



Surf Life Saving Sydney
PO Box 6006, Malabar NSW 2036
surflifesavingsydney.com.au
ABN 74 781 063 539

Surf Life Saving Sydney (SLSS) Financial Accountability, Budgeting and Procurement Policy

1. Purpose

1.1 The purpose of this policy is to ensure that processes of budgeting and procurement of goods and/or services are conducted in an honest, competitive, fair and transparent manner and provides considerations of financial value, quality, service, environmental and social impacts.

2. Commencement

2.1 The Finance and Procurement Policy came into effect from 1 January 2024. This version will come into effect on 15 April 2025 and will supersede all previous Finance and Procurement policies and procedures.

3. Application

3.1 The Policy applies to anyone undertaking financial and procurement activities on behalf of SLSS, or with SLSS funds. This includes but is not limited to the following:

- a) Officers of SLSS (the BOM) as per Clause 17 of the Constitution;
- b) Standing Committee Members, as per Clause 35 of the Constitution;
- c) The CEO or other employees, as per clause 33 of the Constitution;
- d) Delegated authorities, as per clause 34 of the Constitution; and
- e) any other person or group.

4. Approved Budget

4.1 The SLSS President shall be responsible for the allocation of the Annual Operational and Capital Budgets across Portfolios, in consultation with each Portfolio's Director.

- a) Portfolio Directors are to provide their tentative Portfolio budget to the Branch Director of Finance in April of each calendar year.
- b) Each budgeted expense line should represent a specific expense that can be tracked throughout the following financial year.

- c) The Director, Finance will consolidate the Portfolio Director's submissions into a consolidated Branch budget (Consolidated Budget).
- d) The Consolidated Budget will be presented to the Financial and Compliance Committee (FACC) for review.
- e) Portfolio Directors are to present their budget to the FACC to support balancing the Consolidated Budget, ensuring identified expenses are lower than revenues.
- f) Once supported by the FACC, the Consolidated Budget will be proposed to the SLSS Board of Management (BOM) for approval and endorsement to be proposed for adoption by the SLSS Branch Council (Branch Council) as the Consolidated Annual Operational and Capital Budgets of Surf Life Saving Sydney (Budget).

4.2 The Budget is to be approved by a resolution of the Branch Council at the Annual General Meeting (AGM) for the forthcoming financial year.

4.3 Portfolio Directors are responsible to the BOM for the performance of their respective Portfolio Budgets.

5. Expenditure – General Requirements

5.1 Endorsements relating to expenditure of any kind can only be exercised within endorsed operational or capital budgets.

5.2 No authority is granted to incur expenditure unless there is an identified source of sufficient funds.

5.3 The endorsement of spending must relate to the total financial commitment which may span across multiple financial years.

5.4 The splitting of the total financial commitment into multiple transactions to avoid or circumvent delegation limits is prohibited.

5.5 Individuals cannot approve any action in respect of, or for the benefit of themselves or any related person or entity.

6. Expenditure Approvals

6.1 Whilst a budget has been endorsed, approvals for expenditure are required to be obtained throughout the year in each spending instance and are intended to achieve the following objectives:

- a) To ensure the efficiency and effectiveness in SLSS's administrative processes; and
- b) To ensure the appropriate officers have been provided with the level of authority necessary to discharge their responsibilities, and;
- c) To ensure internal controls are effective.

6.2 Individuals who have been delegated financial responsibility will have the power to approve expenditures and commitments made on behalf of SLSS, in line with their position.

- a) Portfolio Directors are granted the approval to expend allocations within their endorsed budget to the value of \$1,000. Such approvals should be presented to the Director and recorded, within their committee meetings.
- b) Expenditures over \$1,000 that are within the Portfolio Director's endorsed budget should first be presented to the Director and recorded within their committee meetings. Once approved by the relevant committee, the spends are proposed to the BOM for endorsement, identifying if they are surplus to the initial budget, and how the extant budget will be managed to support any increase in requirements.

7. Procurement Principles

7.1 The procurement of goods and services will:

- a) Align with SLSS's strategic objectives and business needs;
- b) Be conducted with honesty, integrity, probity, diligence, fairness and consistency;
- c) Consider financial and non-financial factors including price, total life cycle, environmental and social, availability and location of supply, in-sales and after-sales service and social and economic factors that will deliver value for money;
- d) Be conducted by an appropriate market approach that encourages the market to be innovative, to generate benefits and to improve performance.; and
- e) Be conducted in a transparent manner, ensuring all record-keeping, reporting and other requirements are documented with all relevant approvals.

7.2 No single person will have oversight over any single procurement activity. Duties must be segregated to ensure that control cannot be overridden by any individual.

7.3 Where a requirement meets or is above a threshold specified in Table A, a Market Approach must be taken, where quotes are obtained and comparisons applied. The corresponding procurement process and minimum requirements must be followed unless an exemption is approved (outlined in section 7 of this policy).

7.4 All efforts should be applied to avoid individuals purchasing goods and/or services with their own funds and seeking reimbursement. This practice bypasses compliance checks and may potentially lead to fraudulent activity.

7.5 The thresholds outlined in Table A represent the total value of the spend, including all initial, ongoing and final payments, and inclusive of any shipping, freight, handling or other procurement costs. Where expenses span over multiple-year commitments, the total threshold represents amounts over the entire term of these agreements.

Table A: Procurement Thresholds

Threshold	Procurement Process	Minimum Requirement	Approval	Procurement
\$0 - \$500	Direct Purchase	One verbal quote	Staff, Director	Debit Card or Direct Debit
\$500 - \$1,000	Request for Quotation	One written quotation	Director	Debit Card or Direct Debit
\$1,000 - \$2,000	Request for Quotation	One written quotation	BOM	Debit Card
\$2,000 - \$5,000	Request for Quotation	Three written quotations	BOM	Debit Card or Purchase Order
\$5,000 - \$10,000	Request for Quotation	Three written quotations	BOM	Purchase Order or Contract
\$10,000 - \$50,000	Request for Quotation	Three written quotations, credit risk assessment	BOM	Purchase Order or Contract
\$50,000+	Request for Tender (RFT) or equivalent	Open RFT approved process.	BOM	Contract

8. Exemption from a Market Approach

8.1 A market approach is not required for:

- a) The purchase of goods and/or services from Commonwealth or State public sector entities (including statutory authorities and government business enterprises).
- b) The procurement of legal services, including engaging counsel or barristers for any current, anticipated or non-anticipated litigation or dispute.
- c) Procurement funded by grants, loans or other assistance, where the funding contract sets conditions which do not comply with this Policy.
- d) The engagement of an expert or natural person under an employment agreement.
- e) Critical incidents that require urgent procurement needs or remedial works.
- f) The procurement of goods and/or services solely provided by Surf Life Saving entities.

g) Agreements with utilities such as electricity and water.

8.2 All other requests for exemption from a market approach must be approved by the Board of Management.

9. Preferred Suppliers

9.1 Preferred Suppliers are the pre-identified suppliers of goods and/or services which are subject to Preferred Supplier Arrangements. These are suppliers that provide specialised goods and/or services in which SLSS agrees to purchase for a pre-determined period of no longer than 36 months (3 years).

9.2 For a supplier to be considered a Preferred Supplier, they need to demonstrate value for money and provide a justification why a market approach would not be in the interests of SLS.

9.3 Goods and/or services that may be supplied by Preferred Suppliers include, but are not limited to:

- a) Clothing and Apparel;
- b) Transportation;
- c) Accommodation;
- d) Office Stationary Supplies;
- e) Servicing of Vehicles, Vessels and Equipment;
- f) Signage and Printing.

9.4 Preferred Supplier Arrangements are to be proposed to the Director, Finance by the relevant Portfolio Director and will be identified in accordance with a market-approach, for a specified period of no more than 36 months (3 years). If the supplier arrangement is determined suitable by the Director, Finance, the Preferred Supplier Arrangement is to be proposed to the BOM for endorsement. Once endorsed, the Preferred Supplier Arrangement will be documented for record-keeping purposes.

9.5 All Preferred Supplier Arrangements must meet the Procurement Principles outlined in section 6.1 of this Policy.

10. Contracts

10.1 Any contract or agreement SLSS engages in must:

- a) Be in the best interest of SLSS;
- b) Comply with all SLSS policies and procedures;
- c) Comply with all NSW and Commonwealth legislation;
- d) Be negotiated fairly and transparently; and
- e) Be free from any conflict of interest.

10.2 SLSS may only enter a Contract if it has been assessed that SLSS and the other parties to the Contract have the financial and non-financial resources to fulfill their obligations under the Contract.

10.3 SLSS Contracts must be correctly valued and not be structured to avoid required approvals.

10.4 Execution of any instrument binding SLSS must be in accordance with the Constitution.

10.5 This section applies to Preferred Supplier Arrangements.

11. Bank and Accounting Software

11.1 The establishment or closing of any bank accounts, investment accounts, or lines of credit must be authorised by the BOM.

11.2 The allocation of Bank Cards, physical and/or virtual must be authorised by the BOM. Bank Cards are debit and/or credit cards issued by a banking organisation.

11.3 The BOM will authorise the appointment and removal of authorised officers and signatories.

12. Expense Cards

12.1 Expense Cards are cards, which can incur expenses. Cards can be either:

- a) at specified retail outlets such as Bunnings Warehouse, or fuel cards for use at petrol stations.
- b) at financial service providers, such as Weel, which can be used at any outlet in lieu of a card from a financial institution.

12.2 The allocation of Expense Cards, physical and/or virtual is to be requested by the Portfolio Director and must be approved by the Director, Finance.

12.3 An Individual holding an expense card is authorised to enter financial commitments up to the level of the expense card limit they have been allocated.

12.4 Limits for credit cards are determined by the Director, Finance.

12.5 The facility to utilise the Expense Card can be withdrawn by the Director, Finance as deemed appropriate.

13. Bookkeeping

13.1 A bookkeeper shall be engaged by the Director, Finance in order to undertake the day-to-day accounting activities for the Branch.

13.2 The bookkeeper shall be appointed for a two-year period, with a two year extension. This is to align with the tenure of the Director, Finance, and their option to

extend their term. The tenure commences after the first year of the Director, Finance's first year.

13.3 All bookkeeping activities will align with Australian Accounting Standards.

13.4 The bookkeeper will apply the following thresholds:

- a) expenses over \$1,000, which cover a 12-month period should be amortised over 12 months. Under need not be amortised.
- b) revenues over \$1,000, which cover a 12-month period should be amortised over 12 months. Under need not be amortised.
- c) intangible assets under the value of \$10,000 do not need to be capitalised.

14. Gifts

14.1 A gift or benefit is any item or service accepted from clients, customers (potential or current) or other associates in the course of conducting SLSS duties. Gifts from any entity which may enter into a financial agreement with SLSS may be seen as a conflict of interest.

14.2 Individuals involved in procurement activities must declare any material gifts or benefits from any entity which they may, on behalf of SLSS, enter into a procurement activity with. They individual must ensure the entity is aware that the gift or benefit will not influence their decision, and that the receipt is at the discretion of the BOM.

14.3 Any material gift or benefit received by an individual must be disclosed at the next BOM meeting, by the appropriate officer, to confirm if the gift can be accepted, thereafter logged in the interest register.

15. Responsibilities

15.1 The Director of Finance is responsible for:

- a) Ensuring all staff and volunteers are provided with information and training in relation to their responsibilities under this Policy; and
- b) Monitoring practices and processes; and
- c) Assessing the procurement capability of the organisation.

15.2 Individuals involved in procurement must they comply with this Policy.

16. Non-compliance

16.1 SLSS requires all individuals acting on its behalf to conduct business in an honest, ethical and in professional manner, and will not tolerate fraud, corruption or any form of dishonesty in its transactions.

16.2 Subject to the severity of the non-compliance of this Policy as determined by the Executive, one or more of the following outcomes will apply:

- a) a formal warning issued by the DOF;
- b) any Director responsible for the breach being removed from the BOM;
- c) dismissal of any staff member or volunteer from SLSS; and/or
- d) reported as a criminal offence to the NSW police.

17. Definitions

Capital Budget: The budgeted acquisitions and disposals of capital assets, which are recorded in the asset register and recognized as assets on the organisation's Statement of Financial Position.

Consolidated Budget: A budget comprising of a consolidation of all Portfolio budgets, which has been reviewed by the Director, Finance and proposed to the SLSS FACC.

Contract: an agreement between SLSS and another party or parties. This includes purchase orders, heads of agreement, memoranda of understanding, letters of intent, tenders, strategic partnerships, variations and extension to existing contract, grant funding agreements, partnership agreements.

Expenditure Limit: total of financial commitment, in Australian dollars, excluding GST, and including any other charges such as freight, taxes and duties.

Finance and Compliance Committee: Clause 35 of the SLSS Constitution establishes The Finance and Compliance Committee as a Standing Committee. The operation and function of this committee is outlined in SLSS By-Law 10.

Financial commitment: a transaction (or combination of transactions) that result in a cash outflow or in-kind outflow of SLSSB resources.

Goods and Services: the supply of equipment, consumables and like items (goods) or the provision of services or the execution of works (services).

Market approach: a process where SLSS approaches the market calling for offers for a particular good or service. A market approach may take the form of an expression of interest, request for quotation, request for information, request for proposal or request for tender.

Material Gifts: materiality represents a value that is considered important or significant to determine an issue. The total value of all gifts over a period of time would need to be determined to consider materiality. For the purpose of this Policy, material would be \$50, thereby allowing a one off coffee, beer or snack.

Operational Budget: The budgeted income and expenses of the organization, and budgeted net surplus or deficit, as recognized on the organisation's Statement of Profit or Loss and other Comprehensive Income.

Portfolios: distinct operational groups within the organisation.

Procurement: refers to all activities involved in the acquisition of goods and services either outright or by lease, this includes the process of:

- a) Identifying the need to purchase goods or services.

- b) Selecting suppliers for goods and services.
- c) Contracting for goods and services, and
- d) Managing the contracts and suppliers.

Procurement process: a process to conduct a market approach, for example a Request for Quotation, an Expression of Interest, a Request for Information, a Request for Proposal, a Request for Tender.

Purchase: the sum of all financial transactions of the procurement. For example, while a supplier may issue invoices for a deposit, or instalments, or separate invoices due to the supplier's internal processes, the purchase on behalf of SLSS is considered the whole financial commitment of the procurement. **Total life cycle considerations:** a full consideration of the goods or services to be purchased including but not limited to planning, development, implementation, ongoing management, maintenance, transition, and asset disposing.

Value for money: a process for assessing the best outcome from a market approach activity that assesses the capabilities and competencies of each supplier against the price submitted by each supplier. It considers financial and non-financial factors including price, the total life cycle consideration, environmental, availability and location of supply, in-sales and after sales service and social and economic factors that will deliver value for money.

Unbudgeted expenditure: Expenditure that is not part of an Approved Budget.

18. Policy version and revision information

Policy authorised by: Board of Management

Current issue: Version 2 - Effective as of 15 April 2025.

Owner of Policy: Director of Finance