



**Government  
of South Australia**

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State Procurement  
Board

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**Procurement Accreditation Guideline**

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## Purpose

The Procurement Accreditation Guideline facilitates the implementation of the State Procurement Board's (Board) *Accreditation Program* and provides the methodology for the *Accreditation Program* across Tier 1 public authorities subject to the *State Procurement Act 2004* (Act).

## Scope

The *Accreditation Program* applies to all Tier 1 public authorities as identified in the Board's Procurement Authority and Governance Policy.

## Overview

Section 12 of the Act requires the Board "to facilitate strategic procurement by public authorities by setting the strategic direction of procurement practices across government" and "to give directions relating to the procurement operations of public authorities".

The objective of the Board's *Accreditation Program* is to ensure that Tier 1 public authorities have the capacity and capability to perform procurement in an effective manner. In supporting the aim of public authorities continuing to develop their strategic procurement capability and thinking, the approach taken in the *Accreditation Program* is on developing sustainable improvements and enhanced procurement practice and capability in Tier 1 public authorities who account for the majority of goods and services expenditure in the public sector.

The accreditation framework is based on procurement performance categories and principles that describe the characteristics of high performance procurement operations and are appropriate in terms of the Board's objective of improving the quality of procurement practices across government. This principles-based approach also provides a flexible framework that can be tailored to meet the specific needs of public authorities.

The *Accreditation Program* consists of a four year *Accreditation Cycle* with Tier 1 public authorities being reviewed and accredited on a four yearly basis. At the end of each cycle the accreditation process will be replicated.

The *Accreditation Program* requires Tier 1 public authorities to undertake a self-assessment of their procurement capability by completing an *Accreditation Assessment Report*. This assessment is validated by a *Lead Reviewer*.

Upon completion of the accreditation process, the Board will award a public authority an accreditation status of "accredited", or "accredited subject to conditions being met". These conditions will be linked to the *Development Plan* agreed between the public authority and the Board. It is at the Board's discretion to determine the accreditation status and the timeframes required for a public authority to address any developmental requirements that prevent an unconditional accreditation.

This guideline also sets out the performance categories and principles that will be reviewed in Tier 1 public authorities as part of the *Accreditation Program*.

## Definitions

**Accreditation** is the process of recognising the capability and capacity of a public authority to perform procurement in an effective manner and in accordance with the Board's objectives. To achieve accreditation, a public authority must demonstrate to the Board that they have clearly defined and implemented appropriate procurement processes and maintain an environment under which the achievement of the Board's procurement principles can reasonably be expected.

The outcome of the accreditation process is confirmation that the Board is satisfied that the public authority has the capacity to successfully manage the procurement authority issued by the Board. The Board may, at its discretion, decide not to accredit a public authority if, in their opinion, the nature and extent of the developmental areas identified compromise the ability of the public authority to perform procurement in an effective manner and in accordance with Board objectives.

**Accreditation Assessment Report** is the report that summarises the findings of the *Accreditation Review* for each public authority and includes the *Development Plan*. It is compiled by the public authority as a *Self-Assessment* and is subject to review by a *Lead Reviewer*.

**Accreditation Cycle** is a four year period for which the accreditation of a public authority is valid.

**Accreditation Program** is the process used to accredit Tier 1 public authorities over an *Accreditation Cycle* in accordance with Board objectives.

**Accreditation Program Plan** is the plan that documents the objectives, scope, timeframes, and coverage of public authorities and responsibilities for the *Accreditation Program* for the four year *Accreditation Cycle*.

**Accreditation Review** is the evaluation of a public authority's procurement capacity and capability for each of the defined procurement performance categories and principles. This review is conducted by a public authority as a *Self-Assessment*.

A **Development Plan** is an agreement between the Board and the relevant public authority that summarises developmental tasks that need to be completed by the public authority in order to achieve unconditional accreditation. This plan will describe the agreed actions, the officer responsible for ensuring the actions are completed and the timeline for completion.

**Lead Reviewer** is the party appointed to conduct a review of the *Accreditation Assessment Report* of a public authority.

**Procurement Authority** is the authority to approve a proposed course of action, strategy or recommendation relating to procurement (i.e. acquisition plan or purchase recommendation) to a specified dollar amount as delegated to a public authority's principal officer by the Board.

**Policy, Review and Support (PRS)** is a work unit within the Department of the Premier and Cabinet that provides support to the Board.

**Self-Assessment** is the process undertaken by a public authority to evaluate its procurement capacity and capability for each of the defined procurement performance categories and principles. This process results in an *Accreditation Assessment Report* including a *Development Plan*.

## Accreditation - Performance Categories and Principles

The *Accreditation* framework for Tier 1 public authorities is based on five high-level performance categories against which a public authority's procurement capacity and capability is assessed. These categories are:

1. Leadership and Strategy
2. Organisation and People
3. Governance and Performance Management
4. Processes and Systems
5. Relationships – Internal and External.

Each category has defined procurement principles that describe high performing procurement operations. They define the objectives that each public authority is required to achieve in their individual procurement operations. Public authorities will apply different solutions to achieve these objectives driven by their individual circumstances.

For accreditation purposes, public authorities are assessed on their approach to achieving the procurement principles. Therefore, the assessment process focuses on assessing the capacity and capability of the public authority's procurement practices through understanding their individual approach and identifying development opportunities (if required).

The performance categories and procurement principles are provided in ***Attachment One***.

## The Accreditation Program – Key Steps

There are seven key steps in the Accreditation Program:

- Step 1: Prepare Accreditation Program Plan
- Step 2: Commence the Accreditation Review
- Step 3: Complete Accreditation Assessment Report
- Step 4: Undertake Accreditation Review
- Step 5: Finalise Accreditation Assessment and review reports
- Step 6: Present Accreditation Assessment Report to the Board
- Step 7: Ensure Development Plan is achieved

## The Accreditation Program – Detail

### Step 1: Prepare Accreditation Program Plan

- PRS will prepare an *Accreditation Program Plan* for each four year *Accreditation Cycle*. This plan will be submitted to the Board for approval prior to the commencement of the accreditation reviews.
- The *Accreditation Program Plan* identifies the Tier 1 public authorities scheduled for review over the four year period and will guide the *Accreditation Program*. The plan includes:
  - objectives
  - scope
  - responsibilities
  - timeframes.
- Once the *Accreditation Program Plan* is approved, the principal officer of each public authority will be informed of the expected time lines for their accreditation process.
- The *Accreditation Program Plan* may be changed due to extraordinary circumstances including significant issues arising in a public authority.

### Step 2: Commence the Accreditation Review

- PRS writes to the principal officer of each public authority scheduled for accreditation to advise of the timing of the review, the *Accreditation Assessment Report (Document 1)* and any other relevant information.

### Step 3: Complete Accreditation Assessment Report

- The public authority completes the *Accreditation Assessment Report (Document 1)* as a self-assessment evaluating its capacity and capability for each of the procurement performance categories and principles.
- The public authority, in completing the *Accreditation Assessment Report*, is to compile appropriate evidence to support their conclusions. This evidence must be collated in supporting documentation files, clearly cross-referenced to the *Accreditation Assessment Report* and retained for the duration of the *Accreditation Cycle*.
- The standard for supporting documentation required is that an experienced procurement professional, with no previous connection to the public authority, should be able to review the evidence and understand how the public authority's self-assessment rating was derived and reach a similar conclusion.
- The public authority has six weeks to complete the *Accreditation Assessment Report* and the compilation of the supporting evidence. On completion of the report, the public authority submits it to PRS.
- An opening meeting will be held with the public authority (chaired by PRS) to discuss the objective, scope, timing and administration of the review. The meeting also provides an opportunity for any questions to be answered prior to the commencement

of the review. Required attendees at the opening meeting include senior representatives of PRS, the Lead Reviewer and the public authority.

#### Step 4: Undertake Accreditation Review

- The Lead Reviewer reviews the *Accreditation Assessment Report*, completed by the public authority. The objective of the review is to confirm that the evidence collated by the public authority supports the findings and conclusions in the *Accreditation Assessment Report*.
- The public authority must ensure that all documents and evidence are available for the Lead Reviewer to efficiently complete their review. The Lead Reviewer may elect to supplement the evidence provided by conducting workshops or interviews with public authority personnel, or requesting additional documentary evidence.
- Before completing their review, the Lead Reviewer will have discussed the results of their fieldwork with the public authority and ensured there is general consensus on the findings in the report. If the Lead Reviewer and the public authority cannot agree on the findings, the Lead Reviewer will inform PRS and submit their draft *Lead Reviewer's Report (Document 2)* along with an updated *Accreditation Assessment Report* that now includes Lead Reviewer findings and the agreed Development Plan.
- The Lead Reviewer is to provide the first draft of the *Lead Reviewer's Report* and updated *Accreditation Assessment Report* to PRS for review within two weeks of the fieldwork being completed.
- Following PRS's review, the updated *Accreditation Assessment Report* will be provided to the public authority by PRS and will serve as the basis for discussion in the closing meeting.

#### Step 5: Finalise Accreditation Assessment and review reports

- Once the updated *Accreditation Assessment Report* has been sent to the public authority, PRS will schedule a closing meeting with the public authority. This meeting will be scheduled at least two weeks after the updated *Accreditation Assessment Report* is issued to the public authority.
- The objective of the closing meeting is to provide an opportunity for PRS, the Lead Reviewer and the public authority to discuss the updated *Accreditation Assessment Report*. In particular, the meeting will discuss any differences of opinion between the Lead Reviewer's assessment and the public authority's self-assessment. If required, the public authority will have an additional week after the closing meeting to provide any additional evidence to the Lead Reviewer and PRS.
- Once agreement has been reached on the updated *Accreditation Assessment Report*, the principal officer must confirm the completion of this report including the Development Plan in writing to the Board (refer *covering letter from public authority on completion of self-assessment (Document 3)*).
- PRS will liaise with the public authority and confirm at which Board meeting the public authority will present their *Accreditation Assessment Report*.

## Step 6: Present Accreditation Assessment Report to the Board

- The public authority will present their *Accreditation Assessment Report* including the *Development Plan* to the Board for review and approval.
- After the Board has considered this presentation and the *Accreditation Assessment Report*, and a recommendation by PRS based on the *Lead Reviewer's Report*, they will inform the principal officer of their decision on accreditation in writing. This letter will indicate whether the public authority is awarded an accreditation status of 'accredited', or 'accredited subject to conditions being met'. If the *Accreditation Assessment Report* includes a Development Plan then the accreditation may be conditional pending successful completion of the identified development activities.

## Step 7: Ensure Development Plan is achieved

- PRS will provide the Board with updates on:
  - cumulative results of Accreditation Reviews undertaken in the previous three to six months
  - any systemic issues or areas of concern
  - a timetable of upcoming reviews
  - any other information requested by the Board.
- The public authority must report regularly to the Board on the status of their *Development Plan* until all development activities are completed, including advising of any potential delays or amended delivery timeframes and the reasons for these delays. The reports are to be signed off by the principal officer of the public authority or the senior executive responsible for procurement.
- Any revisions to the *Development Plan* will be followed up by PRS and a strategy developed in conjunction with the public authority ensure completion of the *Development Plan*. Only when the Board is satisfied that a development action has been successfully completed will the Board review any conditions imposed on *Accreditation*.

## Further Information

State Procurement Board Secretariat  
Phone: (08) 8226 5001  
Email: [stateprocurementboard@sa.gov.au](mailto:stateprocurementboard@sa.gov.au)  
[www.spb.sa.gov.au](http://www.spb.sa.gov.au)

## Related Policies and Guidelines

- Procurement Authority and Governance Policy
- Procurement Accreditation Document 1: Accreditation Assessment Report
- Procurement Accreditation Document 2: Lead Reviewer's Report
- Procurement Accreditation Document 3: Covering letter from public authority on completion of self-assessment
- Procurement Accreditation Handbook





## Roles and Responsibilities

### State Procurement Board

The Board is responsible for reviewing this guideline, ensuring its promulgation and for evaluating its effectiveness across government.

### Policy, Review and Support

PRS is responsible for establishing, managing and monitoring the Accreditation Program and appointing the Lead Reviewer.

### Principal Officers of public authorities

The principal officer is responsible for ensuring that their public authority:

- has suitable capability and processes in place to ensure an effective and efficient procurement function
- co-operates fully with the Accreditation Program requirements in this guideline.

## Attachment One – Procurement Performance Categories and Principles

### 1. Leadership and Strategy

This category is concerned with ensuring high level leadership exists and that the profile and influence of procurement is high in the public authority with strategies in place that enable the public authority's procurement objectives to be achieved.

This category includes the following principles:

1. The public authority provides clear leadership of the procurement function with high level support by senior management.
2. A procurement function / designated personnel are responsible for procurement spend for the public authority.
3. The procurement strategy supports the public authority's strategic priorities and core business objectives in alignment with government priorities.
4. Key internal stakeholders have a good understanding of the role of procurement together with its strategy and policies.
5. There is a clear, methodical and comprehensive framework to guide the public authority's procurement operations.
6. A procurement expenditure profile is prepared regularly to enable the identification of uncontracted spend, leveraging and cost saving opportunities.
7. A procurement business plan including a forward procurement plan is prepared annually to guide the procurement function.

### 2. Organisation and People

The organisational framework within which procurement operates can have a profound effect on its effectiveness. No procurement operation can be effective unless it has high quality professionals who are continually updating their knowledge and skills and who can promote procurement within their public authority.

This category includes the following principles:

1. An appropriate organisational structure (centralised, decentralised or centre led) is in place to maximise procurement effectiveness and efficiency.
2. Specific responsibilities are assigned for key market sectors (category management) where appropriate.
3. The public authority has people with sufficient procurement capability and skills (including procurement planning, market research, negotiation, contract management, project management and risk management) to ensure effective performance for the public authority's complexity and expenditure.
4. There is a clear workforce strategy (including effective people management and development processes, appropriate job and person specifications) in place for resourcing the procurement function.

5. There is a process in place for ensuring that all staff that have authority to approve procurements have the appropriate capability and skills.

### **3. Governance and Performance Management**

An effective governance framework is important for effective management, including the establishment of user friendly policies and procedures aligned to State Procurement Board policies and guidelines. Such a framework includes measuring performance and the provision of adequate controls.

This category includes the following principles:

1. The public authority has appropriate governance processes in place to ensure procurement achieves the outcomes required, including a clear and effective system of delegation and authority for procurement.
2. The procurement risk management process is incorporated into the public authority's overall risk management process and systems.
3. Procurement policies, guidelines and templates are standardised and sufficient to meet organisational needs and are updated regularly including when changes are made to State Procurement Board policies and guidelines.
4. Ethical behaviour standards, probity, accountability and transparency receive prominence in procurement policy documents.
5. Other public authority policies that support procurement (e.g. fleet, travel and Information Technology guidelines) are consistent with the procurement framework.
6. Demand management (consumption and compliance) procedures for goods and services expenditure are defined and applied.
7. Performance measures are developed and monitored to ensure continuous improvement of the procurement function.

### **4. Processes and Systems**

Appropriate processes and systems are in place to ensure that procurement activities are efficient and effective. They also contribute to maintaining an appropriate internal control environment.

This category includes the following principles:

1. There are efficient and robust systems and processes to support procurement activity including purchasing, sourcing and contract management.
2. There are rigorous quality processes for developing and managing category/commodity/project strategies for significant procurement spend within the public authority.
3. Procurement structures and people are integrated into the overall procurement and financial management processes to ensure end-to-end process effectiveness and oversight.



4. The supply positioning tool or a similar matrix based approach is utilised to segment the supply market and to develop appropriate procurement strategies.
5. Systems are in place to ensure procurement processes are commenced and contracts are established prior to existing contracts expiring.
6. Effective contract management processes are established and monitored.

## **5. Relationships – Internal and External**

Procurement is not an isolated function. It is important for procurement to be involved early in the business decision process and to build effective relationships with suppliers and internal stakeholders. Strategies specific to a supplier or category of supply need to be developed as opposed to a uniform approach to all suppliers.

This category includes the following principles:

1. Relationships with internal stakeholders are managed to ensure an effective procurement process.
2. Key suppliers are identified and relationships between these suppliers and the public authority are managed in an ethical and professional manner.
3. Supplier development strategies are planned for and implemented as appropriate.