



Stellenbosch

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Delegation Framework: Policy



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forward together
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saam vorentoe

Delegation Framework: Policy

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¹ Rules Owner: Head(s) of Responsibility Centre(s) in which the rules functions.

² Rules Curator: Administrative head of the division responsible for the implementation and maintenance of the rules

Stellenbosch University

Policy for an SU Delegation framework as approved by SU Council on 30 September 2013

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1. Introduction

- 1.1. The competency and responsibility to manage Stellenbosch University (SU) are entrusted by the Higher Education Act, Act 101 of 1997, as well as the SU Statute, to the Rector as Chief Executive Officer. This competency and responsibility entails the governance of a wide range of aspects, those being the academic, administrative, financial and physical facilities, as well as the staff and students of SU.
- 1.2. Subject to this policy, approved by the SU Council, the Rector uses a set of delegations to aid him in the execution of this extensive task and to determine a suitable procedure.
- 1.3. In the utilisation of said delegations, the requirements and principles of applicable codes and guidelines on corporate governance must be adhered to. Principle 2.17 of the King III Report dictates that Council ensure that a framework for delegations, each with its own levels of importance, be established. This is done by this policy.

2. Definitions

In this document, the following terms have the indicated meaning, unless another intention is clear from the context:

Liability: In a legal technical sense, the exposure to sanctions as a result of the non-execution of a responsibility.

Competency: The legally vested capacity to fulfil a function.

Delegation: An order to exercise an indicated competency, to perform an obligation, or, in general, to deal with competencies and obligations that are related to an indicated function or functions.

Committees and delegations: The chair of a committee serves as that committee's delegate.

Responsibility: An obligation to execute a function.

Plenary powers: The competency to legally enter into a contract in the name of the University. 'Authorisation' and 'signing powers' have a similar meaning.

3. Application of the policy

By default, this policy applies to all staff members (permanent and temporary) who are employed in the management corps of the University, in faculties, departments, centres, bureaus, institutes, and in the support services, as well as to all students, and also to the members of the statutory bodies of the University, as well as to the members of companies controlled by the University.

This policy consists only of the policy document itself. Any and all supporting documents, such as the delegation framework, SU's organograms, delegation register and other addenda and the examples are supplementary to the policy and do not form part of it. This policy document and other are managed and amended in accordance with the directives of this policy.

4. The purpose of this policy

The purpose of this policy is to set out directives for the governance of delegations at SU and to provide guidelines for the establishment of a delegation framework and supporting processes and systems.

5. Aims with this policy

- 5.1. To confer security of justice to management decisions, delivery and obligations for and on behalf of SU.
- 5.2. To manage risks in a general sense.
- 5.3. To protect the institutional image of SU.
- 5.4. To provide guidance to persons who are responsible for receiving and conferring delegated powers and competencies.
- 5.5. To prescribe the format in terms of which delegations are received and conferred.
- 5.6. To ensure that a delegation framework is available for everyone who is concerned with it.
- 5.7. To ensure and to put a mechanism in place that delegated powers are conferred correctly and are reviewed from time to time.
- 5.8. To ensure better coordination and identification/delineation of roles and responsibilities regarding receiving and conferring of delegations.

6. Principles and guidelines for delegation of competencies and responsibilities

This policy provides the foundation for the delegation process at SU. Delegations are a key element for effective control and good corporate management, and occur according to a fixed framework and strong discipline.

- 6.1. In accordance with article 20(4) of the Higher Education Act, Act 101 of 1997 (hereafter 'the Act'), SU is a legal person geared towards presenting study programmes and related teaching activities and towards conducting research (articles 1, 28(1) and 32(2)(b) of the Act); towards setting up academic, physical and support service infrastructure and financial systems and processes; and towards conducting all the aforesaid activities sustainably.
- 6.2. The Act and the SU Statute entrust Council (see articles 1 and 27(1) of the Act and paragraph 11(1) of the Statute) and the Rector, as Chief Executive Officer of SU (see paragraph 4(4) of the Statute and article 30 of the Act), respectively, with the competency and responsibility for controlling and managing these activities.
- 6.3. Because no single organ or office-bearer can carry out all activities of an intricate organisation, provision must be made that governance competencies and obligations are assigned by means of delegation to different organs and functionaries of the organisation (paragraph 3,

decision of Council of 9 December 1999).

6.4. This policy has the purpose of arranging the delegation of competencies and responsibilities with a view to legally valid decision-making, operational and administrative effectiveness and healthy corporative management, among others through the following:

- 6.4.1. The establishment of a uniform and consistent, university-wide, applicable framework;
- 6.4.2. The elucidation of mutual relationships between institutions and officeholders (which includes responsibility and reporting lines);
- 6.4.3. The devolution of decision-making down to the most effective management level;
- 6.4.4. The promotion of informed and well-founded decision-making and reporting;
- 6.4.5. The well-founded and clear conferment of plenary powers to conclude contracts in the name of the University, and signing powers for said contracts;
- 6.4.6. The limitation and management of risks; and
- 6.4.7. The establishment of mechanisms and procedures for the management of delegations.

6.5. With a view to the aforesaid, it has been determined that the delegation of competencies and responsibilities at SU:

- 6.5.1. Will be done in accordance with the principles below;
- 6.5.2. Will be anchored in the hierarchy of the organigram of SU, document 1 of the related documents as listed in par.8;
- 6.5.3. Will be established through a process of delegation, in accordance with the stipulations of the delegation framework, as contained in document 5 of the related documents as listed in par.8; and
- 6.5.4. Will be managed by means of the delegation register and the list of plenary powers.

6.6. This policy has been drawn up with due observance of the directives of the Higher Education Act, Act 101 of 1997, as amended, other applicable legislation, the University's Institutional Intent and Strategy, the environment plans of SU and of the applicable responsibility centre (RC) environments, the approved budget, as well as the ethical codes and codes of conduct and other Council decisions.

6.7. Delegations at SU are done in accordance with the general principles of Contract and Administrative Law, and with a view to the protection and proper utilisation of University assets.

6.8. This policy applies in general regarding delegations at SU, as it is embodied in the delegation framework. It does not however prohibit delegations in accordance with particular policy, or *ad hoc* delegations or granting of plenary powers in certain cases.

6.9. Conferring and exercising of delegations and plenary-powers competencies are carried in accordance with the following principles:

- 6.9.1. The delegation of a competency or a responsibility is done when those with certain competencies empower specific office-bearers or institutions to conclude activities on behalf of the University, unless it is expressly stated that the delegation is done without power of disposal.
- 6.9.2. A delegation does not deprive the delegator of the capacity to carry out the competencies concerned or to discharge the particular responsibilities.
- 6.9.3. Only formal and clearly defined delegations by a competent delegator will be valid. The delegate must also formally accept the delegation concerned.
- 6.9.4. Delegations to an office-bearer are only valid with regard to the responsibility sphere of the functionary concerned, and as such are a reflection of the organisational structure. The delegated competencies accompany the office and not the bearer.
- 6.9.5. If the person to which a competency has been delegated is temporarily unable to act, the delegator himself or herself can act or appoint an observer.
- 6.9.6. Delegations are subject to such limitations, conditions and directions as the delegator can set out. Deviation from such limitations, conditions and directions in specific cases will only occur based on permission granted by the delegator on a case-by-case basis.
- 6.9.7. Action on the grounds of a delegation occurs in conjunction with all applicable statutory requirements, and in accordance with University policy and procedures.
- 6.9.8. The recipient of a delegation does not have the power to delegate his delegated competencies and responsibilities to another person, unless the competency to sub-delegation is stated either expressly or is necessarily implied from the delegation order.
- 6.9.9. If a person or institution acts in accordance with a delegation, the delegator cannot reject said action, unless another intention should appear from the delegation, but the delegation must be revised to prevent unacceptable outcomes in the future.
- 6.9.10. A delegator can withdraw, qualify or amend a delegated competency or responsibility, or order that the recipient of a delegation may temporarily not act.
- 6.9.11. All delegation orders, as well as the acceptance thereof, are formally recorded, either in writing or electronically, in a delegation register that is continuously updated. Delegations are thusly recorded in a fixed and consistent style.
- 6.9.12. The delegation framework is revised from time to time.
- 6.9.13. Exercising of delegations is subject to the SU Conflict of Interest Policy.
- 6.9.14. Delegations are equally important in the case of learning and teaching, research, community interaction, finances, support services and operational units.

- 6.9.15. Delegations in accordance with the Occupational Health and Safety Act, Act 85 of 1993, apply along with ordinary delegations, and are also linked to the hierarchy of the organisation structure. This also includes the responsibilities that the Chief Risk Officer (Rector) has set out in accordance with the levels of risk management at different levels of the organisation.
- 6.9.16. The delegator must ensure that delegations to the delegate are clear and comprehensible and are accurately conveyed.
- 6.9.17. Council delegation and University signing powers are submitted to Council for approval.
- 6.10. The consideration of the levels of materiality is a very important aspect in the exercising of delegations. In accordance with principle 2.17 of the King III Report on corporate management, Council must determine the acceptable level of materiality for events/transactions that must be revealed to Council and approved by Council.
- 6.11. There are various existing approval levels for different actions, as well as statutory requirements for the sale and purchase of immovable property and for the entering into loans and overdraft bank facilities, in accordance with articles 20 and 40 of the Higher Education Act, Act 101 of 1997, as amended.
 - 6.11.1. Article 20 stipulates that the University may not, without the concurrence of Minister of Higher Education and Training, dispose of or alienate in any manner any immovable property obtained with the financial assistance of the State or grant to any person any real right or servitude thereon.
 - 6.11.2. Article 40(2)(a) and (b) stipulate that the University must obtain the approval of the Minister of Higher Education and Training beforehand for entering into loans or overdraft banking facilities, unless the sum of it along with the University's existing short-term and long-term obligations (i) do not exceed such upper amount as the Minister has determined for the institution, or (ii) in the absence of such determination, do not exceed 5% of the average income of the organisation for the preceding two years.
 - 6.11.3. Article 40(3)(a) and (b) require ministerial permission for the construction of a building or infrastructural development, the purchasing or long-term lease of immovable property if the value thereof exceeds an upper limit of 5% of the average income for the preceding two years.
- 6.12. The manner in which delegations are anchored in SU's organisational structure and are hierarchically devolved, is set out in the delegation framework (document 5 of the related documents) and is summarised in framework for delegation levels (document 3 of related documents).

7. Control over this policy

7.1. Responsibilities

- 7.1.1. The owner of this policy is the Vice-Rector (Learning and Teaching), who, as line manager of the Registrar, is accountable for policy being developed within his/her responsibility centre, for the policy, delegation framework, delegation register and supporting systems and processes existing, being updated and implemented, and for a curator and related structures and roles being designated and functioning efficiently.
- 7.1.2. The curator of this policy is the Registrar and he/she is responsible for ensuring the formulation, approval, revision, communication and availability of this policy, as well as the delegation framework, delegation register and supporting systems and processes. This policy's curator is also responsible for the interpretation and for the implementation of the policy and supporting framework. The curator periodically, as needed, brings together a task team for the revision of the policy or the supporting framework and supporting processes and systems.
- 7.1.3. The Rector and each RC head are responsible for ensuring that any delegation or amendment to delegations be recorded in accordance with this policy, and that the policy, the delegation framework, delegation register and supporting processes and systems be followed and adhered to for delegations within their respective responsibility areas and levels.

7.2. Monitoring and reporting

- 7.2.1. The owner of this policy is liable and the curator is responsible for putting the necessary controls in place for the monitoring and reporting of the policy and for annually reporting to the RMT and Council.
- 7.2.2. In cases of non-compliance of this policy, the normal line management practices will apply.
- 7.2.3. Any breach of the policy must be reported to both the Policy Owner and Risk Management Committee.
- 7.2.4. Disciplinary steps can be taken against any member who neglect or are remiss in adhering to the requirements of this Policy, who do not act in accordance with a delegation, or who would act without delegated competency.

7.3. Review of the policy

- 7.3.1. This policy must be reviewed triennially and submitted to Council for approval.
- 7.3.2. The curator must also see to it that any amendment, addition or other change to delegated competencies be made within the context of the framework, in the delegation framework and delegation register. Such amendment, addition or other change to delegated competencies takes effect on the date recorded in the delegation register.

8. Standard processes, related documents and supporting systems

In furtherance of efficiency and effectiveness, systems and processes must be developed in support of this policy, and the delegation framework and delegation register must be aligned as far as are applicable and feasible with other similar systems and processes, in particular the risk management system and process.

Related documents also include the following:

- Document 1: Organigram of Stellenbosch University;
- Document 2: Levels of safety and risk management of Stellenbosch University;
- Document 3: Framework of delegations with levels of competencies and responsibilities;
- Document 4: Council and Senate Committees of Stellenbosch University;
- Document 5: Delegation framework;
- Document 6: Further sub-delegations (levels 4 – 5); and
- Document 7: Schedule of signing powers.