



Financial Delegation and Management Policy

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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 Australian Karate Federation WA (herein referred to as the WA Karate Federation or 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 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 Constitution.

The WAKF will achieve this through:

- Access to a suitably qualified person to support the financial activities of the WAKF as required.
- Adequate support by means of a financial sub-committee or advisory group established as required.
- An approved budget for the year is determined and that expenditure is incurred within budget, unless changes to the budget are approved by the relevant party.
- Sufficient income is available to meet the budget requirements.
- All funding agreements are adhered to and acquitted as required.



- Regular review of the financial records are undertaken and financial reports presented for review by the sub-committee and/or Board on a regular basis.
- All legal and taxation requirements are attended to and delivered on time.
- Budget is made available to purchase and maintain up to date financial software.
- An audit is completed in accordance with the Constitution, expectations of key government stakeholders and at a frequency necessary to ensure good financial governance.
- Decisions regarding investment are resolved in accordance with this policy.

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
- Financial decisions should align with the WAKF core values of commitment, consistency, and community.
- 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 provides professional development to Board and staff in financial management practice, including fraud awareness, prevention, detection and investigation on an as required basis. Specific training and development needs may be identified for each group as a part of workforce planning.

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 or make delegations to specific roles.

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 and approved by the Board where they are of an ongoing nature. Any specific delegations delegated to Committees or roles that are not of an enduring nature may be made by the Board and must be recorded in the Minutes of Meeting, along with a review date nominally set to 12 months from the decision.

Any expenditure of \$5,000 or more must be approved by the Board before it is incurred, whether this is included as part of an approved budget or not.

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

Approval represents a contractual commitment to purchase goods or services (e.g. authority to spend) or receive monies and as such all approvals shall be undertaken prior to purchase or banking transactions.

This policy includes the finance delegations included in the table below.

Finance Delegation – Approval Table

Level of Authority	Function	Delegated Authority for items included in an operational budget approved by the Board
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1	Board	<p>Expenses to the value of \$5,000 and above, Board Approval is required</p> <p>Expenses less than \$5,000 and is included in an approved budget, approval is delegated as set out below.</p> <p>For all expenses not included in the approved budget, Board approval is required.</p> <p>Annual budgets, Board approval required.</p> <p>All contracts for external professional services (e.g. consulting advice, branding, reviews and audits), Board approval required.</p> <p>Contracts excluding external professional services (e.g. Health services, catering, medals, venue etc) are managed the same as other expenses.</p>
2	Sub-Committees	<p>Committees may be delegated approval to approve purchases within a budget agreed with the Board.</p> <p>For example a Committee may be provided delegated approval for purchases competitions, special event or state team.</p> <p>The Finance & Audit Committee shall provide support to the Board for all financial matters including annual budgets and recommendations for all expenses presented to the Board.</p>
3	Executive Officer	<p>The EO in conjunction with the Chairperson has delegated authority to accept and acquit grant funding on behalf of the Board.</p> <p>The EO has delegated authority to approve expense items that form part of the approved annual budget in accordance with the above conditions. Expense items individually shall not exceed \$5,000.</p>
4	Administrati on staff	<p>Staff may receive delegated authority to approve expense items that form part of the approved annual budget in accordance with the above conditions. Expense items individually shall not exceed \$1,000. This may include venue hire costs, equipment hire costs etc.</p>



8.2 Finance and Audit Committee

Please refer to the Terms of Reference for this committee.

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 allocated Staff to 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 Finance and Audit Committee. The Board will conduct an annual budget planning process, reviewing actual expenditure against projected financial performance.

9.1.1 Annual Budget and reporting

Prior to each financial year, the EO and allocated staff shall prepare an Annual budget for review by the Finance & Risk Committee, and approval by the Board.

Budget templates and project checklists are to be developed and utilised in all budgeting processes.

The EO shall oversee performance against the annual budget and operational budgets and provide a financial report to the Finance & Audit Committee. The Finance & Audit Committee will provide an overall report to the Board against the budget and plan.



9.1.2 Operational Budgets

Staff are required to present operational budgets to the Executive Officer for key projects and day to day operations prior to commencement of the event season, activity and/or project. This includes (but not limited to);

- State Squad Training & development program including training, camp, presentation dinner.
- State Team Tours including national championships and associated travel and accommodation
- Events including competitions, training seminars and regional seminars
- Projects outlined in the Operational Plan

Staff are to be supported by relevant operating committees and other volunteers in development of the operational budgets, including Head Coaches.

The Executive Officer will present the operational budgets to the Finance & Audit Committee to be included in the Annual Budget for Board approval.

Allocated staff members are required to monitor their operational budgets and provide regular reports of actuals versus budgets to the EO, on a monthly basis. The EO shall oversee the operational budget and provide an operational report to the Finance & Audit Committee.

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.

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

The following requirements shall apply to all purchases.



Requirements for purchase of goods/services

Value of goods/ services	Information required for approval	Approval
Up to \$1,000	1 quote unless the purchase reflects an ongoing supply arrangement (e.g. equipment hire) and the selection of the provider has already recently been market tested	Within budget
\$1,001 - \$5,000	Min 2 quotes unless the purchase reflects an ongoing supply arrangement (e.g. Venue hire) and the selection of the provider has already recently been market tested	Within budget / Board approval
\$5,001- \$10,000	Min 3 quotes (open tender if possible)	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 for processing.

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

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

All purchases must be supported with a tax invoice.

9.3.2 Exemption from purchasing requirements

Board and staff shall endeavour to meet the purchasing arrangements at all times. An exemption from the purchasing requirements may be approved by the approving authority (the role with the delegated authority) where the purchase meets the following principles:

- The purchase is time critical such that there is insufficient time to seek alternate quotes; or
- There are no alternative suppliers known to the WAKF; or
- The WAKF seeks supply from a nominated single supplier; and
- Proceeding with the purchase is in the best interest of members; and
- There are no known conflicts of interest involved in the purchase.



9.3.3 Reporting of breaches with purchasing requirements

All breaches of the purchasing requirements, and all exemptions granted shall be reported to the EO, who will include in the report to the Finance & Audit Committee.

9.3.4 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) authorized prior to incurring the expenditure.

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, or
- (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 must be included with any claim of expense. The claim form is available from the WAKF website. 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 WAKF 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.

9.3.5 Travel related expenses

It is the responsibility of the volunteer or staff to ensure that arrangements are agreed prior to any travel related expenses being incurred.



Where travel is requested by the WAKF, volunteers and/or staff will be entitled to be reimbursed for the costs incurred for the most direct and economical mode of travel available after considering all of the circumstances. It is the volunteer and/or staff'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.

Where volunteers and/or staff are offered a part-payment of the estimated or actual expenses or other payment arrangement for travel related expenses by the WAKF, then the responsibility for any expenses over and above this payment arrangement remain the responsibility of the volunteer and /or staff.

9.3.6 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 and recorded in the financial system by the Administration Officer.

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

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 being a member of the Finance & Audit Committee
More than \$5,001	2 signatories at all times, from the Chair and another Director of the Board being a member of the Finance & Audit Committee

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

The banking software utilised by the WAKF may require two signatures (or two levels of approval) for transactions at a lower limit than nominated here. In these cases, two signatures (or two levels of approval) must still be provided. Demonstration of alignment with this policy must be met.

9.5 Financial reporting

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

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

The Administration Officer performs monthly reconciliations with the banking accounts in recognised financial software. All reporting is to be based on the financial software and is made available to the Board and auditors as required.

The WAKF will ensure that it meets its reporting obligations to the ATO and other relevant government departments (including the Government Department responsible for the management of community sport) in conducting its affairs.

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.

9.7 Audit

To satisfy the financial reporting requirements of the Government Department responsible for the Associations Incorporation Act (e.g.) Department of Mines, Industry Regulations and Safety, funding partners, the 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 as required. 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:



- Constitution
- 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
- EQUiP4, 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
3	July 2022	July 2022	Various amendments following review of the policy, including strengthening of provisions for operational budget planning and delegations of authority



Attachment A – 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