

HEALTH SERVICES AUSTRALIA LIMITED**BOARD OF DIRECTORS' FINANCIAL DELEGATIONS 2006/2007**
(approved 4th August 2006)

The attached delegations reflect the Board's intention that delegates are responsible and accountable to operate within their operational and capital budgets. Delegates now have an additional test to consider whether expenditure (operational or capital) is budgeted or not.

As a result, the Board has introduced a new layer of delegations for non budgeted items. Where an item has not been budgeted, then the Board is very clear that delegate approval is required either from the COO, CFO, MD or the Board, depending on the dollars involved.

As a general guide, the following tables might assist delegates in their decisions.

CAPITAL ITEMS

Is the item contained in the capital budget?		
Yes	Yes	No
Amount is fully budgeted	Item was in the budget but budgeted amount is insufficient	
Exercise delegation	Seek appropriate delegate (MD, COO, CFO) approval based on dollar threshold involved	Seek appropriate delegate (MD, COO, CFO) approval based on dollar threshold involved

OPERATIONAL ITEMS

Is the item contained in the operational budget?		
Yes	No	No
	Is expenditure a direct cost and results from generating revenue above budgeted levels?	
Exercise delegation	Exercise delegation	Seek appropriate delegate (MD, COO, CFO) approval based on dollar threshold involved

If you have any doubt as to whether an item is included in your operational or capital budget, then please contact Paul Leyton, Manager Governance and Financial Projects on 02 6269 2116 in the first instance.

These delegations should be read in conjunction with the notes found on page 7.

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Delegation type Delegations can only be exercised for cost centres under the delegate's responsibility.	Managing Director (2) (3)	Chief Financial Officer (3)	Chief Operating Officer (2) (3)	General Managers / Managers (1)	HO Executive (4)	HO Manager (5)	HO Accountant (6)	Business Manager/ Operations Manager	Office Manager / Client Services Manager / Finance Manager	Defence Manager	Senior Medical Adviser	Purchasing Card Holders not covered by an expenditure delegation (7)
Operational Expenditure for <u>Budgeted Items</u> excluding group training which is subject to a separate delegation)	\$1 000 000	\$500 000	\$500 000	\$150 000 \$75 000 (WSYD / WOLL/ACT /WA)	\$150 000	\$50 000	\$30 000	\$30 000 (SYD /NEWC /VIC /QLD /SA /WA /NT /ACT)	\$15 000 (SYD / NEWC / HAS / VIC / QLD / SA / WA / NT) \$7 500 (ACT / WOLL / WSYD) Western Sydney Immigration Team Leader only \$500 (TAS)	\$5 000 (SA / WA / TAS) \$10,000 (WSYD / VIC / QLD)	\$2 000	\$2 000
Operational Expenditure - non <u>Budgeted items</u>	\$500 000	\$200 000	\$200 000									
Power to enter into contracts/ agreements for <u>Budgeted operational purchases</u>	\$1 000 000	\$500 000	\$500 000	\$150 000 \$75 000 (WSYD / WOLL/ACT /WA)	\$150 000	\$50 000					\$2 000	
Power to enter into contracts/ agreements for <u>non Budgeted operational items</u>	\$500 000	\$200 000	\$200 000									

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Capital/Asset Purchases for Budgeted Capital Items (8) (excluding fitout which is subject to a separate delegation)	\$500 000	\$250 000	\$250 000	\$50 000 \$25 000 (WSYD/ WOLL/ACT /WA)	\$50 000	\$20 000 To limit of Board approved projects	\$5 000					
Capital/Asset Purchases - non Budgeted Capital Items	\$500 000	\$100 000	\$100 000									
Power to enter into contracts/ agreements for Budgeted Capital items	\$500 000	\$250 000	\$250 000	\$50 000 \$25 000 (WSYD/ WOLL/ACT /WA)	\$50 000							
Power to enter into contracts/ agreements for non Budgeted Capital items	\$500 000	\$100 000	\$100 000									

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Expenditure on group training	To limit of approved budget	\$20 000	\$20 000	\$1 500	\$1 500 To limit of approved budget - Chief Corporate Affairs							
Leases & Fitout - new sites / properties / buildings (11)	Yes where lease term is <= 5 years & fitout <= \$300 000.											
Leases - renewal of existing sites /properties/buildings including any associated fitout changes	\$1 000 000	\$500 000	\$500 000		\$500 000 - Chief Corporate Affairs only							
Fitout - changes to existing sites / properties / buildings	\$100 000	\$50 000	\$50 000	\$10 000	\$50 000 Chief Corporate Affairs only							

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Write-Offs												
(a) Assets - written down value	\$200 000	\$50 000	\$50 000	\$10 000 \$5 000 (WSYD /WOLL/ACT /N/A)								
(b) Irrecoverable revenue & debts	\$200 000	\$50 000	\$50 000	\$10 000 \$5 000 (WSYD /WOLL/ACT /N/A)								
(c) Losses/ deficiencies	\$200 000	\$50 000	\$50 000	\$10 000 \$5 000 (WSYD /WOLL/ACT /N/A)								
(d) Overpayments of HSA monies	\$200 000	\$50 000	\$50 000	\$10 000 \$5 000 (WSYD /WOLL/ACT /N/A)	\$20 000 Chief Corporate Affairs – payroll only							
Acquisition of other business activities	Yes	Yes	Yes									
Sale of Assets - Written down value	\$200 000	\$50 000	\$10 000	\$10 000 \$5 000 (WSYD /WOLL/ACT /N/A)								

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Approval of Payroll expenditure	Yes	Yes			Yes - Chief Corporate Affairs only							
Power to open bank accounts (9)	Yes	Yes					Yes					
Investment of surplus monies (10)	Yes	Yes					Yes					
Entering into Loans/ Borrowings Arrangements	\$500 000	\$100 000										
Power to accept liability for novated leases under salary sacrifice arrangements	\$200 000	\$50 000			\$50 000 - Chief Corporate Affairs only							
Approve overseas travel/ spouse travel	Yes											
Power to determine liability for loss/ damage of company property or monies	\$200 000	\$50 000										
Power to settle claims against company	\$200 000											
Power to approve legal assistance for officers of the company	\$200 000											
Recovery of loss resulting from incident involving company vehicle	\$200 000	\$50 000										

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NOTES:

1. General Managers exercise delegations across all cost centres in their regions.
2. During any absence by the Managing Director, the Managing Director's delegations across all companies would be exercised by the Chief Operating Officer.
3. For expenditure relating to Board Directives, unlimited. The Managing Director, Chief Financial Officer and Chief Operating Officer delegations can be exercised across all cost centres within the company.
4. Executives cover the members of the HO Executive (currently consisting of the Chief Financial Officer, Chief Information Officer, Chief Corporate Affairs, Chief Operating Officer). For operational and capital expenditure relating to Board approved projects, to the limit of Board approval.
5. HO Managers covers the operational managers of the HO units who are direct reports to the HO Executive (currently IT Service Delivery Manager, Enterprise Architect, Applications Manager, National Facilities and Services Manager, Manager Internal Audit, Employee Relations Manager, National Marketing Manager, National Quality Project Manager, National Client Manager).
6. HO Accountants include Business Analysis Manager, Senior Accountant, Financial Accountant and Manager Governance & Financial Projects.
7. Credit card delegation limit is an expenditure approval limit, not a transaction limit.
8. Asset purchases >\$500 000 to be approved by the Board.
9. The opening of bank accounts requires the involvement of 2 delegates
10. In accordance with Treasury Policy.
11. All new leases with a term exceeding 5 years and fitout costs exceeding \$300 000 to be approved by the Board. All property is considered "Group" property and as such, will be subject to HSA Delegations.