

DELEGATIONS OF AUTHORITY FRAMEWORK

January 2023



Western Health

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GENERAL CONDITIONS OF DELEGATION

The Board grants employees of Western Health the authority specified in this Delegation of Authority framework subject to the following:

- Any directions issued from time to time by the Board, (through the Chief Executive Officer)
- Expansive directives from the Chief Executive Officer which must be subsequently approved by the Board at its next meeting
- Restrictive directives may be imposed by the Chief Executive Officer or by the officer in the line of control above the authorised position at any time.
- The advice of the Chief Executive Officer or by the officer in the line of control above the authorised person being sought when an authorised person is in doubt regarding the operation of this framework.

Employees includes employees of other health services seconded to Western Health via a formal written agreement with the other health service.

ANNUAL REVIEW

The annual review process will be as follows:

<i>August</i>	The existing document, with possible changes already identified, is circulated to all staff at Director level and above asking for feedback on the operation of the Delegations specifically asking if there are areas requiring clarification and/or if there are areas of operational difficulty associated with the framework.
<i>September</i>	That feedback will be collated and a paper prepared for the Executive to review and determine any proposed changes
<i>October</i>	Executive review the initial draft, provide feedback and then endorse a final draft for submission to the Audit committee.
<i>November</i>	The Audit Committee will review any proposed changes at its November meeting and send proposed amendments to the Board for approval.
<i>December</i>	Board reviews and adopts some or all of the proposed changes
<i>January</i>	The updated Delegations document is active.

DELEGATION

All positions within the organisation that have been granted delegated authority are listed within this document noting that the position to which that delegate reports, is deemed to have no less authority than the delegated authority of their subordinate.

A person occupying a position not given specific delegated authority must not commit Western Health to purchase or otherwise engage with an external party to provide goods or services.

A delegate may not in general delegate their authority to another person or entity, however a delegate may approve a specific purchase and authorise a subordinate to facilitate the purchase. For example the Board may delegate the CEO authority to facilitate a specific purchase or a manager may delegate to a service provider under a contracted service arrangement, including the delegation of the power to execute documents on behalf of WH.

Staff with operating responsibility for goods or services that are covered by an overarching or head agreement are permitted to order goods or services specified in that agreement as needed in the ordinary course of undertaking their duties. For example, pathology tests are covered by the Dorovitch contract and ordering pathology tests may be done by any staff member for whom that work is in their scope of practice.

Retrospective Approval

There are two instances where a practical solution to daily operational needs requires retrospective approval of a purchase by the appropriate delegate.

Staff working in Allied Health and Chronic and Complex Care who organise goods and services to facilitate the discharge of inpatients and/or prevent readmission are permitted make the purchases required to perform their duties. Authority to purchase these goods sits with the Cost Centre Manager who supervises these staff and that person must review and approve the purchases. In effect this will be retrospective to purchase.

Pharmacy Purchasing Officers place orders on a daily basis and must do so before 11am to achieve next day delivery. Order values that exceed their Cost Centre Manager delegation will be reviewed and approved by the appropriate delegate retrospective to the purchase.

There is also a head agreement for shared services with Melbourne Health. Service Level Agreements under this head agreement fall within the approval limits of this Delegations of Authority framework.

Delegation Definition

Being delegated authority means the person is entitled to **commit** the organisation to a contractual position, that is make an agreement with a third party that Western Health is obligated to fulfill. This may be the acquisition or disposal of goods or an obligation to provide or receive a service.

Note that a purchase order is a contract.

Authority to approve **invoices** is subject to the same delegation levels.

Note that approving invoices has nothing to do with delegations under this document. However the Accounts Payable system requires each position to have a financial limit attached to it. Purely for ease of administration this is set at the same delegation levels that apply to decision making.

However it is not permitted for the same person to raise a purchase order and approve invoices related to that purchase order. Those tasks must be separated. This prevents an individual having end to end control over the disbursement of organisation funds. An unavoidable consequence of the separation rule may be that a delegate has to approve invoices relating to purchases entitled to be made by another delegate. Note that where delegates with the same level of delegation work within the same area a crossover of invoice approval can occur to achieve the same end.

Delegation Value

The dollar values in this Delegations of Authority relate to the total cost of a project or contract over the life of that project or contract regardless of the number of purchase orders raised. Related items must not be split across more than one requisition or invoice to circumvent delegations of authority.

A variation to a contract that takes the contract above the delegation level of the original contract approver must be submitted to the higher delegate, i.e. the delegate that would have been required for the new total expenditure.

Where a contract is being signed the delegated value is the total commitment made in the contract, i.e. total contract life.

Where no contract exists the value will be individual invoice value.

Values are, at all times, exclusive of GST.

Nil Value Contracts

Some contracts are for a rate, and usually exclusivity, but are not a commitment to a specific sum. For those contracts the Delegation will be based on the estimated expenditure. Note that if at the end of the contract period expenditure has exceeded that amount there is no need to go back to the higher delegate for retrospective approval. However the next contract should take that actual value into account.

Delegation Breaches

It is a serious matter if a staff member acts outside their delegation.

Where a breach becomes known, the standard two up reporting principle will apply, and disciplinary action will be taken as appropriate by the management level the breach is reported to.

As an example, a breach by a Divisional Director would be reported to the CEO. A breach by an Executive Director would be reported to the Board. Reporting to the Board will be via a written report to the Audit Committee who may choose to send the report to the full Board if the matter is considered serious.

The matter of scale, i.e. breaching by \$10 as opposed to \$10,000, does not impact the reporting requirement but may impact any disciplinary action taken.

Where a delegation breach is fraudulent in nature the WH policy on Fraud and Corruption will direct the reporting pathway, i.e. DH, the relevant minister etc.

Rectifying the Breach

By definition a breach means that the action has already occurred and it is unlikely it can be recalled.

Staff are required to provide documentation regarding the breach to the appropriate approving delegate for review. The approving delegate will annotate either physically or electronically the documentation making it clear the transaction has been reviewed by an appropriate delegate.

For a transaction that would have required Board approval a paper will be submitted directly to the Board detailing the breach and the actions taken as a result.

GENERAL

The Finance Department will maintain a register of financial delegations containing the names, position titles and specimen signatures of approved delegates.

Failure by staff to comply with this procedure may result in disciplinary action for misconduct as per the WH Disciplinary Procedure - Procedure Code: OP-HR5.2.1

A person who is appointed to act in the position of an authorised person assumes the delegations of the authorised person only until the authorised person returns from leave, (however described), or an authorised person is appointed if the position is vacant.

A delegate must satisfy themselves that the delegation to them has been properly documented and copied to the Finance Department.

Any delegate having a conflict of interest in, or deriving pecuniary interest from, directly or indirectly, a purchase must advise the Chief Executive Officer of such interest and may not authorise expenditure in relation to that interest. The Chief Executive Officer must advise the Board Chair if affected in this manner.

No delegate can approve reimbursement of expenses or a benefit to themselves or approve expenditure that, albeit work related, is personal to them. This includes expenditure such as travel, accommodation, conference and equipment for individual use.

No subordinate may approve expenditure for their superior with the single exception that the CEO may approve expenses for the Board Chair.

USE OF THE SEAL AND EXECUTION OF DEEDS

The Western Health By-Laws acknowledge the existence of a Seal. Use of the Seal is typically no longer required. Where for any reason the Seal is to be affixed to any document, it may only be done so in accordance with Article 12.2 of the By-Laws.

The Board has approved this document, (the Delegation of Authority), and intends it to take effect as a deed. By so doing the Board has authorised the delegation of authority to staff to execute deeds.

Where any third party requires evidence of authority for a representative of Western Health to sign a deed, or any document is required by law to be signed, sealed and delivered as a deed, the Seal may be affixed to a copy of this document, (the Delegations of Authority), in accordance with Article 12.2 of this By-Laws for the purposes of providing such evidence.

MATTER FOR DECISION PAPER / BUSINESS CASE / CONTRACT

A principle is established that a commitment decision needs approval only once.

Approval of a Business Case automatically extends, to the business case owner, approval to sign the related contract. The contract still needs to pass through the electronic contract endorsement process known as e-PACE. This is a contract checking process not an approval to purchase process. (See below under "Contracts"). If the business case has been approved then the e-PACE contract will be approved providing it reflects the business case which must be attached.

A Matter for Decision (MFD) paper is only required as a cover paper for a business case going before a Board Sub-committee. The MFD should be a brief summary introducing the business case without restating the content. The key issue is the recommendation that should clearly state what is being requested. For business cases going to a committee that is not a Board sub-committee it is acceptable to simply place the business case on the agenda without an MFD.

PROCUREMENT

Quotation or Tender

All purchasing must follow one of only two possible pathways, either Quotation or Tendering.

Detailed procedures have been developed to direct the choice of purchasing pathway and how to appropriately conduct the purchase.

Please refer to: Procurement: Request for Quotation (excludes Construction) procedure

Procurement: Request for Tender (excludes Construction) procedure

Procurement: Request for Tender – Construction procedure

For purchases above **\$1M** procurement by quotation is to be reviewed by Procurement Services and requires Procurement Services endorsement to proceed. If disputed this is to be referred to the CFO.

Construction is separated due to specific ministerial directives on construction that do not apply to other purchases.

Note that purchases below \$2,000 do not need a quotation to be obtained or a tender to be run.

Local Jobs First Act (LJF) and Social Procurement (SP) Framework

The LJF and the SP directly affect procurement. The current threshold for consideration needing to be given to these Acts is \$3M. Due to the complexity of compliance with this legislation, purchases above \$3M must be discussed with Procurement Services before procurement proceeds.

HealthShare Victoria - HSV

Health Purchasing Victoria (HPV) has been subsumed into HealthShare Victoria (HSV)

For the time being policies and contracts put into place by HPV continue under HSV.

Where HPV has put a contract in place WH must abide by that contract unless WH successfully applies to HPV for an exemption.

Where HPV puts in place a head agreement serviced by a panel of suppliers WH can approach any one of those suppliers, request a quote and then enter into a contract with that supplier without further negotiation. However, if there are specific requirements that HPV has not covered in their scope of work, WH can negotiate those directly with the supplier.

The contract is still subject to this DOA. Alternatively WH can choose to run a select quote or select tender released to the panel. If that path is chosen then it must be to the full panel for that item.

The terms of the head agreement still apply and must be part of the subsequent contract.

Refer to Procurement Procedures for detailed direction on process.

BUSINESS CASES

Business cases are mandatory for internally generated:

- Increases in FTE (hours) irrespective of value
- Increases in the operating budget base other than changes through rate or volume increases
- Contracts (new or renewal) exceeding the CEO's delegation
- Capital expenditure exceeding \$100K

Department of Health or Other Government Bodies

Internally generated distinguishes DH business cases from WH business cases. This applies to capital expenditure where DH creates (and funds) the business case. A WH business case is not required.

In regard to specified grants whereby the DH funds operational activity that requires the employment of additional staff. There is generally no business decision in the sense that the grant will be accompanied by a directive and consequently WH does not have the ability to decline. The operationalisation of such grants should still have a business case but may be approved at CEO level.

Service Level Agreements with State Bodies, i.e. Health Share Victoria, do not require a business case and will be approved at CEO level.

Change in the Budget Base

A change in the budget base means the addition or removal or an existing service. This represents a structural shift in the way the organisation conducts its business.

To move the budget base for changes in rate or volume, (non-labour), that eventuate from new contracts, CPI increases or organic growth, divisions must submit a budget request to the relevant Executive Director for secondary submission to the CFO and then the CEO. That request for a budget increase must also take into account any items for which costs/volumes have decreased. The request must detail the specific contracts, services and products

involved. This is a once a year process undertaken as part of budget setting. During the year the budget cannot change. A budget process document is available for further guidance.

To reduce the volume of business cases Divisions are permitted to reallocate existing non-labour budget allocations between accounts providing the overall Divisional budget does not change.

Note that remuneration changes do not require a business case. Remuneration changes include grade or classification changes.

Business cases have mandated templates, the short form for values less than \$100K and the long form for values exceeding \$100K. These templates are in electronic form and are not circulated in hard copy. The electronic process is known as the Business Case on SharePoint System (BCOSS).

Business cases must be completed for operating expenditure exceeding the CEO's delegation regardless of whether it is a new contract or a renewal contract.

The value is the revenue or cost base, whichever is greater. Not the net operating impact.

In the event that a business case has multiple items needing quotation or tender each item must be separately listed in the business case along with its maximum acceptable cost. Approval of the business case presented in that manner approves purchase of all the individual items and they may proceed to quotation or tender as appropriate. If the actual cost of any one of those individual items exceeds the maximum acceptable cost it must be submitted to the delegate requesting approval to accept the higher cost.

If a business case has not separately identified and nominated a maximum acceptable cost for its component elements approval of the business case does not then convey approval for the individual purchases and each must be presented to the appropriate delegate for approval.

Where a business case is required, business case approval should be sought before quotations are requested and must be obtained before a tender is conducted.

CONTRACTS

An agreement between a Western Health employee and an external party is a contract. This can be verbal, an FMIS purchase order, an employment contract or a more formal and more extensive supply contract. To distinguish between them this section refers to contracts other than purchase orders or employment contracts. For the sake of a definition they will be termed **Legal Services Contracts**.

All Legal Services Contracts must be actioned through the e-PACE system or otherwise in accordance with OP-RS4 Contract Execution and Management procedure.

The e-PACE system provides the workflow, and is the method by which, Legal Services Contracts are reviewed and endorsed.

An officer who has the delegated authority to make a purchase also has the delegated authority to enter into a contract or agreement for that purchase and has the authority to vary or cancel that contract or agreement.

e-PACE contract approval is not approval to purchase. It is a review and endorsement of the contract.

Where a business case is required, approval to purchase comes with business case approval.

Where a business case is not required purchase approval occurs through the raising of an FMIS purchase order.

FMIS purchase orders are mandatory for all purchases except for the following exclusions:

Patient Orthotics Fitted in Clinics	BOC Gasses	Freight, Courier Services
Home Oxygen	Travel and Conferences	Nutrition HENS Orders
Agency Staff and Consultants	Rental of Patient Care Equipment	Gifts and Flowers
Rental of Office Equipment	Utilities	
Building Maintenance (handled through Purchase Plus)	Pharmacy (handled through MERLIN)	

LEASES

For the purposes of this document the distinction between the rental of equipment as opposed to leasing is the term of the commitment. Rental is a short term obligation to pay the provider of the equipment for a period not extending beyond six months. Equipment rental is covered under normal operating expenditure delegation limits. Leasing of equipment is dealt with under separate cover.

Property rental will at all times be considered a lease.

In regard to business cases – the need for a business case in regard to leasing is the same as for any other operating cost.

FINANCE LEASE versus OPERATING LEASE

A finance lease is a lease where at the end of the term title in the equipment passes to the lessee, i.e. Western Health. Finance leases are a form of borrowing and are not permitted without permission from the Department of Treasury and Finance.

DEED OF NOVATION

During the course of business it may be necessary to change the name of one or more of the parties to a contract. This most often occurs when a business is sold and the contract passes to the new owners. Such changes are achieved by the use of a Deed of Novation. In instances where this is required, Legal Services must be consulted to prepare the Deed and the approval of and signatures to the Deed shall be in accordance with the delegated authority required on the original contract, not the remaining unexpired term.

WESTERN HEALTH FOUNDATION (WHF)

The WHF is a registered charity under the Australian Charities and Not-for-profits Commission Act 2012 (Cth) governed by its charitable objects. It is not a body constituted under the Health Act 1988 (Vic) and is not restricted in its actions in the way that health service agencies are.

WH staff working on behalf of the WHF, are employees of WH and are bound by these Delegations of Authority.

The funds of the WHF are the Foundation's to disburse as it sees fit although there must be a consultation process with WH to ensure funds are spent on appropriate items.

There is a distinction between the decision as to what the funds will be spent on and the authority to approve payment of an invoice or sign a contract to put that decision into effect. The WHF will make the decision as to where its funds will be spent and WH staff will facilitate that within the limits of the DOA. All relevant WH documentation must be completed including Asset Acquisition forms.

For the purposes of the DOA WHF funds are considered external funds.

The WHF Director is permitted to accept direction from the WHF Board on any matter related solely to the WHF and not expressly addressed in the DOA where those directions (a) do not conflict with the WHF Director's delegated authority as an employee of WH, (b) are consistent with the Constitution and policies of the WHF and (c) do not conflict with any other legal responsibilities of the WHF Director.

Where the WHF Board's direction does expressly come within the scope of the DOA and exceeds the WHF Director's delegated authority under the DOA, the authorised delegate will be such higher level of authority as dictated by the WH DOA.

The DOA is not intended to in any way limit the authority of the WHF Board in its decision-making other than in respect of those employees of WH authorised by WH to act on behalf of the WHF.

Fund Raising

All fund raising activities are to be conducted through the WH Foundation.

Fund raising is distinguished from other revenue receipts such as grants that are typically subject to grant conditions and accountability to the granting organisation. The definition is that fund raising entitles the donor to claim a "deductible gift" tax deduction where there is no material benefit of advantage in return to the donor and the gift or donation otherwise meets the Australian Tax Office's conditions of deductibility.

EXECUTIVE DIRECTOR POSITIONS

For the purposes of this document the following roles are Executive Director positions and have that level of delegated authority:

Chief Operating Officer Chief Medical Officer Chief Financial Officer General Counsel

DIVISIONAL DIRECTOR EQUIVALENT POSITIONS

For the purposes of this document the following roles are considered equivalent to Divisional Director and have that level of delegated authority:

Director Digital Technology Services Director Allied Health
Director Digital Health Director Capital Development

Director of Pharmacy (network drug purchasing only)

Director Best Care Operations

Deputy Chief Operating Officer (for items not otherwise specified)

DIRECTOR EQUIVALENT POSITIONS

For the purposes of this document the following roles are considered equivalent to Director and have that level of delegated authority:

Operations Manager

Deputy Chief Medical Officer

Deputy Director of Pharmacy (network drug purchasing only)

COST CENTRE MANAGERS

Cost Centre Managers are given specific delegation although that title does not exist as a role in the organisation structure. The definition that applies for the purpose of this document is as follows:

- Cost Centres are defined within the general ledger
- Executive Directors and/or Divisional Directors must ensure that every Cost Centre has a designated role responsible for that Cost Centre and therefore for that expenditure
- The Finance Department will be responsible for maintaining a register of Cost Centres and the name of the manager of that Cost Centre
- The delegation is restricted to the cost centre the person manages
- More than one person may be designated as a Cost Centre Manager for a cost centre

DEPARTMENT OF HEALTH

In this document the title above is abbreviated to DH.

BOARD APPROVAL PROCESS

The DOA specifies what decisions require Board approval. To have a proposal placed before the Board the following steps must be taken.

- A brief Matter for Decision paper introducing the accompanying Business Case, submitted to the **Executive Committee**. The Executive will provide feedback and endorse, or not, the proposal.
- If the Executive endorse the proposal the business case will progress to a **Board Sub-Committee**, most likely the Finance Committee. If the Board Sub-Committee is satisfied with the proposal, the Board Sub-Committee will endorse it for Board Approval.
- The Board will consider the business case and the Executive sponsor will be notified of its decision.

The minimum time this process will take is presentation at an Executive meeting mid-month, progression to the Finance Committee at the end of the month and progression to the Board in the first week of the following month. In theory a proposal could pass through all three stages within three weeks, however failure at any one stage will add at least one month to the process as the proposal will need to be resubmitted.

CATEGORY	VALUE	AUTHORISED TO APPROVE	CONSULTATION / RECOMMENDATION	
STRATEGY				
Strategic Plan		Minister for Health	On the recommendation of the Board of Directors	
GOVERNANCE				
Annual Report		Board Chair	On the recommendation of the CEO	
Health Service Agreement/ Statement of Priorities		Minister for Health & Board Chair	On the recommendation of the Board of Directors	
Authority to make, vary and repeal Western Health's by-laws		DH Secretary	On the recommendation of the Board of Directors	
Governance framework		Board of Directors	On the recommendation of the Governance and Remuneration Committee	
Policy		Board of Directors	On the recommendation of the relevant Board sub-committee	
Procedure – Organisational		Executive Director		
Procedure - Departmental		Director		
Appointment of Internal Auditor		Board of Directors	On the recommendation of the Audit Committee	
Annual Internal Audit Plan		Board of Directors	On the recommendation of the Audit Committee	
Annual Financial Statements		Board of Directors	On the recommendation of the Audit Committee	
Annual Operating budgets		Board of Directors	On the recommendation of the Finance Committee	
Approval of loans		Department of Treasury and Finance	On the recommendation of the Board and in consultation with the DH	
Bank account management (including signatories and opening and closing bank accounts)		Chief Financial Officer	Notification to Finance Committee	
EXTERNAL RELATIONSHIPS & MEDIA				
Correspondence to Government Departments				
	Minister		Board Chair	In consultation with the CEO
	Secretary, Deputy Secretary or equivalent		Chief Executive Officer	
	other than Minister, Secretary and Deputy Secretary or equivalent		Executive Director or General Counsel or Board Secretary	In consultation with the CEO
Media – External				
	On behalf of Western Health		Chief Executive Officer	
	On behalf of a campus or major service of a positive, informative nature		Executive Director People, Culture and Communications	

CATEGORY	VALUE	AUTHORISED TO APPROVE	CONSULTATION / RECOMMENDATION
Media – Internal			
Logos, brand names, strap lines		Chief Executive Officer	In consultation with the relevant Executive Director and the Executive Director People, Culture and Communications
OPERATING REVENUE			
Revenue generating contracts and grant applications (except Private Practice Agreements)	>\$2.0M	Board of Directors	On the recommendation of the Finance Committee
	<\$2.0M	Chief Executive Officer	
	<\$250K	Executive Director	
	<\$150K	Deputy COO	
	<\$100k	Divisional Director	
	<\$50k	Director	
Private Practice Agreements and associated arrangements		Chief Medical Officer	
Bad debt write-off, Fee waiver or Fee refund <i>Limits apply to individual debts but multiple debts against a single debtor must be totaled with the total to be measured against the limits.</i>	>\$100K	Finance Committee	
	<\$100K	Chief Executive Officer	
	<\$20K	Chief Financial Officer	
	<\$5K	Director – Finance	
	<\$1K	Revenue Manager	
OPERATING EXPENDITURE			
Operating Expenditure	>\$2.0M	Board of Directors	On the recommendation of the Finance Committee
	<\$2.0M	Chief Executive Officer	
	<\$250K	Executive Director	
	<\$150K	Deputy COO	
	<\$100K	Divisional Director	
	<\$100K	Clinical Services Director	
	<\$50K	Director	
	<\$10K	Cost Centre Manager	
Insurance			
Medical Indemnity		Chief Executive Officer	
Work Cover Premium		Chief Executive Officer	
Travel (pre-approval for travel costs must be obtained)			
International		Chief Executive Officer	
Domestic - Interstate		Executive Director	
Domestic – Local		Line Manager	
Travel relating to CME		Chief Medical Officer	

CATEGORY	VALUE	AUTHORISED TO APPROVE	CONSULTATION / RECOMMENDATION
Clinical Products			
All new clinical products irrespective of value (New means first time use of the product type and does not include change of brand)		Chief or Deputy Chief Medical Officer	
Leases			
Property and Equipment leases, excluding vehicle leases. (Vehicle leases are treated as normal operating expenditure). (Equipment leases must include maintenance agreement values)	>\$1.2M	Board of Directors	On the recommendation of the Finance Committee
	<\$1.2M	Chief Executive Officer	
Digital Technology			
Software		Director Digital Technology Services	In respect to compatibility & suitability
Reimbursement of Expenses (excluding staff functions)			
Board Directors except Board Chair		Board Chair	
Chief Executive Officer		Board Chair	
Board Chair		Chief Executive Officer	
All other staff		Line Manager	
Continuing Medical Education allowance (CME)		Chief Medical Officer	
Staff Functions paid by WH (must be pre-approved)			
Approval (the delegate) cannot be less than Divisional Director level Delegates may approve functions that they attend or initiate The purchase, serving or reimbursement to staff of alcohol must be approved by an Executive Director			
<i>CAPITAL EXPENDITURE – must exceed \$1,000 in value otherwise treat as Operating</i>			
<i>Note that the completion of an Asset Acquisition form is mandatory for all equipment purchases</i>			
Capital infrastructure & equipment	>\$2.0M	Secretary of the DH	On the recommendation of the Board of Directors
Digital Technology (excluding clinical systems) Irrespective of capitalisation and/or inclusion in larger projects		Director Digital Technology Services	In respect to compatibility & suitability
Clinical Systems (anything that includes a patient record)		Director Digital Health	In respect to acquisition or amendment
Capital infrastructure & equipment State run procurement where the outcome is passed to WH for contract execution		Chief Executive Officer	Notification to the Finance Committee

CATEGORY	VALUE	AUTHORISED TO APPROVE	CONSULTATION / RECOMMENDATION
Capital infrastructure & equipment Externally funded	>\$2.0M	Board of Directors	On the recommendation of the Finance Committee
	<\$2.0M	Chief Executive Officer	
	<\$500K	Executive Director	
	<\$150K	Deputy COO	
	<\$100K	Divisional Director	
	<\$100K	Clinical Services Director	
	<\$50K	Director	
Capital infrastructure & equipment Internally funded	>\$2.0M	Board of Directors	On the recommendation of the Finance Committee
	<\$2.0M	Chief Executive Officer	
	<\$100K	Executive Director	
	<\$75K	Deputy COO	
	<\$50K	Divisional Director	
	<\$50K	Clinical Services Director	
	<\$25K	Director	
Capital infrastructure and equipment Contract variations	Where the variation takes the project above the delegation of the original approving delegate, the variation must be approved by a higher delegate		
Write off, sale, disposal or transfer of capital assets with the lower of a net written down or market value of:	>\$100K	Finance Committee	With notification to the Board of Directors
	<\$100K	Chief Executive Officer	With notification to the Finance Committee
	<\$50K	Chief Financial Officer	

EMPLOYMENT CONDITIONS

Position – Creation

Establishment and remuneration band		Chief Executive Officer	Business Case required
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Position – Appointment

Chief Executive Officer		Secretary of the DH	On the recommendation of the Board
CEO direct reports		Chief Executive Officer	
Senior Medical Staff - periods exceeding six months			
Initial appointment		Chief Executive Officer	On the recommendation of the Chief Medical Officer and the Medical Appointments and Credentialing Committee
Renewal		Chief Medical Officer	In consultation with the relevant Clinical Services Director
Senior Medical Staff - periods up to six months		Chief Medical Officer	In consultation with the relevant Clinical Services Director

CATEGORY	VALUE	AUTHORISED TO APPROVE	CONSULTATION / RECOMMENDATION
Junior Medical Staff		Chief Medical Officer	In consultation with the relevant Clinical Service Director
Nursing Staff above Grade 2		Divisional Director	In consultation with the DON
Nursing Staff Grade 2 and below		Director	
Nursing staff – Agency	In hours	Director or DON	
	Out of hours	Hospital Coordinator	
Senior Allied Health appointments, Grade 3 or above, excluding science appointments		Director Allied Health	
Allied Health Science appointments		Relevant Director or profession lead e.g. Director of Pharmacy	
Allied Health Science - locum or agency		Relevant Director or profession lead e.g. Director of Pharmacy	
All other Allied Health appointments		Director Allied Health	
Allied Health Locum or Agency, excluding science		Director Allied Health	
For positions not noted above		Line Manager above the Line Manager for the position	
Non clinical agency or temporary staff		Line Manager above the Line Manager for the position	
Appointment to Act		As per permanent appointment above	
Position – Secondment			
exceeding 12 months		Executive Director	
less than 12 months		Line Manager not less than Director level	
Position – Changes			
Transfer of reporting responsibility		Line Manager above the Line Manager for the position	
Change in Title/Classification		Line Manager above the Line Manager for the position	In consultation with the Executive Director People, Culture & Communications
Release From Duties			
Any employee who is required to be released from duties		Executive Director People Culture and Communications	In consultation with the relevant Director, Executive Director and the Director of Employee Relationships and Business Partnerships.
Termination			
Termination of any employee		Chief Executive Officer	In consultation with the Executive Director People, Culture and Communications

CATEGORY	VALUE	AUTHORISED TO APPROVE	CONSULTATION / RECOMMENDATION
Remuneration – Changes			
Chief Executive Officer		Board Chair	In consultation with the Governance and Remuneration Committee
CEO direct reports		Chief Executive Officer	In consultation with the Governance and Remuneration Committee
All other staff		Line Manager above the Line Manager for the position	In consultation with People & Culture using the variation and /or reclassification process
Remuneration – Other payments			
Overtime		Line Manager	
Termination payments outside statutory or contractual entitlements	For CEO	Board of Directors	
	For other staff	Chief Executive Officer	In consultation with the Executive Director People, Culture & Communications
Ex gratia	>\$50K	Chief Executive Officer	With notification to the Governance and Remuneration Committee
	<\$50K	Chief Executive Officer	In consultation with the Executive Director People, Culture & Communications
Write off salary overpayments	For CEO	Board of Directors	
	>\$10K other staff	Chief Executive Officer	
	<\$10K other staff	Chief Financial Officer	In consultation with the relevant Executive Director and the Director of Employee Relationships and Business Partnerships
Approval of Paid Leave – except Special Leave			
Chief Executive Officer		Board Chair	
All other		Line Manager	
Approval of Special Leave			
Chief Executive Officer		Board Chair	
CEO Direct Reports		Chief Executive Officer	
All other staff	> 1 week	Executive Director	
	< 1 week	Line Manager above the Line Manager for the position	
Approval of Unpaid Leave			
Chief Executive Officer		Board Chair	
CEO Direct Reports		Chief Executive Officer	
All other staff	> 4 weeks	Executive Director	
	< 4 weeks	Line Manager above the Line Manager for the position	

CATEGORY	AUTHORISED TO APPROVE	CONSULTATION / RECOMMENDATION
Approval of sabbatical leave, up to 26 weeks for medical staff. Reimbursement of expenses incurred on sabbatical leave will be subject to contract conditions or industrial agreements and the leave management procedure.	Chief Medical Officer	In consultation with the relevant Clinical Services Director
Conference / Seminar / Exam leave / PD	Line Manager	
Approval to cash out Annual Leave		
Must be in accordance with the relevant EBA	Chief Executive Officer	In consultation with the relevant Executive Director and the Director of Employee Relationships and Business Partnerships
Other People Services Documents		
Signing of appointment letters (People & Culture must prepare documentation for discipline head signature)	Line Manager above the Line Manager for the position	
Timesheets	Line Manager	
Statement of Service	Manager People & Culture Operations	
INDUSTRIAL RELATIONS		
Approve applications to the Fair Work Commission for the variation of rates of pay, allowances or conditions of employment as are considered necessary or appropriate.	Executive Director People, Culture & Communications	In consultation with the CEO
Consent to, or oppose, claims made by, or on behalf of, employees in proceedings brought under the Fair Work Act 2009 (Cwth) or under an award or enterprise agreement or defend claims brought by, or on behalf of, employees under discrimination laws or other laws dealing with workplace rights.	Executive Director People, Culture & Communications	In consultation with the CEO
Authorise the retention of legal counsel (or other) in an employee or employment related proceeding in a Tribunal or court to which WH is a party.	Executive Director People, Culture & Communications	In consultation with the CEO
Implement any action arising out of an order of a Tribunal or Court or following the making of an enterprise agreement.	Executive Director People, Culture & Communications	In consultation with the relevant Executive Director
Authorise the retention of legal counsel to provide advice on workplace relations matters.	Executive Director People, Culture and Communications	
For actions not otherwise covered by WH's insurer authorise the prosecution or defence of an action where the nature or possible outcome of that action could adversely impact WH's financial position, provision of service/s or place at risk WH assets.	Chief Executive Officer	In consultation with the Board Chair and notification to the Board of Directors

CATEGORY	VALUE	AUTHORISED TO APPROVE	CONSULTATION / RECOMMENDATION
LEGAL			
Authorise the commencement of tribunal or court action		Chief Executive Officer	In consultation with the Board Chair and notification to the Board of Directors
Authorise the defence of any action (excluding industrial relations and employment related proceedings other than by arrangement with the CEO and Executive Director People, Culture & Communications)		General Counsel	In consultation with the CEO
Authorise the signing of any binding document that does not create a direct monetary obligation for WH (for example, leasing consents, confidentiality deeds and agreements) and any deeds not specifically contemplated in this document		Executive Director	
Authorise obtaining general legal advice, (excluding legal advice regarding industrial relations).		General Counsel	
Register, renew and cancel business names and trademarks		General Counsel	
Waive fees for freedom of information requests and other third party information requests		Line Manager	In consultation with General Counsel
Legal, intellectual property (IP), trademark and patent advice associated with the commercialisation of research and IP.	>\$500K	Board of Directors	In consultation with General Counsel
	<\$500K	Chief Executive Officer	In consultation with General Counsel
	<\$100K	Director Office for Research	In consultation with General Counsel
In all other instances or on an assessment of the likely financial impact of an action	>\$500K	Board of Directors	A register of legal advice and actions to be kept by General Counsel
	<\$500K	Chief Executive Officer	
RESEARCH			
Expenditure of research funds		As per DOA capital and operating expenditure values	
Access to, and licencing of, WH's intellectual property	>\$250K	Board of Directors	
	<\$250K	Chief Executive Officer	
Research Sponsorship Agreement	>\$500K	Board of Directors	
	<\$500K	Chief Executive Officer	
Ethics Approval		Director of Research Program	
Patents			
Lodgment of Patents - Australian Provisional Applications		Director of Research Program	
Lodgment of International Patent/Complete Specification		Director of Research Program	In consultation with the CEO
Documentation that is required for the continuance of patent and research grant applications and the maintenance of patents and research grants that have been awarded		Director of Research Program	In consultation with General Counsel

HOW DO I GET A DELEGATION?

Purchasing at Western Health is generally handled through the Financial Management Information System (FMIS). One part of that system is called iProcurement usually referred to as iProc.

iProc creates requisitions and purchase orders. Within the system a record of the people with authority to approve requisitions and the approval limits that apply is maintained.

Approval authority is the delegation as per the Delegations of Authority (DOA) framework.

To be added to iProc a form is filled out and sent first to WH Finance for verification against the DOA and then to Melbourne Health, who host the service, for updating on the system.

The majority of delegations will be for Cost Centre Managers. The Finance Department maintains a register of Cost Centre Managers. The notification of the person designated as a Cost Centre Manager must come from an Executive or Divisional Director. At present the iProc form is a generic, Shared Services, form which is not entirely as WH would like. Work is under way to change this. In the meantime the form as it stands suffices for this notification.

To get a delegation you must complete the iProc form and be added to the system.

The iProc form can be found on WH intranet site.

STEPS

1. Access WH Intranet:
 - Click on **"Finance"** and then **"Finance Forms"** and then **"Finance Forms Library"**
 - Under **FMIS Forms**, click on **"iProcurement User Application Form"**.
2. Print a copy of the iProc form and complete the details.
3. Forward the form to Finance Department for processing.
4. An email notification will be sent once the delegation has been added. For a new user an ID and password along with logon instructions will be provided.

TRAINING

Online training instructions will be attached. The link is below:

Web link: http://info1.mh.org.au/FMIS/Tools/Training_default.htm

Apart from intranet online training, regular on-site training sessions (at present two sessions a month) are conducted at either the Footscray or Sunshine. In this respect, an email message will be circulated to all employees advising of the date, time and venue of the training sessions.

FMIS SUPPORT

Staff who encounter a problem or require assistance relating to iProc can contact the FMIS Help Desk on 9342 3135.

HOW DO I USE iPROC?

Wherever possible purchasing is done through the FMIS iProc system.

It is understood that not all purchasing can be directed through iProc, however this procedure details the preferred option of iProc purchasing.

The previous page discussed setting up a delegation on the FMIS iProcurement system. A person charged with the administrative duty of creating purchase requisitions can do so without having approval authority. Creating a purchase order is different to approving one. This does not stop someone with approval authority from also being the creator of a purchase requisition.

To instigate a purchase you must be registered on the iProc system as per the previous page.

Purchases are separated into Catalogue and Non-Catalogue items.

Through Melbourne Health a catalogue of commonly purchased items has been created. Wherever possible purchases should be made from the catalogue as these items have been subjected to competitive tendering by the Contracts Departments of Melbourne and/or Western Health.

On receiving your ID and password for iProc access as an approver or requestor, you should first set your Preferences after logging on. This ensures the raising and approving of requisitions occurs as per the Delegations of Authority (DOA) framework.

1. To Set Preferences

At the main menu, click on “**Preferences**”

Click “**iProcurement Preferences**” (located below “General Preferences” on left) and follow the below:

- a) In the **Requester** field, enter your last name and press **[Tab]** key to find your name.
- b) Click on the **torch** icon next to the “**Deliver-To Location**” field and define the location for the goods to be delivered to.
- c) Next define your default charge account by going to **Favourite Charge Accounts** and click on “**Add Another Row**”. Then search and select the posting-string of your charge accounts, i.e. Entity-Campus-Cost Centre-Account-Sub-Account codes.

2. To Raise A Requisition

For Catalogue Item

On the main menu, enter the key words in the **Main Store Search** field and click “**Go**”. (Wildcard character “%” can be used in place of characters if you are unsure of the item number).

To search for an item, enter any of the product details as follows if it is a stock item:

- Internal item number;
 - Supplier item number;
 - Item description; or
 - Supplier name
- 1) After the item is found, input **Quantity** and click on “**Add to Cart**”
 - 2) Select “**View Cart and Checkout**”
 - 3) Click on “**Submit**” to finalise your requisition.
 - 4) Quantity and item can be changed and/or deleted if required and you do not have to submit.

For a Non-Catalogue Item

A non-catalogue requisition is raised when items do not exist in the iProc Catalogue.

- 1) At the main menu, click the “**Non-Catalogue Request**” link
Fill out the details of the Non-Catalogue Request window:
 - Leave the **Item Type = Goods billed by quantity** field as it is
 - Enter the details in the **Item Description; Category; Quantity; Unit of Measure and Unit Price** fields
- 2) Click “**Add to Cart**”
- 3) Click “**Checkout**” to review information

4) Click “**Submit**” button to complete

3. To Approve

iProc will automatically generate an email message notifying the approver when a requisition has been created. In addition, the requisition will appear in the list of “**My Notifications**” on the main page of the iProc window upon logging on.

Click on the first requisition listed under “**My Notifications**” to review the details of the requisition.

Click on one of the buttons displayed at the top of the requisition to either **Approve; Forward or Reject** the requisition.

FMIS Tip Sheets

Extensive online instructions and guidance notes are available on the WH intranet relating to iProc topics.

In WH intranet main screen:

Click “**Finance**”

Click “**FMIS**” and **FMIS Tip Sheets** will be displayed below it

Click “**FMIS Tip Sheets**” and all FMIS Tip Sheets resources will be displayed.

Training

It is noted that this user guide merely provides a basic outline of the iProc module to allow users to promptly navigate through iProc. Therefore, users are advised to familiarise themselves by either going through the online training program and/or attending the on-site training sessions to have a better understanding of the program.

Additionally a user who encounters a problem or requires any assistance relating to iProc can contact the FMIS Help Desk on 9342 3135.

Asset requests equal to or exceeding \$1,000

Division

Department

Prepared By

Contact Number

Approval to purchase is via Business Case, or, FMIS. (Please refer to the Delegation of Authority).

This form does not give approval to purchase. Its function is to assist in ensuring the item is entered into the organisation's asset register.

This form does not require delegation approval. In general the person responsible for making the purchase should complete the form.

Description of the item being purchased:

Total Cost excluding GST (Obtain quotes from Contracts department):

	Supplier 1	Supplier 2	Supplier 3
Equipment Cost			
Installation Cost			
Freight Cost			
Consultant Costs			
Other Costs (Specify)			
Total Cost			
Trade-In Value (if any)			
Net Cost			
Supplier			

Serial Number if applicable:

If the cost exceeds \$100K please give the business case reference

If this is a replacement the Asset Disposal form should be attached

Title: **Asset Disposal Form** Number: **AD**

Division : Cost Centre:
 Prepared By: Contact Number:

ASSET DETAILS (To be completed with assistance from the Finance Department)

Asset number:	Model/Serial number:
Asset description:	
	Site/Location:
WDV of Disposal: \$	Disposal Proceeds (if any): \$

DISPOSAL DETAILS

<input type="checkbox"/> Condemned / Damaged / Unserviceable / Obsolete (provide reason below) <input type="checkbox"/> Other (please specify below)	
REASON (Additional information)	AFFIX BARCODE LABEL HERE
	<div style="border: 1px solid black; width: 100px; height: 100px; margin: auto;"></div>
DISPOSAL METHOD	DETAILS
<input type="checkbox"/> Public Auction <input type="checkbox"/> Trade In	<input type="checkbox"/> Tender <input type="checkbox"/> Other (please specify)

Delegation of Authority

Tick the box applicable to this disposal/write-off ↓

Asset disposal, write-off or transfer that is the lower of written down value or net realisable value	>\$100K	Finance and Resources Committee (notification to Board of Directors)	
	<\$100K	Chief Executive Officer (notification to Finance & Resources)	
	<\$50k	Chief Financial Officer	

APPROVAL (per Delegations of Authority)	SIGNATURE	DATE
Chair – Finance and Resources Committee		
CEO		
Executive Director Finance		

Once approved please send a copy of this form to the Finance Department

FOR FINANCE USE ONLY			
Asset Register Updated By:		Date:	
Cost Centre:		Account:	