

Muhammadiyah Australia College

DELEGATION POLICY



Approved:	21/09/2021
Approved by:	MAC Board of Directors
Next Review:	September 2024

DELEGATION POLICY

1. Purpose

It is considered good governance for a school to establish clear guidelines which determine the boundaries between the duties of the Board and the day-to-day or week-to-week activities of the school.

The purpose of this Delegation Policy (**Policy**) is to ensure that the affairs of **Muhammadiyah Australia College Ltd. ACN 626 804 877 (Company)** are managed in an appropriate and professional manner in accordance with the Company's governance structure and that the correct balance of responsibilities is struck between the Board and the Principal (and other senior management).

2. Objective

To provide a framework for the delegation of authority within the Company in respect of both financial and operational activities.

3. Principles of delegation

The principles upon which this Policy is based are as follows:

1. **Practicality** – the delegation of authority should be clear, concise and practical.
2. **Accountability** – the trail of accountability for decision making should remain intact at all times.
3. **Reporting** – The Board must receive adequate and timely reporting of the use of delegated authority so that the Board can remain fully informed at all times.

4. General delegation

The Policy sets out the nature and extent of the authority formally delegated from the Board to the designated positions of responsibility and establishes the types and maximum amount of obligations that may be approved by those individuals or groups.

The role of the Board is to govern, while the role of the Principal is to manage. In accordance with section 198D of the *Corporations Act 2001* (Cth), subject to the Constitution of the Company, the Board, while retaining ultimate responsibility, may delegate responsibilities to the Principal, a Board Committee, or another person or persons as it sees fit. Any delegation may be made subject to any conditions and limitations as the Board shall approve.

The day to day management and operation of the Company is, in general, delegated to the Principal based on a principle of delegation by exception. Matters not delegated to the Principal or delegated jointly to the Principal and, say, a Board Committee (if applicable) need to be separately identified and documented, following consideration of the underlying delegation policy framework.

5. Supervision and reporting

The Board has a responsibility to ensure that delegations are being carried out within the requirements of statute and common law and the Company's own policies.

The Board must also provide appropriate supervision of management and ensure adequate risk management processes and internal controls are in place. The Board must be aware of the requirement for it to implement an appropriate level of supervision and monitoring of the Company management while not engaging at any level in the micromanagement of school operations. The Board should receive operational and compliance reports from and through the Principal (or other members of senior management, as applicable) of the Company at its regular meetings.

Reporting gives the Board an opportunity to improve delegation and supervisory processes by receiving criticism, suggestions and other feedback from responsible persons and other staff of the Company. Consideration of the views and input of delegated authorities and other staff also helps to shape the Company's strategy, goals and objectives. Reports on delegation and supervision should be carefully reviewed by the Board to adapt and fine tune the Company's processes where required. The Board may resolve to withdraw or change the delegated authority for a particular activity or matter based on reports received from the Principal or senior management or on other reasonable grounds.

6. Specific delegated authorities

The Board may from time to time by an Instrument of Delegation specify powers delegated to the Principal. All other powers remain with the Board unless otherwise specified.

Where necessary due to the growth of the Company and the school operations, the specific delegated authorities may be adjusted accordingly to account for persons who assume a position over the governance and management of the Company and the school, and a delegations matrix will be developed.

7. Escalation to Board

When used effectively, delegations ensure both efficiency and appropriate control of the Company's resources. Accordingly, Instruments of Delegation will specify parameters within which the delegate is empowered to act for and on behalf of the Company in respect of the management of the Company. Such parameters will be formulated by the Board with a view to ensuring that, in general, matters that go beyond the day to day management and operation of the Company, or have the potential to affect the long term viability of the Company, can only be actioned by the Board. This may be achieved, for example, by the imposition of a financial limit for decisions made, or transactions entered into, under delegation.

Necessarily, however, an Instrument of Delegation cannot foresee with specificity each and every circumstance in which a power, function or activity may be exercised by a delegate. From time to time, a situation may arise in which a delegate is empowered to act under an Instrument of Delegation, but which situation ought properly instead be considered, and the power, function or activity exercised by, the Board.

Accordingly, prior to the exercise of any power, function or activity, a delegate must consider whether the relevant matter:

1. is of such importance that it should be submitted to; or
2. possesses special features which should be considered by the Board.

By way of guidance, a delegate must, before exercising a delegation, refer to the Board any matters that:

- put the delegate in a position of actual, perceived or potential conflict (refer to the Company's Conflict of Interest Policy for a detailed explanation of the various forms of conflict of interest);
- relate to a present or foreseeable risk to students of the school operated by the Company, except:
 - in circumstances where a referral to the Board would not be practical having regard to the immediacy of the risk; or
 - where the delegate is the Principal, to the extent that the Principal has been specifically assigned accountability in any of the Company's policies, procedures or standards;

- raise an issue of significant public interest, concern or controversy, or are likely to do so, including but not limited to by way of media coverage;
- present an unusually high level of financial or litigation risk to the Company, or have the potential to do so; or
- otherwise expose the Company to risk disproportionately higher than that attaching to the usual exercise of such power, function or activity, or have the potential to do so.

Having considered the matter or matters so referred, the Board will either exercise the power, function or activity, or confirm the delegate's authority to do so.

8. Review

This Policy and any specific delegations made by the Board will be reviewed by the Board at least every three years and sooner if circumstances require it, and may be revised to improve existing procedures or reflect changes in any applicable legislation. The Chair of the Board is responsible for ensuring that:

1. this Policy, and any related documents, are updated when necessary to reflect changes in the law or when otherwise appropriate; and
2. the current updated version of this Policy is provided to all responsible persons.