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ISLHD POLICY
COVER SHEET



Health
 Illawarra Shoalhaven
 Local Health District

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| FUNCTIONAL GROUP OR HUB | District wide |
| NSQHS STANDARD | Standard 1 |
| SUMMARY | This Delegations Framework Policy specifies the authority to make decisions and incur expenditure as approved by the ISLHD Board and delegated by the Chief Executive. It provides the governance processes and provides directives for delegates to strictly adhere to. |

COMPLIANCE WITH THIS DOCUMENT IS MANDATORY

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1. POLICY STATEMENT

Delegations are a critical tool for good corporate governance, as well as a key mechanism for setting the tone and culture of the organisation.

The purpose of the The Illawarra Shoalhaven Local Health District (ISLHD) Delegations Framework is to provide a structure for delegating authority within ISLHD in a manner that facilitates efficiency and effectiveness, and increases the accountability of staff for their performance. The ISLHD Delegations Framework consists of the following three instruments:

- **ISLHD Delegations – Delegations Manual PART 1**
All operations of ISLHD are covered by this Delegations Manual including any Clinical Division, Clinical Service, Hospital Group (Hub), Hospital, Business Unit, Community Health Service, Support Function or other service, that forms part of the responsibility of the Chief Executive of ISLHD.
- **ISLHD Delegations – Board Delegations Manual PART 2**
Specific ISLHD Board delegations
- **ISLHD Delegations Framework Policy – ISLHD CORP PD 11**
This Policy

ISLHD Delegation Manual's PART 1 and PART 2, specify the authority to make decisions and incur expenditure as approved by the ISLHD Board and delegated by the Chief Executive. These delegations are an essential instrument of internal control and all officers are to strictly adhere to the outlined authorities.

All operations of ISLHD are covered by the Delegation Manual's including any Clinical Division, Clinical Service, Hospital Group (Hub), Hospital, Business Unit, Community Health Service, Support Function or other service that forms part of the responsibility of the Chief Executive of ISLHD.

2. MANDATORY REQUIREMENTS:

[MoH Policy Directive PD2012_059 Delegations of Authority - Local Health Districts and Specialty Health Networks](#) requires the following requirements of Local Health Districts (LHD) in relation to maintaining a Delegations Manual:

- *“Under the Accounts and Audit Determination all Public Health Organisations who receive subsidies from consolidated revenue under the Health Services Act are required to maintain a Manual of Delegations to record details of delegations of responsibility and authority within the organisation.*
- *Organisations are required to keep the Delegations Manual up to date and ensure that it is readily accessible to inform delegates of their delegation.*

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- *LHD/SHNs are also required to retain records of all delegations approved.*
- *LHD/SHNs are to ensure delegations are approved and amended in accordance with the mandatory requirements detailed in Section 3 of this Policy Directive”.*

3. BACKGROUND:

Under [Section 21 of the Health Administration Act 1982](#), the Minister and Secretary have powers of delegation to delegate any function given to them under any health or other Act. Using this power of delegation, an extensive range of powers, functions and decision making is delegated to public health organisations, including Local Health Districts.

Power for the Chief Executive of ISLHD to delegate is through [Section 40 of the Health Services Act 1997](#). In accordance with this Act, the Chief Executive has the power to delegate functions to approved positions for approved purposes, as outlined in [ISLHD Delegation Manual](#)'s PART 1 and PART 2. The authorities outlined within these manuals have been approved by the ISLHD Board.

3.1 Delegations Manual Structure

The format of the Delegation Manual's is designed to standardise delegations across the District. The Delegate Categories group the delegated officers into categories based on the scope of their work within the organisation, and their monetary delegation limit.

Each delegation in the Manuals have a unique Schedule number. Where applicable these should be referenced by the Delegate when exercising their delegation. For example, the authority to purchase goods or services has delegation number of 1.2.

Individual positions are only listed within categories and assigned a unique identifier where additional role specific delegations (in addition to assigned Category) are required. For example, Director Drug and Alcohol Service is assigned a unique identifier of D11 due to role specific financial delegations.

ISLHD Delegation Manual's PART 1 and PART 2 replace all previous Delegations Manuals of ISLHD issued either by the District or facility managers.

Where matters are not included in the Delegation Manual's, refer to relevant ISLHD and/or Ministry of Health (MoH) guidelines, policies and directives.

Delegates can seek clarification on the level of delegation and responsibilities when exercising their authority from the ISLHD Corporate Governance and Risk Unit or from the delegation Executive Sponsor.

The following notes all delegates in the category have the delegation:

Note: ✓ = All Delegates assigned within the category have delegation

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3.2 Definitions:

| Term | Description |
|------------------------------------|---|
| Compliance | Adhering to the requirements of laws, industry and organisational standards, policies, codes, accepted community and ethical standards. |
| Cost Centre | A department or unit within ISLHD, may also apply to individual functions within a department or unit. |
| Cost Centre Manager | The person responsible for ensuring the revenue, expenses and activity within a cost centre are within budget. |
| Delegate | An employee who has been provided authority to executive decisions. |
| Delegate Structure | The structure that outlines the level of authority devolved throughout ISLHD. |
| Delegation | The assignment of responsibility or authority to another person to carry out specific activities. |
| Executive Sponsor | The Executive Sponsors are the owners of the Delegation and are responsible for ensure each delegation in their areas of responsibility are up to date in accordance with Policy, Legislation, Regulations and Standards. |
| MoH | Ministry of Health |
| Special Delegation | Where a Delegate is has responsibilities outside of their normal delegation category or requires a delegate position to be able to fulfil their role and responsibilities by exercising a delegation. |
| Subject Matter Expert (SME) | The officer allocated responsibility for facilitating compliance with a specific obligation, legislation or policy. The SME provides assurance on compliance to the relevant Executive Director. |

4. RESPONSIBILITIES

Responsibilities in relation to delegations of authority are clearly outlined through [MoH Policy Directive PD2012_059 Delegations of Authority - Local Health Districts and Specialty Health Networks](#) and below:

4.1 ISLHD Board Responsibility

- Ensuring effective corporate governance frameworks are established for the Local Health District (LHD).

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- Reviewing and approving delegations and the Delegations Manual.
- Ensuring systems are in place for regular auditing of compliance with delegations.
- Establishing a system to monitor any non-compliance with delegations which might pose a significant risk to the operation, performance and reputation of the organisation.

To assist the Board to perform its monitoring role, reporting is in place, including high value expenditure for goods, services, capital projects, and travel.

A number of decisions that need approval from the MoH also require endorsement at the next available Board meeting. Where this requirement applies, a reference is included in the '*Policy, Legislation & Reporting Requirements*' section of each delegation.

4.2 The Chief Executive Responsibility:

- Developing the specific scope of delegations applicable within ISLHD.
- Establishing a process to regularly review and update delegations to ensure they remain appropriate and relevant.
- Developing and implementing systems to disseminate the Delegation Manuals and subsequent updates to staff, so they can exercise their delegations.
- Undertaking regular auditing of compliance with delegations.
- Ensuring that on-line requisitioning systems are consistent with delegations, follow the approved chain of command, and include relevant identifying data to enable compliance monitoring.
- Providing delegated officers with training, access to information and tools to enable them to exercise their delegated authority.
- Appointing a senior officer to act as a contact point for staff, and to provide advice and assistance on issues arising from the delegations.

4.3 Executive Directors Responsibility:

Each delegation has an Executive Sponsor who is a Category B (Executive Director) delegate. The Executive Sponsors are the owners of the Delegation and hold the following accountabilities:

- Each delegation provides links/references to compliance obligations which includes:
 - MoH Policy,
 - ISLHD Policy,
 - Legislation,
 - Standards, and

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- Regulations if applicable.
- Ensuring all of their delegations are reviewed and updated (if applicable) in the Delegation Manual Annual Review Process.
- Ensuring any updated delegations that are linked to an ISLHD Policy(s) are also updated.

The Executive Sponsors are listed by their title acronym which are as follows:

| | |
|-----------|--|
| EDSIP | Executive Director Strategic Improvement Programs |
| EDF | Executive Director Finance |
| EDICMHPIP | Executive Director Integrated Care, Mental Health, Planning, Information & Performance |
| EDCO | Executive Director Clinical Operations |
| EDMSCG | Executive Director Medical Services & Clinical Governance |
| EDNMCG | Executive Director Nursing & Midwifery & Clinical Governance |
| EDID | Executive Director Infrastructure Development |
| CIO | Chief Information Officer |
| CE - DIA | Internal Audit Director |
| CE - CDR | CE Support Services - Clinical Director Research |

4.4 Responsibilities of Delegates:

Delegates should note the following general conditions and responsibilities:

General (Non-Financial Delegations):

- Delegates are to exercise any powers, authorities, duties and functions delegated to them in a responsible, consistent and cost effective manner.
- Delegates must act in accordance with any conditions imposed on the relevant delegation and consistently with NSW Government, NSW Health and ISLHD policies.
- Delegates are responsible for understanding the content and level of their delegation. Keeping up to date on any changes to the delegations arising from changes in law, NSW Government or NSW Health policy or revisions of delegations or other directions issued by ISLHD.
- Delegates shall only exercise delegations in relation to their own areas of administrative or operational responsibility and cost centre relevant to their position

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- Where exercising a non-financial delegation, delegates must verify that the requests are valid and appropriate and ensure diligence when exercising their authority.

Financial Delegations:

When approving expenditure a delegate must:

- Consider the dollar limit of their delegation for the category of expenditure.
- Satisfy themselves that funds are available, within existing budget, to meet any expense being approved under delegation.
- Consider any additional costs that will result from the expenditure. For example direct recurrent costs, indirect operating costs, life cycle and future replacement costs, and any other associated expenses or matters that would impact on the financial management and performance of the organisation.
- Obtain any necessary additional approvals. For example, if expenditure variations outside expected budget are expected to arise, if the expenditure is from, or supplemented by SP&T Funds.
- When approving expenditure a delegate must not split items/orders to bring them within any limit of their position's delegation and administrative responsibility. The dollar amounts specified in the Delegation Manuals relate to the total cost of any project regardless of the number of orders necessary.
- In principle, all expenditure is to be approved on the basis of availability of funding within the budget allocation and the availability of funds within each cost centre.
- Delegates should note that expenditure limits in the Delegation Manuals are exclusive of the Goods and Services Tax (GST), unless otherwise stated. GST currently levied at the rate of 10 per cent.
- Delegates should consult [ISLHD Procurement Unit](#) and officers with specialty product knowledge (for example, ICT officers, Biomedical Engineering, Clinical Product Advisors, Engineers if building works are required) to confirm cost effective procurement which is in accordance with Government practices.
- When exercising a delegation of authority relating specifically to a statute or delegated legislation a delegate must ensure that he/she is fully aware of the relevant provisions before exercising the delegation. For example, delegations provided to the Right to Information Officer under the *Government Information (Public Access) Act 2009*.

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5.1 Exercising Delegations:

- Delegated officers are to sign or personally authorise through appropriate systems all requisitions, orders, contracts, documents etc. with their position title, as that title is set out in the Delegation Manuals. Where the officer is acting or relieving in a position, they should also indicate their "acting" role.

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- Delegates may not re-delegate any authority conferred on them by the ISLHD Delegation Manuals to any other officer except in the case of officers acting or relieving in other positions.
- Delegates must not approve “self-related matters” or matters that raise potential probity issues in relation to the exercise of the delegation. For example a delegate:
 - Must not authorise their own expenditure or expenditure reimbursement, certify their own time sheet or authorise their own higher duty allowance, overtime, or annual/long service leave.
 - Must not approve any expenditure in relation to a matter where they have a pecuniary interest, or where there is a real, potential or perceived conflict of interest.
 - Must not write-off stock or dispose of stock to themselves or to others (family, friends, and colleagues) where there could be a real, potential or perceived pecuniary interest or conflict of interest.
- The authorising person for these and similar matters shall be a more senior officer or another officer as approved in writing by the Chief Executive.
- It is a delegate’s responsibility to remain up to date and informed of the scope and nature of their delegations.
- Compliance with delegations will be subject to regular auditing.
- Delegations and dollar limits may be reduced or withdrawn at any time.

5.2 Contractors, consultants and contingent workers

- Contractors, consultants and contingent workers cannot exercise financial or staff delegations of a position against which they are held. Financial and staff delegations can only be exercised by officers of the organisation who are appropriately delegated. Separate provisions allow delegation of financial matters to employees of the NSW Health Service.
- Visiting Medical Officers (VMO's) who hold roles within the District such as Heads of Services (E5 and E6) and Heads of Departments (G3) are excluded from the above. [PD2012_059 Delegations of Authority - Local Health Districts and Specialty Health Networks](#), states "Clinical managers and business unit managers should be granted delegations commensurate with their responsibilities". The responsible Managers VMOs should ensure any they are aware of their delegations and included in their job descriptions and contract of employment.

5.3 Officers Acting or Relieving in Other Positions

A person acting or relieving in another position is entitled to exercise the delegations of the other position during the designated period.

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5.4 Power to Limit or Revoke Delegations

Delegations within the Manuals may be limited or revoked for any Delegate at any time. Where a manager limits or revokes an employee's Delegations, the manager must formally inform the Delegate of the limited Delegation and the reasons why. In such cases, senior managers must complete an **ISLHD CORP F 29 - Form to Limit Delegated Authority of an Employee**.

Delegations may be revoked or limited for a number of reasons and for any timeframe deemed appropriate. These may include, but not limited to:

- Delegations of a new employee are limited for three months while the employee is familiarised with procedures within the District.
- Delegations of a newly promoted manager are limited until appropriate training can be provided to ensure the manager has appropriate understanding to exercise the delegations
- Delegations are revoked or limited following disciplinary action against an employee.

5.5 Review of Delegations

Delegation Manuals PART 1 and PART 2 are reviewed annually. The reviewed Manuals will be approved by the ISLHD Board, in line with [NSW MoH Policy Directive PD2012_059 Delegations of Authority - Local Health Districts and Specialty Health Networks](#).

Requests to amend delegations, including new delegations, are made through line management to the relevant Executive Sponsor who owns the delegation using **ISLHD CORP F 28 - Request to Amend ISLHD Delegations Form**. Any amendments will be incorporated through the annual review process, unless urgent.

5.6 Delegate Amendments

All delegation amendments, additions or deletions are approved by the Executive Sponsor by completing and submitting an **ISLHD CORP F 28 - Request to Amend ISLHD Delegations Form**.

Requests for urgent amendments to a delegation, are directed to the Executive Sponsor and if agreed, the amendment is submitted via an **ISLHD CORP F 28 - Request to Amend ISLHD Delegations Form**, signed by the Executive Sponsor of the delegation.

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5.7 Adding a New Delegate

Delegates are grouped into delegate categories (1A – G) with the same role and responsibilities rather than creating a new delegate for every position. If a Delegate is not listed in the Delegate Category by role or group, they have the delegation of their appropriate Delegate Category as listed below:

The following categories make up the hierarchical structure of the Delegations Manual:

- **Category 1A - ISLHD Board (Refer to ISLHD Board Delegations Manual - PART 2)**

Strategic oversight of the whole organisation, approval of governance frameworks, driving financial and operational performance, and influencing the external environment as it impacts upon the organisation. Refer to ISLHD Board Delegations Manual – PART 2
- **Category A - Chief Executive**

Leading the whole organisation, establishing values, culture and governance, determining business portfolio investment and divestment, and influencing the external environment as it impacts upon the organisation. ISLHD Chief Executive. Monetary delegation limit is up to \$500k.
- **Category B - Executive Directors**

Leading portfolios across the whole organisation, directing strategy, developing performance capability and establishing organisational structures required to deliver outcomes. The District's Core Executive who manage broad portfolios to deliver services throughout the District. Monetary delegation limit is up to \$250k (except the Executive Director Finance who has a limit of up to \$500k).
- **Category C - General Managers & Major Service Directors**

Small group of senior staff who manage major services within the organisation that report directly to Category B Executive Directors. Hub General Managers, the Director of Mental Health Services and the Director of Assets, Infrastructure, Engineering and Maintenance Services (AEIMS). Monetary delegation limit is up to \$100k.
- **Category D - District Divisional Directors, Service Directors, Operations Managers, & Directors of Nursing (DONs)**

Leading business functions within the organisation, developing strategy, designing systems of work, and integrating the work of operating units. Leaders of Clinical Divisions, Professions, and District-wide functions, who provide strategic direction in relation to their portfolio. Monetary delegation limit is up to \$30k.

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- Category E - Group Heads, District Service Directors, Nurse Unit Managers, Nurse Managers, & Deputy DONs (D/DONs) & Cost Centre Managers (CCM)**

Leading the managers of teams, developing work processes, improving operating systems, and optimising operating work flows within existing plans. Managers of Hub-based services, multiple sites, or District-wide functions within a portfolio. Monetary delegation limit is up to \$5k.
- Category F - Hospital Department Unit/Heads, Team Leaders, Service Managers, Senior Managers**

Leading other staff to optimise service delivery, monitoring and diagnosing process problems and optimising resource efficiency completing established work procedures to enable quality service delivery and minimisation of waste. Monetary delegation limit is up to \$3k.
- Category G - Other Managers, Supervisors & Team Leaders**

Front line managers of specific units and functions and all other employees. Monetary delegation limit is up to \$1k.

If a delegate requires a special delegation, an individual Delegate Category Identifier (i.e. D12) may be necessary. To request a Delegate Category Identifier complete an **ISLHD CORP F 31 – Add Amend or Delete a Delegate Form** and submit to: ISLHD-CorporateGovernance@health.nsw.gov.au.

The addition in the Delegation Manual may not be published until the next update (annually), but will not prevent a delegate from being able to fulfil their financial responsibilities.

Upon approval of the **ISLHD CORP F 31 – Add Amend or Delete a Delegate Form** by the relevant Executive Director, the Delegate will have their required delegations to perform their role. Any amendments to the Delegates Structure of the Delegation Manuals will be included in the next Annual Update.

5.8 Deleting a Delegate

Where a delegate position is no longer required an **ISLHD CORP F 31 – Add Amend or Delete a Delegate Form** is completed and submitted to the relevant Category B - Executive Director for approval. Any amendments to the Delegates Structure of the Delegation Manuals will be included in the next Annual Update.

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5.9 Aligning the Delegations Manual to Oracle

To ensure alignment to between the Delegation Manuals and ISLHDs Purchasing System 'Oracle', the following requirements are the responsibility of the Executive Director Finance:

- Approved amendments to delegates that are made in Oracle are to be immediately advised to ISLHD-CorporateGovernance@health.nsw.gov.au to ensure it matches ISLHD Delegation Manuals PART 1 or PART 2.
- Approved requests to add, amend or delete a delegate from ISLHD Delegation Manuals will be forwarded to: ISLHD-FIRExternalReporting@health.nsw.gov.au.
- An annual audit of Oracle users to the Delegates Structure of the Delegation Manuals is conducted and any discrepancies with delegation limits are immediately corrected.

5.10 Aligning the Delegations Manual to Compliance Obligations and Risks

ISLHD is under obligation to comply with Australian state and Commonwealth laws and regulations, and all employees have a responsibility to ensure that their activities on behalf of ISLHD comply with applicable law.

If ISLHD does not meet a legislative, regulative or MoH Policy obligation, it is the obligation of all staff to report this to their line manager. The line manager then provides full details in a Brief to the relevant Executive Director responsible.

If this non-compliance or breach of compliance causes a risk to the organisation then this should be entered into the Districts [Enterprise Risk Management System](#).

ISLHD staff have the responsibility for acting within the law and policy at all times in their employment position. Staff may have responsibilities for legislative compliance requirements and/or who may make decisions when performing their duties and functions under delegation authority.

Any related delegations with Legislative reporting requirements should be noted in Delegation Manuals in section *"Policy, Legislation & Reporting Requirements"*.

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6. DOCUMENTATION:

- ISLHD Delegations - Delegations Manual PART 1
- ISLHD Delegations - Board Delegations Manual PART 2
- ISLHD CORP F 28 - Request to Add Amend or Delete a Delegation Form.
- ISLHD CORP F 31 – Add, Amend or Delete a Delegate Form.
- ISLHD CORP F 29 - Form to Limit Delegated Authority of an Employee

7. AUDIT & REVIEW:

- The Delegations Manual will be reviewed annually by sending each Executive Sponsor all of the Delegations they are responsible for. The Executive Sponsor will review all delegations against Policy, Legislation, Regulation and Standards to ensure delegations are correct and up to date.
- Internal Audit Unit will provide an Annual Review of compliance of the Delegations Manual.
- The Executive Director Finance will ensure an annual audit of Oracle users to the Delegates Structure of the Delegations Manual is conducted and any discrepancies with delegation limits are immediately corrected.

8. REFERENCES:

- [MoH Policy Directive PD2012_059 Delegations of Authority - Local Health Districts and Specialty Health Networks](#)
- [Section 21 of the Health Administration Act 1982](#)
- [Section 40 of the Health Services Act 1997](#)

9. REVISION & APPROVAL HISTORY

| Date | Revision No. | Author and Approval / Date |
|---------------|--------------|--|
| June 2020 | Draft | Author: Senior Corporate Governance Co-ordinator |
| February 2020 | 1 | Author: Director Corporate Governance & Risk Approval / Date: ISLHD BOARD / 02 Nov 2020 |