DELEGATIONS OF AUTHORITY

ISSUE

The development of a comprehensive document on delegations of authority.

BACKGROUND

The Act of the university makes provision for the Council and Vice-Chancellor to effectively manage the university through a system of delegations. The National Governance Protocols, and currently TEQSA require all Australian universities to develop delegations as part of the system of control and risk mitigation, and to regularly review those delegations.

It appears that Macquarie University is out of step with other NSW and Australian universities in relation to delegations. At Macquarie, formal delegations of authority have previously been determined in the areas of finance and the approval of leave. A recent review of risk for the university has identified the need for broadening the scope of delegations.

DISCUSSION

Delegations of authority empower officers, and in some cases, committees of the university, to make decisions which commit the university to expenditure, liability and/or specific actions. Some such decisions may seem insignificant, such as determining the dates of graduation ceremonies or waiving a student’s fee. Other exercises of authority clearly carry a significant level of risk, such as establishing a joint venture, centre or institute or approving a course of study.

The good management of the institution requires that all types of decisions be made in a timely way by officers who are sufficiently well informed of the circumstances to make decisions that reflect the interests of the university. It should be clear who the delegated officer is in all instances to assist members of the community, to empower the officer exercising the delegation and to protect the university from the risk that a decision that commits the university will be made by an officer who is not authorized to make that decision.

A robust system of delegations provides the assurance that an officer of the university is making specified decisions with a delegation of authority from a more senior officer, the Vice-Chancellor or the Council. This system protects the university from unauthorized or ‘maverick’ commitments.

A system of formal delegations clarifies responsibilities for decision makers and confirms the authority of the officer to members of the university community and to external clients of the university.
A decentralised system of delegation allows decisions to be made in a timely way by people with local knowledge. It also supports and promotes the exercise of responsibility and judgement within various levels of the university.

Because a robust system of delegations is one of the strongest ways to mitigate risk, such a system of delegations is a typical aspect of the financial area. In many other units and functional areas, decision making is more casual and may be based on written and unwritten practices and traditions that may not be understood by new members of the community or other members with a need to know. These traditional practices may not be subject to regular review as circumstances and personnel change.

Also, where procedures and practices are not formalised, differences can develop among areas of the university that give rise to a lack of comparability and fairness. In this environment, managers can come under pressure to engage in special arrangements that would not be accepted elsewhere in the university or may not be in the best interest of the university.

Many administrative decisions have the potential to cause embarrassment, reputational and/or financial risk to the university. At the same time, an effective system of delegations can deliver efficient, well-considered decisions that will benefit the university.

It is proposed that
- delegations of authority be developed across administrative and academic areas of the university;
- relevant staff be consulted about current procedures and practices in the context of developing a university wide system of delegations;
- the comprehensive statement of delegations of authority be a public document to support good management and inform the university and wider community of positions of responsibility; and
- over time, policies be developed to provide a context, rationale and other information in relation to areas of activity where delegated authority is exercised.

To this end, I have engaged Dr Jane Morrison of Morrison Consulting to work with General Counsel and my Office to develop a comprehensive document on delegations of authority that will significantly extend the scope of delegations beyond the university’s current financial delegations; and to outline the process for the development of these delegations and the policy context in which they will operate.

**RECOMMENDATION**

That Executive Group notes this paper.

**Professor S Bruce Dowton**
**Vice-Chancellor**