

LEGISLATIVE ASSEMBLY OF BC POLICY MANUAL

Section: Financial Management and Administration

Policy: 3000 General Expenditure Policy

Objective	<p>This policy establishes a framework for the spending of public monies to ensure that:</p> <ul style="list-style-type: none">• there is adequate separation of duties in financial transactions;• expense authorities are clearly assigned, properly approved, and that delegation instruments are regularly updated;• the responsibilities and duties of expense authorities are clearly communicated and understood;• appropriate officers are delegated expense authority, and they are held accountable for exercising that authority; and,• an appropriate financial control framework is maintained which permits a balance of risks, costs, and efficiencies. <p>This policy applies to all Vote 1 (Legislative Assembly) expenditures. It does not apply to expenditures made by constituency offices.</p>
Authority	<p>Legislative Assembly operational policies are approved and authorized by the Clerk of the House per policy 1100 <i>Creating and Updating Policies</i>.</p>
Key Definitions	<p>Expense Authority: Authority granted to employees to approve expenditures such as the purchase of goods and services.</p> <p>Qualified Receiver: An individual responsible for inspection or review of goods and services received.</p> <p>Payment Authority: An individual responsible for approving payment, after ensuring the expense authority and qualified receiver roles have been completed.</p>
1. Background	<p>.01 Subject to the direction and oversight of the Legislative Assembly Management Committee and the Speaker of the House, the Clerk of the House is responsible for the overall stewardship of the financial resources (Vote 1) of the Legislative Assembly of BC (the Legislative Assembly) and for ensuring appropriate control over the use of public monies.</p>
2. Delegation of Authority	<p>.01 The Speaker, caucus executive directors, independent MLAs who receive a budget for an independent legislative office, and the Clerk of the House are responsible for delegating expense authority for their respective departments.</p> <p>.02 A delegated authority cannot be re-delegated. A person formally delegated a position may exercise the authority delegated to that position.</p> <p>.03 The Director, Financial Services (or delegate) is responsible for the administration and monitoring of Legislative Assembly expense authorities. Delegation must be properly documented and maintained.</p> <p>.04 Each department must complete an <i>Expense Authority Form</i> listing the positions and level of authority granted. It must include the names and signatures of the current incumbents. The use of rubber signature stamps, adhesive slips or</p>

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mechanically produced signatures is prohibited. Each *Expense Authority Form*, or a summary matrix, must be signed off by the applicable authority (see section 2.01) as evidence of their delegation of authority.

- .05 The authority, responsibility, and accountability inherent in the delegation must be clearly communicated to the incumbent of a position charged with expense authority. Financial Services is responsible for providing this training.
- .06 Where a delegated expense authority is revoked, suspended or modified, it must be reported promptly to Financial Services.
- .07 *New or revised Expense Authority Forms* must be updated and submitted to Financial Services promptly.
- .08 Expense authority is delegated to organization positions and not to individuals, and must be granted in relation to a position's organizational responsibility or duties, and can be restricted as to financial limit.
- .09 On an annual basis, the level of expense authority delegated to each organizational position must be reviewed and updated if necessary by the individuals noted in section 2.01. This process will be coordinated by Financial Services.
- .10 The *Common Expense Authority Matrix* is the Legislative Assembly's standard form for the delegation of expense authority. Each position can be delegated one level of authority as shown in the matrix below.

Common Expense Authority Matrix

Level	1	2	3	4
Expense Authority Limit (All STOBs)* (subject to budget and policies)	Full	\$25k	\$10k	\$5k

*As per policy **3030, Capital Project Review and Approval**, expenditures on unbudgeted capital projects may also require prior approval from the Assembly's executive, the Finance and Audit Committee (FAC), or the Legislative Assembly Management Committee (LAMC) depending on the amount.

3. Expenditure Authorization

- .01 The purpose of this section of the policy is to ensure separation of duties in financial transactions.
- .02 All expenditures must be authorized by an Expense Authority (EA) who has

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been delegated authority in accordance with section 2 (Delegation of Authority) of this policy.

- .03 All expenditures require a Qualified Receiver (QR) to inspect/review the goods or services received. In the case of employee travel reimbursements, the employee who travelled is the QR. In the case of purchase card transactions, the card holder is the EA, and that person's supervisor (or equivalent) is the QR.
- .04 The EA and QR must be separate individuals and must exercise their duties independently. In addition, the EA and QR must be Legislative Assembly of BC employees (or incumbents of Assembly positions, but not contractors or volunteers). The exception to this rule is Members of the Legislative Assembly, who are the Expense Authority for their own travel expenses.

4. Expense Authority

- .01 An employee with expense authority must only approve an expenditure or payment requisition that will:
 - be a proper charge against an organization code and account over which they have been delegated authority;
 - not exceed the available budget;
 - not exceed their authority as set out on their departments' Expense Authority Form;
 - be in compliance with all relevant regulations, Legislative Assembly policies and objectives, and other executive orders; and,
 - be a lawful charge against their appropriation.
- .02 It is the responsibility of EAs to thoroughly review invoices, reimbursement requests, and payment requisitions to ensure accuracy of calculations, application of taxes, account coding, that there is sufficient backup, and that the expenditure is appropriate and in accordance with any relevant contracts or agreements.

An EA may receive assistance from staff in fulfilling his or her responsibilities, but the EA is accountable for all expenditures they have approved.
- .03 Approval for the expenditure is provided by the EA through electronic approval in DocuWare, signature on the supporting documentation, or through direct email approval with the following guidelines:
 - The email authorization must reference the payee name;
 - The email authorization must reference the total amount to be paid;
 - The email authorization should reference any other important/defining attributes of the payment (e.g. invoice number, reason for reimbursement, etc.); and,
 - Financial Services must be cc'd on the email approval.

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- .04 EAs are accountable for compliance with this policy. If designated by their department head, EAs are also responsible for reviewing monthly financial reports provided by Financial Services, and for taking corrective action if discrepancies exist.
- .05 An EA must not approve an expenditure or payment requisition where the EA will be the payee.
- .06 An EA must not approve a reimbursement or payment requisition where the EA is the subordinate of the payee.

Any transactions where the Clerk of the House is the payee will first be reviewed for policy compliance by the applicable branch director or by the Executive Financial Officer, prior to being submitted to the Speaker of the House for approval as the EA.
- .07 In the event that an EA has improperly exercised their authority, appropriate follow-up action will be taken commensurate with the infraction. Repeat occurrences will result in applying an escalating process of discipline, potentially including loss of expense authority and dismissal.

5. Qualified Receiver

- .01 Regardless of who accepts the delivery documents, a Qualified Receiver (QR) must inspect/review the goods and services received, and indicate this review through electronic approval in DocuWare, signature or email. The QR can be any Legislative Assembly employee who is in a position to acknowledge receipt of the goods or services.
- .02 The QR must ensure goods and services have been received and the documentation to support the account has been verified in respect of:
 - Goods: as ordered, correct amount, correct quantity and suitable quality;
 - Services: as contracted, correct amount, appropriate deliverables and performance criteria met; and,
 - Any other required conditions have been met.

6. Monitoring and Training

- .01 It is the responsibility of the Financial Services to:
 - Ensure financial management reports are made available to a designated EA within each department for review and follow up; and,
 - Ensure EAs, QRs, and other employees involved with financial transactions are trained and understand their responsibilities.

7. Expenditure Processing

- .01 Financial Services will only release a payment when:
 - An EA has approved the expenditure;
 - A QR has certified that all conditions have been met;
 - The account coding, classification, and fiscal year are correct; and,

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- Sufficient appropriate supporting documentation exists.
- .02 All payments will be released by a Payment Authority, as delegated by the Director, Financial Services.
- .05 By way of this policy, the Director, Financial Services delegates Payment Authority to the Manager, Financial Operations and as a backup, to the Manager, Accountability.

Contacts

Please contact financialservices@leg.bc.ca for questions regarding this policy.

Procedures

No detailed procedures have been created related to this policy.

References

This policy was based on the Province of BC's Core Policy and Procedures Manual (CPPM). Section 4.0 Expense Management of the CPPM can be referred to as a secondary source of policy.

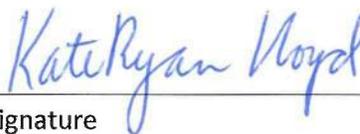
3010 Corporate Purchase Card Program

3030 Capital Project Review and Approval

3100 Procurement and Contract Management

Approved and authorized by Kate Ryan-Lloyd,
Acting Clerk of the Legislative Assembly

Signature



VERSION HISTORY	
Version 1	September 20, 2015
Version 2	February 9, 2018