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| Procedure Title | Purchasing – Segregation of Duties and Approval Authority Schedule | | |
| Date of Issue | June 12, 2013 | Related Policy | BP 3501-D |
| Revision Dates | November 29, 2017 | Related Forms | |
| Review Date | | Originator | Administrative Council |
| References | | | |
| Broader Public Sector Procurement Directive, Ministry of Finance, Agreement on Internal Trade (AIT), AP 3501-D “Purchasing – Procurement Details” | | | |

1.0 RATIONALE

Segregation of Duties and the Approval Authority Schedule are methods of process control from “purchase to pay” and to manage conflict of interest avoiding errors or fraud. It helps restrict the power of any “one” individual.

2.0 PROCEDURE

2.1 Segregation of Duties

In order to prevent any “one” person from controlling the entire procurement process, the board must segregate at minimum three (3) of the five (5) required roles.

- a) Requisition – The requirement of goods and/or services to be ordered. The requisitioner is the person (customer) requesting the goods/service. The electronic requisition module is restricted and only available to select individuals within each school or department through security in the financial system (K212).
- b) Budget – The funds available to cover the cost of an order. The school or department budget holder is responsible to maintain within their budget constraints. Budgets are entered and controlled through the security in the financial system (K212). Each requisition entered into the financial system must be electronically approved by the authorized budget holder.
- c) Commitment – The release of an order to the vendor within agreed contract terms and conditions. The purchasing department is responsible for the commitment. The purchasing module is restricted to select individuals within the purchasing department through security in the financial system (K212). Requests are only received after all electronic approval requirements have been met.
- d) Receipt – The physical receiving of goods and/or services, verifying accuracy and completeness. The staff physically inspecting and receiving the product, the receiving module of the financial system is restricted to select users through the financial system (K212).
- e) Payment – The authorization of payment to the vendor. The Accounts Payable department within the finance team is responsible for verification of prices and payment. Security is through the financial system (K212).

2.2 Responsibilities

- a) Senior Purchasing Official – The Shared Purchasing Services will provide an efficient service for all departments, academic and administrative within the board. The senior purchasing official is responsible to the senior business official for matters related to the purchase and disposal of goods and services.

The duties of the senior purchasing official shall include:

- i. The purchase of all services, supplies, repairs and equipment, as per the purchasing policy BP 3501-D “Purchasing”.

- ii. The assistance of board officials in costing various proposed purchases and maintenance projects.
- iii. Maintaining contact and actively participating with related personnel of the board and professional organizations for the exchange of information and the maintenance of an inventory of current methods and products.
- iv. The development and maintenance, in cooperation with the senior business official, of purchasing procedures for use in the board's daily operation in accordance with the terms of the administrative procedures.

b) Administrators – Persons with budget responsibility are responsible for ensuring that purchases are in accordance with the board's purchasing policy and related administrative procedures.

The administrator should ensure that:

- i. All staff members are familiar with the board's purchasing policy and administrative procedures, as appropriate.
- ii. All materials ordered meet safety requirements (hazardous substances, CSA standards, OFM standards), and are authorized for use according to board policy and administrative procedures.

Delegation of Approvals - Cases when the budget holder is unavailable, budget approval delegation can be used in the following manner:

| Budget Holder | Delegate To |
|--------------------|-------------------------------------|
| principal | vice-principal or superintendent |
| supervisor/manager | manager or superintendent |
| superintendent | superintendent of business services |

3.0 APPROVAL AUTHORITY SCHEDULE

i. Competitive Procurement

| Authority Level | Total Purchase Value | Responsible Approval |
|-----------------|--------------------------|---|
| Level 1 | < \$10,000 | administrator, manager or supervisor responsible for that budget. |
| Level 2 | > \$10,000 to \$25,000 | same as Level 1, with the addition of the supervisor of purchasing. |
| Level 3 | > \$25,000 to <\$100,000 | same as Level 2, with the addition of the superintendent of business services and the general manager of transportation and purchasing. |
| Level 4 | > \$100,000 | same as Level 3. |

ii. Non-Competitive Procurement (requires an approval one level higher than that specified above.)

| Authority Level | Total Purchase Value | Responsible Approval |
|-----------------|--------------------------|---|
| Level 1 | < \$10,000 | administrator, manager or supervisor responsible for that budget and supervisor of purchasing . |
| Level 2 | > \$10,000 to \$25,000 | same as Level 1, with the addition of the superintendent of business services and general manager of transportation and purchasing. |
| Level 3 | > \$25,000 to <\$100,000 | same as Level 2, with the addition of the director of education. |
| Level 4 | > \$100,000 | same as Level 3. |
| **Level 5 | \$0 to \$1,000,000 | same as Level 3 (this applies for consultants and consulting services only) |
| **Level 6 | >\$1,000,000 | same as Level 3, with the addition of the Board of Trustees (this applies for consultants and consulting services only) |