

MIOD PROCUREMENT POLICY

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1. Policy Statement for Procurement

The purpose of this Policy is to ensure that all Procurement Activities carried out by the MIOD:

- Provide best possible value.
- Are conducted in a fair, objective and transparent manner.
- Are compliant with all relevant legislation and any other related policies.
- Use best practice in the application of ethical standards
- Are consistent with the MIOD's Vision, Mission and Values.

2. Organisational Scope and Compliance

2.1 At the MIOD all purchasing actions are conducted by the employees. Purchasing activities include the usual range of office requirements, but also, amongst others, negotiating with speakers and facilitators, contracting training and conference venues, and negotiating PR contacts and advertising rates.

2.2 This Policy applies to all Employees of the MIOD.

2.2 Only Employees with delegated procurement authority are allowed to commit expenditure to third parties. Any other Employee must not conduct any Procurement Activities unless specifically instructed. Employees who are engaged in Procurement Activities are required to familiarise themselves with the content of this Policy and the other related documents (e.g. Accounting Procedures) and comply with them.

2.3 The MIOD will publish this policy on its website and ensure that all suppliers are made aware of this policy.

2.4 This policy is part of the MIOD's governance structure and forms part of the MIOD's standards and procedures.

3. Guiding Principles

MIOD's Procurement Activities will be guided by the following four principles:

3.1 Achieve Effective Governance and Control

Conduct Procurement Activities in a manner that satisfies the requirements of accountability and internal control, fulfils MIOD's legal and financial obligations and effectively manages commercial risk.

3.2 Demonstrate Sustained Value

Achieve best possible value for the MIOD, seek continuous improvement in how Procurement operates and leverage economies of scale where possible.

3.3 Apply a Consistent and Standard Approach

Provide effective and efficient commercial arrangements for standard products and services.

3.4 Build and Maintain Supplier Relationships

Recognise that in order to achieve best possible value, appropriate relationships must be developed and maintained with Suppliers.

Purchases for goods and services must be made in accordance with the procedures set forth.

The detail on each of these guiding principles is outlined below:

4. Achieve Effective Governance and Control

4.1 Governance

Procurement Activities within the MIOD will be carried out to the professional standards required by best practice and in compliance with:

- All prevailing legislation
- The Mauritius Code of Corporate Governance
- The MIOD Code of Conduct

4.2 Internal Controls

The MIOD will put in place a framework of internal controls over Procurement Activities that will ensure that:

- More than one person is involved in and responsible for a transaction end to end.
- Transparency is in the procurement process.
- A clearly documented audit trail exists for Procurement Activities.
- Purchase transactions must be executed on contract or purchase order forms reviewed and approved by the Audit Committee
- The appropriate authorisations are obtained and documented.
- Systems will be put in place for appropriate monitoring and reporting.

4.3 Delegation and levels of Authority

The overall responsibility for procurement lies with the CEO, but for the sake of separation of duties, it is largely delegated to the Sales and Administration Executive. All payments are checked and prepared by the Accounts and Administration Coordinator. All payments are approved by CEO. All cheques are signed by 2 Directors (one of whom may be the CEO).

The CEO has the authority to approve expenditure up to Rs 50,000. Expenditure over Rs 50,000 must be approved by the Board or by a Board Committee or by way of a written resolution.

All capital expenditure requests should be budgeted and should be submitted to the Board on a Capital Expenditure form reviewed and approved by the Audit Committee.

The Board reserves the right to review any acquisitions, commitments and/or contracts for all procurement.

4.4 Risk Management

The MIOD will ensure that, where relevant, Procurement Activities are properly planned and carried out in a manner that will protect and enhance MIOD's capability to prevent, withstand and recover from interruption to the supply of goods, services and works.

4.5 Procurement Thresholds and Competition

The selection of potential Suppliers is based on the need to generate effective competition whilst avoiding unnecessary tendering costs for both Suppliers and MIOD.

The MIOD will ensure that key contracts (over Rs 100,000 pa) are put out for tender once per annum to a minimum of 3 suppliers.

4.6 Contract Terms

All contractual relationships must be documented in writing and all contracts should be approved by the Board, with the relevant legal advice where necessary.

To protect the best interests of the MIOD, terms and conditions must be settled in advance of any commitment being made with a Supplier.

5. Demonstrate Sustained Value

5.1 Achieving Best Possible Value

The MIOD's Procurement Activities will be carried out on the basis of obtaining best possible value. This means minimising total cost over the lifetime of the requirement consistent with acceptable quality, reliability and delivery considerations.

This will be facilitated by:

- Managing procurement to support the co-ordination and streamlining of MIOD activities
- Effective use of competition.
- Identifying efficiencies in the procurement process.
- Working with Suppliers to create relationships that are professional and productive, and are appropriate to the value and importance of supplies.

5.2 Reporting

The CEO will report annually to the Audit Committee on all key contracts (value over Rs 100,000 pa)

6. Build and Maintain Supplier Relationships

The MIOD recognises the importance of effective and open working relationships with its Suppliers, and is committed to delivering tangible savings through the building of collaborative relationships and strategic alliances with key Suppliers.

7. Related Policies

In addition to the above and where relevant, Procurement Activities will be carried out in accordance with the relevant MIOD Policies, including but not limited to the following:

7.1 Health, Safety & Environment

Procurement will ensure that all goods and services, and Suppliers thereof demonstrate a commitment to HSE and comply with the relevant legislation.

Where possible, environmental benefits will be considered as part of the procurement process, with due consideration given to all relevant aspects of whole life-cycle costs of products.

7.2 Equality and Inclusion

Procurement will encourage applications for inclusion in the MIOD tendering processes from small and medium-sized enterprises, as well as from larger organisations. Founders and Patrons will always be asked to tender where appropriate.

8. Approval and Amendments

The Procurement Policy will be approved by the Board and any subsequent amendments will be made by the Audit Committee with the approval of the Board.

This policy has been approved by the Board of the MIOD on 16 March 2011.