation 2012 Chapter 6 Part 3)



### Part 3 Default contracting procedures

#### Division 1 Introduction

##### 223 What [pt 3](#) is about

- (1) This part is about the requirements that a local government must comply with before entering into a contract, unless the local government decides to apply [part 2](#).
- (2) This part applies to a contract for the disposal of land other than trust land, or an interest in trust land, that is the subject of a deed of grant in trust under which an indigenous local government is the trustee.

#### Division 2 Entering into particular contracts

##### 224 What [div 2](#) is about

- (1) This division explains what a local government must do before it enters into—
  - (a) a medium-sized contractual arrangement; or
  - (b) a large-sized contractual arrangement; or
  - (c) a valuable non-current asset contract.
- (2) A **medium-sized contractual arrangement** is a contractual arrangement with a supplier that is expected to be worth, exclusive of GST, \$15,000 or more but less than \$200,000 in a financial year, or over the proposed term of the contractual arrangement.
- (3) A **large-sized contractual arrangement** is a contractual arrangement with a supplier that is expected to be worth, exclusive of GST, \$200,000 or more in a financial year, or over the proposed term of the contractual arrangement.

*Example—*

A contractual arrangement for the supply of a service over a 5 year period that is expected to be worth, exclusive of GST, \$80,000 each year has a total expected value of \$400,000.



# Legislation

## Strategic Contracting Procedures

(Local Government Regulation 2012 Chapter 6 Part 2)



### Part 2 Strategic contracting procedures

#### 217 What pt 2 is about

- (1) This part allows a local government to take a strategic approach to its contracts.
- (2) A *strategic approach* is an approach that identifies potential opportunities.
- (3) However, this part applies to a local government only if it decides to apply the part.
- (4) This part does not apply to a contract for the disposal of land.
- (5) For all other contracts, this part provides an alternative to part 3.



# Essential Components:

## Procurement Governance Framework





# Who does Procurement Report to?

## Quick Poll:

Which area does the Procurement function report to in your council/agency/organisation?

Finance

Legal

Governance

Operations

Other

Unsure



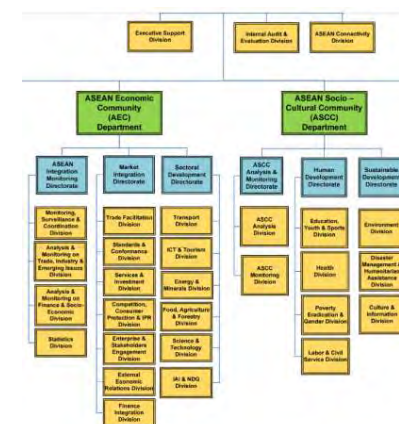
# Operating Model & Structure

2 x Key aspects:

**(a) How Procurement is integrated into the Corporate Planning Process**



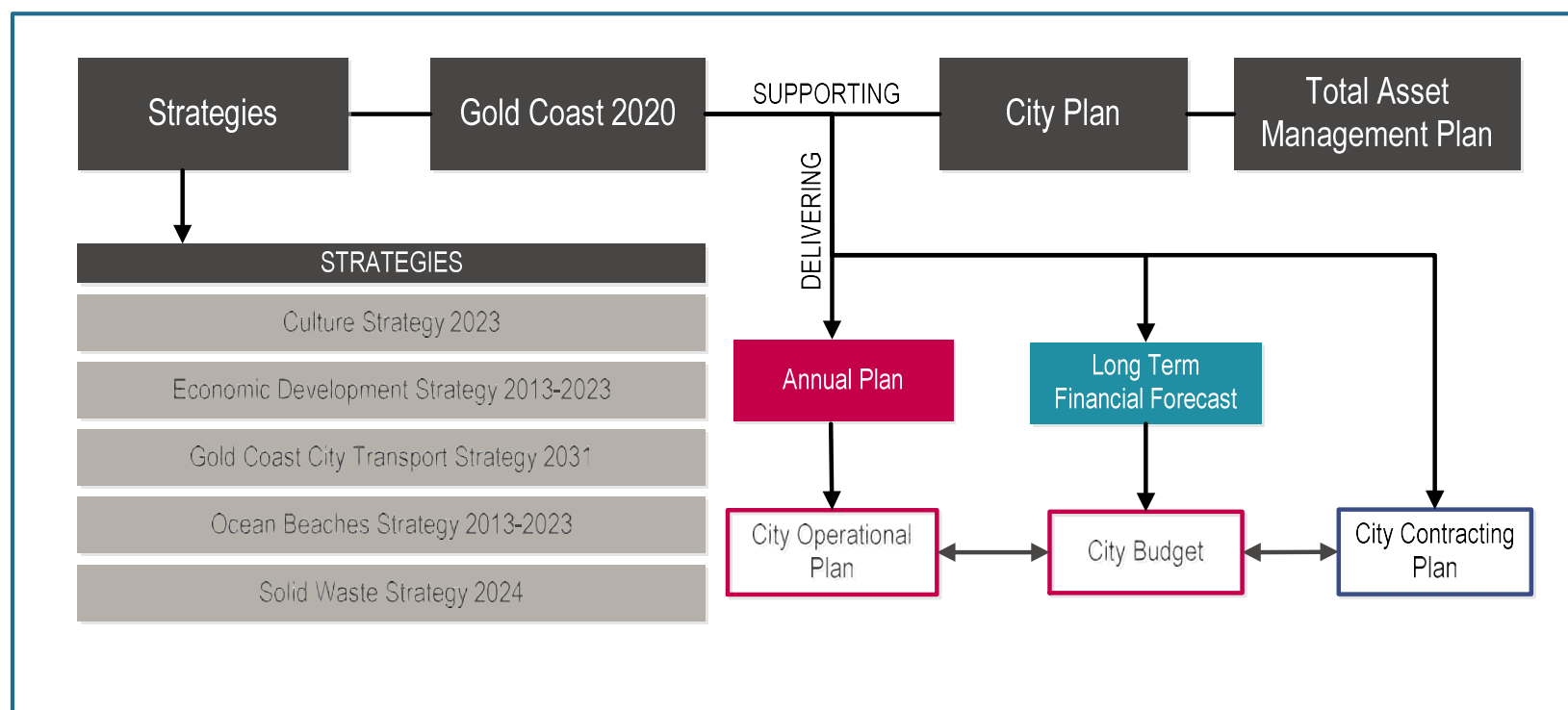
**(b) What is the Procurement Operating Model & Structure**



# Operating Model & Structure

## How Procurement is integrated into the Corporate Planning process

Example: City of Gold Coast 2020





# Operating Model & Structure

## The Procurement Operating Model & Structure

Decentralised



Centre-led



Centralised



So what's the *right* structure for your organisation?



# What is your current procurement operating model/structure?

## Quick Poll:

What is the current procurement operating model/structure for your council/agency/organisation?

Centralised

Decentralised

Centre-led

Other

Unsure

## Topics for Masterclass #2

1. What is procurement governance?
2. What are the benefits of procurement governance?
3. What are the essential components of a procurement governance framework?
4. What is the 'right' procurement structure and operating model?
5. How does probity fit in?
6. What does good procurement governance look like?





# Procurement Value



**1. EFFECTIVENESS**

**2. EFFICIENCY**

**3. CUSTOMER SERVICE**

# Value Drivers



## 1. EFFECTIVENESS

Reducing the TCO of external spend using procurement techniques:

- category management, strategic sourcing, SRM
- TCO includes price, quality, innovation, HSEC, risk, sustainability, legal, reputation
- value for money, procurement savings, cost avoidance, capital spend reductions

1. EFFECTIVENESS

2. EFFICIENCY

3. CUSTOMER SERVICE



# Value Drivers

Reducing costs from within the Procurement function and processes

- Procure-to-pay, source-to-contract
- Process reengineering, technology, automation

## 2. EFFICIENCY

FTEs released due to process efficiencies



1. EFFECTIVENESS

2. EFFICIENCY

3. CUSTOMER SERVICE



# Value Drivers



Providing best value materials and services to internal customers on time, to specification, above expectation and with social responsibility

## 3. CUSTOMER SERVICE

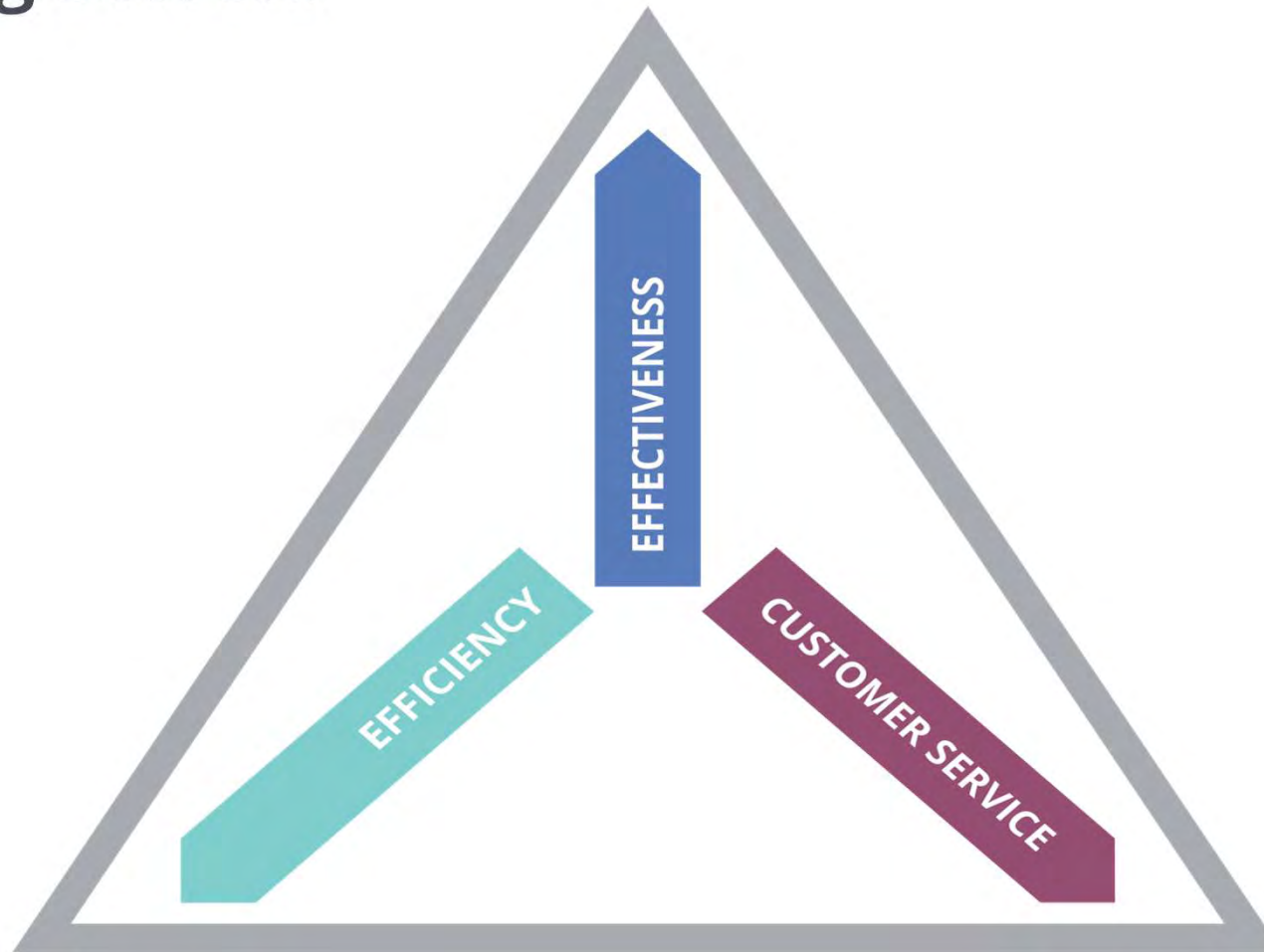
1. EFFECTIVENESS

2. EFFICIENCY

3. CUSTOMER SERVICE



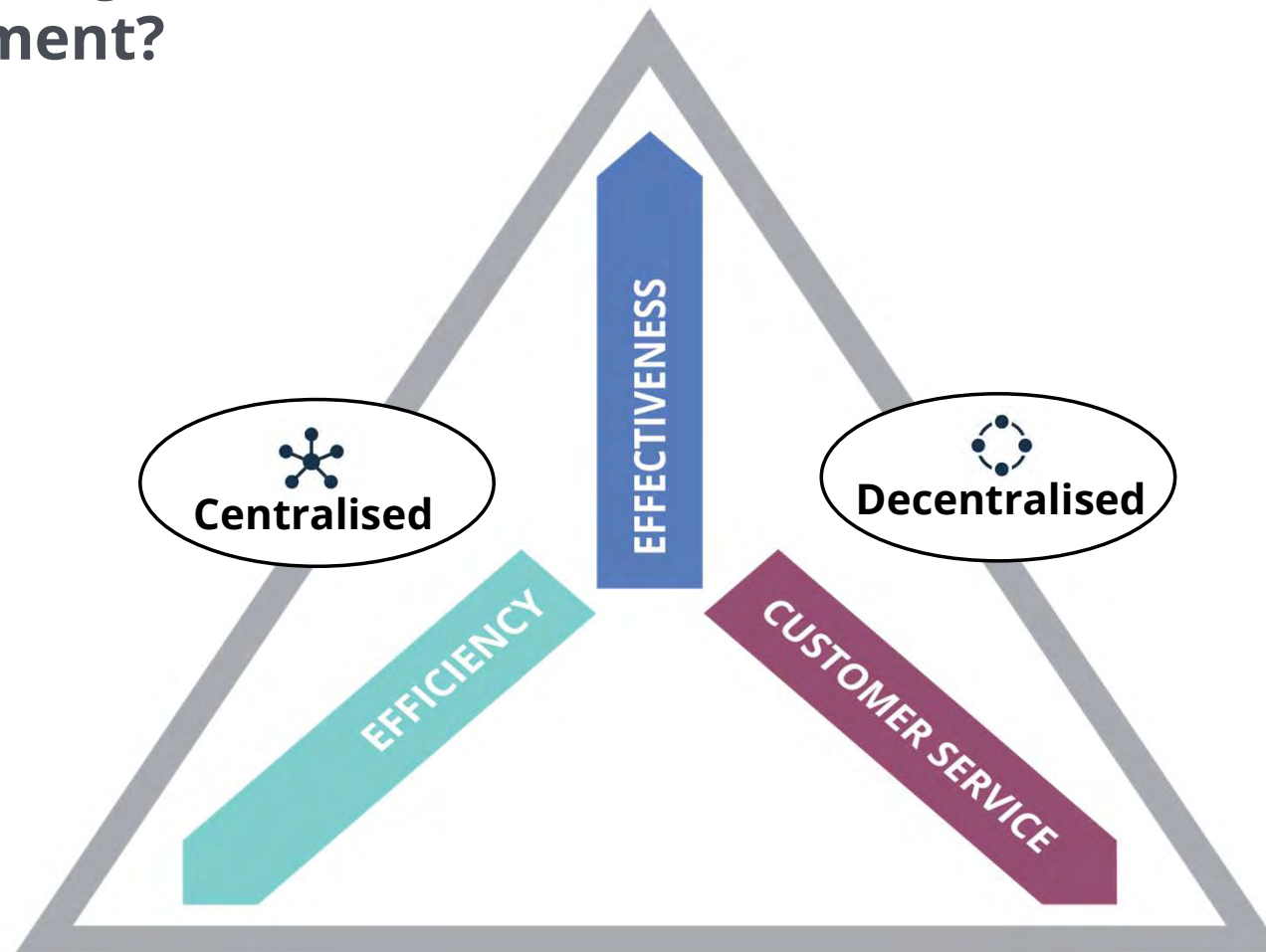
# Competing Drivers



1. EFFECTIVENESS
2. EFFICIENCY
3. CUSTOMER SERVICE



# So what's the *right* structure for Procurement?

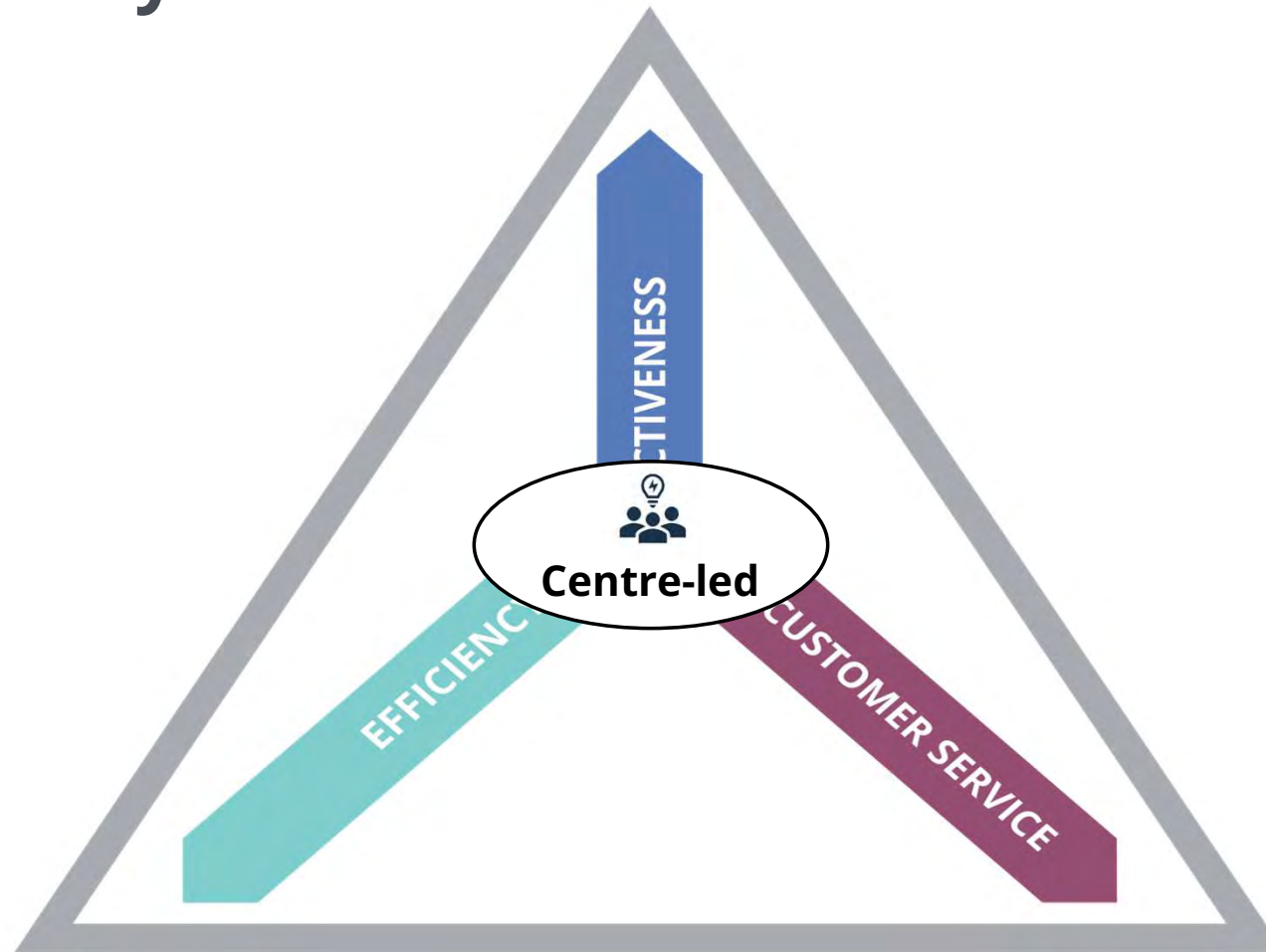


- 1. EFFECTIVENESS
- 2. EFFICIENCY
- 3. CUSTOMER SERVICE





# Centre-led anyone?



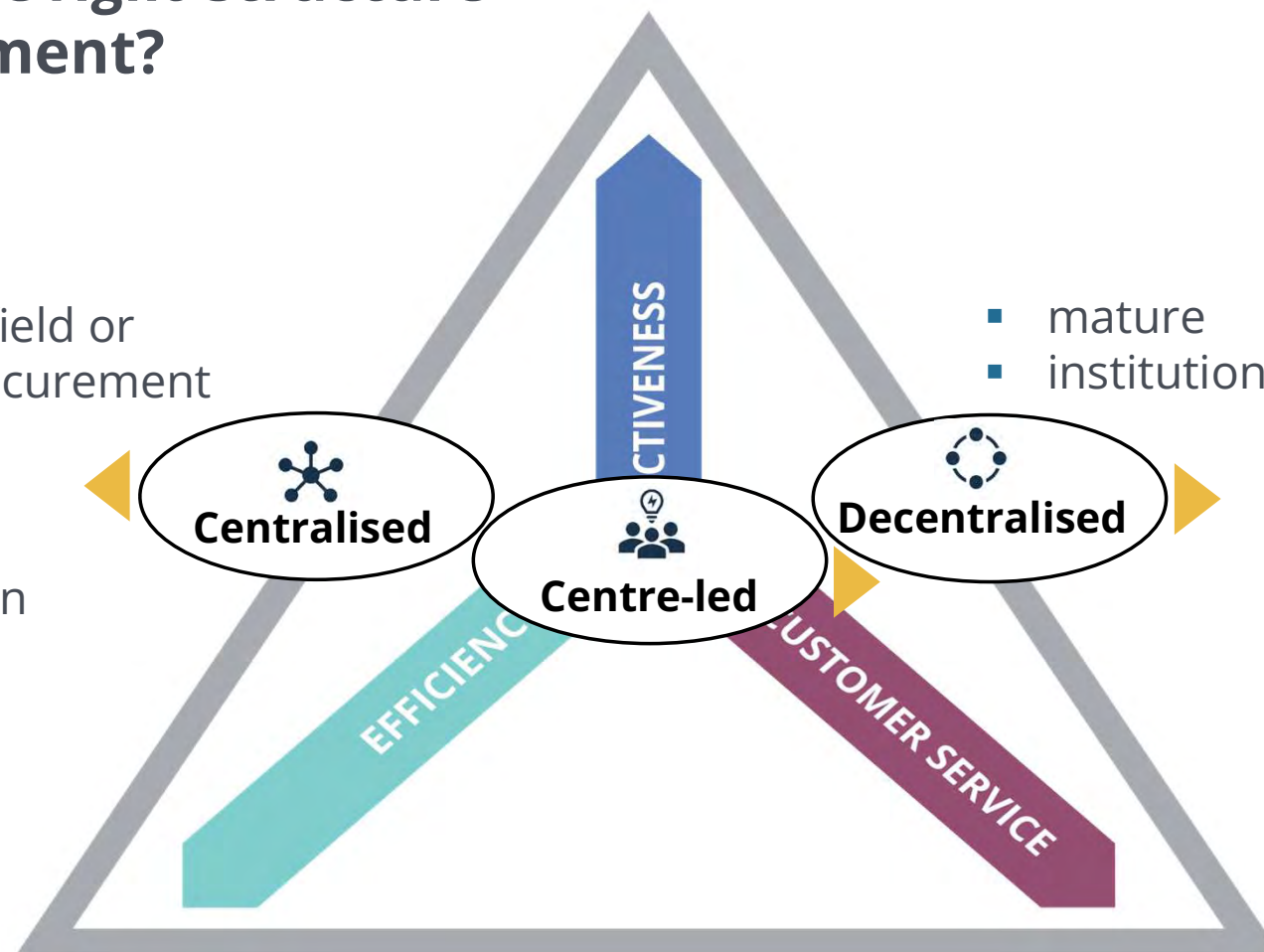
- 1. EFFECTIVENESS
- 2. EFFICIENCY
- 3. CUSTOMER SERVICE





## So what's the *right* structure for Procurement?

- young, greenfield or immature procurement function, or
- rapid procurement transformation is required



- mature
- institutionalised processes

- robust governance model
- corporate culture supports the model

1. EFFECTIVENESS

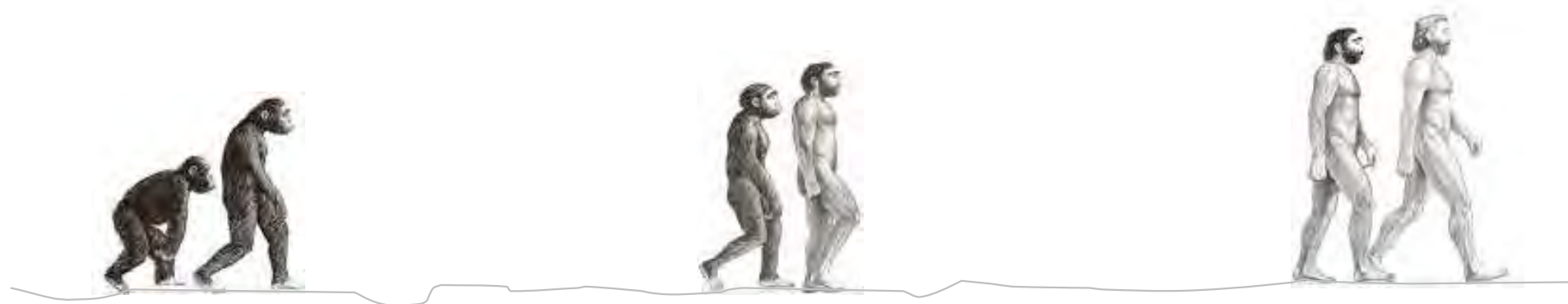
2. EFFICIENCY

3. CUSTOMER SERVICE



# Restructuring procurement to meet the broader strategic direction of the organisation

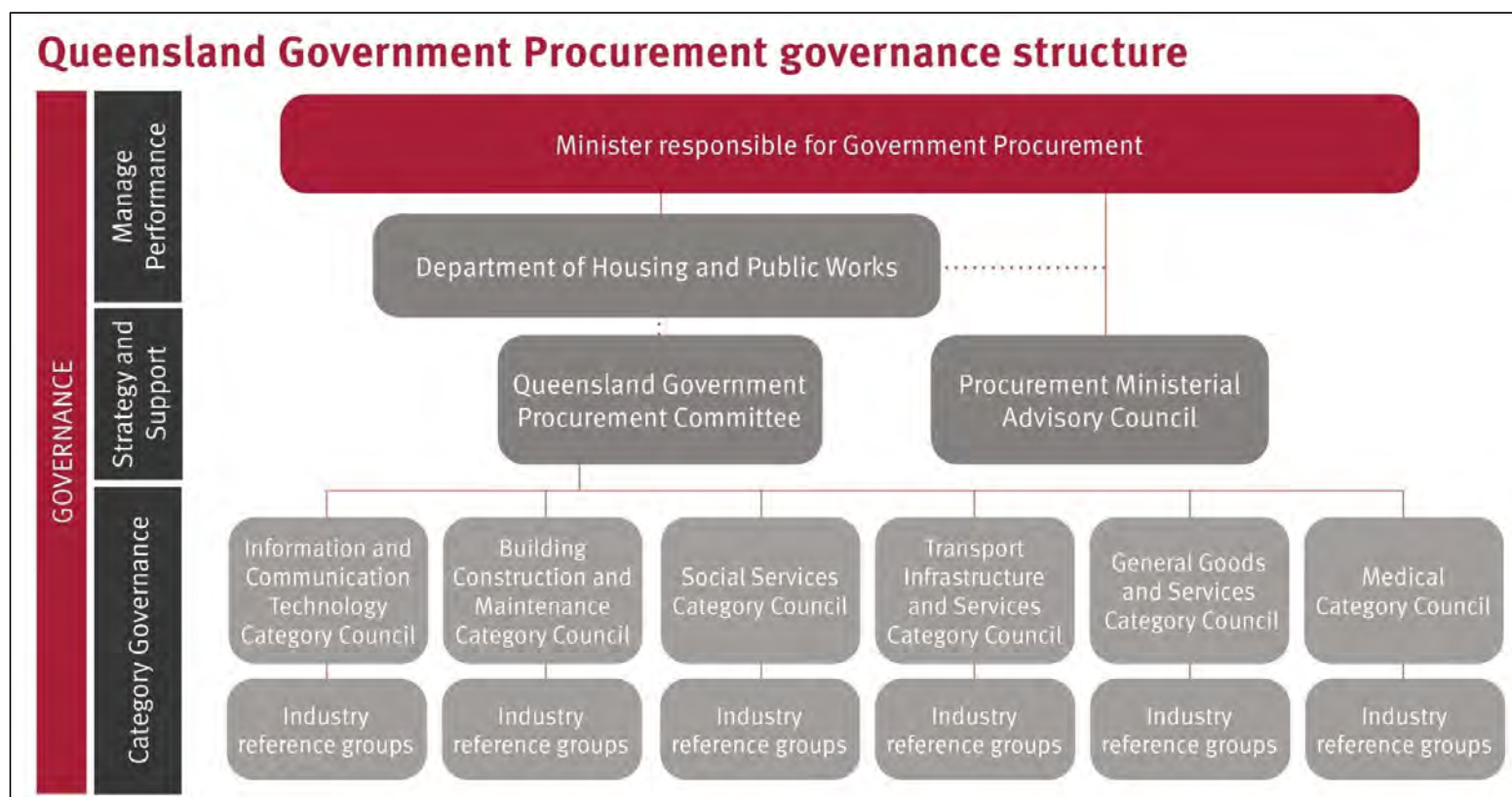
CITY OF  
**GOLDCOAST.**





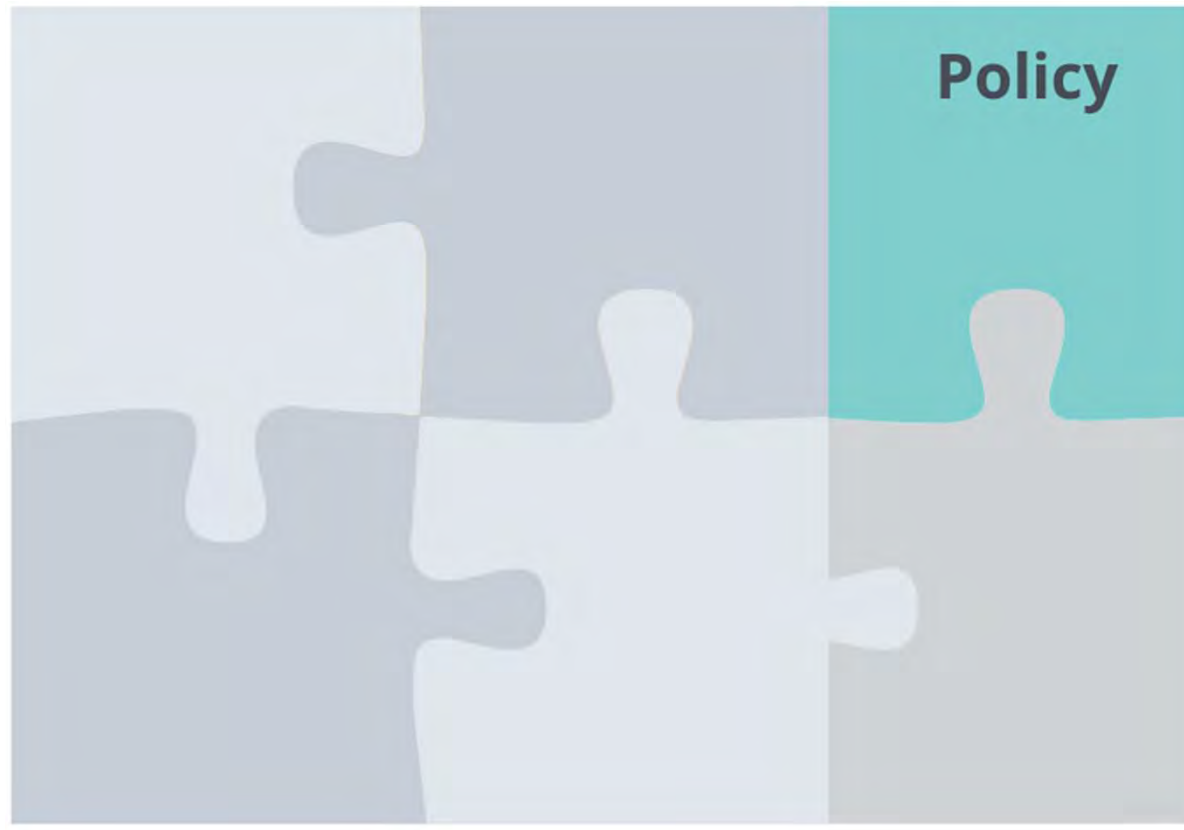
# Queensland Government Structure

**"The Queensland Government has established an agency-led, centrally enabled 'procurement' operating model."**



# Essential Components:

## Procurement Governance Framework





# Policy

## Procurement Policy

- (1) A local government must **prepare and adopt a policy about procurement** (a procurement policy).
- (2) The procurement policy **must include details of the principles, including the sound contracting principles**, that the local government will apply in the financial year for purchasing goods and services.
- (3) A local government must **review its procurement policy annually**.

*S198 Local Government Regulation 2012*

POLICY						CITY OF GOLDCOAST.
<b>Procurement</b>						
<b>Purpose</b>						
This policy outlines the principles for the purchasing of goods and services.						
<b>Scope</b>						
This policy applies to all of Council's procurement activity and all persons involved in procurement or contracting activities on behalf of the Council.						
<b>Policy statement</b>						
1. Council's Procurement Policy, Contract Manual and Contracting Plan are prepared in accordance with the <i>Local Government Act 2009</i> and <i>Local Government Regulation 2012</i> .						
2. Council operates under Chapter 6 Part 2 of the <i>Local Government Regulation 2012</i> which enables it to take a strategic approach to its contracts and requires Council to make and adopt a Contracting Plan each financial year ( <i>Local Government Regulation 2012</i> section 220).						
3. The Procurement Policy, Contract Manual and Contracting Plan must be consistent with each other and the City of Gold Coast Council Plan 2022-2027.						
4. All procurement activities of Council must meet the legislative obligations for the local government principles under section 4 of the <i>Local Government Act 2009</i> , Chapter 6 of the <i>Local Government Regulation 2012</i> .						
The Local Government principles include:						
a. transparent and effective processes, and decision-making in the public interest						
b. sustainable development and management of assets and infrastructure, and delivery of effective services						
c. democratic representation, social inclusion and meaningful community engagement						
d. good governance of, and by, local government and						
e. ethical and legal behaviour of councillors, local government employees and councillor advisors.						
The sound contracting principles include:						
a. value for money						
b. open and effective competition						
c. development of competitive local business industry						
d. environmental protection and						
e. ethical behaviour and fair dealing.						
5. Council will focus on the inclusion of competitive Local Business in the supply chain to support the delivery of the Council Plan 2022-2027.						
6. Council will be transparent with and support its suppliers by ensuring processes are implemented that enable feedback to be provided on all bids (successful and unsuccessful).						
7. Procurement must only be undertaken where there is budget for the expenditure approved in Council's annual budget, or it is otherwise authorised by a Council resolution or legislation.						
Printed copies are uncontrolled. It is the responsibility of each user to ensure that any copies of policy documents are the current issue						
Version	Decision Number	Adoption Date	Next Review Date	Objective #	Responsible Department	
1	G24/DE18.018	18 June 2024	2025	A101203664	Business Services	

Page 1 of 2





# Policy

## More specific procurement policies...



**'Buy local' procurement policy**

**Key points of the 'buy local' policy**

**<\$200,000**

For contracts with the following amounts, quotes will only be issued and received from local businesses or businesses with a branch office on the Gold Coast, at the first instance:

Worked and awarded	1 written quote from a local supplier	2 written quotes from a local supplier	3 written quotes from a local supplier
<\$50,000 (incl. GST)			
>\$50,000, but <\$100,000 (incl. GST)			
>\$100,000, but <\$200,000 (incl. GST)			

**We are open for business**

My Council proudly supports both local businesses and companies who are able to move their operations into the city.

This is why Council has introduced its new 'buy local' procurement policy, which gives Gold Coast businesses a leg up, not a hand out, providing locally sourced goods and services to the local economy, providing jobs and growth for the Gold Coast and the local economy, providing jobs and growth for the Gold Coast.

Council also wants to encourage interstate and international businesses to explore or relocate their operations and headquarters to the city.

1 written or written quote from a local supplier

2 written or written quote from a local supplier

3 written quotes from a local supplier

It could cause businesses or businesses with a branch office on the Gold Coast cannot supply are deemed not capable of meeting Council's requirements as part of the quotation evaluation process, or as deemed not providing value for money as determined by the specific quotation process, then the quotation process can consequently include suppliers from outside of the Gold Coast area.

Register your business today! It's free! [cityofgoldcoast.com.au/buylocal](http://cityofgoldcoast.com.au/buylocal)

For more information on supplying Council, please visit [cityofgoldcoast.com.au/suppliers](http://cityofgoldcoast.com.au/suppliers)

**CITY OF GOLD COAST.**

**Aboriginal Procurement Policy**

January 2021

**NSW GOVERNMENT** | Treasury

**CANBERRA REGION LOCAL INDUSTRY PARTICIPATION POLICY**

**ACT** | **CANBERRA**

**OFFICIAL**

**Aboriginal and Torres Strait Islander Procurement Policy**

**Acknowledgement of Country**

The South Australian Government acknowledges and respects Aboriginal people as the state's first people and nations, and recognises Aboriginal people as traditional owners and occupants of South Australian land and waters.

The South Australian Government acknowledges that spiritual, social, cultural and economic practices of Aboriginal and Torres Strait Islander people come from their traditions, and that Aboriginal and Torres Strait Islander people maintain cultural and heritage beliefs, languages and laws which are of ongoing importance today.

**1. Purpose**

This policy provides direction to all Department for Child Protection (DCP) staff regarding the objectives and targets for the procurement of goods and services from Aboriginal and Torres Strait Islander Businesses and Aboriginal and Torres Strait Islander Community Controlled Organisations (ACCDOs).

It aims to assist DCP in its partnership with Aboriginal Businesses and ACCDOs and complement the objectives of the DCP [Reconciliation Action Plan](#), DCP [Aboriginal Recruitment & Retention Strategy](#) and the [National Agreement on Closing the Gap](#).

**2. Scope**

This policy applies to all DCP staff that procure goods or services in the performance of their employment duties.

**3. Authority**

Procurement and contracting activities within DCP must consider legislative, State and departmental requirements outlined below, where applicable:

**3.1 Legislative context**

- [Treasury's Instructions 8.11, 12 and 15](#) issued by the Treasurer under the authority of Section 41 of the [Public Finance & Audit Act 1987](#)
- [National Agreement on Closing the Gap](#)

**3.2 Whole of Government requirements**

- [South Australian Industry Participation Policy](#)
- [Procurement and Contracting Code - 17](#) (Disclosure of Government Contracts) and 44 (SA Funding Policy for Not for Profit)
- [2021 Procurement Strategy SA Policies, Guidelines and Templates](#)
- [Access Government Contracts](#)

Aboriginal and Torres Strait Islander Procurement Policy  
13.9 September 2024

**OFFICIAL**

**Supplier Code of Conduct**

January 2025

**CITY OF MELBOURNE**

# Policy

## Queensland Government



### Six Principles

Principle 1: Achieve value for money

Principle 2: Apply a responsible public procurement approach

Principle 3: Behave ethically, and embed integrity, probity and accountability

Principle 4: Be leaders in procurement practice

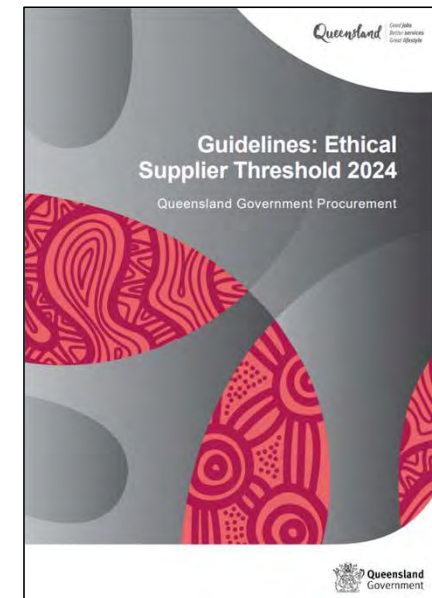
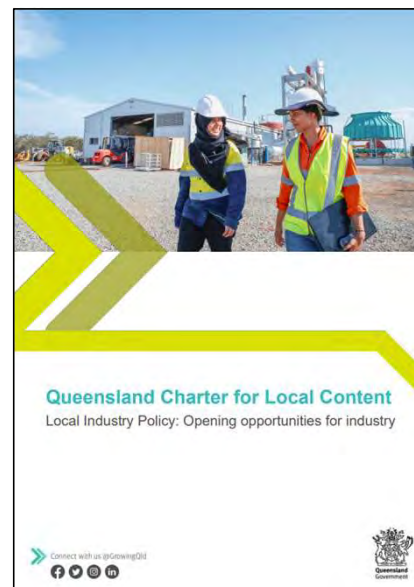
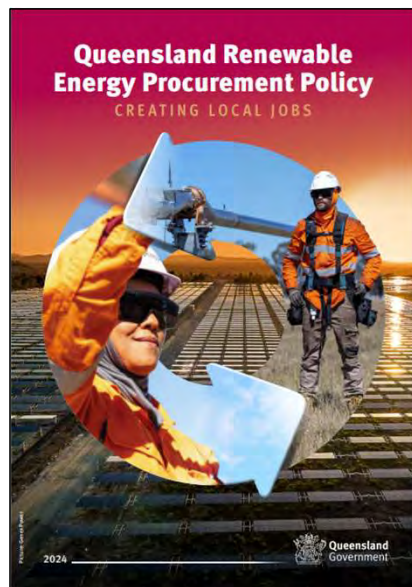
Principle 5: Collaborate for more effective outcomes

Principle 6: Support strong governance and planning



# Policy

## Queensland Government - more specific procurement policies...





# Queensland Procurement Strategy (QPS) 2023

## QPS – outcomes and strategic objectives

QUEENSLAND

## PROCUREMENT STRATEGY 2023

### OUTCOMES

### STRATEGIC OBJECTIVES



**JOBS**  
Quality local jobs

Leverage procurement power to back local suppliers and stimulate jobs growth, skills development and manufacturing



**ECONOMY**  
Thriving, resilient and decarbonised economy

Use procurement to drive sustainable economic growth, encourage innovation and increase supplier diversity

### OUTCOMES

### STRATEGIC OBJECTIVES



**LEGACY**  
Responsible intergenerational value

Deliver today and invest in tomorrow through responsible public procurement choices



**CONFIDENCE**  
Trust in procurement

Deliver excellent outcomes through leading procurement policy and practice



# Policy

## Other internal policies affecting Procurement...

### Procurement Policy (& Contract Manual)

Code of Conduct for Employees Policy	Benefits and Gifts Policy	Asset Custodian Policy	Complaints Policy	Delegated Power and Authorisations Policy	Fraud and Corruption Control Policy	Internal Audit Policy
Budget Review Policy	Cash and Negotiable Instruments Handling Policy	Asset Management Policy	Whistleblowers (Public Interest Disclosure) Policy	Corporate Travel and Accommodation Policy	Quality Assurance Policy	Information Privacy Policy
Work Health and Safety Policy	Delegated Power and Authorisations Policy	Local Area Works and Services Program Policy	Enterprise Risk Management Policy	Expenses Reimbursement Policy	Entertainment and Hospitality Expenditure Policy	Right to Information and Information Provision Policy
Corporate Planning and Budget Policy	Register of Delegations	Councillors' Disagreement with Procurement Recommendation Standard	The Corporate Plan	Work Health and Safety Management System	Procurement Complaints Process	Corporate Asset Management Planning Policy

# Essential Components:

## Procurement Governance Framework



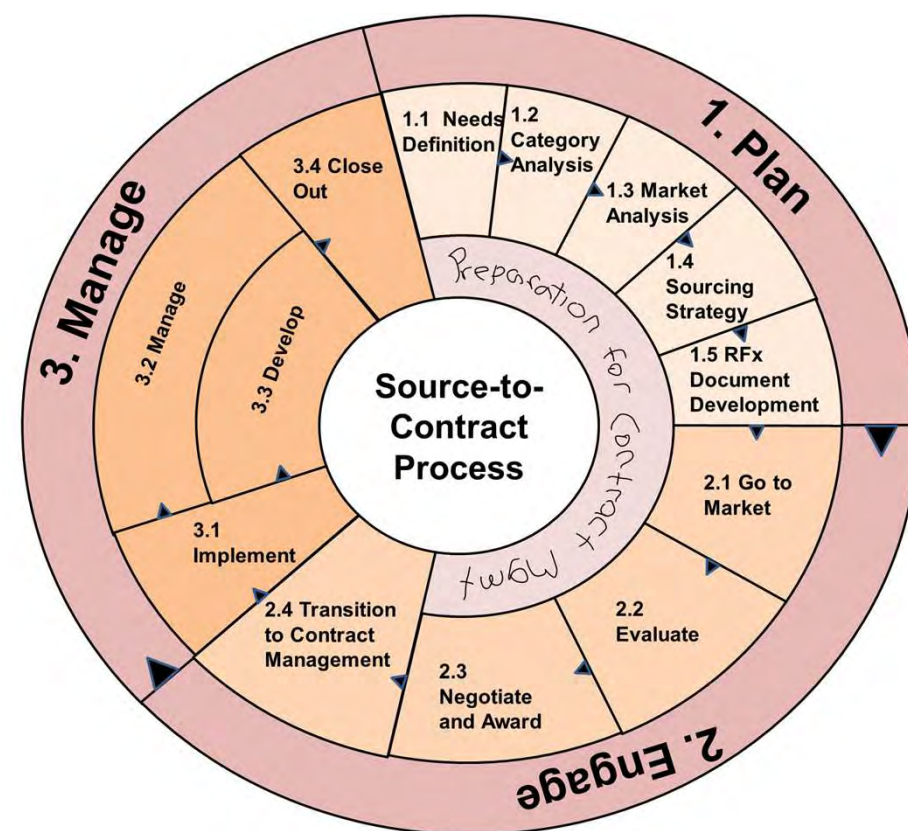




# Operating Procedures

Commensurate with your organisation's documentation standards...

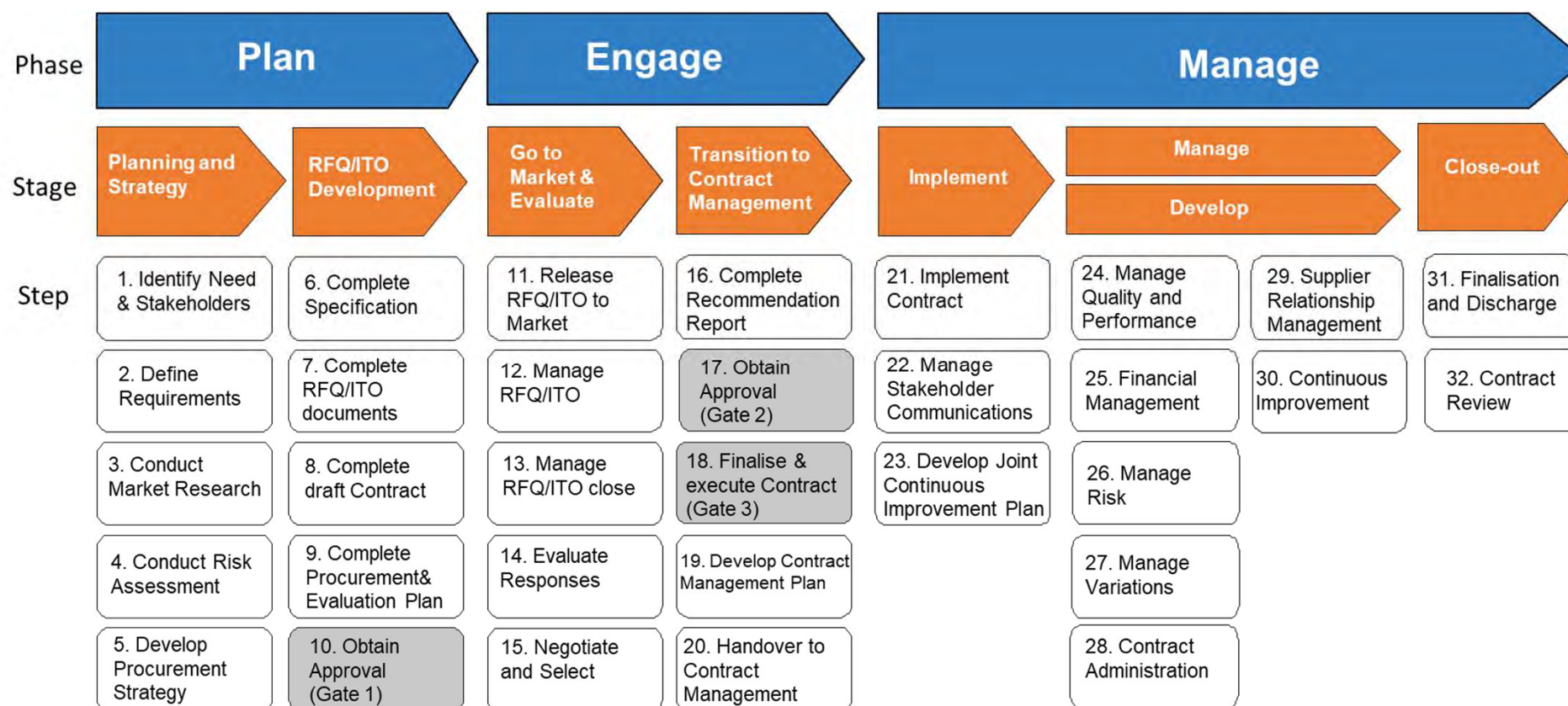
- ✓ **Description of key processes**
  - Standard Operating Procedures (SOPs)
  - Work Instructions
  - Process Flows
- ✓ **Governance enablers**
  - Delegations Register
  - Documented internal controls (e.g. segregation of duties, approval hierarchies, audit trails)
  - Contracts Register
- ✓ **Value-adding docs**
  - Roles and responsibilities
  - Tools, templates and forms
  - Checklists
  - Measures and reporting mechanisms (internal and external)





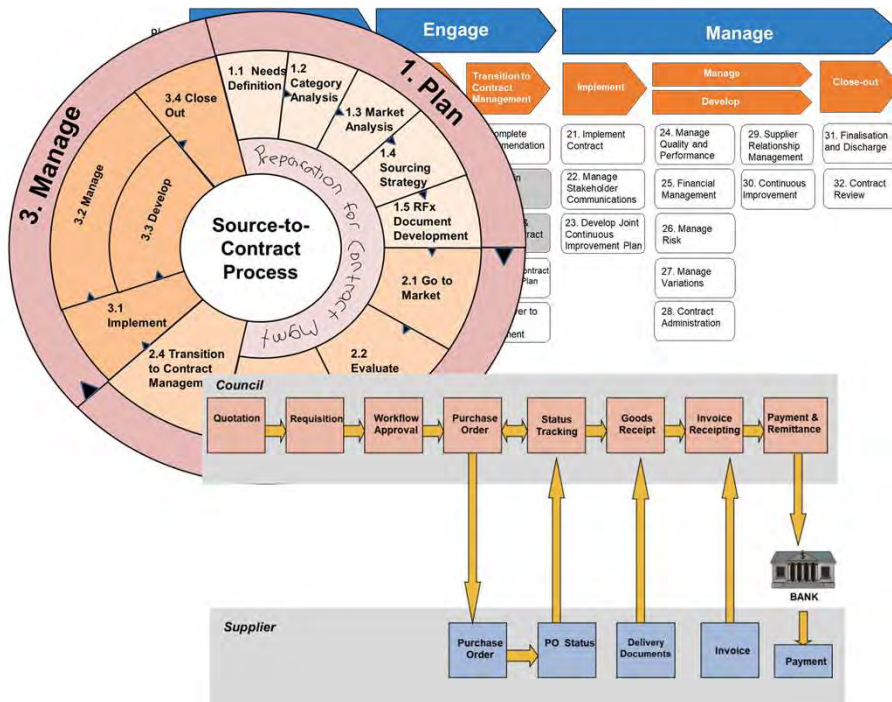
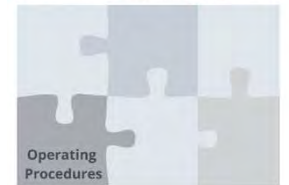
# Operating Procedures

SOPs in line with a process flow...



# Operating Procedures

Procurement Governance Framework



Thursday  
June 26

5. Mastering Sourcing

Thursday  
September 18

6. Mastering Contract and  
Supplier Relationship  
Management

Thursday  
August 14

7. Mastering Procure-to-  
Pay



# Essential Components:

## Procurement Governance Framework





# Risk Management

## Don't reinvent the wheel...



Use your corporate risk management framework

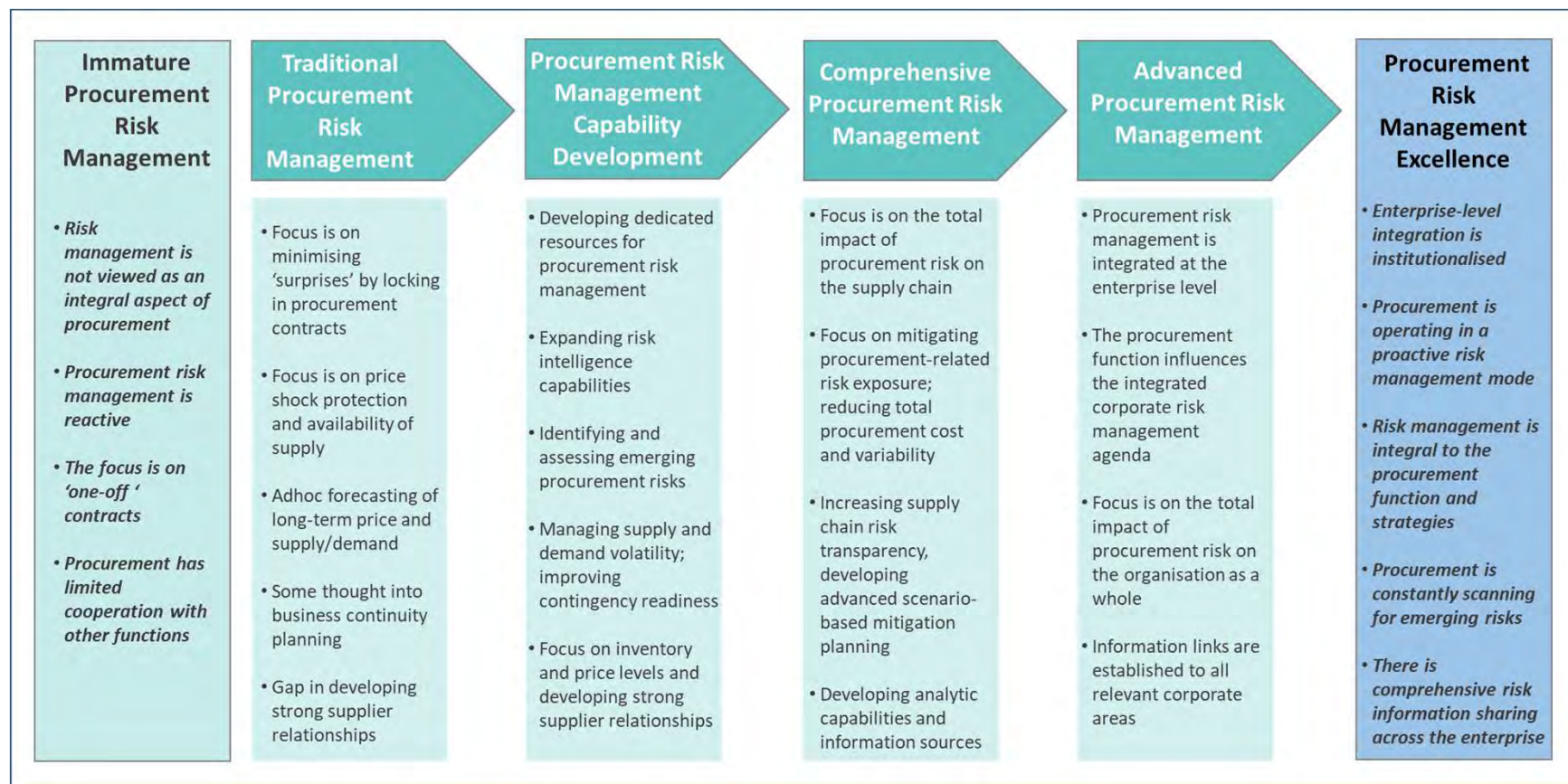
							Risk Rating	Description
Fatality	5	SEVERITY --->	C	D	D	E	E	Risk is unacceptable under existing circumstances. New controls must be identified and implemented immediately to reduce the risk to acceptable level.
Recordable with severe, non-recoverable injury (amputation, loss of function, third degree burns)	4		B	C	D	D	E	Risk is too high, and protection is not adequate. Review mitigative controls to determine if risk is tolerable. If needed, identify additional preventative and mitigations controls. Implement and monitor to reduce the risk to acceptable level.
Recordable with recoverable, lost time injuries or extended modified duties (e.g. broken bones)	3		B	B	C	D	D	Risk is tolerable once demonstrated that it is "as low as reasonably practicable" (ALARP) with existing controls. Risk is monitored, and preventative and mitigation controls are in place (fire prevention, alarm monitoring, and administrative controls).
Recordable with short term modified duties and no lost time injuries (e.g. medical treatment)	2		A	B	B	C	D	Risk is low that it may be tolerated with proper training, SOPs & PPE. Company personnel are aware of the risk and follow established procedures, and adequate protection is in place.
1st aid, minor injury or none	1		A	A	B	B	C	Risk is sufficiently low that it may be tolerated with the endorsement of the normal project / plant reviews. Company personnel are aware of the risk and follow established procedures, and adequate protection is in place.
			LIKELIHOOD --->					financial, operational, legal, reputation, environment, WHS, community, cyber
			1	2	3	4	5	
			An occurrence is not credible. No previous evidence of any event.	Conceivable but would require multiple failures or events to occur at the same time.	Credible scenario but considered unlikely.	Credible scenario is likely. Could have occurred before.	Likely to occur. Knowledge of similar event occurring.	





# Risk Management

## Procurement Risk Management Maturity

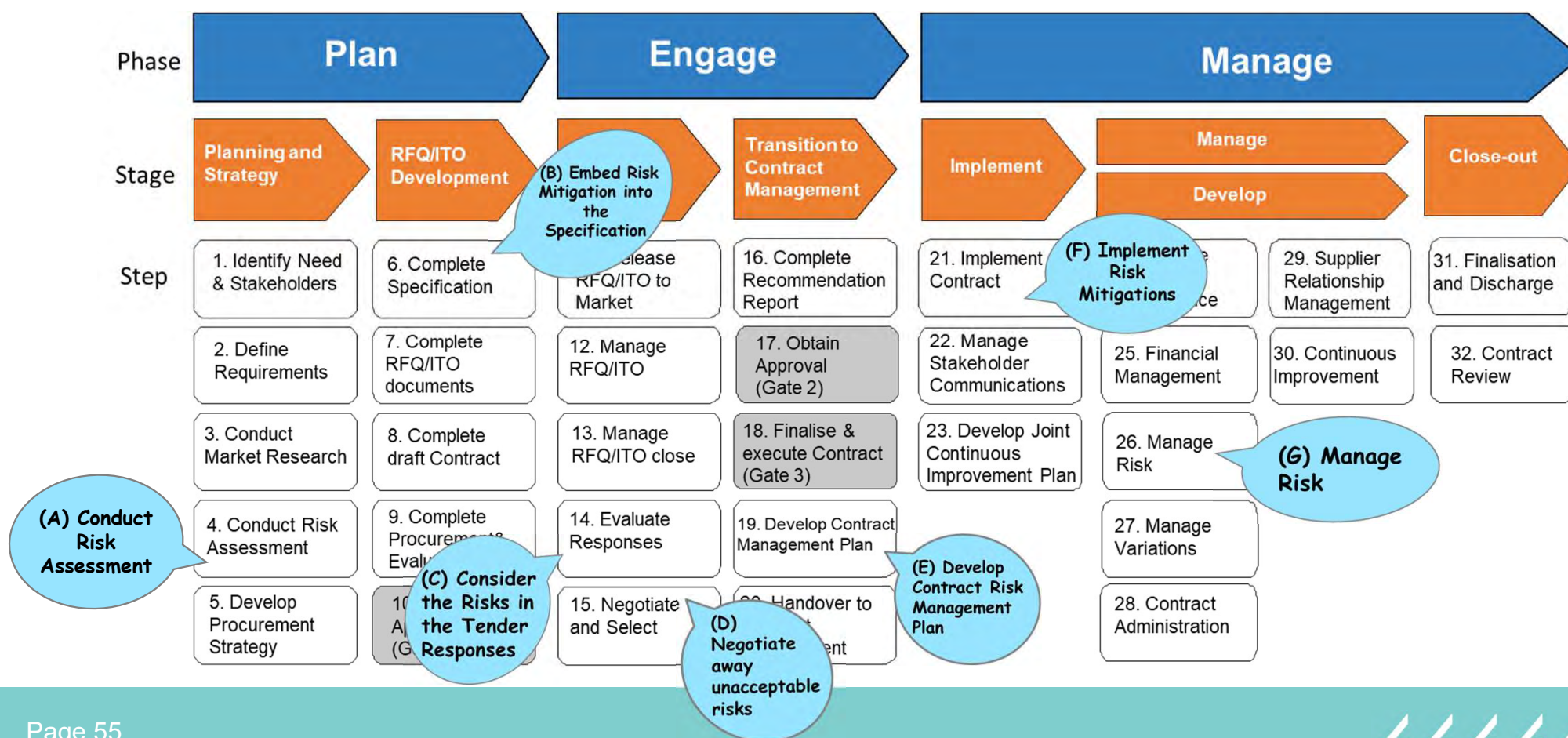






# Risk Management

## Advanced Procurement Risk Management



# Essential Components:

## Procurement Governance Framework





# Topics for Masterclass #2

1. What is procurement governance?
2. What are the benefits of procurement governance?
3. What are the essential components of a procurement governance framework?
4. What is the 'right' procurement structure and operating model?
5. How does probity fit in?
6. What does good procurement governance look like?



# Ethical Standards and Integrity Framework

## Mastering Probity

Procurement Governance Framework



#3

Wednesday  
March 27

Mastering  
Probity



**Sonali Cordeiro**

Senior Advisor - Probity and  
Assurance





# How does *Probity* fit in?

## What is *Probity*?

- The quality of being honest and behaving correctly
- Adherence to the highest principles and ideals
- Integrity and uprightness, honesty

(Dictionaries)

The evidence of **ethical behaviour** in a particular process. For Queensland Government procurement, demonstrating probity means **more than just avoiding corrupt or dishonest conduct**. It involves **proactively demonstrating any procurement process is robust and that the outcome is beyond reproach**. Probity requires acting in such a way that there can be **no perception of bias, influence or lack of integrity**. This requires **ethical conduct that exceeds the legal requirements**.

(CCC)





# How does *Probity* fit in?

## Legislation

Local Government Act 2009 (Qld)			Local Government Regulation 2012 (Qld)	
A New Tax System (Goods and Services Tax) Act 1999 (Cth)	Financial Accountability Act 2009 (Qld)	Financial and Performance Management Standard 2019 (Qld)	Statutory Bodies Financial Arrangements Act 1982 (Qld)	Right to Information Act 2009 (Qld)
Public Sector Ethics Act 1994 (Qld)	Competition and Consumer Act 2010 (Cth)	Fair Trading Act 1989 (Qld)	Trade Practices Act 1974 (Cth)	Crime and Corruption Act 2001 (Qld)
Work Health and Safety Act 2011 (Qld)	Work Health and Safety Regulation 2011 (Qld)	Environmental Protection Act 1994 (Qld)	Information Privacy Act 2009 (Qld)	Human Rights Act 2019 (Qld)
Queensland Building and Construction Commission Act 1991(Qld)	Queensland Building and Construction Commission Regulation 1991(Qld)	Building and Construction Industry Payment Act 2004 (Qld)	Building Industry Fairness (Security of Payment) Act 2017 (Qld)	Planning Act 2016 (Qld)



# How does *Probity* fit in?

## Policy

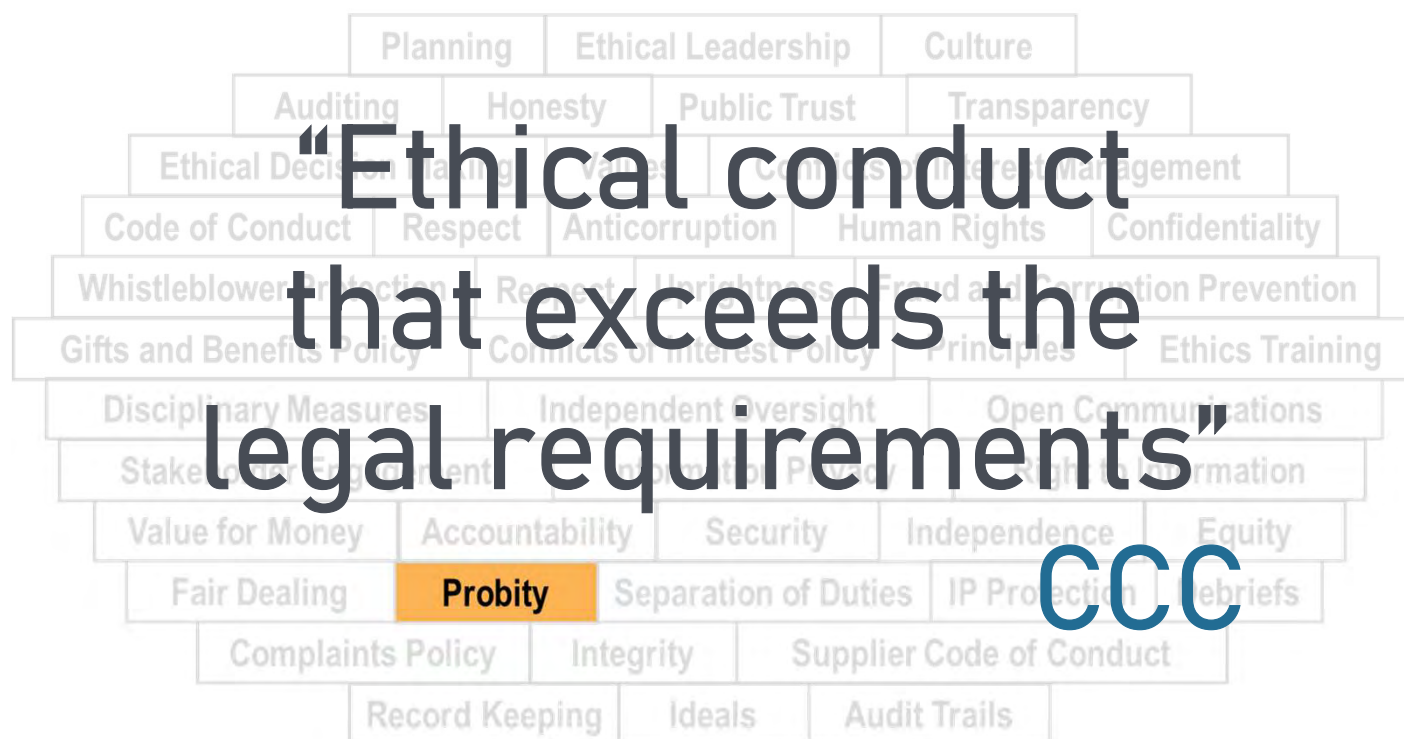
### Procurement Policy (& Contract Manual)

Code of Conduct for Employees Policy	Benefits and Gifts Policy	Asset Custodian Policy	Complaints Policy	Delegated Power and Authorisations Policy	Fraud and Corruption Control Policy	Internal Audit Policy
Budget Review Policy	Cash and Negotiable Instruments Handling Policy	Asset Management Policy	Whistleblowers (Public Interest Disclosure) Policy	Corporate Travel and Accommodation Policy	Quality Assurance Policy	Information Privacy Policy
Work Health and Safety Policy	Delegated Power and Authorisations Policy	Local Area Works and Services Program Policy	Enterprise Risk Management Policy	Expenses Reimbursement Policy	Entertainment and Hospitality Expenditure Policy	Right to Information and Information Provision Policy
Corporate Planning and Budget Policy	Register of Delegations	Councillors' Disagreement with Procurement Recommendation Standard	The Corporate Plan	Work Health and Safety Management System	Procurement Complaints Process	Corporate Asset Management Planning Policy



# How does *Probity* fit in?

The key component of a Procurement Ethical Standards and Integrity Framework



# Topics for Masterclass #2

1. What is procurement governance?
2. What are the benefits of procurement governance?
3. What are the essential components of a procurement governance framework?
4. What is the 'right' procurement structure and operating model?
5. How does probity fit in?
6. What does good procurement governance look like?



# What does *good* Procurement Governance look like?



- ✓ Procurement expertise is across all addressable external spend.
- ✓ A Procurement Governance Framework consistent with the organisational culture is in place.
- ✓ The Procurement Governance Framework ensure adherence to laws, acts and regulations.
- ✓ Socially responsible procurement is enabled through the governance framework.
- ✓ The Procurement Operating Model/Structure supports the culture, objectives and maturity of the organisation and procurement function.
- ✓ Procurement is integrated into the Corporate Planning process.
- ✓ A well-documented Procurement Policy outlines objectives, principles, and ethical standards.
- ✓ Specific procurement policies that are simple and based on corporate objectives are operative (e.g. Indigenous engagement, buying local, sustainability, innovation).
- ✓ Value for money and risk are balanced in decision making and risk management underpins the procurement processes.
- ✓ A clear, corporate mandate to comply with procurement policies and procedures is operative.

# What does *good* Procurement Governance look like?



- ✓ Effective change management has resulted in the corporate culture supporting the procurement governance framework.
- ✓ A formal approval framework specifies the authorisation process for procurement spend, speeding up timelines without compromising controls.
- ✓ Corporate systems have appropriate controls embedded which support the procurement governance model.
- ✓ Procurement personnel are empowered to make decisions on behalf of the organisation in accordance with the policies.
- ✓ Procurement decisions are based on ethical principles including probity, fairness, impartiality, accountability and transparency; can be traced and justified.
- ✓ Regular audits and reporting is conducted to track performance and compliance.
- ✓ Procurement processes, systems, tools and techniques are documented, referenced and maintained as operating procedures, consistent with the corporate standards.
- ✓ Regular training is provided on probity, procurement policies, procedures, and best practices to all staff involved in procurement activities.



∟ ∟ ∟ ∟ ∟

# Take aways



# Legislation

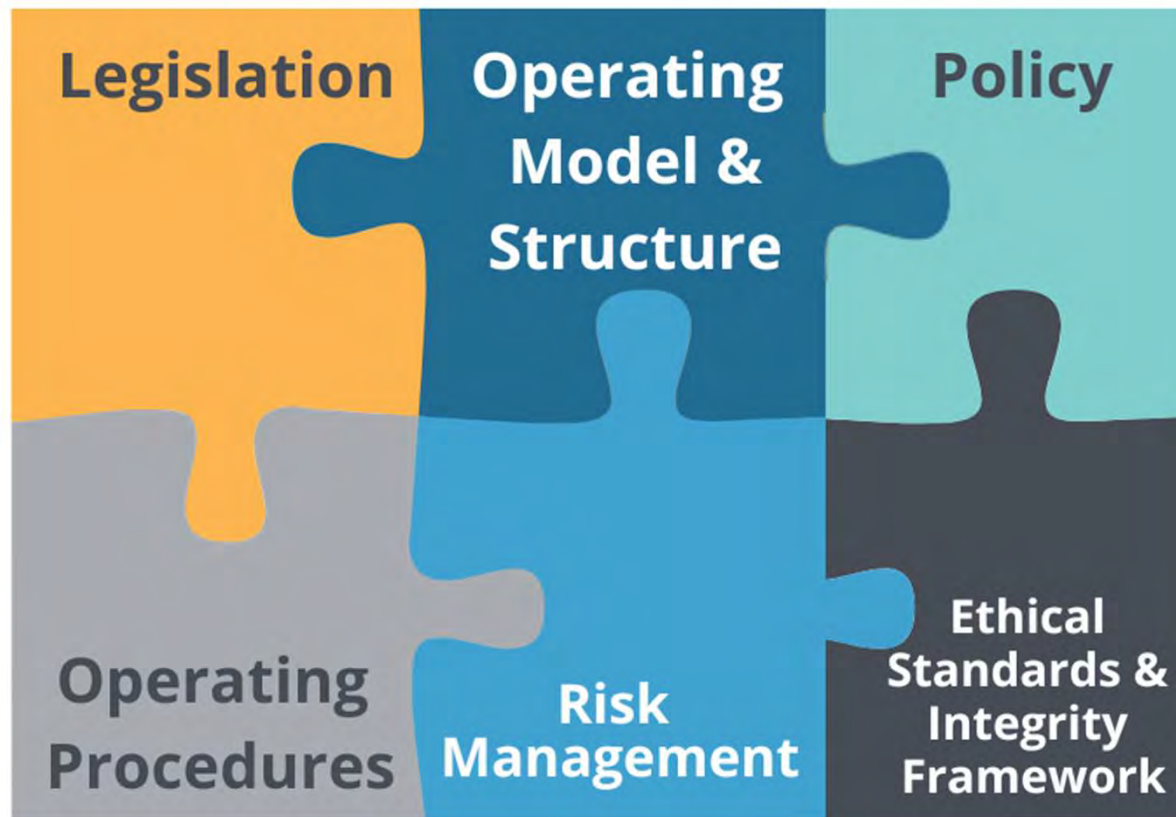


Local Government Act 2009 (Qld)			Local Government Regulation 2012 (Qld)	
A New Tax System (Goods and Services Tax) Act 1999 (Cth)	Financial Accountability Act 2009 (Qld)	Financial and Performance Management Standard 2019 (Qld)	Statutory Bodies Financial Arrangements Act 1982 (Qld)	Right to Information Act 2009 (Qld)
Public Sector Ethics Act 1994 (Qld)	Competition and Consumer Act 2010 (Cth)	Fair Trading Act 1989 (Qld)	Trade Practices Act 1974 (Cth)	Crime and Corruption Act 2001 (Qld)
Work Health and Safety Act 2011 (Qld)	Work Health and Safety Regulation 2011 (Qld)	Environmental Protection Act 1994 (Qld)	Information Privacy Act 2009 (Qld)	Human Rights Act 2019 (Qld)
Queensland Building and Construction Commission Act 1991(Qld)	Queensland Building and Construction Commission Regulation 1991(Qld)	Building and Construction Industry Payment Act 2004 (Qld)	Building Industry Fairness (Security of Payment) Act 2017 (Qld)	Planning Act 2016 (Qld)

# Essential Components:



## Procurement Governance Framework



# What does *good* Procurement Governance look like?



- ✓ Procurement expertise is across all addressable external spend.
- ✓ A Procurement Governance Framework consistent with the organisational culture is in place.
- ✓ The Procurement Governance Framework ensure adherence to laws, acts and regulations.
- ✓ Socially responsible procurement is enabled through the governance framework.
- ✓ The Procurement Operating Model/Structure supports the culture, objectives and maturity of the organisation and procurement function.
- ✓ Procurement is integrated into the Corporate Planning process.
- ✓ A well-documented Procurement Policy outlines objectives, principles, and ethical standards.
- ✓ Specific procurement policies that are simple and based on corporate objectives are operative (e.g. Indigenous engagement, buying local, sustainability, innovation).
- ✓ Value for money and risk are balanced in decision making and risk management underpins the procurement processes.
- ✓ A clear, corporate mandate to comply with procurement policies and procedures is operative.



# What does *good* Procurement Governance look like?



- ✓ Effective change management has resulted in the corporate culture supporting the procurement governance framework.
- ✓ A formal approval framework specifies the authorisation process for procurement spend, speeding up timelines without compromising controls.
- ✓ Corporate systems have appropriate controls embedded which support the procurement governance model.
- ✓ Procurement personnel are empowered to make decisions on behalf of the organisation in accordance with the policies.
- ✓ Procurement decisions are based on ethical principles including probity, fairness, impartiality, accountability and transparency; can be traced and justified.
- ✓ Regular audits and reporting is conducted to track performance and compliance.
- ✓ Procurement processes, systems, tools and techniques are documented, referenced and maintained as operating procedures, consistent with the corporate standards.
- ✓ Regular training is provided on probity, procurement policies, procedures, and best practices to all staff involved in procurement activities.



# Q&A + FEEDBACK

We'd love to know what you think!







2024

**Thursday  
November 28**

**1. Mastering Procurement Strategy,  
Planning and Performance**

**Thursday  
June 26**

**5. Mastering Sourcing**

2025

**Thursday  
February 13**

**2. Mastering Procurement  
Governance**

**Thursday  
September 18**

**6. Mastering Contract and  
Supplier Relationship  
Management**

**Wednesday  
March 27**

**3. Mastering Probity**

**Thursday  
August 14**

**7. Mastering Procure-to-  
Pay**

**Thursday  
May 8**

**4. Mastering the  
Organisational Interface**

**Thursday  
November 27**

**8. Mastering Procurement  
Technology**

**Register here: [wearepeak.com.au/events-1](https://wearepeak.com.au/events-1)**

THANK YOU

**Peter Morichovitis**

Principal Advisor  
Procurement Office & Professional Advisory

m 0480 221 578  
t 07 3000 2123  
e [pmorichovitis@wearepeak.com.au](mailto:pmorichovitis@wearepeak.com.au)

