

<b>Policy title:</b>	Financial Delegations Authority
<b>Policy number:</b>	
<b>Application:</b>	All Auckland Transport Staff
<b>Date of issue:</b>	1 November 2010
<b>Issued by:</b>	Chief Executive
<b>Supersedes:</b>	
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## 1.0 Purpose

The purpose of this policy is to define Delegated Authority and provide guidelines on its application. All staff are responsible for ensuring they understand and comply with the authority delegated to them.

This policy covers:

- General responsibilities for the use of Delegated Authority
- Authority for pre-approval of expenditure requests
- Authority for expenditure commitment and approvals for payment
- Other general authorities

## 2.0 Scope

This policy applies to all personnel of Auckland Transport.

## 3.0 Introduction

### 3.1 Delegation Process

Ultimate authority for the conduct of business by and within Auckland Transport rests with the Board of Directors. The Board delegates authority, within certain prescribed parameters to the Chief Executive so as to facilitate and encourage effective and efficient management of the company. In turn, the Chief Executive delegates aspects of his authority to members of the Senior Management Team or staff as appropriate.

### 3.2 Delegation to Others

Delegated authority cannot be passed on to others or changed in any way, unless it is able to be authorised as noted under the "Delegation Possible?" column in the tables within sections 4 to 7 of this policy. Authority delegated to others must be temporary and must specify the period for which the delegation is to apply. A copy of any delegation must be forwarded to the Chief Financial Officer.

This delegation of authority does not amount to the delegation of responsibility.

### **3.3 Consultation with Others**

Even if an employee has apparent authority, it is often prudent to consult with your manager to ensure the best decision is made.

### **3.4 Conflict**

If there is any possible conflict with company policy, dispute, appearance of impropriety or conflict of interest, it is also necessary to consult with your manager prior to action being taken. Behaviour is governed by the Business Conduct & Ethics Policy found on the intranet.

### **3.5 Fiscal Prudence**

A manager must operate within the constraints of the budget and managers must be prepared to account for and explain any expenditure incurred.

### **3.6 Variations**

Where any final invoice from a creditor varies by more than 10% of the approved commitment, the invoice must be authorised by a staff member with appropriate authority to approve the new total value of the invoice.

### **3.7 Policy Review**

This policy will be reviewed on an annual basis by the Chief Finance Officer.

### **3.8 Related Documents**

The delegations are subject to a range of policies which cover how staff can procure services. These policies will change from time to time and the list of related policies will be contained in the Purchasing policy.

## **4.0 Expenditure**

Expenditure commitment is the point where staff will incur a liability on the company, for example, the issue of a Purchase Order to a supplier. Where a Purchase Order has not been issued, the approval will be given prior to payment of the invoice. Staff have authority to incur all necessary expenditure for achieving business goals provided they have pre-approval (refer Section 4), consideration has been given to the budget, and is within the limits shown below. Refer to Purchasing Policy for methods of purchase (expenditure commitment).

## 4.1 Capital Expenditure

Item	Chief Executive	CIO, CFO, COO	Other CE Direct Reports	CIO, CFO, COO Reports / Cost Centre Managers	Cost Centre Manager Reports	Delegation Possible?	Notes
<b>PRE-APPROVAL</b>							
Budgeted and AMP Expenditure	\$5,000,000	\$1,500,000	\$10,000	No authority except \$10,000 for Commercial Services Mgr	No authority	No	Refer Capital Expenditure Policy All approvals to be detailed in Monthly Management Report
IS Software & Hardware, Mobile Phones & Motor Vehicles <sup>1</sup>		IS standard issue only (like for like basis)	No authority	No authority	No authority	No	
Expenditure not in Budget and AMP	\$200,000	\$10,000	\$2,000	No authority	No authority	No	
<b>COMMITMENT AND PAYMENT</b>							
Contract Acceptance for Approved Capital Projects	Unlimited All items over \$1,500,000 reported to the Board.	\$5,000,000	\$100,000	No authority	No authority	No	Pre-approval required. Refer Capital Expenditure Policy. Refer Purchasing Policy. Approvals reported to the CE in monthly report.
Capital Expenditure <sup>2</sup> including Purchase Orders	\$2,000,000	\$100,000	\$50,000	\$20,000	\$10,000	Yes with written approval by CE	
Progress Payments for Approved Contracts	Unlimited	Unlimited	\$1,000,000	Up to \$1,000,000	No authority	Yes with written approval by CE	Authority to approve payments subject to the contract terms where satisfied that the services have been delivered. Dual signature requirements will remain
Contract Variations for Approved Projects <sup>3</sup>	\$2,500,000	\$750,000	\$20,000	No authority	No authority	No	

<sup>1</sup> This applies to all NEW requirements for IS & Phone equipment. Replacement equipment for existing roles is to be approved by the ICE, CFO, COO, CIO.

<sup>2</sup> The Delegated Authority for individual staff members is managed within the Purchasing Requisition System (PRS).

<sup>3</sup> Contract variations that exceed the original contract approval require re-approval. Contract variations that exceed the original capex request by the lesser of 10% of the project value or \$100,000 requires further approval by the original approver and therefore section 4.1 applies.

## 4.2 Operational Expenditure (OPEX)

Item	Chief Executive	CIO, CFO, COO	Other CE Direct Reports	CIO, CFO, COO Reports / Cost Centre Managers	Cost Centre Manager Reports	Delegation Possible?	Notes
<b>PRE-APPROVAL</b>							
Hiring of Professional Advisors/ Consultants	Unlimited within the annual budget	\$50,000	\$10,000	No authority Except Commercial Services Manager \$10,000	No authority	No	Refer Use of Consultants Policy. All approvals to be detailed in Monthly Management Report.
Training, Conferences and Courses	Unlimited within the annual budget	3 day, single attendance in New Zealand up to a value of \$5,000 <sup>4</sup> . No employee to authorise their own	3 day, single attendance in New Zealand up to a value of \$2,500 <sup>2</sup> . No employee to authorise their own	1 day, single attendance in Auckland up to a value of \$1,000. No employee to authorise their own	No authority	No	Papers to be published or given at a Conference must be approved by the CE. All attendees must be notified to HR Dept
Travel - Domestic <sup>5</sup>	Unlimited within the annual budget	Within budget limits. No employee to authorise their own	Within budget limits. No employee to authorise their own	Within budget limits. No employee to authorise their own travel	No authority	No	Refer Travel Policy and Domestic Travel Request Form
- Overseas	Unlimited within the annual budget	No authority	No authority	No authority	No authority	No	All requests by memorandum justification to the CE
<b>COMMITMENT AND PAYMENT</b>							
Revenue Expenditure <sup>4</sup> including Purchase Orders	Unlimited within the annual budget	\$100,000 Refer 5.1 for exceptions	\$50,000 Refer 5.1 for exceptions	\$20,000 Refer 5.1 for exceptions	\$10,000 Refer 5.1 for exceptions	Yes with written approval by CE	Refer Purchasing Policy. Report against budget in monthly report
Establishing Revenue Expenditure Construction & Supply Contracts	Unlimited within the annual budget	Up to \$2,000,000 and 36 months duration per contract	\$200,000	No authority	No authority	Yes with written approval by CE only	
Operating Leases or multi-year commitments	\$1,000,000	\$20,000 of annual value	\$10,000 of annual value	No authority	No authority	Yes with written approval by CE only	

<sup>4</sup> Includes travel, accommodation and related expenses.

<sup>5</sup> This applies to external booking of travel services only. Refer to Vehicle Policy for use of private vehicles for company business.

## 5.0 Commitment and Approval for Payment

### 5.1 Exceptions to Standard Delegated Authorities

The table below describes approved exceptions to the above general policy for revenue expenditure commitments of a specific nature. Only the Chief Executive may approve changes to these exceptions.

Position Description	Business Group	Delegated Authority	Commitment Type
Chief Finance Officer	Finance	NB: value limit deleted	FBT, GST, Company tax, Insurance
Manager Human Resources	Office of the Chief Executive	NB: value limit deleted  Signature requirement to remain	Payroll, PAYE, ACC

The CFO be delegated to undertake the necessary entries to reflect Revenue appropriately when Parking infringements are passed to the Courts.

## 6.0 Other Financial Commitments

Other financial transactions and external agreements that impact the liabilities of the company.

### 6.1 Capital Expenditure

Item	Chief Executive	CIO, CFO, COO	Other CE Direct Reports	CIO, CFO, COO Reports / Cost Centre Managers	Cost Centre Manager Reports	Delegation Possible?	Notes
Single Item Asset Sale or Write-Off  - Unbudgeted	\$100,000 NBV <sup>6</sup>	\$10,000 NBV	\$5,000 NBV	No authority Except Commercial Services Manager \$1000 NBV	No authority	No	

### 6.2 Revenue Expenditure

Item	Chief Executive	CIO, CFO, COO	Other CE Direct Reports	CIO, CFO, COO Reports / Cost Centre Managers	Cost Centre Manager Reports	Delegation Possible?	Notes
Bad Debt Write-Off or Credit Notes to settle Claims	Unlimited within the annual budget	Up to \$5,000 (Also to be signed by GM Finance)	No authority	No authority Except Commercial Services Manager \$500	No authority	No	
Employee Expense Claims	Unlimited within the annual budget	Up to \$5,000, no employee can authorise	Up to \$2,500, no employee can authorise	\$2,000, no employee can authorise their own	No authority	No	

<sup>6</sup> NBV = Net Book Value.

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## 7.0 General Delegations

### 7.1 Staff Establishment, Employment, Compensation and Benefits.

Item	Chief Executive	CIO, CFO, COO	Other CE Direct Reports	CIO, CFO, COO Reports / Cost Centre Managers	Delegation Possible?	Notes
Approve structure changes, including changes in reporting lines, job size, and job titles	Unlimited within the overall annual budget. <sup>7</sup>	No authority	No authority	No authority	No	Appropriate documents to Corporate HR
Approve Employment of Additional Permanent Staff, Making Staff Redundant	Unlimited within the overall annual budget. <sup>7</sup>	No authority	No authority	No authority	No	
Replacing Staff (same job, same grade and on standard contract and within budget)	Unlimited within the overall annual budget. <sup>7</sup>	Unlimited but direct reports requires Chief Executive approval required		No authority	No	Appropriate documents to Corporate HR
Employment of Temporary staff	Unlimited within the overall annual budget.	Within budgeted limits Report to the CE in monthly report Jointly approved by HR	Jointly approved by HR		No	Appropriate documents to Corporate HR Report against budget in monthly report
Temporary contractors from employment agencies or independent contractors	Unlimited within the overall annual budget.	Up to three months Report to the CE in monthly report	Up to three months Report to the CE in monthly report	Up to one week Report to the CE in monthly report	No	Appropriate documents to Corporate HR
Salary increases or other changes in benefits	Unlimited within the overall annual budget.	No authority	No authority	No authority	No	
Wage increases or other changes in benefits.	Unlimited within the overall annual budget.	No authority	No authority	No authority	No	

<sup>7</sup> For Senior Management positions reporting directly to the Chief Executive, the Chief Executive will consult with the Chairman of the Board of Directors on all appointments and terminations.

## 7.2 Public Relations, Legal Commitments and Donations

Item	Chief Executive	CIO, CFO, COO	Other CE Direct Reports	CIO, CFO, COO Reports / Cost Centre Managers	Delegation Possible?	Notes
Advertising	Unlimited within the overall annual budget.	No authority except for health & safety and operational issues	Comms Manager only	No authority except	Yes for recurrent advertisements	
Media Releases, Press Interviews, or Comments	Unlimited	No authority	Comms Manager only	No authority	Yes by Chief Executive only	
Designations, Planning Requests, objections, submissions to Local, National or Regional Regulatory Agencies	Unlimited	CIO	No authority	No authority except Environmental Planning Mgr for local submissions only	Yes by Chief Executive only	Details are to be included in monthly report.
Court Action	Unlimited	No authority	No authority	No authority	No	Details are to be included in monthly report.
Settlement of Disputes whether by payment, credit, apology, carrying out work or otherwise	Unlimited within the overall annual budget.	\$10,000	\$5,000	No authority	No	Details are to be included in monthly management report.
Loans to Employees	As appropriate	No authority	No authority	No authority	No	Reported on in monthly report and appropriate documents to Corporate HR
Donations/ Sponsorship	Unlimited within the overall annual budget, except no donations to political parties	No authority	No authority except Comms Manager up to a value of \$10,000.	No authority	No	