What Is a Delegated Authority?

Idea In Short

A delegated authority is a documented grant that lets a person make specified decisions or commitments on behalf of an organization. It should name the role, scope, limits, conditions, duration, and escalation route. Delegation places authority closer to the work, but it does not remove accountability from leaders who establish the framework or from individuals who exercise it. Keep delegations aligned with budgets, procurement policy, and contract-signing rules. Train people to recognize the boundaries and verify authority before commitment. Review the schedule when roles or risks change, and preserve a record of decisions made under it.

Organizations need people to make decisions without referring every purchase to the most senior leader. Delegated authority gives employees defined power to approve or commit resources within a governance framework. It makes decision rights explicit and establishes boundaries that protect the organization. The acquisition.gov source material describes contracting authority as a written grant with limits. More generally, delegation should be specific enough that employees can tell what they may approve, and leaders can see how decisions remain accountable.

Distinguish authority from responsibility

Authority is the formal power to make or approve a decision. Responsibility describes the work a role is expected to perform. Accountability identifies who must answer for the outcome. These concepts may belong to different people. A procurement specialist can prepare a sourcing recommendation, a budget owner can confirm funding, and an authorized executive can approve the commitment.

Delegation does not erase the delegator’s obligation to establish controls or the delegate’s duty to act within limits. A person who accepts authority should understand the decision, review the evidence, and escalate matters outside their scope. The OECD's

Recommendation on Public Procurement links accountability and capacity to effective procurement governance. Clear delegation helps align authority with the skills and responsibilities needed to exercise it.1

Define the boundaries in writing

A delegation should identify the role or named person, the decisions covered, financial limits, conditions, duration, exclusions, and escalation route. It should clarify whether authority covers purchase approval, supplier selection, contract signature, contract changes, or acceptance. These powers may be assigned separately. An employee authorized to approve a requisition may not be authorized to sign a contract.

Limits can depend on more than value. A low-cost purchase with sensitive data or high continuity impact may require specialist review. A long-term commitment or exception may need a higher approver even when its initial cost falls below a threshold. The Government Functional Standard for Commercial describes authority limits alongside decision roles, assurance, and accountabilities. Organizations can adopt this integrated view without adopting another jurisdiction's specific scheme.2

Delegate to capable roles

Authority should sit with people who have enough context, competence, and capacity to make the assigned decision. Delegating contract approval to an employee who cannot assess the commercial risks creates a formal limit without effective control. Provide training, reference materials, and access to specialist advice. The person exercising authority should know when to seek help and when to stop.

The World Bank's procurement planning guidance frames planning as a fit-for-purpose process whose depth should correspond to context, value, complexity, and risk. Delegation can follow that principle: routine, well-understood decisions may be handled at lower levels, while unusual or material decisions need stronger oversight.3

Preserve checks and prevent misuse

Separate duties where practical. The person who requests a purchase should not automatically approve it, select the supplier, authorize payment, and confirm receipt. Small

organizations may use compensating reviews, such as periodic audits or approval by a manager outside the transaction. Avoid allowing a delegate to approve their own conflict of interest or bypass a required control.

Specify how the organization handles temporary absence, emergency decisions, and possible redelegation. A substitute should receive only the necessary authority, for a defined period, with clear limits. Keep the delegation schedule up to date and revoke powers promptly when roles change. UNCITRAL's Model Law on Public Procurement highlights transparency and accountability in procurement procedures; documented authority supports those principles by showing who could make each decision.4

Communicate and verify authority

Publish the delegation schedule in a place employees can find. Explain how limits interact with budgets, procurement policy, signing rules, and contract amendments. Suppliers should be able to verify who is authorized to communicate or bind the organization when appropriate. Do not assume that an employee’s title or email signature proves authority.

Before making a commitment, a delegate should confirm that the decision falls within their scope and all required approvals are complete. If a transaction crosses several limits, follow the more restrictive rule or escalate. Record approval in the agreed system. The Asian Development Bank's strategic procurement planning guidance emphasizes fit-for-purpose approaches tied to project outcomes; clear authority lets teams execute a chosen strategy without uncertainty about who may act.5

Review delegation performance

Monitor whether delegated decisions are timely, complete, and within policy. Review samples of transactions, exception rates, contract changes, and audit findings. Ask whether employees have enough authority to act or whether too many routine decisions are escalated. Conversely, repeated errors or unexplained exceptions may call for tighter limits or additional training.

Review the scheme when organizational structure, budgets, strategy, or risk changes. Remove outdated names, clarify ambiguous terms, and communicate new limits before they take effect. The European Commission's Better Regulation framework uses evaluation and

proportionality to improve policies over time. Similar review can keep delegation useful as an organization changes.6

Delegated authority works when it is clear, matched to capability, supported by controls, and reviewed. It enables timely decisions while preserving accountability for the resources and outcomes involved. A concise, accessible schedule is one of the simplest ways to prevent uncertainty about who may commit an organization.

- 1Recommendation on Public Procurement
- 2Government Functional Standard GovS 008: Commercial
- 3Project Procurement Strategy for Development Guidance
- 4UNCITRAL Model Law on Public Procurement
- 5Strategic Procurement Planning
- 6Better Regulation

Summary

Delegated authority is useful when it is clear, current, and proportionate to the work. It gives employees confidence to act within limits while helping leaders retain oversight of material decisions. Organizations should define conditions and exclusions, maintain accessible records, and check whether delegation produces timely decisions without weakening controls. Authority should follow capability and responsibility, not simply seniority or habit.