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# Objectives

The Director Schedule of Delegations (the “Schedule”) has three main objectives:

* It serves as the mechanism for the Board of The Junction Clubhouse to vest authority in the Director
* It serves as the mechanism to sub-delegate the power and authority, vested by the Board in the Director to manage and supervise the management of the day-to-day operations and activities of the Clubhouse
* It ensures that the financial transactions of the Clubhouse are executed within the scope of delegated authorities creating a framework of financial control over investments, revenues, commitments and expenditures

# 2.0 Scope

The Schedule applies to all permanent, casual and contractual employees of The Junction Clubhouse (Delegates).

# 3.0 Content

# 3.1 Background

The *Corporations Act 2001* and *The Junction Clubhouse Constitution* require that the business of the Clubhouse is managed under the direction of the Board, and the Board may, by resolution, delegate any of their powers to the Director, a committee of the Board, or other parties and organisations.

The general approach adopted by the Board in the delegation of its power and authority is that:

* Decisions related to specific matters are reserved for the Board
* Certain powers and limits of authority are delegated to specified positions
* Subject to the above, it delegates its power and authority to manage and supervise the management of the day-to-day operations and activities of the Clubhouse to the Director

In recognition that the Director cannot perform or closely supervise all the activities and functions involved in the conduct of the Clubhouse, the Board has authorised the Director to sub-delegate his/per power and authority as documented in this Schedule.

# 3.2 Principles of Director Delegation

The following principles apply to the exercise of the Director’s delegated authority:

* Any action undertaken as a result of a delegated authority allowed by this Schedule must be undertaken within the limits of the delegation
* Unless a specific delegation exists, no person has any individual authority to commit the Clubhouse to obligations including making representations and agreements with suppliers, customers, employees or other parties or organisations. Any ambiguity should be treated conservatively.
* In exercising a delegated authority, a Delegate:
  + Is only authorised to commit and spend in areas for which they have day-to-day responsibility (i.e., within the Delegate’s specific accountabilities as required in his or her position description)
  + Has authority for only those commitments that are within the Board-approved budget for the relevant business division
  + Can only commit/spent against budgets for which they are the cost centre/program manager or have been permitted to commit/spend against
  + Must ensure that the expenditure is for a proper purpose
* A delegate may commit The Junction Clubhouse up to their financial threshold limit of authority by executing a contract, undertaking action necessary to effect a transaction or expenditure, or entering a commitment, liability or financial exposure. In exercising a delegated authority to execute a contract, agreement, or otherwise commit the Clubhouse to legal obligations, Delegates are to ensure that entry into the Legal Document has been approved with appropriate authority.
* The authority to approve a transaction is taken to include the authority to terminate or cancel a transaction
* Unless otherwise specified, powers and authorities are delegated to a position and not a person
* Unless otherwise specified, a power and authority delegated to a position extends to any person acting in that position
* A manager automatically holds the authorities of his or her subordinates, except in the case where this would lead to a lack of segregation of duties. If no arrangements have been made for a temporary delegation (acting position) then all authorities automatically revert to a higher authority level.

# 3.3 Authority Categories and Commitment Thresholds

Delegation of financial authority categories and commitment thresholds are detailed in **Appendix 1**. These delegations:

* Are based on the level assigned to a position description (or a position title)
* Provide authority to commit the Clubhouse to obligations up to a specified financial limit (or commitment threshold)

The dollar value amounts (commitment thresholds) shown in **Appendix 1**:

* Are GST-exclusive
* Refer to related expenditures, transactions or commitments, whether these occur in one or a related series of transactions or payments
* Refer to the likely maximum expenditure, commitment or potential risk of liability of financial exposure of the Clubhouse over a single financial year

The commitment thresholds exclude ‘Standing Offer’ or ‘Panel Provider’ arrangements which confirm pricing and do not commit the Clubhouse to specific quantities or minimum purchasing arrangements.

# 3.4 Guidelines for the Application of Delegated Authority

# 3.4.1 Operational Expenditure and Commitments

* Program/Cost Centre Managers can transfer operating expenditure budgets within their own Program or Cost Centre. In the case of funded programs, the program funding agreement is not to be compromised
* Transfers between Cost Centres can occur with the approval of the Director
* Transfers between Programs can occur with the approval of the Director
* If the Operational Expenditure cannot be accommodated within the ‘whole of organisation’ operating expenditure budget, it is **out of budget** and will require Board approval if more than $10,000.00

# 3.4.2 Investments

Asset divestment or purchase

In addition to the delegations detailed in **Appendix 1**, the Director may grant specific standing or ad-hoc delegations and financial limits of authority to specified positions. These delegations must be formally documented and approved by the Director, and within the Director’s level of delegated authority.

Revenue Contracts

In addition to the delegations detailed in **Appendix 1**, the Director may grant specific standing or ad-hoc delegations and financial limits of authority to specified positions. These delegations must be formally documented and approved by the Director, and within the Director’s level of delegated authority.

# 3.4.3 Delegation by Director of ad-hoc Power and Authority

In addition to the delegations of the Director’s power and financial authority commitment thresholds as detailed in this Schedule, the Director may delegate the exercise of his or her power and authority on an individual basis for a particular purpose. The limits and/or restrictions of the delegations in this Schedule may be superseded by more specific or individual delegations. These delegations must be formally documented and approved by the Director, and within the Director’s level of delegated authority.

# 3.4.4 Emergency Decision Making

If an ‘emergency situation’ results in the breakdown of normal communication channels and therefore impacts the ability to receive approvals for decision-making above a Delegate’s commitment threshold, a delegate is authorised to necessarily act to mitigate the situation. A Delegate must inform his or her manager of the actions taken as soon as practicable.

# 3.5 Framework of Internal Control

In exercising a delegated authority, a Delegate must observe the following:

* A Delegate must exercise their authority subject to and in accordance with the law, the Clubhouse Code of Conduct and organisational policies and procedures
* A Delegate must not exercise their delegated power and authority if, in doing so, they would create an actual, perceived or potential conflict of interest and/or bestow a personal benefit
* A Delegate must not exercise their authority to approve their own personal expenses
* The same Delegate may not place the order, receive the goods or services, and/or approve the invoice (segregation of duties)
* Where ambiguity occurs as to what delegated limit of authority applies, a Delegate must adopt a conservative approach by exercising the lowest level of delegated authority that applies
* Authority limits apply to the complete transaction and are exclusive of GST. The splitting of transactions to allow a lower financial limit to be used is prohibited. Approval must always be sought for the final value of the total expenditure. If final expenditure exceeds (or may exceed) a Delegate’s authority limits, approval at a higher authority level must be obtained.

# 3.6 Breaches

Failure to comply with this Schedule will be taken seriously. In certain circumstances a breach of the Schedule could be referred to an appropriate authority for investigation. Numerous consequences could flow from a breach, including termination of contract/employment and possible prosecution.

# 4.0 Responsibilities

The Director has ultimate accountability for the Schedule and for granting ad-hoc delegations and financial limits of authority to a specified position.

The Director must ensure that:

* The final transactions of The Junction Clubhouse are executed within the scope of delegates authorities
* The organisation’s systems of internal control adequately manage and monitor the implementation and operation of delegated authorities
* The delegations of authority achieve the objectives of authority delegation and proper financial control

Delegates must comply with the requirements detailed in this Schedule when exercising a delegated authority.

# 5.0 Review and Consultation

This document is required to be reviewed annually as a minimum.

# 6.0 Approval

The Director Schedule of Delegations will be recorded as a resolution of the Board of Directors.

# 7.0 References

* *The Corporations Act 2001* (*The Act*)
* The Junction Clubhouse Constitution
* Register of Director ad-hoc or specific delegations
* *Workplace Health and Safety Act 2011* and *Regulations 2011*

# 8.0 Definitions

**Delegate**: Refers to the Clubhouse employee or contract employee who has been delegated power and authority under this Schedule.

**Director**: The person holding the position of Board-appointed Executive Officer of The Junction Clubhouse. In this context it excludes any individual member of the Board.

**Segregation of duties**: Means that a delegate must not have responsibility for more than one related function. For example, the Delegate responsible for purchasing the goods must not be responsible for paying for the goods.

# Appendix One

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Operational Expenditure (Commitment and Approval)** |  | **Board** | **Level 1** | **Level 2** |
| Within Board-approved operational expenditure budget(s) | Unlimited | Unlimited | Unlimited (to program or cost centre limits only) |
| Above Board-approved and/or relevant cost centre/program operational expenditure budget(s) | Refer to Corporate Risk Appetite Statement | <$50,000 | <$10,000 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Investment** |  | **Board** | **Level 1** | **Level 2** |
| Leases – operating or finance, land or premises | Unlimited | Office equipment | - |
| Within Board-approved Capital Budget | Unlimited | Unlimited | - |
| Above Board-approved Capital Budget | Unlimited | <$5,000 per transaction | - |
| **Revenue** | Revenue Contracts with existing stakeholders | Unlimited | <$300,000 per annum per contract | - |
| Revenue Contracts with new stakeholders | Unlimited | <$150,000 per contract, subject to consultation with the Board | - |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Sponsorships and donations** |  | **Board** | **Level 1** | **Level 2** |
| Sponsorships and donations | Unlimited | $300 pa | - |
| **Assets and accounting** | Asset impairments and write-ups / write-downs | Unlimited | $3000 per item | - |
| Accounting journal entries (approvals, prepayments, accruals, provisions & other adjustments) | Unlimited | Unlimited within budget | - |
| **Legal** |  | Board | Level 1 | Level 2 |
| Insurance claims & settlements | Unlimited | $1,000 | - |
| Litigation – commencement, defence or settlement of any proceeding(s) | Unlimited | - | - |
| **Employment** | Approval of new positions | Consultation in respect of restructure/s | Yes, after consultation with the Board | - |
| Appoint to existing roles | Only applicable in respect of the Director | Yes, after consultation with the Board | - |
| Termination | Only applicable in respect of the Director | Yes, after consultation with the Board |  |

|  |  |  |  |
| --- | --- | --- | --- |
| **Definitions** | | | |
| **Board** | | **Level 1** | **Level 2** |
| The Board of The Junction Clubhouse | | Director  (Board-appointed Executive Officer of The Junction Clubhouse) | Manager Operations & Compliance  NDIS Manager  Senior Clubhouse Recovery Facilitator |
| **Commitment thresholds** | The dollar value amounts shown:   * are GST exclusive * refer to related expenditures, transactions or commitments, whether these occur in one or a series of related transactions or payments * refer to likely maximum expenditure, commitment or potential risk of liability or financial exposure of The Junction Clubhouse over a single financial year | | |
| **Authority Limits** | Apply to the complete transaction. The splitting of transactions to allow a lower financial limit to be used is prohibited. Approval must always be sought for the final value of the total expenditure. If final expenditure exceeds (or may exceed) a Delegate’s authority limits, approval at a higher level must be obtained. | | |

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