

Delegation of Authority Policy

Policy #: 008
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Amended: November 2023

1.0 Purpose:

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:

- Set out matters specifically reserved for determination by the Board and those matters delegated to management.
- Set out matters specifically reserved for specific roles in the organization.
- Establish expense approval limits by role.

The functions exercised by the Board and those delegated to management are subject to ongoing review to ensure that the division of functions remains appropriate.

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.
- “CEO” means the Chief Executive Officer of the Bereavement Authority of Ontario
- “Management Team” refers to the group of BAO employees charged with managing or directing the organization and reporting directly or indirectly to the CEO.
- “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. Reports by management shall cover such areas as quality performance, financial performance, risk management, human resource and litigation issues and other items related to the organizational operations.

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

5.0 Accountability Framework:

5.1 Matters reserved for the Board

Matters specifically reserved for the Board include:

- Decisions about organizational strategy and policies.
- Approving and monitoring the corporate governance of the Company.
- Matters involving financial amounts above a specified limit.
- Approval of contracts and obligations above a specified limit.
- Succession planning for Board positions and the position of the CEO.
- Approval of, or changes to, the annual operating and capital budgets.
- Ensuring the Company has in place an appropriate risk management framework and setting the risk appetite within which the Board expects management to operate.
- Ensure adequate insurance coverage in place for the organization to meet obligations imposed under the Administrative Agreement.

5.2 Matters delegated to 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 day-to-day operations are carried out in accordance with all legal and regulatory requirements.
- 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.
- Prior to any significant changes to the organizational structure, the CEO shall disclose such changes to the Board. This includes recommendations for termination, recruitment or alternations to the management team directly reporting to the CEO.
- Ensure that financial reports are based on generally accepted accounting principles.
- Representing the organization externally to licensees, government, media and other stakeholders in ways that upholds and improves the organization's public image and credibility .
- 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*.

6.0 Expenditure Approval Policy

Board approval shall be required for:

- All capital and/or operating expenditures (non-consulting goods and services) including leases in excess of \$100,000.
- Consulting Services in excess of \$50,000.
- Disposal of assets in excess of \$20,000.
- Staff hires or contracts outside of the approved budget.
- Opening or closing of bank accounts.
- Entering into a credit facility or any other borrowing or debt arrangement.
- Transferring funds between accounts including any designated Investment or Reserve Fund accounts.
- Settling legal claims in excess of \$20,000.

The CEO shall approve:

- All capital and/or operating expenditures (non-consulting goods and services) including leases up to \$100,000.
- Consulting Services up to \$50,000.

- Disposal of assets up to \$20,000.
- Staff hires or contracts within the approved budget.
- All operating and capital expenditures incurred in the ordinary course of business and within the approved operating and capital budget.
- Settling legal claims up to \$20,000.

7.0 Policy Compliance:

7.1 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.

7.2 Temporary Delegation of Authority

Any role may temporarily delegate their authority to another role in case of absence. The Board must be informed of the delegation and the period for which it will be in force.

8.0 Disbursement Authorization:

8.1 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.

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 Procurement and Travel:

9.1 Procurement Policy

Procurements must be made only according to the BAO’s Procurement Policy for applicable

approval limits.

9.2 Expense Policy

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

10.0 Policy Update and Review:

10.1 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.

10.2 Policy Review

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