



Brasenose College Purchasing Policy

Approved by Governing Body November 2016

Statement of Intent

The College is committed to applying the resources available to it for the achievement of its charitable objectives in order to achieve operational efficiency and value for money, and to the minimisation of supplier risk; ie to ensure that appropriate consideration is given to quality, reliability, and cost in the procuring of goods and services.

Framework

Members of Governing Body should at all times be cognisant of their obligations as charity trustees to ensure that funds are responsibly applied in line with the charitable objectives of the College.

Governing Body is required by the University to confirm in an annual statement that it has considered the processes by which the College ensures that the publicly accountable funds that it receives via the University (HEFCE grants and student fees) are used to deliver value for money. An appropriate Purchasing Policy sets out the College's procedures for purchasing to ensure that economy, efficiency and effectiveness are achieved.

Risk Analysis

Supplier risk is identified within the College Risk Register as highest within capital projects and in the Domestic Bursary, given the large number, variety and value of purchases, and purchasers. This policy and its application are a significant tool in the management of this risk.

Management Structures

College expenditure is managed within a framework of approved departmental budgets, prepared by operational heads of departments in collaboration with the Domestic Bursar, the College Accountant and the Bursar. Expenditure is reported to the budget holder in detailed monthly management accounts. The budget holder thus has responsibility for the purchasing within their area of delegated budgetary responsibility.

Authorised Purchasing Process Stages

1. Suppliers

The Finance Bursary maintains a list of current Approved Suppliers.

Orders placed by DB HODS for purchases in excess of £500 with new suppliers not on the Approved Supplier list must be approved by the DB. Other budget holders placing orders with new suppliers in excess of £5,000 should consider the associated risks and consult the College Accountant or Bursar as necessary.

Orders in excess of £20k being placed with new suppliers must be approved by the Bursar.

Consideration must always be given to compliance with relevant legislation and best practice, including food safety, sourcing, and hygiene regulations when selecting suppliers of goods and services in operational areas subject to such regulatory control.

2. Purchase Ordering / Commitment to purchase

2.1. Ordering

The College does not currently have a formal system for managing purchase ordering. Budget holders are authorised to make purchases within budgeted expenditure limits from approved suppliers in accordance with the Delegated Authority Limits set out in Appendix A.

Unbudgeted revenue expenditure in excess of £25k must be approved in advance by Finance Committee. Capital expenditure in excess of £50k must be approved by Finance Committee, and by Governing Body if in excess of £500k. Below these levels, authority is delegated to the Bursar (By Law IV).

Operational HODs within the Domestic Bursary are authorised to place orders for purchases to the value of £2k, above which the approval of the Domestic Bursar is required.

Other budget holders similarly operate under delegated authority as per the schedule attached at Appendix A.

On-line, credit card, and paypal purchases must comply at all times with this purchasing policy.

Where possible, the initials and date of the order should be included in the order number or reference eg JCP20160508.

2.2. Tender processes

Services or supplies procured under contract at an anticipated value in excess of £10k should be offered out to tender to a minimum of three suitably qualified suppliers, for decision by the DB (or the relevant Officer or the Bursar for non DB areas) in consultation with the College Accountant. In exceptional circumstances a different process may be subject to prior approval by the Bursar.

Where the projected value is in excess of £50k, the recommendation of the Domestic Bursar or Officer must be considered for approval by the Bursar.

Where the projected value is in excess of £250k, the Bursar will consider if the tender review process should include an additional member of Finance Committee, or an appropriately qualified external consultant.

All tenders should be managed as follows:

1. Agreed list of prospective suppliers
2. Agreed definition of scope
3. Written Invitation to tender
4. Structured tender timetable
5. Criteria for assessment to be identified at outset
6. Formal tender review process

2.3. Term Contracts

Within the Domestic Bursary, all contracts for services of duration in excess of 12 months must be reviewed and approved by the Domestic Bursar, who will consult with the College Accountant as appropriate. Contracts for a lifetime value of over £25k must be approved by the Bursar.

For other operational areas, such contracts must be reviewed by the College Accountant and approved by the Bursar.

3. Invoice Approval and Payment

All supplier invoices should be directed to the Finance Bursary, and are logged before distribution to the responsible budget holder for authorisation, under the delegated responsibility structure.

Before authorisation, the invoice must be checked in detail by the operational department for delivery/performance to the appropriate standard/quality, price against order or agreement, and financial accuracy.

Purchase Ledger will ensure that any countersignature is carried out before inclusion in the payment run. Internal controls operate over the payment run process, under the supervision and management of the College Accountant.

The Bursar approves all invoices over £5k at the point of payment. New suppliers are identified on the payment run.

4. Supplier Review

4.1. Turnover reporting by Supplier

A report of turnover by current Approved Suppliers is reviewed periodically by the DB and Bursar. Suppliers with annual turnover in excess of £100k will be reported annually to Finance Committee.

4.2. Periodic Market Review

Budget holders are expected to keep their supplier base under constant review, and to identify unreliable or poor quality suppliers, or those that do not offer competitive value for money, and to direct their purchasing accordingly subject to the Approved Supplier processes.

General

Consortium Purchasing Arrangements

The college takes advantage of consortium purchasing arrangements that may operate across the collegiate university where these are considered beneficial and efficient, but is not obliged to. Energy purchasing and carbon reduction credits, private medical insurance and college insurances are all procured in this way.

Supplier Incentives

Members of college staff offered personal incentives by suppliers are not permitted to accept them, and must advise the Domestic Bursar accordingly, in accordance with the College Bribery and Corruption and Gifts and Gratuities Policies.

Formal rebate schemes operated by a supplier are permissible, but must be notified to the Domestic Bursar or Bursar.

FRAUD ALERT

All employees responsible for purchasing or purchase ledger functions should be aware of the high risk of fraud associated with supplier payments. Amendments to supplier bank details, or any other unusual financial transactions with suppliers are subject to strict Finance Bursary approval processes, under the supervision and management of the College Accountant.

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