

OTAGO POLYTECHNIC MANAGEMENT POLICY		Number: MP0303.03
Title:	Authorities and Delegations from Chief Executive	
ITPNZ Standard:	3 Financial, Administrative and Physical Resources	
Chief Executive Approval:	Approval Date: 3 Sept 09	Effective Date: 3 Sept 09
Previous Policy Number:	n/a	Review Date: as required
Contact Authority:	Chief Executive	Status: Current

Purpose To set policy and procedures for the delegation of authority from the Chief Executive on all matters related to below.

Background The Chief Executive is responsible to Council for the management of the day to day operation of the Polytechnic.

Authorities All authorities given are GST Exclusive

Statutory Compliance Section 222 of the Education Act gives the Otago Polytechnic Council the power to delegate and Section 197 gives the Chief Executive the power to delegate.

Policy **Signing Authorities**

1. Designated individual Leadership Team members have the delegated authority to sign or co-sign all bank authorities, cheques and other transactions where an approved bank signatory is required, including payroll related payments.
2. Individual Leadership Team members have the delegated authority to sign or co-sign contracts and other commitments relating to delegations.

3. Academic Management

The following delegations are given from the Chief Executive, ie in addition to the Chief Executive, the designated Leadership Team member or Head of School or Service Manager may exercise the authority stated within the approved policy guidelines.

Authority to:	For:
Acting Chief Executive	Full authority all areas in Chief Executive's absence
Director: Quality	Disciplining/excluding students on disciplinary grounds
Director: Quality	Approve management of unsatisfactory progress, and exclusion, of students
Director: Organisational Development	Awarding scholarships, prizes and other awards within the guidelines approved by Council
Chief Operating Officer	Determining procedures re payment and refunding of fees in order to comply with Section 227 of the Education Act (Appendix 2)
Director: Quality	Determining procedures in order to comply with Section 228 of the Education Act regarding classification of students as domestic or foreign (Appendix 3)
Chief Operating Officer	Financial policy and procedures
Chief Operating Officer	Waiving fees on a case by case basis or more generally within guidelines approved by Council
Director: Organisational Development	Health and Safety policies and procedures; employment and discipline policies and procedures
Director: Quality	Policies and procedures to admit students, process results and determine eligibility for graduation
Director: Quality	Overseeing and managing Quality Management System
Director: Quality	Applying the relevant sections of the Student Allowance Regulations



Head of School	Conducting all assessments
Head of School	Managing student entry and progression
Head of School	Managing unsatisfactory progress, with approval of Director: Quality
Head of School	Recommending Limited Full Time Status for eligible students
Academic Board	Advising Council and Chief Executive on academic policies and procedures, approving new and revised courses and programmes, providing advice on academic policies and recommending academic policies, establishing and disestablishing Standing Committees of Academic Board
Leadership Team members	Employment delegations as per MP0430 Employment Delegations
Leadership Team members	Approving viability and fees for programmes/courses less than .333 EFTS
Leadership Team members	Authority to act as Chief Executive within the boundaries of individual portfolios as per position descriptions
Policies Committee	Developing, reviewing and recommending academic and management policies for approval to the Chief Executive following appropriate advice and consultation

4. Expenditure Authority – Operational Budget

4.1 Specific Delegations

Authority to:	For:
Leadership Team members	Committing Polytechnic funds (via a purchase order) within their operational budget approved by Council. Authority is limited to a maximum of \$25,000 per order and completion of arrangements within the current financial year. Orders greater than \$25,000, or that cross financial years, require Chief Executive (CE), DCE or COO approval
Leadership Team members	Committing funds within the overall approved budget but for expenditure which has not been budgeted for (subject to the functions of the Contracts Office described below) with the following provisos: The budget is set annually and approved by Council. Interim forecasts are prepared to keep Council informed of any variation to the budgeted year end financial performance and position. Council's formal adoption of an Interim forecast authorises the expenditure as set out in the forecast.
Chief Operating Officer and Acting Chief Executive	Authority up to \$150,000 per order
Heads of School/ Programme Managers	Leadership Team members may elect to further delegate authority and accountability for a specific area or business unit (BUN) to a direct report (eg HOS/Programme Manager.) This option exists with the same controls but to a limit of \$10,000 per order. The delegation must be specific and in writing, a copy of which goes to the Finance Manager using the 'Otago Polytechnic Delegated Authority Change Form' (Appendix 1). This may be varied by agreement with COO to \$15,000.



4.2 Other Authorities

Personal Reimbursements	All personal reimbursements must be approved by the individual's Manager.
International Travel – within budget and financial cap of \$10,000 all up cost of travel	As per MP0446 Travel on Otago Polytechnic Business Note – with the exception of Perth and Darwin, Australia is regarded as domestic travel.
Unique contractual relationships	Must have the agreement/terms of trade vetted by the Contracts Manager
Items greater than \$5,000	Must comply with policy MP0314 Purchasing by Quotation, Tender or Request for Proposal

4.3 Expenditure by Leadership Team members outside the budget or approved current forecast is permitted as follows:

- 4.3.1 where substitution¹ is applicable and the expenditure is less than \$20,000
- 4.3.2 in an emergency and the expenditure is less than \$10,000
- 4.3.3 where there is associated revenue in excess of budgeted revenue, provided the agreed surplus to revenue ratio is maintained and there is no permanent expenditure outside the current budget period

5. Expenditure Authority - Capital Budget

The Capital Budget shall include capital works, capital items (plant, furniture, equipment) and capital development.

- 5.1 Leadership Team members have delegated authority to commit Polytechnic funds within the Capital Budget approved by Council for their responsibility, and outside the approved budget subject to the provisions below.

The budget is set annually and approved by Council. Variations to budgeted expenditure may be approved on the basis of recommendations from the Chief Executive following the presentation of Interim forecasts.

- 5.2 The Chief Operating Officer may commit capital to budgetary limits of the Otago Polytechnic.
- 5.3 Expenditure outside the budget or approved current forecast is permitted as follows:
 - 5.3.1 no substitution, except by the Chief Operating Officer, to a limit of \$25,000
 - 5.3.2 in an emergency and the expenditure is less than \$15,000

6. Employment

Employment delegations are specified in policy MP0430 Employment Delegations.

7. Investments

The Chief Operating Officer shall act according to MP0302 Treasury Policy.

¹ Definition

“Substitution” – where an approved budget authority is not used for its original purpose and is used elsewhere (one type of expenditure replaces another or is used to fund a different activity); provided it is within the goals and objectives set out in the charter/profile/business plan. Substitution is not permitted between operating and capital costs, unless with Council approval.



8. Financial Integrity

The Chief Operating Officer has the authority to take the following action where it is necessary to maintain the integrity of the Polytechnic's financial systems:

- 8.1 refuse to make any payment even when it has been duly authorised by a duly delegated manager
- 8.2 cancel any order made in the Polytechnic's name

For each event where this is exercised the Chief Operating Officer will advise the Chief Executive, the appropriate Budget holder and Leadership Team members.

Financial Authority Delegates cannot approve expenditure for budget areas they do not control. Payment of expenses such as traffic infringement notices will not be authorised.

Expenditure must be authorised in advance by the appropriate budget manager with a purchase order before commitment.

9. Contractual Agreements

Some contracts/agreements will span more than one year, therefore Leadership Team members have the delegated authority to enter into commitments for more than the annual amount budgeted. Contracts must be vetted through the Contracts Office to ensure currency with risk strategy except where vetting has been specifically delegated by the Contracts Office as recorded in the Delegation of Contracts Management procedures. Sub-contracting now has separate approval requirements – refer section 7.2. When available use generic contract forms.

9.1 Revenue

Revenue generating contracts include:

- 9.1.1 Rollover of established contracts
- 9.1.2 New business contracts less than \$100,000 gross revenue with a minimum 5% net margin
- 9.1.3 New business contracts between \$100,000 and \$250,000 gross revenue
- 9.1.4 New business contracts less than \$250,000 gross revenue with a minimum 5% net margin
- 9.1.5 New business contracts between \$250,000 and \$500,000 gross revenue

Leadership Team members have full delegated authority for revenue generating contracts up to \$500,000, provided:

- there is always a minimum of 5% net margin
- legal advice is sought if the amount is greater than \$100,000 unless it is a roll over

Note: New business contracts greater than \$500,000 gross revenue require the Chief Executive's approval.

9.2 Expenditure

For the purpose of this policy, expenditure contracts are divided into three categories:

Category 1: Rollover of established contracts –full authority to sign within limits of delegated authority

Category 2: New business contracts less than \$50,000 p.a. gross expenditure, up to 5 years duration – full authority to sign within



limits of delegated authority

Category 3: Sub-contracting of educational delivery (MP0711 Delivery of Programmes by External Contracts) – this area is now covered under the Tertiary Education website under Funding Policies and the approval requirements stated there are to be followed. All educational subcontracting to be signed by General Manager Academic Services.

For new business contracts greater than \$50,000 pa gross expenditure or more than 5 years duration - requires Chief Executive approval.

9.3 Head of School and Service Managers have the delegated authority to sign contracts up to the limit specified in the Delegation of Contracts Management Procedures.

10. Bad Debts

The Chief Operating Officer has full authority to write off individual debt up to \$10,000. For debts in excess of \$10,000 the Chief Operating Officer shall consult with the Chief Executive.

Procedures

1. All external purchases of goods and services are to be made by
 - 1.1 raising a purchase requisition/order or travel form
 - 1.2 completing an Electronic & International Payments request form for an overseas telegraphic transfer/bank draft or the use of a Polytechnic Credit Card (see MP0352 Otago Polytechnic Credit Cards), the issue of which must be approved by the COO (see MP0304 Specific Financial Authorities and Procedures)
 - 1.3 completing a contractual agreement as per clause 9 above
 - 1.4 utilising Petty Cash or Staff Reimbursement processes, ensuring the expenditure is authorised before the expenditure is incurred

2. Expenditure invoices for utility items and items of a contractual nature such as telephone, rates, leases, contractual commitments do not require purchase order numbers but still require coding and authorisation, provided an authorised delegate has signed the contract. The member of the Leadership Team responsible for managing the contract can authorise the payment.

Referral Documents

Education Act 1989
State Sector Act 1985
Crown Entities Act 2004
CP0005 Delegations from Council to the Chief Executive
AP0521 Programme Entry, Continuation and Exclusion
AP0711 Delivery or Programmes by External Contracts
MP0200 Capitalisation and Amortisation of Course Development Costs
MP0302 Treasury Policy
MP0304 Specific Financial Authorities and Procedures
MP0314 Purchasing by Quotation, Tender or Request for Proposal
MP0349 Education Foundation
MP0352 Otago Polytechnic Credit Cards
MP0430 Employment Delegations
MP1100 Intellectual Property
Otago Polytechnic Organisational and Leadership Team Responsibilities Chart
Tertiary Funding Guide

Delegation of Contracts - *link*:
<http://insite.op.ac.nz/Polytechnic%20Documents/contract%20management%20delegation%20register.xls>

Approved by Chief Executive

Date: 3 September 2009



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DELEGATED AUTHORITY CHANGE FORM

Date: _____ Department _____
 Name: _____

REASON FOR REQUEST

REQUEST FOR NEW AUTHORITY

Name: _____ Position: _____
 \$ Limit: _____ Business Unit(s) or
 Department/School: _____

REQUEST TO CANCEL AUTHORITY

Name: _____ Position: _____
 \$ Limit _____ Business Unit(s) or
 Department/School _____

REQUEST FOR CHANGE TO EXISTING AUTHORITY

Current Details		New Details	
Name:	_____	Name:	_____
Position:	_____	Position:	_____
Business Unit(s) or Department /School:	_____	Business Unit(s) or Department /School:	_____
\$ Limit:	_____	\$ Limit:	_____

AUTHORISATION

Manager: _____
and _____ (Signature)
 Chief Operating Officer _____
 _____ (Signature)

FINANCE USE ONLY

Request Actioned: _____
 (Date) (Name) (Signature)

Notifications:

Purchasing System Administrator	<input type="checkbox"/>	Email	<input type="checkbox"/>	<input type="checkbox"/>	Other (Specify)
Requester	<input type="checkbox"/>	Email	<input type="checkbox"/>	<input type="checkbox"/>	Other (Specify)
Delegated Authority	<input type="checkbox"/>	Email	<input type="checkbox"/>	<input type="checkbox"/>	Other (Specify)
Finance Manager	<input type="checkbox"/>	Email	<input type="checkbox"/>	<input type="checkbox"/>	Other (Specify)

(Request to be filed under
 Department)



Excerpt from Education Act 1989 No 80 (as at 17 December 2008), Public Act

<http://www.legislation.govt.nz/act/public/1989/0080/latest/DLM185154.html>

Part 16 Courses and Students

227 Fees for domestic students

- (1) The council of an institution may fix, or specify a means by which there may be calculated or ascertained, a tuition fee for any course of study or training at the institution.
- (1A) The council of an institution that receives funding under [section 159YA](#) or [159ZC](#) must not fix, in relation to domestic students, a fee (or a fee of a particular kind) that exceeds any maximum specified in a condition imposed under [section 159YC](#) or [159ZD\(2\)](#) (whichever is applicable) as being the maximum fee (or fee of that kind) that can be charged to a domestic student.
- (2) No domestic student shall be or continue to be enrolled in a course of study or training at an institution unless there have been paid to the council in respect of the student —
 - (a) the tuition fee (if any) fixed, or calculated or ascertained in accordance with a means specified, under subsection (1); and
 - (b) all other fees (if any) prescribed by the council.
- (3) Nothing in subsection (2) prevents a council's accepting by instalments any fee required by that subsection to be paid.
- (4) The council of an institution shall take all reasonable steps to ensure that before the procedures for enrolling a student at the institution for the first time in any year are complete the student is given written notice of the circumstances (if any) in which the student is or may be entitled to a refund of all or any part of fees under this section paid or to be paid to the council.
- (5) The power of a council to refund to a student all or any part of any fees paid to it under this section is not limited or affected by —
 - (a) any failure to comply with subsection (4); or
 - (b) the fact that the circumstances fall outside those notified under that subsection; or
 - (c) the fact that the refund is larger than a notice under that subsection provides for.

Section 227: substituted, on 1 January 1992, by [section 24](#) of the Education Amendment Act (No 4) 1991 (1991 No 136).

Section 227(1A): inserted, on 1 January 2003, by [section 20](#) of the Education (Tertiary Reform) Amendment Act 2002 (2002 No 50).

Section 227(1A): amended, on 1 January 2008, by [section 31\(a\)](#) of the Education (Tertiary Reforms) Amendment Act 2007 (2007 No 106).

Section 227(1A): amended, on 1 January 2008, by [section 31\(b\)](#) of the Education (Tertiary Reforms) Amendment Act 2007 (2007 No 106).



Excerpt from Education Act 1989 No 80 (as at 17 December 2008), Public Act

<http://www.legislation.govt.nz/act/public/1989/0080/latest/DLM185158.html>

Part 16 Courses and Students

228 Fees for foreign students

- (1) The council of an institution shall take all reasonable steps to ensure that no person is enrolled at the institution until it has established whether the person is a domestic student or a foreign student.
- (2) No foreign student shall be or continue to be enrolled in any course of study or training at an institution unless there have been paid to the council in respect of the student —
 - (a) an amount fixed by the council that is not less than the council's best estimate of —
 - (i) the cost to the institution (including the institution's marginal administrative and other general costs, and the appropriate portion of any initial or start-up costs of the course) of providing tuition in the course for 1 student, in the case of a course in which no domestic student is enrolled;
 - (ii) the marginal cost to the institution (including the institution's marginal administrative and other general costs, and any marginal initial or start-up costs of the course) of providing tuition in the course for 1 student in addition to the domestic students receiving tuition in the course, in every other case; and
 - (b) an amount fixed by the council that is not less than an amount that in the council's opinion is an appropriate reflection of the use by 1 student receiving tuition in the course of the capital facilities (if any) whose provision at the institution is necessary by virtue only of the institution's provision of tuition to foreign students in addition to domestic students; and
 - (c) all other fees (if any) prescribed by the council.
- (2A) Notwithstanding subsection (2), a council may accept from a foreign student in respect of any course of study or training at an institution an amount that is less than the sum of the amounts referred to in that subsection by an amount that is no greater than the sum of —
 - (a) any amounts by which the council has decided to subsidise the student in respect of the course; and
 - (b) the appropriate proportion of any amounts by which the council has decided to subsidise the student in respect of courses of a kind or description that include the course; and
 - (c) the appropriate proportion of any amounts by which the council has decided to subsidise students of a kind or description that include the student in respect of the course; and
 - (d) the appropriate proportion of any amounts by which the council has decided to subsidise students of a kind or description that include the student in respect of courses of a kind or description that include the course, —

out of the general revenue of the council (not being funds provided under [section 159YA](#) or [159ZC](#)) or out of any special supplementary grant under that section that may be used for the purpose.
- (2B) Nothing in subsection (2) prevents a council's accepting by instalments any fee required by that subsection to be paid.
- (3) Where a foreign student has after 31 December 1989 received tuition in a course of study or training at an institution without paying the full amounts required by paragraphs (a) and (b) of subsection (2) in respect of the course, the institution may, in any court of competent jurisdiction, recover the underpayment from the student, as a debt to the institution.
- (4) In any year, the amount of any grant for an institution may be reduced from what it would otherwise have been by any amount by which (in the Secretary's opinion), by virtue of the fact that the full amount required by subsection (2)(a) in respect of a course of study or training at the institution in which a foreign student was enrolled has not been paid to the institution, the student's education has been subsidised by public money appropriated by Parliament.
- (5) No grant shall be reduced under subsection (4) unless the Secretary has given to the council of the institution written notice of the circumstances taken into account when the proposed reduction was decided on.

- (6) Where the council of an institution disputes that a grant should be reduced under subsection (4), or disputes the amount by which it should so be reduced, the following provisions apply:
- (a) the council may, within 28 days of getting notice from the Secretary under subsection (5), by written notice to the Secretary giving the name and address of a proposed arbitrator, require the dispute to be settled by arbitration:
 - (b) if, within 14 days of getting the council's notice, the Secretary has agreed an arbitrator with the council, the agreed arbitrator shall settle the dispute:
 - (c) if, within 14 days of getting the council's notice, the Secretary has not agreed an arbitrator with the council, an arbitrator appointed jointly by the Secretary and by the arbitrator originally proposed by the council shall settle the dispute:
 - (d) the arbitrator's decision is final.
- (7) The council of an institution shall—
- (a) when a foreign student enrolls, or resumes attendance, at the institution, give to the Secretary written notice (to the best of the council's knowledge) of the student's name, nationality, and course of study or training:
 - (b) when a foreign student ceases to be enrolled at, or ceases to attend, the institution, notify the Secretary in writing:
 - (c) comply with all accounting requirements relating to foreign students enrolled at institutions contained in any notice published by the Minister in the *Gazette* that is for the time being in force.
- (8) The council of an institution shall take all reasonable steps to ensure that when a student enrolls at the institution (whether for the first time or for a subsequent time) the student is given written notice of the circumstances (if any) in which the student is or may be entitled to a refund of all or any part of fees under this section paid or to be paid to the council.
- (9) The power of a council to refund to a student all or any part of any fees paid to it under this section is not limited or affected by —
- (a) any failure to comply with subsection (8); or
 - (b) the fact that the circumstances fall outside those notified under that subsection; or
 - (c) the fact that the refund is larger than a notice under that subsection provides for.

Section 228: added, on 1 January 1991, by [section 38](#) of the Education Amendment Act 1990 (1990 No 60).

Section 228(2): substituted, on 1 January 1992, by [section 25\(1\)](#) of the Education Amendment Act (No 4) 1991 (1991 No 136).

Section 228(2A): inserted, on 1 January 1992, by [section 25\(1\)](#) of the Education Amendment Act (No 4) 1991 (1991 No 136).

Section 228(2A): amended, on 1 January 2008, by [section 32](#) of the Education (Tertiary Reforms) Amendment Act 2007 (2007 No 106).

Section 228(2A): amended, on 1 January 2004, by [section 17\(2\)](#) of the Education (Tertiary Reform) Amendment Act 2002 (2002 No 50).

Section 228(2B): inserted, on 1 January 1992, by [section 25\(1\)](#) of the Education Amendment Act (No 4) 1991 (1991 No 136).

Section 228(3): amended, on 1 January 1992, by [section 25\(2\)](#) of the Education Amendment Act (No 4) 1991 (1991 No 136).

Section 228(8): added, on 1 January 1992, by [section 25\(3\)](#) of the Education Amendment Act (No 4) 1991 (1991 No 136).

Section 228(9): added, on 1 January 1992, by [section 25\(3\)](#) of the Education Amendment Act (No 4) 1991 (1991 No 136).

