

4.11 ACCEPTANCE OF CUSTOMER ORDERS

Corrective Services Industries (CSI) as a Government Business Enterprise provides a diverse range of products and services to the general marketplace.

Because of that diversity it is difficult to formalise in a prescriptive sense the technical competency considerations, which might impact whether a client order may or may not be accepted.

For internal control purposes however, it is necessary to outline the following general parameters, which should be considered prior to the acceptance of customer orders:

- 1) All customer orders must be submitted in writing providing a clear specification of what is required (except sale of stock products for cash).
- 2) Before proceeding, the nature of the sale i.e. cash or credit needs to be determined and in the case of credit CSI credit management policy applied.
- 3) Whilst there is no generic policy limitation to whom CSI might supply products or services the following issues are to be considered:
 - i) In the case of credit sales, the customer must be an approved customer.
 - ii) In the case of private sector involvement arrangements CSI security and assessment considerations are to be fulfilled and accepted.
 - iii) The sale must only take place to an individual or organisation who would not bring discredit upon CSI.
 - iv) An order is not to be accepted where it is believed such a sale would contravene the commitment of CSI to be sensible and sensitive in its impact upon other businesses.
- 4) The product or service sought must be within the broad technical competency of the business division/business unit concerned. This implies that orders are only to be accepted where factors such as business unit technical competence, capital and Correctional Centre capability factors are appropriate.
- 5) Orders are not to be accepted where acceptance would seriously impede the capacity to fulfil existing production commitments.
- 6) Conservative caution must be exercised over the acceptance of orders dealing with product development in terms of 4) & 5) above. Further in the case of product development specific costing implications must be considered to ensure all costs are applied in accord with the CSI pricing policy - [Section 4.2](#).

Reference is also to be made to other complementary policy considerations included within the CSI Policy Manual.

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