

SA Health

Policy

Requisition, Purchase Order and Invoice Management Policy

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Government
of South Australia

SA Health

1. Name of Policy

Requisition, Purchase Order and Invoice Management

2. Policy statement

This policy provides the mandatory requirements in relation to creating and processing requisitions and purchase orders in the Oracle Corporate System (Oracle). This includes purchasing and receiving goods and/or services, as well as processing invoices through Basware.

3. Applicability

This policy applies to all employees and contracted staff of SA Health; that is, all employees and contracted staff of the Department for Health and Wellbeing (DHW), Local Health Networks (LHNS) - including state-wide services aligned with those Networks, and SA Ambulance Service (SAAS).

This policy does not apply to non-invoice payments.

4. Policy principles

SA Health's approach to requisition, purchase order and invoice management is underpinned by the following principles:

- > We will ensure the efficient and effective management of requisitions, purchase orders and invoice processing.
- > We will ensure the procurement and invoice management process complies with legislative, state government and SA Health requirements.
- > We will promote probity, transparency and accountability throughout all stages of procurement and invoice management.

5. Policy requirements

SA Health must:

- > Ensure that requisitions and purchase orders are created and processed in Oracle.
- > Ensure that purchases are not split to circumvent (or be perceived to circumvent) procurement policies and approval requirements.

Requisition

Initiation of Requisition

SA Health must:

- > Create a requisition and purchase order in Oracle for all purchases of goods and/or services, including purchases from established panels, unless:
 - o the item is listed in [Appendix 1: Oracle Requisition and Purchase Order Exemption List](#);
 - or
 - o the criteria outlined in the [Low Value Purchases](#) section are met.
- > Attach a written supplier quote to requisitions valued above \$10,000 up to and including \$55,000 (GST inclusive).

- > Ensure the required procurement documents, including the approved [\(Low Value\) Acquisition Plan](#) and [\(Low Value\) Purchase Recommendation](#), are attached or referenced to a Procurement and Contract Management System (PCMS) record for requisitions above \$55,000 (GST inclusive).

Approval of Requisition

SA Health must:

- > Ensure requisitions are only approved by the delegate with appropriate financial delegation.
- > Ensure [Super Delegation](#) is considered when appropriate.
- > Ensure the requisitioner and approver have met all authorisation and policy requirements before a transaction is approved.
- > Ensure that the approval of a requisition is not undertaken by the originator of that requisition.

Purchase Order

Creation of Purchase Order

- > SA Health must only convert requisitions into a purchase order in Oracle if:
 - o procurement and financial approval have been obtained.
 - o relevant evidence has been provided or referenced.

Authorisation of Purchase Order

- > SA Health must ensure the correct contact information is provided to the supplier to enable invoices to be work flowed correctly.

Receipting of Goods/Services

SA Health must:

- > Receive goods and/or services in Oracle according to the original purchase order to enable the release of the invoice for payment.
- > Ensure that open orders (including standing orders) are regularly monitored by the requisitioner for timely follow-up and closure.
- > Close purchase orders that have been receipted in Oracle, but not matched with an invoice for payment after 90 days.

The DHW Purchasing Team must:

- > Facilitate the reporting and follow-up of open orders upon request via the DHW Purchasing Team email (HealthPSCM-Purchasing@sa.gov.au).

Standing Order

- > SA Health must ensure a standing order is used only when regular deliveries or payments are made.

Retrospective Purchase Order

- > SA Health must not permit retrospective purchase orders except for implantable devices and consignment stock, which are invoiced based on patient outcomes.

Invoice Management

SA Health must:

- > Adhere to Shared Services SA (SSSA) [invoice specifications](#).
- > Ensure all invoices are directly sent to SSSA for entry into Basware to initiate automatic purchase order matching with Oracle.
- > Manually certify and approve invoices in Basware before being processed for payment in Oracle if it is:
 - lacking a purchase order number,
 - without a matching purchase order number, or
 - containing discrepancies with an existing purchase order.

Refer to [Shared Services SA](#) for detailed guidelines on managing invoices in Basware.

Invoice Submission

SA Health must:

- > Ensure suppliers' invoices and credit notes contain:
 - the corresponding purchase order number (if relevant),
 - accurate and sufficient information, including the description of goods and/or services, quantity,
 - SA Health business unit and contact details.
- > Inform suppliers to send their invoices and credit notes directly to SSSA for processing at APHealthInvoices@sharedservices.sa.gov.au.
- > Immediately forward an invoice or credit note received directly to SSSA for processing.

Invoice Verification

SA Health certifier must:

- > Review and certify in Basware any invoices that do not automatically match a purchase order in Oracle before forwarding them to the approver for approval.
- > Ensure:
 - goods and/or services have been received as per the original order.
 - correct coding is applied, including Responsibility Index and General Ledger codes.
 - any disputes are managed and resolved before payment.

Invoice Approval

- > The SA Health certifier must not approve the invoice that they have reviewed and certified in Basware.

Disputed Invoice

SA Health must:

- > Ensure disputed invoices are resolved prior to processing for payment.
- > Ensure disputed invoices are flagged in Basware to avoid being subject to late payment terms.

Invoice Payment

SA Health must:

- > Pay all undisputed invoices within 15 days from the date the invoice is first received in accordance with the requirements of [Treasurer's Instruction \(TI\) 11 – Payment of Creditors' Account \(TI 11\)](#), where SA Health retains the responsibility for creditors' payments.
- > Pay late payment interest according to the [Late Payment of Government Debts \(Interest\) Act 2013](#).
- > Ensure invoices are not short-paid.
- > Seek a new invoice or credit note if an error is identified.

Advance Payment

SA Health must:

- > Ensure advance payments do not occur unless specific criteria outlined in [TI 11](#) are met.
- > Process advance payments for subscriptions in Oracle.

Urgent Payment

- > SA Health must only request or process urgent payment requests in exceptional circumstances, which will incur a fee.

Reporting of Account Payment Performance

- > SA Health must ensure the monthly reporting of account payment performance to the Department of Treasury and Finance and the Minister in accordance with [TI 11](#) requirements.

Super Delegation

SA Health must:

- > Obtain approval from the DHW CE, Minister or Cabinet for financial authorisation to enter into a contract prior to any approvals from a super delegate.

Super Delegates must:

- > Ensure that the appropriate financial approval to enter into a contract has been obtained and attached to the system before providing approval.

Low Value Purchases (<\$2,200 GST inclusive)

SA Health must:

- > Use purchase orders in Oracle for catalogued items.
- > Consider purchase orders for non-catalogued items.
- > Ensure that direct purchases from suppliers without a purchase order are only made when purchase orders are unavailable, and that payments for these purchases are processed through Basware.
- > Generate a purchase order for contracting agency staff from the [Across Government Temporary Staff Services Panel](#), with the official order attached.

6. Mandatory related documents

The following documents must be complied with under this Policy, to the extent that they are relevant:

- > [Governance and Delegations System \(GADS\)](#)

- > [Late Payment of Government Debts \(Interest\) Act 2013](#)
- > [Payments Policy](#)
- > [Treasurer's Instruction 8 – Financial Authorisations](#)
- > [Treasurer's Instruction 11 – Payment of Creditor's Accounts](#)

Supporting information

- > [Basware NG User Management Matrix](#)
- > [Oracle Assist](#)
- > [Oracle Requisitioner User Guide](#)
- > [Purchase Card and Stored Value Card Policy](#)

7. Definitions

Advance Payment: means a payment in advance for goods that have not been received or for services not yet rendered.

Basware: means the Invoice Processing Solution used by SSSA to work-flow invoices and non-invoice forms to business units for certification and approval.

Cash Call: means the request from DHW to LHN/SAAS to provide more funds, or vice versa.

Certifier: means staff who are required to review invoices in Basware to ensure they are appropriate for payment as part of their role.

Invoice: means a commercial document issued for payment by a supplier for goods and/or services supplied.

Non-invoice Payment: means a payment for goods or services where an invoice is not issued or expected. This can include paying for one-time purchases, reimbursements, or paying for services where an invoice is not the standard practice. Examples include employee reimbursements, travel refunds, or other expenses approved through internal forms rather than invoices.

Open Order: means a purchase order that remains active and has not yet been completed or closed.

Oracle: means the Oracle Corporate System, which is used to create requisitions, workflow requisitions for approval, receive purchase orders, and pay supplier invoices.

Purchase Order: means a commercial document issued by SA Health to a supplier, indicating types, quantities, and agreed prices for products or services. The seller will then issue an invoice for the goods and/or services provided.

Purchasing Team: means the business unit within Procurement, Supply Chain and Finance, Department for Health and Wellbeing that manages requisitions and purchase orders.

Requisition: means an electronic document used to describe the goods and/or services required, the quantity required and the time frame for delivery, and includes the authorisation to proceed with the purchase.

Requisitioner: means the person who created the requisition in Oracle.

Retrospective Purchase Order: means a purchase order that is created in Oracle after the goods have been received or the services have been rendered.

Shared Services SA (SSSA): means the branch within the Department of Treasury and Finance that processes invoices and other financial functions for SA Health.

Short Payment: means a partial invoice payment. Also, may be referred to as short pay.

Standing Order: means a purchase order used to facilitate frequently recurring payments over a specified period of time. It allows the requester to order a particular good or service multiple times directly from a provider without generating a separate purchase order in each instance. A standing order can be structured as either a dollar value amount or a quantity of goods and/or services.

Statewide Services: includes Statewide Clinical Support Services, Prison Health, SA Dental Service, BreastScreen SA and any other state-wide services that fall under the governance of LHNs.

Super Delegation: means the authority to approve high value requisitions in Oracle and payments in Basware for approved contracts where the value exceeds the delegate's standard level of authority. This administrative authorisation is not associated with financial authorisation under [TI 8](#).

Super Delegate: means a delegate authorised with super delegation as registered in GADS (for DHW employees) or the local delegation register (for LHN/SAAS employees).

8. Compliance

This policy is binding on those to whom it applies or relates. Implementation at a local level may be subject to audit/assessment. The Domain Custodian must work towards the establishment of systems which demonstrate compliance with this policy, in accordance with the requirements of the [Risk Management, Integrated Compliance and Internal Audit Policy](#).

Any instance of non-compliance with this policy should be reported to the Domain Custodian for the PSCM Policy and Reporting Policy Domain and the Domain Custodian for the Risk, Compliance and Audit Policy Domain.

9. Document ownership

Policy owner:	Domain Custodian for the PSCF Policy Domain.
Title:	Requisition, Purchase Order and Invoice Management Policy
Objective reference number:	2019-08423 A1610978
Review date:	18 June 2028
Contact for enquiries:	Health.PSCMProcurementPolicy@sa.gov.au

10. Document history

Version	Date Approved	Approved by	Amendment notes
1	03/07/2014	Portfolio Executive	PE Approved version.
1.1	17/09/2015	Executive Director, Procurement and Supply Chain Management	Removed reference to OPS / Basware transitioned sites to reflect completion of OPS/Basware implementation.
2	16/11/2016	Executive Director, Procurement and Supply Chain Management	Incorporating internal consultation changes.
2.1	21/12/2016	Executive Director, Procurement and Supply Chain Management	Incorporating minor changes.
2.2	03/05/2018	Executive Director, Procurement and Supply Chain Management	Extension of review date.
2.3	22/08/2019	Executive Director, Procurement and Supply Chain Management	Minor amendments documenting current operations + new section 4.4.

2.4	04/09/2020	Executive Director, Procurement and Supply Chain Management	Minor amendments providing guidance in relation to the aggregation of purchases and the use of forward procurement planning.
3	07/07/2021	Deputy Chief Executive, Corporate and System Support Services	Amendments related to the new SA Government Procurement Policy Framework, including Treasurer's Instruction 18 Procurement.
4	27/07/2022	Deputy Chief Executive, Corporate & System Support Services	Simplify the policy with essential information only, non-essential information will be covered by a guide. Update references to PSSA requirements
5	18/06/2025	Chief Executive, Department for Health and Wellbeing	Update and restructure the policy according to workflow to align with the SA Health policy template requirements. Other updates include: <ul style="list-style-type: none"> - inclusion of super delegation - alignment with TI 11 for 15-day payment requirement - realignment of the responsibility for the management of open orders and standing orders - use of POs for low value purchases on catalogued items - updated Appendix 1: Oracle Requisition and PO Exemption List

11. Appendices

Appendix 1: Oracle Requisition and Purchase Order Exemption List

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Exemption Description
Employee and non-employee reimbursements, petty cash reimbursements and recoups
Travel booked through the online system or consultants from the contracted provider
Workcover payments, including settlements
Fringe Benefit Tax (FBT) payments
Local Health Networks and SA Ambulance Service Cash Calls and other cash disbursements
Utility Payments, i.e. Electricity, Water, Gas, Telephone
Grants and other specified payments processed in the Procurement and Contract Management System (PCMS)
Purchases made using a SA Health Purchase Card
Urgent clinical purchases being goods and/or services required for patient treatment the same day or within 24 hours or have an OHS&W impact requiring urgent attention
Low value purchases less than \$2,200 (GST inclusive) and not on the Oracle catalogue <i>(Refer to the policy section: Low Value Purchases (<\$2,200 GST inclusive))</i>
iPharmacy purchases
Payments between SA Government Agencies
Emergency after-hours repairs required to infrastructure necessary to maintain the provision of services
Purchases, including secondary procurements, processed through designated channels according to contract arrangements (e.g. uniform orders processed via the ADA Online Ordering Portal under the Uniforms and Uniforms Services panel contract)