

OTAGO POLYTECHNIC MANAGEMENT POLICY		Number: MP0304.02	
Title:	Specific Financial Authorities and Delegations		
Baldrige Criteria:	6 Operations		
Policies Committee:	Approval Date: 3 November 2017	Effective Date:	3 November 2017
Previous Policy Number:	na	Review Date:	Annually
Contact Authority:	Deputy Chief Executive Corporate Services, Chief Operating Officer	Status:	Current

Breach of this policy or part thereof may be considered serious misconduct. Consequences for serious misconduct include termination of employment.

Purpose To provide an understanding of the specific financial authorities and procedures that exist for ensuring prudent financial management occurs.

Background The Chief Executive is responsible to Council for the management of the day to day operation of the Polytechnic in accordance with the TEC Investment Plan, Strategic Plan and Annual Operational and Capital Expenditure Budgets as approved by Council.

The Chief Executive will delegate financial authority and responsibility to appropriate levels as necessary.

In financial matters affecting the Polytechnic, all Staff are bound to conform to the limits as set out in the subsection "General Financial Authorities and Delegations".

All external purchases of goods and services are to be made by a purchase order or through use of a Polytechnic Credit or Purchasing Card, the issue of which must be approved by the Deputy Chief Executive Corporate Services, Chief Operating Officer or Director Business Services.

Policy and Procedures

1. Purchasing Procedure

- 1.1. Every item or service to be paid for by the Polytechnic must be supported by either:
 - a. an official Otago Polytechnic Purchase Order
 - b. an Expense Claim Form (for reimbursement) or
 - c. an Otago Polytechnic Credit Card Voucher.
- 1.2. Expenditure on items greater than \$50,000 must comply with policy *CP0013 Procurement and Purchasing Policy*.
- 1.3. Expense Claim forms for staff must carry the signature of their Budget Manager. The Expense Claims for Budget Managers must be approved by their manager.
- 1.4. The Financial Authority Delegate will make the operating purchasing decisions and the DCE Corporate Services, Chief Operating Officer or Director Business Services will make the capital purchasing decisions in association with the Financial Authority Delegate.
- 1.5. Otago Polytechnic Purchase Orders will be issued for all purchases. The purchase order should be fully complete prior to issuing to the supplier. Where the price can not be confirmed at the time of raising the order an estimate should be entered. The estimate used should be that of a conservative nature.



- 1.6. Before approving invoices for payment and/or delivering the lines on an electronic purchase order, the Financial Authority Delegate must:
 - a. ensure the goods/services have been delivered or supplied
 - b. confirm that quality is acceptable
 - 1.7. The invoice received will be matched by the Finance Team against the appropriate purchase order previously authorised by the Financial Authority Delegate. A tolerance level of 10% or \$100 (whichever is the lesser) may be applied by the Finance Team when matching the invoice to the purchase order.
 - 1.8. In the event of partial fulfilment of orders, the words “Backorder to come” shall be noted on all invoices until the order is complete. An electronic backorder shall be created from the original purchase order in the financial system.
 - 1.9. Expenditure for utility items such as telephone, rates and leases do not require order numbers but still require coding and authorisation. This is provided an authorised delegate for contractual commitments has signed the contract.
 - 1.10. Purchase Orders required for travel will be completed through the electronic purchase order system.
 - 1.11. Maintenance of the electronic purchase order system including supplier details, security access, delivery points and general ledger codes will be done by Finance.
 - 1.12. In the case of field trips a purchase order may be raised for an estimated amount. On return the amounts committed whilst away will be reconciled to the electronic purchase order and adjusted if necessary.
2. **Electronic Purchase Order Procedure**
- 2.1. Access and training for the Purchase Order System is provided by Finance to Authorised Delegates (see subsection “General Financial Authorities and Delegations”) to enable Financial Authority Delegates to purchase necessary supplies, services and equipment.
 - 2.2. Financial Authority Delegates are responsible for the security and correct usage of the Purchase Order System. **Delegates must use a password protected screen saver** and not give access to any other staff member. Costs incurred as a result of insufficient security will be charged to the department/section responsible.
 - 2.3. Orders should be raised for all purchases of goods and services as detailed by the Purchasing Policy and Purchasing procedure.
 - 2.4. Cancelled Orders – departmental purchasing staff will change the status of the electronic purchase order to ‘Cancelled’, with a brief explanation. If possible the supplier copy of the order should also be returned.
 - 2.5. Access to the Purchase Order System does not automatically pass from one Delegate to their successor. Delegation levels are removed by Finance for staff who have left and new Delegates are added in the normal manner.
3. **Specific Items**
- 3.1. Expenditure which has any element of personal benefit must be approved by a budget manager who is at least one level of authority higher than the person who issues the order.

- 3.2. Visiting lecturers are to be remunerated for their services (at a rate which must be agreed beforehand) on the basis of either:
- a salary payment, or
 - a GST Invoice.
- 3.3. However, it is possible for other arrangements to be made in lieu of remuneration as agreed with the DCE Corporate Services/Chief Operating Officer or Director Business Services. In addition to the limits imposed by the document *MP0303 Authorities and Delegations from the Chief Executive* certain items are subject to special approval, and these are listed below:

Specific item:	Approval is subject to:
Accommodation, personal	on Polytechnic business
Accommodation, family	on Polytechnic business and as approved by the Chief Executive
Clothing, cleaning of personal	not approved unless [A]
Clothing, repair or alteration of Supplied	no restriction [C]
Clothing, supply of uniform or for use on Polytechnic business such as Protective clothing	Per [B] [C]
Fines, parking	never authorised (<i>MP303 Authorities and Delegations from Chief Executive</i> , clause 8.3)
Fines, other	never authorised (<i>MP303 Authorities and Delegations from Chief Executive</i> , clause 8.3)
Gifts, presentations to staff	approval of Executive Leadership Team, Chief Operating Officer, Director Business Services, Directors, Heads of School/College, or Service Managers as appropriate
Gifts, promotional e.g. overseas visitors	as approved by the Chief Executive or Director Internationalisation, or Director Marketing [C]
Glasses (eye), supply of	subject to employment agreement
Liquor	not approved unless clearly for Polytechnic business and authorised by Executive Leadership Team only
Meals	purchase order form must show names of persons and reasons
Optometrist, regular checks	for Visual Display Unit (VDU) users one test every two years [C] and with reference to policy <i>MP0409 Vision Safety</i>

Practising Certificates	where connected to duties currently performed
Staff Purchases (including travel)	as arranged with Chief Operating Officer or Director Business Services
Subscriptions, professional societies	where connected to duties currently performed
Subscriptions, magazine and technical updates	on Polytechnic business and ordered through the Library and as approved by Executive Leadership Team, or Directors
Travel, within New Zealand [D]	on Polytechnic business
Travel, outside New Zealand [D]	for purposes approved by the Chief Executive

Notes:

- [A] This can be approved only in cases where a single incident has resulted in damage to the clothing of a staff member, and this and the date must be stated on the purchase order.
- [B] Subject to policy *MP0408 Protective Clothing and Equipment* set by Director People and Culture or approval by the Chief Executive or DCE Corporate Services, Chief Operating Officer for the staff member or self leading team and duties performed.
- [C] Names of persons to whom issued must be noted on the purchase order.
- [D] With the exception of Perth and Darwin, Australia is regarded as domestic travel.

Referral Documents

MP0303 Authorities and Delegations from the Chief Executive
MP0408 Protective Clothing and Equipment
CP0013 Procurement and Purchasing Policy
MP0409 Vision Safety

Approved by Chief Executive
Date: 3 November 2017

