

ISLAMIC EDUCATIONAL CENTRE

PROCUREMENT POLICY

LEGISLATIVE PRESCRIPTS AND REGULATORY FRAMEWORK

- South African Schools Act, 84 of 1996
- Preferential Procurement Policy Framework Act, 5 of 2000
- Financial Policy of the school.

DEFINITIONS

A procurement policy is simply the rules and regulations that are set in place to govern the process of acquiring goods and services needed by an organization to function efficiently. The exact process will seek to minimize expenses associated with the purchase of those goods and services by using such strategies as quotations, tenders and competitive bidding.

FIVE PILLARS OF PROCUREMENT

(1) Value for money

The term “value for money” includes the monetary value as well as the quality and the utilization of the procurement system to achieve the school’s policy objectives. Due consideration should however be given to the quality of goods required, the time to administrate the process and the cost effectiveness of the ensuing contracts. This is an essential test against which a school must justify a procurement outcome.

(2) Open and effective competition

The pillar of public sector procurement requires the following:

- (a) A framework of procurement laws, policies, practices and procedures that are transparent – in other words they must be readily accessible to all parties;
- (b) Openness in the procurement process;
- (c) Encouragement of effective competition through procurement methods suited to market circumstances; and
- (d) Observance of the provisions of the PPPFA.

(3) Ethics and fair dealing

All parties involved in procurement should comply with the following ethical standards:

- (a) Deal with each other on a basis of mutual trust and respect; and
- (b) Conduct their business in a fair and reasonable manner and with integrity.

(4) Accountability and reporting

This involves ensuring that individuals and organizations are answerable for their plans, actions and outcomes. Openness and transparency in administration by external scrutiny through public reporting, is an essential element of accountability.

(5) Equity

The word “equity” in the context of the five pillars of public sector procurement means the application and observance of government policies that are designed to advance persons or categories of persons disadvantaged by unfair discrimination. This fifth pillar is vital to public sector procurement in South Africa.

PETTY CASH MANAGEMENT

Refer to Petty Cash Management Policy

MICRO AND MACRO PROCUREMENT

1. All purchases of up to and including an amount of R500 can be made from the approved schedule of all suppliers;
2. Any amount in excess of R500 requires that three quotations are solicited to ensure transparency and equity;
3. All transactions in excess of R1000.00 requires that a tender process be pursued to identify a supplier to provide the services required by the school.

PROCUREMENT OF RESOURCES

The Principal, in consultation with the Management Committee, is delegated to procure goods and resources that would add value to the culture of teaching and learning. The Principal or his nominee shall place such requisition on the basis of need.

IDENTIFICATION/ORDER OF INVENTORY

- The Shura should carefully monitor all inventory level as maintained in the inventory, consumables and asset registers.
- Inventory is defined as all merchandise/goods that are required by the school;
- It is advisable for the Shura to determine the optimum inventory levels of goods to ensure efficiency of use and timeous stock/inventory replenishment;
- Once the stock/inventory levels reach the replenishment level, the stock/inventory control officer must source quotations in line with the approved budget and financial policy of the school.
- Once the quotations have been sourced, approval of the quotation that represents 'best value' should be decided on in accordance of the school's financial policy;
- After the necessary approval has been obtained, the order for the acquisition of goods or services can be processed or issued;
- All quotations and copies must be filed until delivery.

DELIVERY OF GOODS AND SERVICES

- On delivery of the procured goods/services, the inventory control officer must verify the order placed with the contents/services received as prescribed on the delivery note or invoice. This process might entail actual counting of the items of inventory or a physical inspection to verify that the services have been delivered.
- Only once the inventory control officer is satisfied that the order as placed was delivered, must he/she the 'sign-off' the delivery note. In the case of services delivered, the 'signoff' should only occur if the school is satisfied that all the agreed aspects of the services to be rendered, have been fulfilled.
- Agreement should be reached between the parties concerned before any 'sign-off' occurs. Under no circumstances, should 'sign-off' occur if a dispute exists between the order placed and the actual inventory/goods delivered. This also applies to services rendered as agreed upon or not rendered to the satisfaction of the school.
- If the order delivered complies with the purchasing order, payment processes can be initiated.
- On taking delivery of the inventory/goods, the inventory control officer should immediately record the new acquisition in the inventory/asset register.

PAYMENT PROCEDURE

- The Finance Officer is responsible for completing a cheque requisition form to initiate payment.

- All original source documents must be attached, eg approved requisition, quotes, delivery notes and invoice.
- Payments made should be done in accordance with the approved creditor payment schedule of the Shura as contained in the Finance Policy.
- Once the cheque requisition is approved and the cheque written out, the Finance Officer must ensure that the transaction is captured in the payment cash book of the school.
- Invoices must not be split to circumvent the procurement policy of the school.

RECORD KEEPING

- o The cheque requisition and all other supporting documents, including the processed cheque (once received from the banking institution) must be filled in chronological order and kept for audit purposes.
- o Where the banking institution does not return processed cheques, the cheque requisition form and support documentation will suffice.
- o The inventory control officer should issue inventory to all teachers and such to be recorded in the distribution register. The inventory control officer must adhere to all internal control process as prescribed in the school's finance policy when issuing and recovering inventory.
- o To ensure optimum inventory levels are maintained, the inventory control officer must continuously monitor inventory levels.
- o The inventory control officer must ensure that all inventories are updated on a regular basis and stock taking is done twice a year.
- o The relevant Annual Certificate of Stocktaking must be submitted to the Principal and the Shura.

ASSET PROCUREMENT PROCESS

The procurement of assets by an institution is normally an expensive process. To give effect to a fair procurement process, it is recommended that the finance policy of the school makes a clear reference to a tender process where the procurement will exceed the normal levels of expenditure at the school.

REASONS FOR REQUESTING A TENDER

- o It enhances competitiveness.
- o It combats corruption.
- o It enhances efficient and effective procurement practices and systems.
- o It promote the competitiveness of local business.
- o It increases the participation of small, medium and micro enterprises.

DETAILS TO BE RECORDED PROSPECTIVE TENDERERS

1. The legal and full name of the person/company/CC, firm drawing the documents;
2. A contact person;
3. A contact telephone number;
4. A contact fax number; a postal address, and
5. An email address (if available)

The details recorded must remain confidential for the duration of the tender period.

CLOSING OF TENDERS

Tenders shall close on the date and at the time stipulated in the tender notice.

LATE TENDERS

A late tenderer shall not be admitted for consideration and where feasible shall be returned unopened to the tenderer.

ACCEPTANCE OF THE TENDER

Every acceptance of a tender/award shall be in writing and shall

- Be delivered by hand on the day that was signed and dated, or
- Be faxed and posted to the address chosen by the tenderer/contractor on the day it was signed and dated, and
- Be acknowledged by the tenderer/contractor upon receipt and recorded accordingly.

AUTHORISATION PROCEDURE

- When the cheque requisition form requisition is 'duly endorsed', the payment can be processed via direct bank deposit, mail, telephone banking or internet banking, All recurring debit orders for payment for school expenses must be authorized annually by the Shura.
- It is important to ensure that the words 'good received' and 'paid' stamps or marking appear on all paid invoices.
- When using photocopies of invoices as support for payments, ensure that they are all stamped or marked 'not previously paid'.
- The payments must be recorded in the payments cash book and the bank statement monitored to ensure that the payment process was completed.
- School tours/excursion expenses should as far as possible be paid by cheque payment for control measures.

FILING PROCEDURE

1. The processed cheque (if returned), the cheque requisition form and supporting documentation must be filed for auditing purposes.
2. The filed documents should be made available for regular monitoring by the Shura or a designated member.

CONCLUSION

The Procurement Policy is founded on the principle of effective, efficient and economic implementation of the use of resources at the Islamic Educational Centre to enhance teaching and learning. It is a broad framework to ensure that sufficient controls are in place to protect such monies that are entrusted to the school, and that all procurement of goods/merchandise is in the best interests of the institution, and learners.