Delegations and Financial Authorisation Policy

Version: 1

Date: 17th August 2026

Approved by: N&YLGA Board

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Purpose

This Policy establishes a clear governance framework for:

- Delegations of authority
- Financial approvals and authorizations
- Procurement decision-making
- Expenditure approvals
- Contract execution
- Accountability for financial decisions
- Internal controls and risk management
- Fraud and corruption prevention
- Compliance with legislative and governance obligations

This Policy ensures decision-making authority is exercised lawfully, transparently, efficiently, ethically, and in accordance with:

- The *Local Government Act 1999* (SA)
- The *Local Government (Financial Management) Regulations 2011*
- The public finance and audit principles applicable to local government financial governance
- The NYLGA Charter
- The Model Behavioral Management Framework and governance guidance issued by the Local Government Association of South Australia (LGA SA)
- Australian Standard AS ISO 31000:2018 Risk Management—Guidelines
- Australian Standard AS 8001:2021 Fraud and Corruption Control
- Australian Standard AS ISO 37301:2021 Compliance Management Systems
- Sound governance principles and public sector fiscal management practices

Legislative Authority

This Policy is established pursuant to:

- *Local Government Act 1999* (SA)
- *Local Government (Financial Management) Regulations 2011*
- *Local Government (Procedures at Meetings) Regulations 2013*
- *Independent Commissioner Against Corruption Act 2012 (SA)*
- *Public Interest Disclosure Act 2018 (SA)*
- *State Records Act 1997 (SA)*

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- *Work Health and Safety Act 2012 (SA)*
- *Fair Work Act 2009* (Cth)
- NYLGA Charter
- Procurement Policy
- Treasury, Investment and Reserves Policy
- Fraud and Corruption Control Policy
- Code of Conduct for Employees
- Code of Conduct for Council Members
- Annual Business Plan and Budget
- Relevant Board resolutions

This Policy recognizes that:

- The Board retains ultimate governance responsibility
- Delegations must be formally resolved and recorded
- Financial authority must align with approved budgets and lawful purpose
- Expenditure of public funds requires strong accountability, transparency, and probity
- Delegated authority must be exercised consistently with legislative obligations and the principles of administrative law

Policy Objectives

The objectives of this Policy are:

Governance

Ensure lawful and effective decision-making authority across NYLGA.

Accountability

Define who may approve expenditure, contracts, commitments, and financial transactions.

Efficiency

Enable timely operational decision-making while maintaining appropriate oversight.

Risk Management

Reduce financial, legal, fraud, corruption, operational, and reputational risk through strong internal controls.

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Compliance

Ensure compliance with all relevant legislation, policies, procurement obligations, and governance requirements.

Transparency

Promote transparent, auditable, and defensible financial and procurement decision-making.

Policy Principles

These principles apply:

1. Authority must be documented.
2. No person may approve of expenditure for personal benefit.
3. Delegations do not remove accountability.
4. Financial approvals must align with adopted budgets.
5. Procurement must comply with approved procurement processes.
6. Separation of duties must be maintained wherever possible.
7. Dual permission applies to payments and banking transactions.
8. Conflicts of interest must be declared and managed.
9. Delegated authority must only be exercised within approved limits.
10. Financial decisions must be properly documented and capable of audit review.
11. All officers exercising delegated authority must act ethically, impartially, and in the best interests of NYLGA.
12. Delegations must be reviewed regularly to ensure ongoing appropriateness.

PART A — DELEGATIONS

Delegation Framework

Board Authority

The Board retains responsibility for:

- Strategic governance
- Policy adoption
- Annual budget adoption
- Adoption of the Annual Business Plan
- Major contracts

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- Borrowings
- Use of strategic reserves
- Approval of unbudgeted expenditure beyond delegated limits
- Employment and performance management of the Chief Executive Officer
- Establishment and review of delegations
- Matters reserved by legislation or Charter

The Board may formally delegate certain powers to the Chief Executive Officer, committees, or authorized officers where permitted by law.

Delegations must:

- Be made by formal Board resolution
- Identify the delegated power
- Identify any conditions or limitations
- Be recorded in the Register of Delegations

Chief Executive Officer Delegation

The Chief Executive Officer (CEO) is responsible for:

- Implementation of Board decisions
- Day-to-day operational management
- Administration of approved budgets
- Execution of approved contracts
- Management of staff and resources
- Financial control within approved delegations
- Ensuring effective internal financial controls
- Ensuring compliance with procurement and governance requirements

The CEO may sub-delegate administrative authorities where lawful and appropriate.

All sub-delegations must:

- Be documented in writing
- Specify limits and conditions
- Be capable of review and audit verification
- Remain consistent with Board-approved delegations

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Register of Delegations

A formal Register of Delegations shall be maintained, including:

- Delegated power
- Legislative source
- Delegated officer
- Limits of authority
- Conditions of delegation
- Board resolution reference
- Date of delegation
- Review date
- Any sub-delegations allowed

The Register must:

- Be reviewed annually
- Be updated following any organizational or legislative change
- Be available for audit and governance review purposes

PART B — FINANCIAL AUTHORISATION

Financial Authority Framework

Financial permission applies to:

- Purchase orders
- Supplier payments
- Contracts
- Grants and sponsorships
- Subscriptions and memberships
- Reimbursements
- Payroll approvals
- Asset purchases
- Banking transactions
- Investment transactions

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- Reserve transfers
- Credit card expenditure
- Consultancy engagements
- Variations to approved contracts

All approvals must be:

- Within approved budget
- For lawful NYLGA purposes
- Supported by documentation
- Compliant with procurement requirements
- Supported by sufficient evidence of value for money
- Properly recorded in financial systems

Financial Delegation Limits

Standard Financial Delegations

Position	Approval Limit
Board	Unlimited (within lawful authority)
Chief Executive Officer	Up to $20,000
Manager / Senior Executives	As specifically delegated by CEO and approved by Board
Finance Consultant	No expenditure approval authority unless specifically delegated

Delegations above these limits require escalation to the next approval level.

The Board may approve alternative limits by formal resolution.

Where expenditure:

- Exceeds approved budget allocations
- Creates ongoing financial liability
- Involves significant reputational risk
- Involves related parties
- Involves nonstandard procurement processes

it must be referred to the Board unless otherwise specifically delegated.

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Contract Approval Limits

Contracts exceeding:

- $100,000

  or

- Multi-year commitments with significant financial exposure

must be referred to the Board for approval unless specifically delegated.

Any material variation to an approved contract that exceeds the approved contingency or budget allocation must also be referred to the Board.

Emergency Expenditure

In genuine emergencies requiring immediate action:

- The CEO may approve urgent expenditure outside normal limits where necessary to protect operations, assets, safety, cybersecurity, public health, or legal compliance

This expenditure must:

- Be documented
- Include reasons for urgency
- Be reported to the next Board meeting
- Be subject to post-event review

PART C — PAYMENT AUTHORISATION

Payment Controls

Dual Authorization

All payments must require:

- One operational approval; and
- One financial verification and release approval

No single officer may either create and approve the same payment transaction.

Segregation of duties must be maintained wherever possible across:

- Invoice processing
- Payment approval

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- Banking release
- Reconciliation functions

Banking Authority

Bank account signatories must be:

- Formally approved
- Regularly reviewed
- Limited to senior authorized officers

Electronic banking access must include:

- Role separation
- MFA/security controls
- Audit trail capability
- Password and access management controls

Banking authorities must be reviewed:

- Annually
- Following staffing changes
- Following any suspected security breach

Credit Cards and Corporate Cards

Where issued:

- Use must be strictly for authorized business purposes
- Monthly reconciliation is mandatory
- Supporting tax invoices and receipts must be provided
- Private expenditure is prohibited
- Card sharing is prohibited
- Misuse may result in disciplinary action

The CEO or Board must approve card limits.

Repeated reconciliation failures may cause the withdrawal of card privileges.

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PART D — PROCUREMENT ALIGNMENT

Procurement Compliance

Financial delegation does not override procurement requirements.

All procurement must comply with:

- NYLGA Procurement Policy
- Value for money principles
- Probity requirements
- Competitive quotation/tender thresholds
- Conflict of interest requirements
- Ethical supplier standards
- Records management requirements

Approval of spending is separate from approval of the procurement method.

All procurement activities must be appropriately documented to ensure transparency and auditability.

PART E — CONFLICTS AND PROBITY

Conflict of Interest

Any officer or Board member with:

- Actual conflict
- Perceived conflict
- Potential conflict

must declare the conflict and remove themselves from the approval process.

This includes procurement, contract approvals, recruitment processes, grant assessments, and financial decisions.

Conflict declarations must be:

- Documented
- Managed transparently
- Retained under records management requirements

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Fraud Prevention

NYLGA will maintain controls to reduce fraud and corruption risk, including:

- Segregation of duties
- Approval pathways
- Independent reconciliations
- Audit oversight
- Procurement transparency
- Whistleblower protections where applicable
- Periodic fraud risk assessments
- Staff awareness and training
- Secure financial system controls
- Investigation and reporting protocols

Suspected fraud, corruption, or serious misconduct must be managed in accordance with:

- The Fraud and Corruption Control Policy
- Relevant legislative reporting obligations
- ICAC referral requirements, where applicable

PART F — REPORTING AND REVIEW

Reporting

Management shall provide regular reporting to the Board on:

- Significant expenditure approvals
- Contract commitments
- Procurement exceptions
- Emergency approvals
- Policy compliance issues
- Delegation breaches (if any)
- Material fraud or corruption risks
- Significant financial control weaknesses

At a minimum, reporting shall occur quarterly.

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Breaches

Any breach of this Policy must be:

- Documented
- Investigated
- Reported to the CEO and Board where material
- Addressed through corrective action

Serious breaches may result in:

- Disciplinary action
- Revocation of delegation
- Referral to external authorities
- Criminal or civil action where applicable

Training and Awareness

NYLGA will ensure that:

- Relevant staff receive training regarding delegations and financial authorization requirements
- Delegated officers understand the limits of their authority
- Governance and procurement awareness is regularly reinforced

Policy Review

This Policy shall be reviewed:

- Annually
- Following legislative amendment
- Following major governance review
- Following significant fraud or governance incidents
- Where internal or external audit identifies required improvement

Responsible Officer

Chief Executive Officer

Supported by:

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- Manager Corporate Services
- Finance Contractor
- Audit and Risk Committee
- External Auditor (where applicable)

Adoption

The Board of the Northern and Yorke Local Government Association adopted this Policy on:

[Insert Date]

Review Date:

[Insert Date + 12 months]

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Appendix A — Recommended Delegation Schedule (Optional Detailed Register)

A formal operational Delegations Register should accompany this Policy and include:

- Procurement thresholds
- Contract signing authority
- Banking authority matrix
- Payroll approval pathways
- Leave approval delegations
- Reserve transfer approvals
- Grant acceptance approvals
- Legal expenditure authority
- Consultancy engagement approvals
- Information technology expenditure approvals
- Emergency expenditure approvals
- Asset disposal approvals

This Appendix may be maintained separately for administrative flexibility.

This Policy is drafted to formal Board-adoption standard and aligns with South Australian local government governance expectations, relevant legislative requirements, and recognized contemporary governance standards.

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