

Delegations of Authority

Section 1 - Purpose

(1) This policy outlines the accountabilities of staff, contractors and consultants who have delegated authority assigned under this policy (collectively referred to as delegates). The delegations of authority cover financial, legal, people, academic and specified regulatory delegations.

Section 2 - Overview

(2) RMIT University is a public institution under Victorian law and stands on Aboriginal Country of the Kulin Nation. RMIT recognises and acknowledges the [Bundjil Statement](#) which helps all RMIT staff to respectfully work, live and study on Aboriginal Country.

(3) This policy is made in accordance with the [Royal Melbourne Institute of Technology Act 2010](#) (the Act) and effects the delegations from RMIT University Council (Council) and the Vice-Chancellor subject to the Act.

(4) Under the Act,

- a. Council may delegate its powers or functions including to any member of staff of the University, a member of Council or a committee of Council, or the Academic Board (section 18(1))
- b. the Vice-Chancellor, who is appointed the Chief Executive Officer of the University and who is generally responsible for the conduct of the University's affairs in all matters, may also delegate their powers, functions and duties to any appropriately qualified member of staff or any committee established from appropriately qualified member of staff (section 26(7)).

Section 3 - Scope

(5) This policy applies to all staff and members of decision-making or advisory bodies of the RMIT Group including controlled entities.

Section 4 - Definitions

Note: Commonly defined terms are in the RMIT Policy Glossary. Any defined terms below are specific to this policy.

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| Contract | When used in this policy or the Schedules, “contract” refers to any contract or agreement through which RMIT makes or benefits from any commitments to or by an external party or person (whether they are legally binding or not), including but not limited to deeds and deeds of standing offer, letters of intent, memoranda of understanding, heads of agreement, scopes of work and all other documents that create obligations, including tender submissions, requests for tender and proposals and purchase orders. |
| Delegate | A position or role level that holds a delegated authority. |
| Delegated authority | Means the conferral of authority to a position or role-level to act on behalf of RMIT, or to bind RMIT within the scope of authority. |

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| Delegation | For the purposes of this policy the term 'delegation' or 'delegations' is generally used to cover both delegations and authorisations. |
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Section 5 - Policy

Principles

- (6) Delegations of authority are critical to the University's commitment to strong and effective corporate and academic governance, and clear and transparent administrative practices. The exercise of delegated authority will demonstrate this commitment in all activities.
- (7) Delegations of authority align responsibility and accountability in a way that facilitates governance and process efficacy, and in a manner that promotes and regulates strong delegate accountability.
- (8) The delegation of a power, function or duty is made to a position or role level which a delegate occupies, not to a named person.
- (9) Delegations reflect RMIT's commitments to integrity and probity in corporate and academic governance and management of the University.
- (10) Transactions, activities or contracts should not be broken down into smaller activities, parts or values, or otherwise manipulated to avoid having to seek approval or signature from a higher position, or to circumvent the delegations. The act of doing so will be considered a significant breach of this policy.
- (11) Where a position or role level is allocated a financial amount or length of commitment as their delegated authority, the amount or commitment is an upper delegated limit, such that the person in that position can exercise all the functions, powers and duties below and including the stated limit.

Delegate Responsibilities

- (12) Delegated authority demonstrates significant responsibility to enter into commitments for and on behalf of RMIT and incur liability for RMIT. When exercising delegated authority, all delegates must:
- act in good faith using all reasonable care and skill
 - only sign or approve a contract on behalf of the University where the total value of the transaction falls within the delegated limits of their financial and contractual authority
 - never commit or approve any commitment that would result in a direct or indirect financial or other benefit to them personally that would give rise to a perceived, potential, or actual conflict of interest
 - never commit or approve a commitment with a supplier or customer of goods or services where the delegate or an immediate family member has an interest in the supplier or customer (other than shares in a publicly listed company) unless specifically declared, approved and managed in accordance with the [Conflict of Interest Policy](#)
 - only approve commitments that are relevant to their immediate internal order, cost centre or budget, or one the delegate has management responsibility for. This condition does not apply to the Vice-Chancellor, General Counsel and University Secretary, Chief Operating Officer (COO), Chief Financial Officer (CFO), Executive Director, Property Services and Chief Procurement Officer (ED PS CPRO), Chief People Officer (CPO) and Chief Information Officer (CIO).
- (13) In accordance with the Scope, controlled entities and special investment vehicles (SIVs) must follow the RMIT Group delegations.
- Any additional delegations required to enable the proper functioning of the controlled entity or SIV must be

approved by the CFO, and CPO for people delegations, and be reflected in instruments of delegations in the form of schedules that are published for staff access. These schedules will be published in local currency equivalents and reviewed at least annually, or when the exchange rate varies by more than +/-10%.

(14) Irrespective of the delegated limits outlined in this policy, all delegates must escalate any matters to a Vice-Chancellor's Executive (VCE) member where the transaction or activity carries or is perceived to carry an unusually high level of risk or is significantly outside the normal activities of RMIT, its controlled entities or strategic investment vehicles.

Acting Positions, Subdelegations, Absences, and Position Vacancies

(15) A delegated authority also applies to the acting or temporary occupant of a position or role-level.

- a. If a position is changed or renamed, the delegation should be taken to be a reference to the role which is the principal successor to the functions and responsibilities of that position.

(16) Except for the Vice-Chancellor and VCE team, a delegate is not authorised to subdelegate their authority to another person without the approval of their immediate line manager.

- a. The approval must be recorded and should specify the timeframe of the subdelegation.
- b. It must be a format that can be produced to evidence the subdelegation.

(17) Where a member of the VCE team subdelegates their authority, they must notify the Vice-Chancellor in a format that can be reproduced or otherwise evidenced.

(18) If a staff member is on leave, or otherwise absent from the workplace for an extended period of time, they must formally make a subdelegation of their powers under this policy to another staff member. In exceptional circumstances, a staff member may subdelegate their powers where they are working but will have limited access to email or RMIT systems (such as remote overseas travel).

(19) Whenever a delegate is absent from the workplace for an extended period of time, they must subdelegate their authority for the entire duration of their absence in accordance with the conditions set out in this policy. They should communicate this subdelegation of their authority to all relevant control points.

(20) A line manager may exercise a delegation held by their lower level delegate where the delegate is unavailable or has a conflict of interest.

(21) For large contracts, projects or programs where Council approval was required, the Vice-Chancellor can subdelegate to the CFO or COO the actual drawdown of funds where:

- a. the overall cost remains within the approved amount and,
- b. there are no material changes to scope or delivery.

Specified Regulatory Delegations

(22) Specified regulatory delegations cover authority to act on behalf of or represent the University (including Controlled Entities) under external regulatory frameworks that are relevant to the operations of the RMIT Group.

(23) The Vice-Chancellor approves specified regulatory delegations.

(24) For the avoidance of doubt, if a delegate is not specified in the regulatory delegation then it is the Vice-Chancellor.

(25) The Chief Audit and Risk Officer maintains a register of fit and proper persons with specified regulatory delegation.

Determining Contract Term and Value

(26) Under this policy, the term or duration of a contract includes its initial term plus any options to extend it, where those options can be exercised by any party other than RMIT. Where only RMIT has the option to extend the contract beyond the initial term, it is only necessary to use the initial term to determine the contract's duration.

- a. Where accounting principles apply for the purposes of determining useful life of an asset, this finance contract term should be used.
- b. If a contract has no fixed term, a genuine and best estimate of the expected contract term should be made to determine the required delegation level.

(27) Under this policy, the value of a contract includes the total expenditure expected to be incurred or total revenue expected to be generated over the term of the contract.

- a. All components of the transaction (excluding any applicable GST) must be included in determining contract value, including both monetary and any in-kind contribution or consideration. For projects and activities that have multiple phases or stages, the value includes all the phases or stages to the extent known.
- b. Where the contract has both revenue or expenditure components, the higher value must be applied for approval and signatory purposes.
- c. Total value includes any variations, statements of work, schedules, or orders which may be added after an initial contract is approved and the variation, statement of work, schedule, or order must be approved within the context of the total contract value, not the variation amount.
- d. Where there are ongoing costs associated with the contract (eg annual licensing fees), these must be included in the determination of value. Where these ongoing costs will be funded from outside of the approver's budget or cost centre, they must also be approved by the delegate who will be responsible for the ongoing funding of these costs.
- e. If a contract has no express value, a genuine and best estimate of the total expenditure expected to be incurred or total revenue expected to be generated over the term of the contract should be made to determine the required delegation level.
- f. If a genuine estimate cannot be given, consideration should be given to the subject matter and term of the contract to determine the required delegation level.

Additional Approvals

(28) Certain activities will require additional approval by another RMIT delegate.

- a. In such circumstances, an activity is approved when it has been approved by the people in both specified positions or role levels.
- b. Accordingly, undertaking any activity requiring additional approval that has not been authorised by the two required delegates will be in breach of this policy.

(29) Activities requiring additional approval will be set out in the Schedules.

Compliance

(30) This policy applies to any and all delegated authorities.

(31) This policy is to be read in conjunction with University policies, procedures and guidelines which collectively

comprise the delegations framework.

(32) Any staff member who identifies potential breaches of this policy should bring these to the attention of their people leader and the Chief Audit and Risk Officer as a matter of urgency, for further investigation.

(33) The Chief Audit and Risk Officer will be responsible for reporting any breaches which are wilful in nature or considered to be material breaches of this policy, to the RMIT Audit and Risk Management Committee.

(34) A material breach is one where an employee has made a financial commitment to a third party that exceeds their delegated authority by more than 10 percent and includes all breaches of delegated authority for non-financial events referred to in a Schedule.

(35) Any breaches of this policy will be dealt with in accordance with relevant workplace conduct policies and procedures.

Documentation and Authorisations

(36) All changes to delegations must be approved in writing, in the form of an instrument of delegation to ensure that there is no misinterpretation.

(37) Delegations of authority are conferred in instruments of delegations, such as:

- a. formal instruments of specific delegation to senior officers
- b. Council and Academic Board resolutions, codes, policies, procedures and plans
- c. terms of reference for boards or committees
- d. formal written contracts
- e. other instruments under this policy (including the Schedules).

(38) Council gives authority to the CFO to maintain and approve amendments to the Schedules, except for delegations involving the Vice-Chancellor.

(39) Activities or approvals that are not delegated, and which are therefore not covered by instruments of delegation, must be referred to:

- a. the Vice-Chancellor for approval, who can subdelegate the activity or approval to a member of the VCE team for approval, or
- b. in the case of academic delegations, the Academic Board or relevant standing committee for approval.

(40) Instruments of delegation or changes to the delegation of authority involving the Vice-Chancellor must be approved by Council or the Chancellor.

Review

(41) A review of this policy, as to its appropriateness and relevance to the University structure, operations and other existing policies and procedures is to be undertaken annually.

(42) A review will result in either a change to this policy, which if material, must be approved by the Council, or confirmation of no change.

(43) The Chief Audit and Risk Officer will maintain a register of all changes to this policy.

Section 6 - Schedules

(44) This policy must be read in conjunction with the Schedules which cover financial, legal, academic, human resources and specified regulatory delegations.

- a. [Delegation Schedule 1 - Delegation Rules](#)
- b. Delegation Schedule 2 - Financial and Contractual Delegations
- c. [Delegation Schedule 3 - Statutory Payments](#)
- d. Delegation Schedule 4 - Research and Innovation
- e. [Delegation Schedule 5 - People Delegations](#)
- f. [Delegation Schedule 6 - Other Activities](#)
- g. Delegation Schedule 7 - Academic Delegations

Section 7 - Procedures and Resources

(45) Refer to the following documents which are established in accordance with this policy:

- a. Contract Management Procedure

Status and Details

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| Status | Historic |
| Effective Date | 1st June 2021 |
| Review Date | 1st April 2022 |
| Approval Authority | RMIT University Council |
| Approval Date | 7th December 2020 |
| Expiry Date | 22nd June 2021 |
| Policy Owner | James Morgan Chief Financial Officer |
| Policy Author | Tom McLeod Chief Audit and Risk Officer |
| Enquiries Contact | Central Policy |

Glossary Terms and Definitions

"RMIT Group" - RMIT University and its controlled entities (RMIT Europe, RMIT Online, RMIT Vietnam, RMIT University Pathways)