



OTAGO POLYTECHNIC COUNCIL POLICY		Number: CP0005.07
Title:	Delegations from Council to the Chief Executive	
Baldrige Criteria:	Leadership	
Chief Executive Approval:	Effective Date: 1 August 2018	Review Date: 1 July 2019
Previous Policy No:	n/a	Status: Current
Contact Authority:	Secretary to Council	

Purpose To set policy and procedures for the delegation of authority from the Council to the Chief Executive.

Background The Council of Otago Polytechnic is responsible for the business and affairs of the Polytechnic. This policy sets out the delegations from the Council to the Chief Executive for the efficient and effective day to day management of the Polytechnic.

Statutory Compliance

Education Act 1989, and all subsequent amendments
 State Sector Act 1988, and all subsequent amendments
 Public Finance Act 1989, and all subsequent amendments
 Health & Safety at Work Act 2015, and all subsequent amendments

Policy

1. The Council, as authorised by the Education Act 1989, delegates to the Chief Executive the following functions and powers:
 - To provide courses of study or training;
 - To admit students;
 - To discipline students;
 - To determine procedures as to the payment and refunding of fees in order to comply with Section 227 of the Education Act;
 - To determine procedures in order to comply with Section 228 of the Education Act regarding classification of students as domestic or international;
 - To apply, on behalf of Council, the relevant sections of the Education Act and the Student Allowance Regulations;
 - To award scholarships, grants, prizes and other awards within the guidelines approved by Council;
 - To waive tuition fees and levies on a case by case basis or more generally within guidelines approved by Council;
 - To discount tuition fees and levies for prudent business reasons or to give effect to the following policies; *MP0461 Staff Development, MP0351 Students Withdrawal and Refund Policy for the year XXXX and MP0354 Student Fees;*
 - To conduct examinations and confer results;
 - To determine timetables and deadlines;
 - To determine eligibility for graduation;
 - To set fees for services;
 - To develop and approve management and academic policies.

2. The following have specifically not been delegated to the Chief Executive:
 - To set tuition fees;
 - To borrow funds or raise capital;
 - To approve the annual budget, investment plan and capital asset plan;
 - To dispose of land and buildings or other assets with a value exceeding \$50,000;
 - To approve the Chief Executive's staff development, study leave and international travel outside Australasia.

3. The Chief Executive will act with integrity and in the best interests of the Polytechnic at all times.



4. The Chief Executive shall keep Council informed at all times, operating on a “no surprises” basis.
5. The Chief Executive will manage the Polytechnic’s human, physical, and financial resources prudently and in the best interests of the institution.
6. Council approval is required for any transaction or contract exceeding the limits delegated to the Chief Executive.
7. The Council is responsible for reviewing and approving the annual budget, the reforecast, investment plan and capital asset plan of the Polytechnic.
8. All financial results shall be reported against the annual budget or the approved reforecast to Council through the Finance and Audit Committee each month, in accordance with the reporting guidelines approved by Council.
9. Progress against objectives in the Investment Plan shall be reported to Council on a quarterly, six monthly or annual basis as set by Council.

Procedures

NON FINANCIAL

1. Human Resources

The Chief Executive has all of the usual authorities of an employer, as provided for in the State Services Act 1988. However, the Council records its expectation that in addition to HR decisions being consistent with employment legislation the Polytechnic will act as a “good employer”.

2. Academic Management

The Chief Executive has authority to establish an Academic Board to:

- 2.1 approve new and revised courses and programmes;
- 2.2 provide advice to Council and the Chief Executive on academic matters;
- 2.3 provide advice on academic policies and recommends academic policies.

3. Physical Resources

The Chief Executive has authority to manage, maintain and develop the physical resources of the Polytechnic within the parameters of the annual budget, investment plan, capital asset plan and relevant legislation.

4. Use of Otago Polytechnic’s Common Seal

The Chief Executive and an Executive Leadership Team member (refer Appendix 1) may apply and co-sign on behalf of the Polytechnic the Common Seal to execute:

- 4.1 transactions approved by Council by formal resolution;
- 4.2 contracts and other commitments relating to delegations;
- 4.3 degrees, diplomas, certificates and other academic awards.

The use of the common seal is governed by the Education Act.

5. Public Statements

The Chief Executive has the authority to issue public statements with respect to management and administrative matters and in relation to other matters in consultation with the Chair of Council.

FINANCIAL

6. Signing Authorities

The Chief Executive has authority to co-sign all bank authorities, cheques and other transactions.

7. Operating Expenditure

- 7.1 The Chief Executive has authority to commit Polytechnic funds on operational expenditure within the annual budget or approved reforecast



except where:

- 7.1.1 section 6.2 of this Policy applies;
 - 7.1.2 an individual item of expenditure exceeds \$650,000 within the financial year.
- 7.2 Operational expenditure outside the annual budget or approved reforecast is permitted as follows:
- 7.2.1 where substitution 1 is applicable and the expenditure is less than \$125,000;
 - 7.2.2 in an emergency and the expenditure is less than \$75,000;
 - 7.2.3 in either 7.2.1 or 7.2.2 above and the amount is less than \$250,000 but greater than the amounts in 7.2.1 or 7.2.2 then:
 - a. with the approval of the Chair and the Chair of the Finance and Audit Committee; and
 - b. with disclosure as soon as practicable to the Finance and Audit Committee (eg email); and
 - c. with disclosure to the Council at the next Council meeting.
 - 7.2.4 where, there is matching, certain, associated revenue in excess of budgeted revenue, and the expenditure is less than \$200,000 provided the revenue and expenditure both fall within the current financial year.

Authorities are GST exclusive.

8. Capital Expenditure

- 8.1 The Chief Executive has authority to commit Polytechnic funds on capital expenditure within the annual budget or approved reforecast except that:
- 8.1.1 Subject to 8.1.2, capital expenditure on any project in excess of \$500,000 shall be subject to separate Council approval supported by a business case.
 - 8.1.2 IT expenditure and building and property expenditure in excess of \$250,000 shall be subject to separate Council approval supported by a business case.
- 8.2 Capital expenditure outside the annual budget or approved reforecast is permitted as follows:
- 8.2.1 where substitution is applicable and the expenditure is less than \$125,000;
 - 8.2.2 in an emergency and the expenditure is less than \$75,000;
 - 8.2.3 in either 8.2.1 or 8.2.2 above and the amount is less than \$250,000 but greater than the amounts in 8.2.1 or 8.2.2 then:
 - a. with the approval of the Chair and Chair of the Finance and Audit Committee; and
 - b. with as disclosure as soon as practicable to the Finance and Audit Committee (e.g. email); and
 - c. with disclosure to the Council at the next Council meeting.

Authorities are GST exclusive.

9. Investments

The investment of funds and the managing of such investments are governed by the Council's Treasury Policy.

10. Financial Integrity

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

- 10.1 refuse to make any payment even when it has been duly authorised by a duly delegated manager;
- 10.2 cancel any order made in the Polytechnic's name;
- 10.3 cancel any financial delegation to another manager.

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.

11. Contractual Agreements

Some contracts/agreements will span more than one year, with the result that commitments are for more than the amount budgeted on an annual basis. In this case:

- 11.1 Revenue: The Chief Executive has authority to roll over existing contracts and sign new contracts where:
 - a. new business contracts are less than \$2,000,000 gross revenue and have a margin of 5% or more
 - b. new business contracts greater than \$2,000,000 gross revenue have a margin of 5% or more and are supported by legal and/or specialist advice as appropriate.
- 11.2 Expenditure: The Chief Executive has authority to roll over existing contracts and sign new contracts where the contracts are less than \$400,000 per annum gross expenditure and no more than 5 years duration.
- 11.3 Contracts which fall outside these parameters require Council approval.
- 11.4 The contracts register shall be reported monthly to Council and include all contracts in excess of \$20,000.

Authorities are GST exclusive.

12. Bad Debts

The Chief Executive has authority to write off individual debts up to \$25,000. Debts in excess of \$25,000 may be written off with the prior approval of the Chair of Council.

13. Donations

The Chief Executive has authority to make monetary donations to a maximum of \$5,000 per year. Donations in excess of \$5,000 may be made with the prior approval of the Chair of Council. For the sake of clarity the definition of monetary donations does not include sponsorships for advertising and promotional purposes (for example the Charity House, the Cancer Society Ball and the iD Dunedin Fashion week).

14. Asset Sales

The disposal of assets is governed by policy *MP0362 Asset Management (Operational – Acquisition and Disposal)*, and requires the consent of the Minister for the sale of land and buildings and assets with values in excess of \$50,000.

Referral Documents

OP Manual of Committee Structure and Delegations (June 2016)
CP0008 Sensitive Expenditure
CP0011 Treasury Policy
CP0013 Procurement and Purchasing Policy
MP0303 Authorities and Delegations from Chief Executive
MP0304 Specific Financial Authorities and Delegations
MP0362 Asset Management (Operational – Acquisition and Disposal)
MP0461 Staff Development,
MP0351 Students Withdrawal and Refund Policy for the year XXXX
MP0354 Student Fees

Approved by Council

Date: 1 August 2018





The Council of Otago Polytechnic hereby authorises the following designated signatories to co-sign documents, under seal, on behalf of the Otago Polytechnic, in accord with section 167 of the Education Act 1989, provided that the documents fall under the Chief Executive's delegation limits recorded in Otago Polytechnic policy CP005

- 1) The Chief Executive; and
- 2) Any other current Executive Leadership Team member of Otago Polytechnic as co-signatories

Signed under the Seal of Otago Polytechnic pursuant to a resolution of Council of Otago Polytechnic

Date 1 June 2018

Signed K. E. Grant
Name: Kathleen Eric Grant

Signed [Signature]
Name: MICHAEL CRAIG HORNE

