

# MTA Board delegations of authority (Interim)

## 1. Purpose

The Board is the governing authority of the Music Teachers' Association of NSW (MTA) and has the power and functions given to it by the MTA's Constitution, the *Corporations Act 2001* (Cth), and the *Australian Charities and Not for profit Commission Act 2012* (Cth).

The Board has the power under clauses 39, 40, and 69 of the MTA Constitution, subject to applicable legislation, this Constitution, and any direction given by the MTA through a general meeting, to delegate any or all of its functions in relation to any class of matters, or in relation to any act or function of the MTA.

The purpose of this policy is to outline those powers and functions, and their limitations that the Board authorises others to exercise. The Board remains ultimately accountable for activities under its authority.

The policy is intended to facilitate efficiency and effectiveness of administrative processes and to ensure that the officers of the organisation dealt with under this policy have been provided with the level of authority necessary to discharge their responsibilities.

The schedule to this policy is the Instrument of delegation.

## 2. Application

This policy applies to all members of the Board, the Managing Director (MD), Management Committee (MC) members, and the members and employees of the MTA.

## 3. Delegation Responsibilities

- a. The Board is responsible for:
  - i. Granting, varying and reviewing delegations;
  - ii. Reviewing compliance with delegations; and
  - iii. Reviewing this policy.
- b. Persons/bodies delegated authority under this policy ('delegates') are responsible for:
  - i. Exercising delegations within their limits and in accordance with any conditions attached to them; and
  - ii. Reporting any breaches of any delegations of which they become aware to the MD and Board through the Company Secretary.

## 4. General Principles

The following general principles apply to delegations:

- a. When exercising a delegated authority, delegates must exercise that Authority in accordance with the law, the company's policies and procedures and any conditions attached to the delegation;

- b. The delegate must ensure that for each transaction (individually and in the aggregate) subject to authorisation:
  - i. The expenditure is for a proper purpose in the conduct of business for the company;
  - ii. The exercise of authority does not give rise to a conflict of interest;
- c. Unless otherwise specified, powers are delegated to a position and not to a person;
- d. Where the title of a position changes but the responsibilities assigned to the position do not change, the powers delegated to the formerly named position continue to be so delegated to the re-named position until such time as the Board otherwise determines;
- e. Unless otherwise specified, an authority delegated to a position extends to any person acting in the position;
- f. A delegate must not exercise their delegated authority if in doing so they would personally benefit or it creates a conflict of interest;
- g. In exercising a delegated authority to execute a contract, agreement or otherwise commit the company, employees are to ensure that entry into the contract has been approved by a party with appropriate authority and are to ensure that satisfactory legal and commercial due diligence has been undertaken (e.g. contract review by an Independent Director) prior to signature and signed correctly (i.e. by authorised persons);
- h. A person who approves a transaction beyond their delegation limit will be in breach of this Policy and potentially commits misconduct; and
- i. The authority to approve a transaction is taken to include the authority to terminate or cancel a transaction.

## **5. Breaches of Policy**

Any breaches of the delegations granted by the Instrument must be reported immediately to the Company Secretary, along with the Managing Director.

The Company Secretary must, as soon as practicable, report any breaches of the delegations granted by the Instrument to the Chair and the Chair of the Audit Committee.

## **6. Board Role and Functions**

### **6.1 Strategy and Governance**

The Board is ultimately accountable for overall governance including setting the MTA mission, vision, values and standards. As part of that role, the Board:

- a. Determines the MTA's strategic aims and objectives;
- b. Reviews the MTA's performance in light of its strategic aims, objectives, business plans and budgets, and financial reports and ensures that any necessary corrective action is taken;
- c. Approves the extension of the MTA's activities into significant new business or geographic areas and for any decision to cease to operate all or any material part of the MTA's business;
- d. Gives effect to any matter approved by the MTA in the AGM;

- e. Approves the overall levels of insurance for the MTA, including directors' and officers' liability insurance;
- f. Approves capital and operating expenditure budgets and litigation claims.

## **6.2 Compliance**

The Board is legally accountable for complying with a range of statutory and regulatory obligations under applicable legislation.

## **6.3 Financial Reporting and Financial Controls**

The Board is legally accountable for:

- a. Assessing the adequacy of the MTA's accounting and other records;
- b. Approving of the Annual Report, Annual Statutory Financial Reports and Declarations
- c. Approving the Annual MTA budget and significant changes in accounting practices and processes;
- d. Approving expenditure and write-offs; and

## **6.4 Internal Controls and Risk Management**

The Board is legally accountable for ensuring the maintenance of a sound system of internal control and risk management including:

- a. Approving the MTA's risk appetite and risk management policy;
- b. The effectiveness of the MTA's risk management and control processes to support its strategy and objectives;
- c. Approving procedures for the detection of fraud and embezzlement;
- d. Undertaking an annual assessment of the adequacy of the MTA's internal control systems; and
- e. Approving an appropriate statement for the inclusion within the annual report.

## **6.5 Other Powers under the Constitution**

The Board has a number of other powers and obligations under the Constitution including:

- a. Setting membership fees (clause 15b); and,
- b. Establishing committees and their governance arrangements (clause 69).

## **6.6 Contracts**

The Board has the power to approve or annul all contracts. All Master Services Agreements must be approved by the Board irrespective of value. Refer Instrument of Delegation.

## **6.7 Communication**

The Board has the power to approve the procedure for all external communications.

## **6.8 Board Governance**

The Board has the power to:

- a. Recommend appointment, reappointment or removal of the external auditors to the members for approval in general meeting;
- b. Appoint by co-option to the Board;
- c. Appoint, reappoint or remove members of Board Committees, their Chairs and observers on those committees;
- d. Appoint the Chair of the Board, the Deputy Chair, the MD, and the Company Secretary;
- e. Approve of contracts for the appointment of consultants to the Board; and
- f. Appoint any member of the Board or staff member of the MTA to an external body.

#### **6.9 Remuneration**

The Board has the power to:

- a. Recommend and approve the travelling and other expenses properly incurred by Directors in attending and returning from Directors' meetings or any committee meetings or General Meetings or otherwise in connection with the Company's business; and
- b. Determine the remuneration of any or all MTA employees and contractors irrespective of the delegations given to and limitations upon the MD and MC. Refer Instrument of Delegation.

#### **6.10 Corporate Governance matters**

The Board has the power to:

- a. Undertake reviews of its own performance, that of its committees, individual directors and committee members; and
- b. Review the MTA's overall corporate governance arrangements.

#### **6.11 Policies**

The Board has the power to approve the MTA's strategic policies.

## **7. Management Committee (MC) Role**

### **7.1 Strategy and management**

- a. The MC is accountable to the Board for the day-to-day management of the MTA's operations, ensuring:
  - i. Competent and prudent management;
  - ii. Sound planning;
  - iii. Maintenance of sound internal control systems;
  - iv. Adequate accounting and other records; and
  - v. Compliance with statutory and regulatory obligations.
- b. The MC is responsible for:

- i. In consultation with the Board, developing the MTA's strategic aims and objectives for Board approval;
- ii. In consultation with the Audit Committee, preparation and presentation of the annual operating and capital expenditure budgets for Board approval; and
- iii. Management and reporting of performance, including financial management reports in light of the MTA's strategic aims, objectives, business plans and budgets.

## **7.2 Structure**

The MC is responsible for changes to the MTA's line management structure.

## **7.3 Financial Reporting and Controls**

The MC is responsible for

- a. Preparation and presentation of the Annual Report and Statutory Accounts for approval by the Board and of financial management reports and their implications for the Board;
- b. Approval of expenditure and write-offs and acceptance of grants in accordance with the instrument.
- c. Payment of pass through funding to appropriate parties as defined within contracts, grants or bequests.

## **7.4 Internal Controls – MD, Audit Committee Chair and Company Secretary**

The MD is responsible for ensuring maintenance of a sound system of internal controls and risk management on the Board's behalf, including:

- a. Implementing, reporting on, and reviewing the effectiveness of the MTA's internal controls, including its risk management framework;
- b. Executing and reporting on the MTA's strategy and objectives.

The Chair of the Audit Committee is the MTA's representative to the Australian Taxation Office and is responsible for the company's obligations under section 252 of the *Income Tax Assessment Act 1936* (C'th).

The Company Secretary is responsible for

- a. Providing advice to the directors and officers in relation to the requirements of the Corporations Act and other corporate law regulations, the MTA's Constitution, regulations and policies;
- b. Advising the Board, its committees and individual directors on corporate governance principles and plans, and the implementation of governance programs;
- c. Acting as the chief administrative officer of the MTA;
- d. Communicating the instructions of the Board, assisting the Board through the implementation of corporate compliance strategies and giving practical effect to the Board's decisions; and
- e. Communicating with regulators with respect to corporate governance related matters, including annual returns and corporate records.

## **7.5 Contracts**

The MC is responsible for:

- a. Execution and delivery of capital projects;
- b. Management of loans;
- c. Management of acquisitions and disposals of fixed assets;
- d. Management of approved financial investments; and
- e. Approval of contracts and grants in accordance with the instrument.

## **7.6 Communication**

The MD is responsible for managing external communications in accordance with the instrument.

## **7.7 Appointments**

The MC is responsible for workforce planning and staff appraisals.

## **7.8 Policies**

The MD is responsible for implementing and reporting on the effectiveness of the MTA's operational policies and its main strategic policies promulgated by the Board.

## **8. Delegation**

To ensure the efficient operation of the MTA, the Board delegates certain powers and functions to positions described in the Instrument of Delegation in the Schedule to this policy.

A delegation cannot be exercised where the Board member has a conflict of interest and exercise of the delegation will result, either directly or indirectly, in any tangible benefit to the Board member. In such circumstances, the relevant processes under the Constitution and relevant law will be followed.

Where the MD or any member of the MC has a conflict of interest as a result of the delegation, they must nominate an appropriate staff member to exercise the delegation in his/her stead, in accordance with clause 9.

## **9. Further Delegation**

The MD may, for the efficient management and proper operation of the MTA, delegate in their sole discretion any of the individual responsibilities contained within the Instrument of Delegation pertaining to the MD and or MC to other appropriate employees. This further delegation of responsibilities does not release the MD from overall responsibility to the Board.

## **10. Amendment of this Policy**

The Board may make amendments to this policy at any time.

## **11. Responsibilities**

<b>Board</b>	Responsible for approval of policy, granting, varying, and reviewing delegations and reviewing compliance with delegations.
<b>MC</b>	Must comply with the policy.
<b>MD</b>	Must comply with the policy.
<b>Delegates</b>	Must comply with the policy. Must exercise delegations within specified limits.
<b>Members</b>	Must comply with the policy

## 12. Glossary

<b>Board Policies</b>	Strategic policies promulgated by the Board to implement the Constitution.
<b>Master Services Agreement</b>	A head contract with a supplier of goods or services where: <ul style="list-style-type: none"> <li>the value of the goods or services to be provided is not known at the time of signing the head contract;</li> <li>the goods and services are to be provided under a subsidiary contract on a case-by-case basis; and</li> <li>the subsidiary contract relies on the terms and conditions in the head contract.</li> </ul>
<b>Operational Policies</b>	Non-Board policies created by the business.
<b>Pass Through Funding</b>	Monies paid to the MTA on condition that the MTA disburse those monies at the direction of the originator of the funds.

## 13. Related Documents, Legislation and Policies

MTA Constitution

*Corporations Act 2001 (C'th)*

*Australian Charities and Not-for-profits Commission Act 2012 (C'th)*

MTA Board Charter and associated appendices:

- MTA Definition of Independence
- Director Code of Conduct
- Directors Accountability Statements:
  - The Chair of the MTA;
  - Managing Director of the MTA;
  - Directors of the MTA; and
  - Board Committee members of the MTA.

## 14. Policy Review and Currency

This policy is an interim policy that will be formally reviewed within six months approval date.

Schedule

Instrument of Delegation

The Board of the MTA delegates the powers and functions specified in Column 2 of the Table to the persons or committee occupying the positions in Column 1 of the Table subject to the limitations identified in Column 3 of the Table. All delegations in this Table are subject to Clause 4 of this policy.

Table

Position	Function and Power	Conditions
Chair of the Board, MD and Deputy Chair Jointly	Endorsement of externally communicated position statements.	The Chair or MD may further delegate this power and function in writing.
MD	Approval of the content and delivery of external media communications	
A combination of any 2 of the following: Chair of the Board, MD, Deputy Chair or Chair of Audit Committee	All Operating and Capital Expenditure items above \$X excluding GST	The exercise of the Directors' delegation between Board meetings is subject to and fettered by any prior resolutions made by the Board. Where the 2 Directors exercise their delegation, they must inform the Board at the next Board



		meeting following the exercise of the delegation.
	Approval of expenditure and execution of contracts and deeds on any one item or committed amount per supplier with a value of above \$1000 excluding GST	Cannot approve any Master Services Agreement of any value.
	Banking facilities – opening or closing of bank accounts.	
Company Secretary	Execute contracts on behalf of the organisation once approved by the Board	
	Execute contracts for the appointment of consultants to the Board with the Chair's written approval	
MD	All powers necessary and convenient to carry out the MD's role as described in this policy	The MD may further delegate any of these powers and functions in writing
	Payment of employee entitlements	
	All Operating and Capital Expenditure items up to \$1000 excluding GST	Cannot approve any Master Services Agreement of any value
	Approval of expenditure on any one item or committed amount per supplier with a value of \$1000 or below excluding GST	

	Approval of acquisitions or disposals of major fixed assets with a value of \$1000 or less excluding GST	
	Approval of any contract generating revenue with a value of \$1000 or less excluding GST where the MTA does not incur expenditure in excess of \$1000 excluding GST	
	Approval of operational policies	Cannot approve costs of own travel reimbursements
	Removal of banking facility authorisers other than Directors	
MD and Chair of the Fundraising & Trustees Committee Jointly	Payment of pass through funding as authorised by contract or other instrument for amounts in excess of \$1000	
MTA Board	Termination of staff	
	Employment and remuneration of staff	