

## Report of the Responsible Financial Officer and Finance Officer

### Ordering Goods & Services

#### Introduction

1. As has previously been reported, BTC have purchased some new accounting software. This allows us to record expenditure at the stage when goods or services are requested [committed funds] and so present a more accurate picture of available budgets at any particular time.
2. A key element of such a system working is rigorous use of a purchase order system to properly record goods and services being ordered **and especially their estimated cost**. It is also now important to identify which budget is being spent and a list of relevant cost centres and codes will be provided for each staff member so this can be done.
3. Any system for ordering goods and services must be compliant with your Financial Procedures. Your recent Internal Audit report also stressed the need for clearer controls of purchasing and the issue of purchase orders.
4. The procedures detailed below constitute an additional section for the Office Procedure Manual and supercede all previous procedures.

#### Procedure for ordering Goods & Services under £5000

1. For items under £1000; Identify supplier and obtain an estimate of costs.
2. For items over £1000 and under £5000; identify three suppliers and obtain estimates. Choose preferred supplier; document reasons if lowest cost supplier is not chosen.
3. **Complete the electronic blank PO form with details of date, supplier, goods/services ordered, costs for each element of the order, VAT if applicable, cost centre & code, name of person placing order and authorising authority.**
4. Request PO number and add this to the form.
5. Save as a pdf and e-mail to [finance@berwick-tc.gov.uk](mailto:finance@berwick-tc.gov.uk)
6. You can now place the order

#### Procedure for ordering Goods & Services over £5000 & under £10000

1. Identify three suppliers and request quotations for goods & services
2. Prepare report for Council to decide chosen supplier
3. Complete order form as outlined in paragraphs 2.3 to 2.5
4. Goods or services likely to cost over £10000 may only be ordered after completion of a formal tender process.

#### Recommendation

1. That committee note the procedures for ordering goods and services.