



## **BOARD OF DIRECTORS**

### **Delegation of Authority Policy**

The Board of Directors embraces the principle of empowerment: that governance and management are more effective and efficient when they are separated and when management decision-making authority is delegated as far into [the Organization] as is consistent with levels of competence and capacity. Within the limits and policies established by Articles of Association and Bylaws, and by [the Organization's] Board of Directors, authorities regarding various aspects of operations have been delegated to the Executive Director (and by the Executive Director to other members of staff and/or volunteers) as outlined in this policy.

### **PURPOSE**

This Delegation of Authority Policy defines the limits of authority designated to specified positions of responsibility within [the Organization] and establishes the types and maximum amount of obligations that may be approved by individuals or groups of individuals. The approval of commitments and transactions outlined in this policy must always be made by the parties that have designated the responsibility for final approval.

Both staff and Directors should be aware that conduct that violates this policy is always considered outside the scope of their position. Violating the policy could significantly damage [the Organization] and expose it to unpalatable levels of risk and unintended legal and/or commercial liabilities. Individuals who violate this policy are subject to appropriate disciplinary action, including possible termination of employment (for staff) or dismissal from the Board of Directors.

The President and the Executive Director should take all necessary steps to ensure Directors and staff are aware of and follow this policy.

### **OVERVIEW**

This policy sets out the nature and extent of the authority formally delegated from the Board to individuals and from the Executive Director to staff.

The Board reserves all decision-making authority to itself, except to the extent that such power has been delegated to the Executive Director (or other named individuals or positions). This includes at all times control over its statutory obligations and key strategic directions and controls and monitoring of all issues that may significantly impact the Association.

The role of the Board of Directors is to govern, details of which are documented in the Board of Directors Terms of Reference. In addition to matters expressly required by law to be approved by the Board, powers specifically reserved for the Board are as follows:





- Appointing and removing the Executive Director and determining his or her terms and conditions of employment (including remuneration);
- Reviewing and approving each of the following:
- Systems of governance, risk management and internal control, codes of conduct and legal compliance;
- Financial reporting (via the Annual Report to the membership and to Corporations Canada via the corporate Return); and
- Any matters in excess of discretions that, from time to time, may have delegated to the Executive Director.

Approving each of the following:

- 3-year Strategic Plan;
- Annual Operational Plan (prepared by the Executive Director);
- Annual operating budget;
- Significant changes to the organisational structure;
- The acquisition, establishment, disposal or cessation of any significant business of the organisation; and
- Any public statements which reflect significant issues of [the Organization's] policy or strategy.

The role of the Executive Director is to manage, which is broadly to:

- Act as the executive officer to the Board, including advising and informing the Board on its governance role;
- Work with the Board to reach agreed strategic and business outcomes within the appropriate budgetary and financial framework;
- Manage all day-to-day affairs and activities of the organisation, within the Board-endorsed strategic, policy, risk, people and financial frameworks;
- As approved, attract, motivate and retain suitably qualified staff;
- Provide reports, analysis and recommendations to the Board as required; and
- Implement Board decision.

The intention of this policy is to ensure the correct balance of responsibilities is struck between governance and management in the best interests of [the Organization's] members and other stakeholders. It is therefore specifically acknowledged that the:

- Executive Director is empowered to manage and lead operations on a day-to-day basis;
- Policy is intended to create the necessary platform to enable the Executive Director to manage and lead operations whilst preserving the Board's governing role;
- The Executive Director's management and leadership role will include the input of the Board's vision, direction and innovation wherever it is required; and





- Policy is to be interpreted in this light to enable the Executive Director to manage the operations on a day-to-day basis.

## **PRINCIPLES OF DELEGATION**

The key principles upon which this delegation of authority is based are as follows:

### **Practicality**

The delegation of authority to the Executive Director and other individuals should be clear, concise and practical.

### **Accountability**

The trail of accountability for decision-making needs to be clear and must remain intact always in terms of the sub-delegation of authority by the Executive Director or others.

### **Sub-delegation**

The Executive Director will have the ability to delegate his or her authority to others if, so far as the Board is concerned, the Executive Director will remain responsible for such decision-making.

### **Board reporting**

It is essential that the Board receives adequate and timely reporting of the use of delegated authority by the Executive Director (particularly any unbudgeted or discretionary authority) so that the Board can be fully informed at all times.

## **DELEGATED AUTHORITY**

### **CATEGORY / AUTHORITY DELEGATED TO EXECUTIVE DIRECTOR**

#### **FINANCIAL**

Operating expenditure (budgeted) / Full authority if part of a Board-approved budget (Additionally, each line item within and the Board-approved budget may be varied by +/- 5% or substituted up to \$2,000)

Operating expenditure (unbudgeted) / Subject to Board approval

Bank accounts and signatories / Changes to bank accounts and signatories are subject to Board approval

Bank deposits other than cash accounts, such as term deposits / Subject to Board approval

Credit cards / Subject to Board approval





Travel expenses / To be approved by the President, in their capacity as the ED's line manager

Sale of assets / Subject to Board approval

Non-disclosure (confidentiality) agreements / Full authority

## **GOVERNANCE**

Any change to the organisation's structure / Subject to Board approval

Public statements, publications, and membership newsletters / Full authority

Publication of conference papers and speeches / Full authority

Memoranda of Understanding, Heads of Agreement and Alliance Agreements / Subject to Board approval

Sub-delegation of ED's authority / Full authority, subject to reporting and accountability requirements

## **REPORTING REQUIREMENTS (TO PROJECT FUNDERS) (when relevant)**

Specified reporting requirements against the outputs, funding or overall compliance including annual compliance returns / Full authority subject to Board oversight and reporting to Board of any non-compliance

Event driven activities which occur at various stages during the funding terms, usually because of a change in the funding arrangements, or an external trigger / Subject to Board approval

Acquittal accounting / Subject to external audit and Board approval

## **STAFF**

Appointing staff / Full authority in accordance with current approved Board budget

New positions / Full authority if part of a Board-approved budget, Board approval is required if the new position is not part of a previously Board-approved budget

Replacing existing positions / Full authority

Terminating contracts or retrenching staff / Subject to Board approval

Remuneration of staff / Full authority to structure and set remuneration, subject to the terms of [the Organization's] Compensation Policy and in accordance with current Board-approved budget

Business-related expense claims / Full authority for all staff

Bonus and incentive schemes / Subject to Board approval





## **LEGAL**

Obtaining legal advice in the normal course of business / Full authority

Settling litigation claims, legal disputes and staff claims / Subject to Board approval

Execution of contracts: specialist consultants / Full authority up to \$10,000 and within the limits of a Board-approved budget

Over \$10,000 in accordance with the terms of [the Organization's] Procurement Policy

Execution of contracts: event suppliers / Full authority up to \$10,000 and within the limits of a Board-approved budget

Over \$10,000 in accordance with the terms of [the Organization's] Procurement Policy

## **TENDERS & GRANT APPLICATIONS (PROJECT FUNDING)**

Tendering for new contracts from current funders within current operational parameters / Full authority but to be advised by the Board

Applying for new grants within current operational parameters / Full authority but to be advised by the Board

Tendering for new contracts from current funders outside current operational parameters / Subject to Board approval

Applying for new grants outside current operational parameters / Subject to Board approval

## **PROCEDURES**

### **Reporting to the Board**

All breaches of delegated authority will be reported to the Board in writing at the next Board meeting. If a serious breach of delegated authority occurs, the Executive Director will immediately report this to the Board.

### **Delegation of Authority from the Executive Director**

All delegations of authority must be documented by way of a signed memorandum.

Commitments and transactions cannot be approved by individuals having a lower level of authority than the specified transaction requires, except pursuant to a delegation of temporary authority. Temporary authority may be designated whenever an individual with approval authority will be unavailable for prolonged periods. The temporary authorisation is to be in writing and specify the effective length of time.





## DECISION-MAKING PROCESSES

The Executive Director will prepare an annual operational plan for consideration by the Board in March. This plan will be informed by the objectives of the Strategic Plan. Once approval is given by the Board, the Executive Director is then authorised to implement the plan, within normal budgetary constraints and within the parameters of the delegated authorities outlined in this policy.

The presumption therefore is that routine, operational day-to-day decision-making rests with the Executive Director and that decisions which require Board approval (as informed by the delegated authorities and outside the scope of the annual cycle of business) will be made at the appropriate Board meeting. In advance of a meeting, papers will be prepared by the Executive Director or other “recommender” (see below) and submitted to Board for consideration. These papers will provide the relevant background commentary and include corresponding recommendations. Each paper will conclude with an explicit expectation of the Board, i.e. the recommendations will be transparent and the decision(s) being sought will be unambiguous.

To support the Board in its decision-making, [the Organization] has adopted the use of the RAPID method, and although decision-making is bespoke to specific subject matter, generally the process reflects the following approach:

**Recommend:** A recommender (typically the Executive Director) initiates the decision-making process. They are the go-to person who participates in the process from start to finish, ensuring others understand what they need to do, and keeps things moving until a decision has been made, recorded and communicated.

**Input:** An “I” stakeholder should be consulted before a decision can be made. Although an “I” has the right to be heard, they have no vote or veto power. Including someone or a group of people as an “I” indicates their value to [the Organization]. Typically, the “I” stakeholders are drawn from the [the Organization] membership or sub-committees of the Board.

**Agree:** An “A” stakeholder must agree to or approve a decision. An “A” stakeholder is essentially an “I” but with vote and veto power. Generally, the more “A” stakeholders that are involved in a decision, the more time a decision takes. In [the Organization’s] context, the Board of Directors or a sub-group of the Board are classified as “A” stakeholders.

**Decide:** A “D” stakeholder has final authority and is the only stakeholder who can commit the Association to action. In [the Organization’s] context, Board members are also collectively “D” stakeholders. In the event of indecision by the Board, the [the Organization’s] President does however retain ultimate decision-making responsibility.

**Perform:** Once a decision has been made, the “P” carries out the work. These are often the “I” stakeholders, such as volunteers or members of sub-committees, but also members of staff.





Central to all successful decision-making is to record and communicate the decision. Too often not-for-profit Boards and their management teams are left in operating limbo because a key decision has not been explicit, recorded and/or communicated. To that end, in their capacity as secretariat to the Board of Directors, it is the Executive Director's responsibility to confirm details on decisions with the President and to circulate to Directors post-Board meeting.

In the event of inconsistency between the French and English version, the English language version shall prevail.

Approved by the Executive Board: 2017

