



# **Financial Delegation and Management Policy**

Date of Issue      March 2020

Controlling Body      Western Australian Karate Federation Board



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## **1 Introduction**

A primary tool for ensuring an appropriate level of financial governance in any organisation is the organisation's delegations policy, and the financial management procedures that support it.

The WAKF Constitution gives the Board the responsibility for the control and management of the affairs of the Association. The Board, through this policy, delegates limited authority to persons and Committees of the Association with the objective of providing them with clarity and certainty with the respect to their scope and operation.

Financial Delegation of authority are the mechanisms by which the Association enables people and/or Committees of the Association to make expenditure on behalf of the Association. Financial Delegations are a key element in effective governance and management of the Association and provide formal authority to commit the Association and/or incur liabilities for the Association.

## **2 Purpose**

The purpose of this policy is to establish a framework for delegating authority within the Association and ensure that the finances of WA Karate Federation (WAKF) are managed, documented and authorised in a responsible manner.

## **3 Policy Statement**

The WAKF will ensure that the actions of the Board and staff comply with the statutory and financial requirements of the Australian Accounting Standards, the Australian Tax Office, the Western Australian Department of Commerce and the WAKF Constitution.

The WAKF will achieve through:

- Access to a suitably qualified person to support the financial activities of the WAKF
- Adequate support by means of a financial sub-committee or advisory group is established if needed
- A budget is available to purchase up to date financial software if needed
- An approved budget for the year is determined and that expenditure is within budget
- Sufficient income is available to meet the budget requirements
- All funding agreements are adhered to and acquitted as required
- Regular financial management reports are produced and presented to the next Committee Meeting
- All legal and taxation requirements are attended to and delivered on time



- An audit is completed (if necessary) in accordance with the Constitution Decisions regarding investment are resolved by the Committee and/or Board.

#### **4 Definitions and Interpretations**

**Fraud** is the intentional distortion of financial statements or other records by persons internal or external to the organisation which is carried out to conceal the misappropriation of assets or otherwise for gain.

**Member** has the same meaning as in the WAKF Constitution.

**Policy** and **this Policy** means this Financial Delegation and Management Policy.

**WAKF** means the Western Australia Karate Federation

#### **5 Policy Scope**

The policy applies to the Board, employees of the organisation, and any other persons and / or Committee that is delegated responsibility by the Board.

#### **6 Principles**

The following principles shall apply to this policy

- WAKF is committed to honesty and integrity in all aspects of its financial management process.
- Financial decisions are made within a sound accountability framework, using robust and transparent systems.
- Cost effectiveness, value for money and protection of finances enable the organisation to maximise finances available for application to WAKF's strategic objectives.

#### **7 Responsibilities**

WAKF staff, board, members and volunteers will, within their areas of responsibility and resources, take all reasonable steps to understand and adhere to this policy.

Financial management is an integral part of the organisation's operation and its application is reviewed, endorsed and documented on a bi-monthly basis by the Board and relevant staff positions.

WAKF has systems in place to protect finances and ensure financial reporting is accurate.

WAKF provides professional development to Board and staff in financial management practice, including fraud awareness, prevention, detection and investigation as required.



The organisation undertakes regular reviews of financial systems and engages in independent audits.

Specific delegations and limits of authority are detailed in the Delegation of Authority Register

## 8 Financial Delegations

### 8.1 Board

The Board is accountable for all expenditure in accordance with the approved budget. The Board may appoint Committees to assist in the discharge of its responsibilities, such as a Finance & Audit Committee.

Committees make recommendations for action to the full Board, who retain collective responsibility for decision making. Any specific delegations will be detailed in the relevant Committee's Terms of Reference.

Any expenditure in excess of \$5,000 must be approved by the Board before it is incurred.

Any major variation (exceeding 10%) to the Budget must be reported to and approved by the Board.

#### Finance Delegation – Approval Table

Level of Authority	Function	Delegated Authority
1	Board	\$1,000 and above, Board Approval Required
2	Finance & Audit Committee (or similar)	Up to \$1,000
3	Executive Officer	No general delegated authority. The EO in conjunction with the Chairperson has delegated authority to accept and acquit grant funding on behalf of the Board.
4	Administration staff	None

### 8.2 Finance and Audit Committee

Please refer to the Terms of Reference.



### **8.3 Operating Committees**

All Committees must have an up to date Action Plan and Budget before any approval of spend is granted.

The Board approves an authority for the Administration Officer refuse expenditure by the Committees if the proposed expenditure is not within the action plans or insufficient funds available.

## **9 Policy Requirements**

The Board has ultimate responsibility for the financial management of WAKF, ensuring it operates within a responsible, sustainable financial framework.

The financial management framework of WAKF includes:

- compiling, monitoring and reviewing the budget;
- generating and managing income;
- managing expenditure; and
- security and reporting.

### **9.1 Budget**

The Board is responsible for developing and overseeing the budget in collaboration with the WAKF Finance and Audit Committee. The Board will conduct an annual budget planning process, reviewing actual expenditure against projected financial performance.

### **9.2 Income**

The Board is responsible for ensuring income is generated to meet the expenditure requirements of the annual operating budget. Income generated may be categorised as funds given, funds earned and funds transferred.

The Board ensures that any fundraising activities comply with both the Lotteries Commission Act (1990) and Gaming and Wagering Commission Act (1987).

### **9.3 Expenditure**

#### **9.3.1 Purchasing**

WAKF is committed to ensuring that all purchases are cost effective and free from corruption, fraud and conflict of interest. Contracts are used for retaining consultants, and purchase orders issued for the purchase of assets in order to mitigate the risk inherent with these transactions.

Directors and staff must endeavour to source the most cost effective goods and services with regard to price, quality, reliability, service, delivery and efficiency.



### Requirements for purchase of goods/services

Value of goods/ services	Information required for approval	Approval
Up to \$1,000	1 quote	Within budget
\$1,001 - \$5,000	2 quotes	Within budget / Board approval
\$5,001- \$10,000	3 quotes (open tender preferred)	Board approval
Over \$10,001	More than 3 quotes (open tender if possible)	Board approval

All purchases being made against approved budget items require the purchase request to be submitted to the Administration Officer.

All unbudgeted expenditure is subject to the approval of the Board.

Authority to engage a consultant is subject to approval by the Board.

All purchases must be supported with a tax invoice.

#### 9.3.2 Reimbursement of expenses

The WAKF will reimburse out of pocket expenses incurred by staff or volunteers acting on behalf of the WAKF or in the course of WAKF business so long as such expenses are:

- (a) reasonable, and
- (b) authorised.

Reimbursement of reasonable but unauthorised expenses may be made on an ex gratia basis at the discretion of the Finance and Audit Committee in exceptional circumstances only.

Out of pocket expenses include but are not limited to parking, taxis, hire cars and hire car fuel, airfares, accommodation and meals, meeting/entertainment expense, incidental office consumables and incidental travel costs.

The WAKF will not reimburse:

- (a) expenses that are not incurred for WAKF purposes
- (b) late payment interest on credit cards
- (c) parking, traffic or other fines and penalties
- (d) payments in advance



Claims must be lodged within three months of incurring them. Any claim request lodged outside this period will not be reimbursed.

A Claim Form (Attachment A) must be included with any claim of expense. The claim must be lodged with the Administration Officer.

Claims must, wherever possible, be supported with receipts, invoices, vouchers, tickets, or other evidence of such expenditure. The Western Australian Karate Federation can reject any unsubstantiated claims.

All expenses must be paid in full by the volunteer or member of staff and will be reimbursed within four weeks when the appropriate documentation has been completed.

### **9.3.3 Travel related expenses**

Volunteers and staff will be reimbursed for the costs incurred for the most direct and economical mode of travel available, considering all of the circumstances. It is the volunteer's responsibility to ensure that they review all options of travel and airlines to ensure that the best comparable price is charged and to share taxis whenever possible.

For motor vehicle travel, reimbursement for the use of a private vehicle for business will be reimbursed at a rate per kilometre as specified by the ATO from time to time.

### **9.3.4 Petty Cash**

Where volunteers or staff incur out of pocket expenditure in accordance with the reimbursement of expenses (detailed above) and the out of pocket expenditure is less than \$100 a claim may be made for reimbursement from petty cash.

Petty cash claims must be evidenced by appropriate supporting documentation, e.g. a receipt or paid invoice.

The petty cash float is to be secured and maintained by the Administration Officer.

Sufficient detail regarding the expenditure must be supplied to enable the expenditure to be recorded on a petty cash voucher.

## **9.4 Security and Reporting**

### **9.4.1 Bank Accounts**

Multiple bank accounts and/or term deposits are maintained by the organisation with the aim of maximising interest while maintaining cash flow and ensuring the security of funds. Funds may be transferred between accounts to maximise interest.

All organisation bank accounts are reconciled on a monthly basis.



All bank transactions are detailed in the bank register of the monthly financial reporting and reviewed by the Board.

All EFT payments and cheques are required to be authorised by a minimum of one Director.

### **Payment authorisations**

Value	Authorisation required
Less than \$5,000	1 signatory from the Board
More than \$5,001	2 signatories at all times, from the Chair and another Director of the Board

Bank accounts/term deposits comply with funding body requirements for the security of funds.

### **9.5 Balance Sheet Reconciliations**

The Administration Officer performs monthly balance sheet reconciliations and an individual reconciliation of each balance sheet account is performed. Balance sheet reconciliations are made available to the Auditor and Board on request.

The balance sheet reconciliation is reported in the financial reporting to the Board.

### **9.6 Insurance**

Comprehensive, sufficient and appropriate insurance policies are maintained to meet statutory and funding body requirements, and for the protection of office holders, staff, visitors and assets.

Where a venue is hired for the purpose of conducting an event, conference or other form of meeting, staff must ensure the venue provides public liability insurance for attendees.

Insurance policies are reviewed annually to ensure adequate cover and minimise insurance expense.

Insurances are adjusted and additional insurance sought if required due to substantial purchases or ventures.

The organisation ensures insurance policies are current, sufficient and that adequate documentation is maintained and supplied to insurers/brokers.

A commercial insurance policy is maintained incorporating public liability, property, fire and theft, with the value of assets insured adjusted annually based on the asset register.



## **9.7 Audit**

To satisfy the financial reporting requirements of the Department of Commerce, the WAKF Constitution, and Australian Accounting Standards as they apply to a non-reporting entity. The WAKF employs an accredited independent auditor to prepare Special Purpose Financial Statements.

The Auditor is appointed at the discretion of the Board.

## **9.8 Financial Disputes**

The WAKF welcomes information and feedback from members, clients and stakeholders to improve the quality of its products and services, including the way in which it conducts financial transactions.

The WAKF considers the complainant's right to privacy and will handle complaints in a fair, equitable and timely manner.

Any dispute between the WAKF and its employees regarding the way in which it conducts financial transactions will be handled by referring to the Member Protection Policy Dispute process.

## **10 Monitoring and Evaluation**

The WAKF will regularly evaluate this policy and make revisions to ensure it reflects the needs of members.

Recommended changes to this policy may be submitted to the WAKF for consideration. Management will review the recommendations and forward to the WAKF Board who have the authority to make any changes to this policy.

Should changes be accepted, the policy would be updated, dated and circulated to members.

## **11 Relevant Policies and Forms**

This Policy should be read in conjunction with the WAKF Risk Management Plan and Risk Register.

Related Western Australia Karate Federation documents include the following:

- Western Australia Karate Federation Constitution
- Australian Karate Federation Member Protection Policy

## **12 References**

This policy is based on the following documents:

- Legislation
- Associations Incorporations Act 2015 (WA)



- The Cooperatives Act 2010 (WA)
- Corporations Act 2001 (Commonwealth)
- Lotteries Commissions Act (WA)
- Websites
- Australian Accounting Standards: <http://www.aasb.gov.au>
- Australian Business Register: <http://www.abr.business.gov.au>
- Australian Tax Office: <http://www.ato.gov.au>
- Australian Federation of Employers and Industries: <http://www.afei.org.au>
- WA Department of Commerce <http://www.commerce.wa.gov.au/>
- Quality and Accreditation Standards
- EQulP4, Provided by the Australian Council on Healthcare Standards (ACHS)
- Standard 3.1: The governing body leads the organisation's strategic direction to ensure the provision of quality, safe services.
- Criterion 3.1.2: Governance is assisted by formal structures and delegation practices within the organisation.

### 13 Revision History

Version	Date Reviewed	Date Approved	Content Reviewed/ Purpose
1	NA	July 2019	Original version. New Policy
2	Feb 2020	March 2020	Various amendments following regular review of policy





## Attachment B – Financial schedule

### Association registration

Association number: A0760061T  
Association Name: Australian Karate Federation WA Inc.  
Date of Incorporation: 05/05/1976

### Business registration

Business name: WEST AUSTRALIAN KARATE FEDERATION  
Registration date: 26/11/2013  
Address: 5 Stirling Waters Ave Stirling WA 6021  
Holder: AUSTRALIAN KARATE FEDERATION WESTERN AUSTRALIA(INC.)  
ABN: 88 306 388 109

### Nominated Bank account

Financial institution: BANKWEST  
Account name: Australian Karate Federation (WA)  
Account number: 306-065 4195615