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## ***Delegation of Authority Policy (POL0034-03)***

*Effective Date: May, 2020*

*Review Date: May, 2022*

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### **1. PURPOSE**

This Policy establishes the limits of authority designated to specified positions of responsibility within the Ontario Medical Association (OMA) and establishes the types and maximum amounts of obligations that may be approved by authorized individuals and elected bodies. The approval of commitments and transactions may only be made by those identified in this Policy.

### **2. SCOPE OR CONTEXT**

This Policy is applicable to all operations of the OMA and it establishes approval authorities and signing responsibilities.

### **3. DEFINITIONS**

*CEO or Designate:* The OMA's Chief Executive Officer (CEO) or senior managers to whom the CEO has delegated authority, in writing, on an as-needed basis.

### **4. PRINCIPLES**

- 4.1 Approval by the Board of the OMA's Budget conveys authority and accountability to the CEO who further delegates authority to the Chief Financial Officer (CFO). The budgets are then reallocated by the CFO to the management team at the OMA to conduct their annual departmental activities within the amounts and scope allocated to them within the budget. The commitment authority over expenditures rests with the signing officers listed below (see Para. 6. Signing Officers).
- 4.2 Delegation of Authority shall be established in line with the OMA's organizational structure. Signing authority is assigned to the positions in accordance with the Procurement and Contracts Policy #: POL0033-04.
- 4.3 Management staff shall not authorize procurements or payments when they are the direct or indirect beneficiaries, or for expenses that may have a personal benefit to them (e.g., travel expense claims, cell phones etc.). The person of next higher authority must approve such transactions.
- 4.4 Management staff at the OMA must comply with the intent of this Policy. In particular, staff shall not circumvent the established limits by subdividing procurement requisitions, payments, invoices or contracts into smaller amounts.

- 4.5 The OMA is the custodian of trust and fund accounts. The operation of these accounts is governed by standards established by the funding agency. All transactions in a trust or fund account receive the same scrutiny of internal control processes as regular OMA transactions.
- 4.6 When processing all financial commitments, there shall be appropriate segregation of duties. In accordance with best financial practices, at least three of the following functions must be appropriately segregated and performed by different individuals with respect to a commitment, namely:
- ✓ **Requisition** (Client Department): Authorize purchasing or place an order
  - ✓ **Budget** (Client Department): Authorize that funding is available to cover the cost of the order
  - ✓ **Commitment** (PO Issue, Finance): Authorize release of the order under agreed-upon contract terms
  - ✓ **Receipt** (Client Department): Authorize that the goods/services are received, correct and complete
  - ✓ **Payment** (Finance): Authorize release of payment to the vendor(s)

All commitments prior to payment processing will need a three-way match of the following documents:

1. Issued PO which evidences approval of the commitment
2. Supporting documentation which evidences receipt of goods or completion of services against the PO
3. Invoice(s) which itemize the goods/services received

## 5. POLICY

- 5.1 The OMA's annual Operational Plan is approved in its entirety by the Board of Directors. The annual Budget is approved by the Board with input from Council. The CEO or Designate is authorized to approve budgeted expenditures subject to the general responsibilities within Table 1 below.
- 5.2 Board approval must be received for any expenditures exceeding the OMA's total annual budget.
- 5.3 Commitments are to be made by the signing officers listed below (see Para. 6. Signing Officers), and shall fall within the limits set out in the Procurement and Contracts Policy #: POL0033-04 and the approved budgets. Where budgets are likely to be exceeded, signing officers must ensure measures are in place to address deficits.
- 5.4 All signing officers are expected to act in good faith and in the best interests of the OMA, at all times avoiding conflicts of interest. In circumstances where conflicts of interest exist or could be seen to exist, signing officers must declare the conflict and adhere in all other respects to the OMA's Code of Conduct Policy.

- 5.5 All OMA staff shall comply with the OMA’s Procurement and Contracts Policy #: POL0033-04 respecting thresholds as stated in the Policy.
- 5.6 Management staff may further delegate approval authority limits to subordinate staff, up to the limits of the person delegating approval authority. Such delegations must be in writing and approved by the CFO.
- 5.7 Commitments should be approved by all positions from the requestor up to the individual with the approval authority required for the particular commitment. One-over-one approval is required. This procedure provides assurances that a control process is in place and that due diligence has been exercised.
- 5.8 The CEO may make non-substantive changes to this Policy to reflect changes to the titles of positions as per the Procurement and Contracts Policy # POL0033-04, the deletion of positions, and the addition of positions directly comparable to those included in this Policy.
- 5.9 All financial commitments shall be authorized and approved by designated signing officers, in accordance with Signing Authority below:

**Table 1. Signing Authority**

Item	Chair of the Board or FAC Chair	CEO	CFO	Controller	Procurement Manager	Assistant Controller
<b>Contractual Agreements</b>	Yes	Yes	Yes	Yes	Yes	N/A
<b>Banking</b>	Yes	Yes	Yes	Yes	N/A	Yes

## 6. SIGNING OFFICERS

The signing officers are authorized to execute transactions as follows:

**6.1 Contractual Agreements.** Contracts, purchase orders, standing offers, supply arrangements, assignments, go-ahead letters and messages, letters of intent, consents to subcontract, termination notices, and amendments.

**6.2 Banking.** Sign cheques, wire payment instructions, pre-authorized debit payments, or other orders for the payment of money from accounts or drawdown from an established credit facility.

Any two of the signing officers can bind the OMA contractually.

- Chair of the Board
- FAC Chair
- CEO
- CFO
- Controller
- Procurement Manager (Not authorized to exercise banking functions)
- Assistant Controller (Not authorized to sign contractual agreements)

## 7. RESPONSIBILITIES

The CEO is responsible for overall management of this Policy including Policy education, monitoring, implementation and amendments.

Responsibilities of the Signing Officers	Responsibilities of the Finance Department
Ensure that the document (commitment) is within the responsibility of the signing officer through the authority of the OMA's approved budget, or other policies and procedures	Maintain an up-to-date file/ database of signatures and related documentation of signing authorities
Ensure that the OMA is able to meet its obligations within the terms of the document (commitment)	Ensure that signing authorities are current as responsibilities change within respective departments
Ensure that the document (commitment) complies with tax legislation, and other legislative, regulatory policies and procedures	Implement measures to monitor compliance with this Policy
Ensure that there is evidence that commitments comply with OMA procurement and applicable policies, including competitive bidding guidelines	Ensure that appropriate internal controls are established and maintained
Ensure that the appropriate level of approval has been obtained for the document	Ensure measures are in place to address budgetary variances
Ensure that appropriate indemnities and insurance have been provided for	Review monthly operating statements to ensure expenditures are reasonable and charges are correct
Ensure that the appropriate legal review has been obtained	Properly record transactions in accounting records

## 8. SUPPORTING/REFERENCED DOCUMENTS AND TEMPLATES

Use Type	Document Title
Mandatory	Procurement and Contracts Policy
Mandatory	Code of Conduct Policy

## 9. DOCUMENT ROLES/ACTIONS

POSITION	ACTIONS
CEO	Approve operating policies and/or procedures.
Senior Management	Provide guidance on Policy/procedure.
Records Management	Maintain original documentation for archiving.
Department Directors / Managers	Monitor department compliance with this Policy. Obtain training for employees, if required.
Employees	Acknowledge as required and comply with policies/procedures.

Author: Terry Caputo, Chief Financial Officer




Approved By: CEO



Approved By: Chair of the Board

June 24, 2020

Approval Date

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