

Delegation of Authority Policy

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1.0 Purpose and Scope:

The purpose of this policy is to establish the principles that govern the delegation of authority and to outline the process by which the authority to act and to make decisions is delegated. This policy is designed to:

- Assign clear authorities and accountabilities, creating a sound internal control environment, while facilitating efficient decision making;
- Set out matters specifically reserved for determination by the Board and those matters delegated to management, thereby ensuring that decisions made, and actions taken are by the appropriate levels;
- Establish the types and maximum amount of commitments or obligations that may be approved by designated individuals, thereby maintaining fiscal integrity.

2.0 Scope:

This policy applies to the BAO and any power or duty held by the Board of Directors and its Committees.

3.0 Definitions:

In this policy:

- The “Board” refers to the Board of Directors of the Bereavement Authority of Ontario.
- “Board Chair” means the Chair of the Bereavement Authority of Ontario.
- “BAO” means the Bereavement Authority of Ontario.
- “Management Team” refers to employees of the BAO directly reporting to the CEO and designated to manage a department or function within the organization.
- “Employee” means a person employed by the Bereavement Authority of Ontario for wages or salary. For clarity, this term includes support staff, management and professional staff.
- “Designated Individual” means a BAO employee with delegated authority in accordance with this policy.
- “Commitment” means any agreement, order, renewal or contract amendment which will ultimately commit the organization to make payments. The document to be signed can take the form of a purchase order, contract or other document with legal effect.

4.0 Principles of Delegation:

The key principles upon which this delegation of authority is based are as follows:

4.1 Practicality

The delegation of authority to the CEO and other designated individuals should be clear, concise and practical.

4.2 Accountability

The trail of accountability for decision-making needs to be clear and must remain intact inclusive of any sub-delegation of authority by the CEO or others.

4.3 Sub-delegation

The CEO will have the ability to delegate his or her authority to other designated individuals while retaining responsibility for decision-making.

4.4 Board reporting

It is essential that the Board receives adequate and timely reporting of the use of delegated authority by the CEO (particularly any unbudgeted or discretionary authority) so that the Board can be fully informed at all times.

5.0 Accountability Framework:

5.1 Role of the Board of Directors

In adherence to BAO By-law, Articles 4.1 and 8.2, the role of the Board of Directors is to supervise the management of the affairs of the BAO, including but not limited to:

- Setting operational policy for the BAO, or as appropriate, delegate policy making to the CEO;
- Raise, invest and expend the BAO's funds; and
- Represent the BAO in its dealings with government, or regulatory agencies, corporations, companies, associations or persons, the media; and the public.

5.2 Role of the CEO

The role of the CEO is to broadly manage all day-to-day affairs and activities of the organization within the Board-endorsed strategic, policy, risk, people and financial frameworks.

General management responsibilities of the CEO include:

- Ensuring that the organization's policies, practices and decisions are undertaken in a manner that is prudent, equitable and consistent with commonly accepted business practices and professional ethics;
- Ensuring that the organization's assets are protected, adequately maintained and not placed at unnecessary risk;

- Ensuring that Board approved priorities are reflected in the allocation of resources;
- Representing the organization externally to licensees, government, media and other stakeholders in ways that enhance the public image and credibility of the organization.
- Ensure legislative compliance, and if required, report high risk matters or areas of concern to the Board.

Consistent with BAO By-law, Article 9.3, the management responsibilities of the CEO exclude the statutory duties assigned to the Registrar under the *Funeral, Burial and Cremation Services Act, 2002*.

5.3 Budget and Plan Approvals

The Board of Directors is responsible for approving the annual operating and capital plans and budgets in a timely manner that provides the CEO with a mandate for executing all operating and capital expenditures included as part of the plan.

5.4 Budget Overages

The CEO may authorize budget overages from the approved plan and/or unbudgeted expenditures up to 5% of aggregate operating expenses.

5.5 Budget Variance Reporting

The CEO, or where applicable his/her delegate, shall regularly update the Board with a financial report highlighting budget variances in excess of 10% of plan or have a quarterly dollar value of \$10,000 or more. Further to section 5.4, authorized budget overages shall be documented in the financial report to the Board.

5.6 High Value Commitments

All commitments for expenditures with an annual value in excess of \$200,000 and not included in the approved operating or capital plans require the approval of the Board.

5.7 Sale of Assets

Prior to sale of any BAO asset beyond those included in the approved plan, the CEO must exercise due diligence including but not limited to obtaining appropriate legal advice. Sale of BAO assets are subject to the following approval limits.

<u>Title</u>	<u>Authority Level</u>
Board of Directors (unless delegated to a Committee)	Above \$20,000
CEO and CFO	Up to \$20,000

6.0 Policy Compliance:

6.1 Compliance

The approval of commitments and transactions outlined in this policy must always be made by the parties that have been designated the responsibility for final approval.

6.2 Temporary Delegation of Authority

It is emphasized that commitments and transactions cannot be approved by individuals having a lower level of approval authority than the specified transaction requires, except pursuant to a delegation of temporary authority.

Temporary authority may be delegated whenever an individual with approval authority is expected to be out of the office for a prolonged period. Assignment of temporary authority must be approved by the manager of the individual who is the delegating authority.

6.3 Violation of Policy

Both staff and Directors should be aware that conduct that violates this policy is always considered outside the scope of their position. Violating this policy could significantly damage the BAO and expose it to unintended legal and/or commercial liabilities.

Individuals who violate this policy are subject to appropriate disciplinary action, including possible termination of employment (for staff) or removal from the Board of Directors.

A series of reasonably related transactions shall be considered as a single transaction for purposes of determining approval and authority levels required by this policy. It is therefore a violation of this policy to divide a commitment or transaction into two or more parts to evade a limit of authority.

6.4 Compliance Documentation

All staff members executing contracts and approving transactions are required to ensure that all appropriate approvals and reviews required by this policy and other BAO policies and procedures have been obtained, and to ensure that appropriate documentation of these approvals is maintained. Appropriate documentation can take various forms, including the initialing of final contracts, approval forms, or memorandums. All contracts shall be maintained with documentation of the appropriate approvals and stored in compliance with good management practices.

6.5 Policy Interpretations

It may be necessary for the BAO to issue interpretations of various provisions of this policy as unanticipated facts and circumstances occur that are not specifically addressed in this policy. Any such interpretations shall be in writing and shall be approved by the CEO.

7.0 Banking, Debt and Related Matters:

7.1 Banking Signatories

The authorized Banking Signatories of the BAO shall be: the persons duly appointed as:

- CEO
- CFO
- Directors appointed as signing officers

The CFO shall advise BAO's banking institutions in writing under signature in the manner required by such institution of the Banking Signatories, and any subsequent additions or deletions of individuals so appointed in those positions. Should the CFO be unavailable for any of these purposes, any banking signatory noted above may act as a substitute.

7.2 Credit Facilities and Loans

In adherence to BAO By-law, Article 8.6, approval by the Board of Directors is required prior to entering into a credit facility or any other borrowing or debt arrangement.

7.3 Opening/Closing Bank Accounts

The combined approval of the CEO and one other Banking Signatory is required to open or close bank accounts.

7.4 Transfers between Accounts

The combined approval of the CEO and one other Banking Signatory is required to transfer funds between accounts including any designated Investment or Reserve Fund accounts.

7.5 Payments from Compensation Fund

The combined approval of the CEO and one other Banking Signatory is required to transfer funds from the Compensation Fund to consumers. Consumer claims must first be approved by the standing Compensation Fund Committee prior to the release of any payment.

8.0 Disbursement Authorization:

The disbursement of BAO funds is only permitted in respect of commitments that are properly authorized in accordance with this, and/or other policies as applicable. The disbursement of funds will not be processed by Finance unless satisfactory evidence is available that the expenditure is due in accordance with an authorized commitment. Subject to obtaining satisfactory evidence that the expenditure is due in respect of an authorized Commitment, the authority to make the disbursement of funds is designated as follows.

Disbursement

Amounts over \$20,000
Amounts under \$20,000

Required Signatures

CEO and one appointed Director
Any two Banking Signatories

9.0 Leases:

Any capital or operating lease beyond amounts included in the approved plan, with annual cumulative lease payments or cumulative lease payments over the lease term greater than \$20,000 must be authorized by the Board of Directors unless delegated to a Committee. Capital and operating leases up to \$20,000 and within the approved budget can be approved by the CEO and CFO.

In addition, all real estate leases are required to be reviewed by the BAO’s Director of Legal Services or a designated individual within the legal department.

10.0 Employment Related Matters:

Any employment, termination, or other related matter regarding the CEO, shall be determined solely by the Board of Directors. The CEO, or where applicable his/her delegate, shall be responsible for all other staff including new or replacement hires within the approved budget. Prior to any significant changes to the organizational structure, the CEO shall disclose such changes to the Board.

11.0 Legal Matters:

Settling Claims: Settling litigation claims, legal disputes and staff claims require the approval of the CEO. Prior to settling such claims, the CEO may recommend to seek legal advice with internal legal counsel or external counsel for specialized matters. In addition, the CEO may choose to refer matters to the BAO’s insurance provider. Prior to settling internally managed claims, the following approval limits apply:

<u>Title</u>	<u>Authority Level</u>
CEO and one member of Board of Directors	Above \$20,000
CEO	Up to \$20,000

12.0 Procurement and Travel:

12.1 Procurements must be made only according to the BAO’s Procurement Policy for applicable approval limits.

12.2 Travel, meals and hospitality expenses must observe the BAO’s Expense Policy for applicable approval limits.

13.0 External Communication:

Any verbal or written communication with media, government, or other entities that may have a material impact on the organization are limited to:

- The Board Chair
- The CEO
- Other party delegated or hired by the Board or the CEO

14.0 Policy Update and Review:

14.1 Policy Updates

Any changes to substantive provisions in this policy must be approved by the Board of Directors. Management may, from time to time, update non-substantive provisions or processes in this policy and will notify the Board.

14.2 Policy Review

The Board or its delegated Committee shall review the contents of, and compliance with, this policy on a regular basis.