

PURCHASING AND APPROVAL OF PAYMENTS

| | | | |
|--------------------------------|--------------|-------------------------------|--|
| Section | Finance | | |
| Approval Date | 24.11.08 | Approved by | Directorate |
| Next Review | October 2010 | Responsibility | Director of Finance and Corporate Services |
| Key Evaluation Question | 6 | ITPNZ Quality Standard | 3 |

- All purchases of goods and/or services will be made using an official Institute Purchase Order.
- Authorised budget managers only, have authority to commit expenditure and sign official Institute purchase orders within the guidelines established in the document *Responsibilities and Accountabilities of the Budget Manager Financial and Statistical Recording and Performance*.

(Budget managers should be familiar with this document)
- Assignment of Budget managers and delegation of authority to commit expenditure will be authorised only by the CE..
- In order to satisfy good internal control procedures, the process of purchasing or approving expenditure will ensure that at least two employees are involved in ordering, receiving and approving any one transaction, ie, no single employee will order and receive and approve a transaction(s). Where an employee has ordered and received goods/services, then they will require the signature of their supervising manager to approve the invoice, even if they are the budget manager for that transaction.
- The general ledger code to which a purchase is to be allocated will be entered on the purchase order.

A budget manager or authorised delegate will only code purchases against their own general ledger codes.
- All capital expenditure requires the prior written authority of the Director of Finance and Corporate Services.
- All expenditure relating personally to a budget manager requires the prior approval in writing of the supervising manager, and subsequent payment authority signed by the supervising manager, even though it may be within delegated authority level and budget. Examples of such expenditure include travel, accommodation, personal development, expense reimbursement etc.
- Cancelled purchase orders: In the event a purchase order is cancelled, all copies should remain/be stapled back into the book and appropriately marked as cancelled.

REFERENCES

Responsibilities and Accountabilities of the Budget Manager Financial and Statistical Recording and Performance
Budget
Custody and Use of Order Books