

# Delegation of Authority Policy

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## Our Commitment

Surf Life Saving NT must have highly effective business management practices that are consistently applied, including the application of financial processes to ensure the sound financial management of the business.

## Our Aims and Objectives

This policy is designed to clearly set out authorities that have been delegated to managers of SLSNT by the Board, and to provide clear guidelines around the approval of expenditure and other commitments made by SLSNT. In particular, the policy will advise all employees of the:

- Minimum approvals required in conducting the business of SLSNT;
- Limits of authority under which employees can approve actions and transactions; and
- Decisions which can only be made by the Board

## SCOPE

This Delegation of Authority (DoA) policy applies to all expenditure and to all commitments made on behalf of SLSNT, both financial and non-financial. It applies to all persons conducting financial or other business on behalf of SLSSA, including purchasing and expenditure approval.

This document is the formal delegation instrument made by Board on the date on which it was approved.

Specific delegations and/or approval limits are set in the following areas:

- General (budgeted expenditure) approval limits
- Unbudgeted approval limits
- Commercial approvals:
  - o payroll/HR
  - o travel
  - o insurance
  - o legal
  - o debtor write offs
- Contract approvals
- Capital expenditure approvals and disposals



## **PRINCIPLES**

- No employee of SLSNT may make a binding commitment on behalf of SLSNT unless they have explicit delegated authority to do so by the Board, or by the CEO.
- DoA approval limits are to be assigned to ensure the most efficient business practice and processes.
- DoA approval limits are to be assigned based on employee role and responsibilities, rather than being granted solely based upon seniority or hierarchical structure.
- DoA approval limits are to be based on typical spending responsibilities associated with the role, not occasional spending responsibilities.
- An approval escalation must be applied to expenditure that has not been included in the approved annual budget.
- The approval of any expenditure reimbursement must be from someone with greater authority than the person submitting the expenditure.
- Expenditure that is directly recovered from Clubs, customers and third parties is excluded from the provisions of this policy.

## **APPLICATION**

- The SLSNT Board is responsible for delegating authority to purchase, to certain employees of SLSNT.
- Employees who have the appropriate skills and experience may be granted the delegated authority, to an approval limit, to commit SLSNT to expenses, contracts, credit limits and other commercial agreements.
- Employees that have been allocated a DoA approval limit will be advised of the approval limit responsibility.
- Where the policy specifies a delegate, the position to whom that person reports also has that DoA.
- Unless as otherwise stated in this Policy, an employee who is appointed to act in the place of a delegate assumes the responsibility and DoA of that delegate.

### **Responsibilities of employees with delegated authority**

Employees who have been allocated an Approval Limit will be responsible for adhering to the following guidelines in relation to DoA Approval Limits:

- Delegates may only approve expenditure that has been included in the annual budget and complies with SLSNT's policies and guidelines.
- Delegates may only approve transactions in respect of their own area of responsibility
- No delegate is authorised to approve expenditure that is incurred for their own benefit (eg the delegate's Corporate Credit Card, or Employee Reimbursement Claims). In this regard the expenditure must be approved by the delegate's Line Manager (or a delegate that is higher than them on the approval hierarchy).
- Delegates may not approve expenditure where a transaction has been split across more than one account for the express purpose of gaining a lower level of approval and/or avoiding DoA.

- A limited DoA may be provided for a specific role where a person is in an acting capacity. Where the full authority pertaining to the role is not delegated, the manager to whom the person reports in their acting capacity should clearly establish for the person in an acting capacity the delegated authority that applies and does not apply.

### Board Authority and Approvals

The SLSNT Board has unlimited delegation within the constraints of this policy, the Constitution, relevant legislation and legally binding contracts.

### General Delegation of Authority Approval Limits - Operating Expenditure

General DoA Approval Limits govern day-to-day operational expenditure. Table 1 below outlines the levels and limits of approval which apply.

Note: Unbudgeted Expenditure (ie that which has not been submitted to Board for approval as part of the annual budget process) is subject to different approval limits.

|    | Budgeted | Unbudgeted | Role                       |
|----|----------|------------|----------------------------|
| A5 | >\$200k  | >\$50k     | Board                      |
| A4 | \$200k   | \$50k      | CEO                        |
| A2 | \$25k    | \$2.5k     | Department Managers        |
| A1 | \$1k     | NA         | Staff not expressly listed |

Table 1 – Operating Expenditure DoA Approval Limits

### General Delegation of Authority Approval Limits - Capital Expenditure

Capital project approvals and approval of associated expenditure must be undertaken in accordance with SLSNT's Capital and Fixed Asset Policy.

Whilst a capital expenditure program is approved by the Board during the annual budgeting process, it is still a requirement to complete a Capital Expenditure Request Form and seek formal approval, prior to project commencement.

Table 2 below outlines the levels and limits of approval which apply to both capex purchases and disposals.

|    | Budgeted | Unbudgeted | Role                       |
|----|----------|------------|----------------------------|
| X5 | >\$200k  | >\$50k     | Board                      |
| X4 | \$200k   | \$50k      | CEO                        |
| X2 | \$25k    | \$2.5k     | Department Managers        |
| X1 | \$1k     | NA         | Staff not expressly listed |

Table 2 – Capital Expenditure DoA Approval Limits

### Contracts

The execution of contracts with suppliers, consultants, sponsors, government departments, etc is a normal operational activity for the business. Table 3 below outlines the levels and limits of approval which apply to contract execution.

The limits identified in the table represent annual amounts.



|    | Budgeted | Unbudgeted | Role  |
|----|----------|------------|-------|
| C3 | >\$1m    | >\$250k    | Board |
| C2 | \$1m     | \$250k     | CEO   |

Table 3 – Contract DoA Approval Limits

### Specific Delegation of Authority Approval Limits

Specific approval limits (which overrides aforementioned approval limits) for CEO and delegates are listed below, with Board approval required for limits above those designated to the CEO.

- Payroll/HR**

Approvals of payroll-related expenses and EFT files are exempt from DoA approval limits. The hiring and termination of staff, including remuneration, will be at the discretion of the CEO.

- Insurance**

Insurance Policy renewals approvals are as per Operating Expenditure limits. Insurance Payouts approval limits are as per the table below:

| Budgeted | Unbudgeted | Role |
|----------|------------|------|
| N/A      | \$10k      | CEO  |

- Legal**

Approval limits for agreed settlement payouts from legal cases are as per the table below. Approval of all other agreed settlements will require approval from the board.

| Budgeted | Unbudgeted | Role |
|----------|------------|------|
| N/A      | \$10k      | CEO  |

- Travel**

The CEO is to approve all staff member business-related travel involving flight costs. Approval limits for the CEO's business-related travel are as per the table below:

| Budgeted | Unbudgeted | Role |
|----------|------------|------|
| \$25k    | \$10k      | CEO  |

- Debt Write Offs**

The approval limits for the write off of debts owed to SLSNT are as per the table below (per customer):

| Budgeted | Unbudgeted | Role |
|----------|------------|------|
| N/A      | \$5k       | CEO  |

- Credit Card Limits**

The CEO has the authority to approve corporate credit card limits for all staff.



The Board approves the corporate credit card limits for the CEO.

| Limit | Role                                            |
|-------|-------------------------------------------------|
| \$10k | CEO                                             |
| \$4k  | Department Managers (combined maximum of \$10k) |

- **Sale/Disposal of Assets**

Assets that have no or a minimal useful life AND have a written down value of less than \$20k can be disposed of by CEO.

Approval limits for the sale of assets (involving compensation) will be approved by the SLSNT Board.

|                   |                                                                                                               |              |                    |
|-------------------|---------------------------------------------------------------------------------------------------------------|--------------|--------------------|
| <b>Signed by:</b> | <br><b>Board Chairperson</b> | <b>Date:</b> | <b>1 July 2024</b> |
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