



BROTHERS OF CHARITY SERVICES IRELAND

NATIONAL POLICY ON AUTHORITY TO PROCEED AND PURCHASING PROCEDURE FOR GOODS AND SERVICES

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Table of Contents

Ethos	3
1.0 Introduction	3
2.0 Policy Statement	3
3.0 Purpose.....	3
4.0 Scope.....	4
5.0 Legislation/other related policies.....	4
6.0 Glossary of Terms and Definitions	4
7.0 Roles and Responsibilities	5
8.0 Purchasing Procedure	5
9.0 Authorisation Process	7
10.0 Revision and Audit	8

Ethos

'We are committed to working with people with an intellectual disability to claim their rightful place as valued citizens. Inclusion is a fundamental principle that underlies all aspects of our work. We believe in the intrinsic value of every person and we aim to further the dignity of all associated with our services.'

'We continue the Brothers of Charity Services' tradition of being open to the best contemporary influences. We want to be inspired by the most creative ideas ...and to ask how we give them concrete expression.'

The Brothers of Charity Services Ethos (2001), Going Forward Together.

1.0 Introduction

The Brothers of Charity Services endeavour to offer services/supports in local communities. This enables each person who is supported by our services to positively engage in the social and economic life of their local towns and villages and in doing so, develop a range of relationships that enhance their quality of life. Our responses are based on the recognition of each person (who is supported by our service) as an individual, an equal citizen with equal rights and an absolute respect of that status. We, therefore, support each person to live their lives based on their own personal visions and choices, to identify and select their personal goals in life and to develop their personal plan to achieve those goals.

2.0 Policy Statement

2.1 It is the policy of the Brothers of Charity Services Ireland that all purchases of goods and services will meet the following requirements:

- Purchases of goods/services are only authorised/initiated by a person with the correct level of authority and within available budgetary limits
- The goods/ services purchased meet the requirements of individuals supported by our services.
- The goods/services purchased give the best value for money.
- All purchasing actions are totally transparent and undertaken in a professional manner and in compliance with public procurement requirements.

3.0 Purpose

3.1 It is essential that all employees with buying responsibilities have clear guidelines on the purchasing of goods and services on behalf of BOCSI. The purpose of this document is to clearly define the authority, responsibility, and accountability, governing participants in the Purchasing Process. This policy gives clarity to the question *'Who gives the authority to proceed?'*

4.0 Scope

- 4.1 This policy should be applied by staff and volunteers when obtaining any goods or services on behalf of the BOCSI and should be used in conjunction with the National Procurement Policy and the National Purchase, Lease and Sale of Property Policy.

5.0 Legislation/other related policies

- 5.1 Purchasing within the BOCSI must focus on compliance with the relevant HSE, EU, World Trade Organisation and State legal requirements and obligations.
- Public Purchasing Guidelines – Competitive Process (Issued by the National public Purchasing Policy Unit, Department of Finance).
 - Department of Finance Circular 10/10: Facilitating Small & Medium Enterprises Participation in Public Purchasing.
 - Department of Public Expenditure and Reform Circular 06/12: Public Purchasing (Framework Agreements).
 - EU Public Purchasing Directives (Principally EU Directives 2004/18/EC and 2007/66/EC).
 - Irish Purchasing Regulations (S.I. No's 329 of 2006 and 130 of 2010), and HSE Purchasing Guidelines.
 - HSE Procurement Policy.

6.0 Glossary of Terms and Definitions

Authority to Proceed – is the term used which allows a staff member to incur the agreed expenditure based on the authority of that staff member.

BOCSI - Brothers of Charity Services Ireland

EU - European Union

Expenditure Authority – is the authority vested in budget holders enabling them to incur costs that will be charged to the cost centre for which they have responsibility.

FOI - Freedom of Information

HSE - Health Service Executive

Procurement – the process through which services and goods are obtained.

Public Procurement Requirements – laws/regulation outlined in section 5.0

Services - when used linked to the term goods and services, in the context of this policy does not relate to the recruitment of employees.

S.I.- Statutory Instrument

VFM - Value for Money

7.0 Roles and Responsibilities

- 7.1 The Chief Executive is responsible for the appropriate implementation of this policy.
- 7.2 Directors of Services are responsible for the appropriate implementation of this Policy within their regions and for maintaining of the necessary systems to support implementation and monitoring.
- 7.3 Budget Holders, Cost Centre Managers and all staff members must adhere to this policy and ensure that goods/services are only purchased within their level of authority and within available budgetary limits.
- 7.4 The National Head of Finance is responsible for the advice and guidance to Finance staff in relation to this Policy.
- 7.5 The Regional Finance Departments are responsible for the timely processing of invoices and payment to suppliers.
- 7.6 The Regional Finance Officers and the Procurement Officer are responsible for reviewing all major contracts for supplies and services to ensure value for money is attained through the awarding of such contracts.

8.0 Purchasing Procedure

8.1 The BOCSI operates on the basis of devolved budgets. Each Director of Services gives each Service Location a budget so that they can be responsible for the needs of the individuals they are supporting and that decisions on the application of resources are taken as near to the point of service delivery as possible. The purchasing authority process can be summarised in the following steps (8.2-8.8). Each region can develop local implementation guidelines as long as they are in line with the below steps:

8.2 Identify needs

The need to purchase goods/services should be identified either verbally from team meetings/discussions or in writing, by a proposal, or by a day-to-day need of the service.

8.3 Establish if resources are available within the budget to make the purchase.

Once the need for a good/service is identified, the next step is to ensure that there is a budget available to complete the purchase. This should be done by checking with the service centre manager, recent finance reports and/or checking with the Finance Department.

8.4 Establish if the purchase is in line with the authority to proceed as outlined in Section 9 of this policy

Once it is established that the finance is available to meet the need, the staff member making the purchase should establish that they have the level of authority to proceed. See section 9 of this policy.

8.5 Selection of suppliers.

The staff member should establish whether they have the authority to select a supplier or if there is already a contract in place, this can be checked with the relevant manager.

8.6 Ordering of goods.

All orders must be in writing and authorised prior to the purchase. Three written quotes must be obtained for the purchase of any goods or services costing above €5,000. Prior to the purchase of goods and services costing above €25k reference must be made to the Procurement Guidelines.

8.7 Receipt of goods.

On receipt of goods or services the staff member should ensure where pricing is indicated on the delivery docket, that it is the price agreed, and that the goods or services are the quality and type that were ordered. A record of all receipts and guarantee documentation should be maintained in accordance with the regional finance policy.

8.8 Passing of invoice for payment.

Each invoice should be checked to ensure it is in agreement with the written order and coded correctly

Each invoice should be approved for payment by the appropriate person. The invoice with all relevant documentation attached should be passed to the Accounts Department for payment.

8.9 Processing of invoices and payment to suppliers.

The Accounts Department will establish that the invoices received for payment have been properly approved and that the supplier is on the Organisation's database. Payments will be made in accordance with the regions financial processes.

8.10 Emergency Situations/Exceptional Circumstances

In the case of extreme emergency where an immediate purchase has to be made in order to avoid significant risk to persons or property or financial loss to the Organisation a decision may be made to override the policy. This decision must be notified immediately to the relevant line manager for the area concerned who will sign off on the decision. Any such purchases should be once-off and, where possible, should have no knock-on effects on an ongoing basis to services being delivered.

9.0 Authorisation Process

9.1 The table below indicates the permissions required and the limit of expenditure relating to each level within the organisation. Signatures for signing off on expenditure should be obtained at the appropriate level and in line with National Financial Guidelines.

Position in Organisation - Spend to the limit	Permission required to exceed the limit	Limit in €
Chief Executive (For purchases above 150,000 refer to the Board)	Board	150,000
Director of Service, National Heads of Function.	Chief Executive	125,000
Direct Reports to the Director of Service. E.g. Sector managers/ Regional Services Managers, Head of Function/Department	Director of Service/Service Leader	20,000
Service Area Manager	Sector Manager/ Regional Services Manager	7,500
Staff who report to the Area Manager e.g. Managers / Team Leaders of individual houses/day services	Area Manager	2,500
Social Care Workers, , staff whose role requires them to purchase in order to fulfil their work in conjunction with the Manager/Team Leader	Manager /Team Leaders	500

9.2 Expenditure authority is subject to three fundamental constraints.

- **Available Finance.** The money must be available within a cost centre budget to fund the required good or service.
- **Base Budget Commitments.** The purchase will not have an adverse effect on the capacity of the cost centre's budget to fulfil the existing or future obligations to the individuals supported by the Services. For example, the purchase of an item should not undermine a budget's

capacity to provide an individual with the basic necessities of life such as food, clothing, heat, and a place to live.

- **Within Planned Activities.** The purchase must be appropriate to the budget holder's employment role and aligned to the objectives of the Service.
- 9.3 If there is doubt on any of the three fundamental constraints then the decision to proceed with a purchase must be cleared with the budget holder's line manager. The Manager must then consider the impact of such a purchase on the wider Service's finances and the benefits and consequences of a decision. The budget holder must consult with his or her line management.
- 9.4 The budget holder's expenditure authority is automatically withdrawn when his/her budget is spent unless the overspend is sanctioned by the Director of Services.

10.0 Revision and Audit

- 10.1 This policy will be reviewed every three years or more frequently if required by changing requirements
- 10.2 The review of this policy is the responsibility of the Chief Executive.
- 10.3 The Internal Audit Function is responsible for auditing this Policy and providing feedback to the Chief Executive.