

Board Paper

12 February 2014

Paper Title	Financial Scheme of Delegation Update
Paper Reference:	NRW B O 13.14
Paper Sponsored By:	Kevin Ingram, Executive Director Finance and Corporate Services
Paper Prepared By:	Andrew Jervis, Head of Financial Services

Purpose of Paper:	To provide the Board an update on the redraft of the Financial Scheme of Delegation.
Recommendation:	Approve the revised Financial Scheme of Delegation
Decision Required:	Yes

Impact: To note – all headings might not be applicable to the topic	Impact on the Environment: Sound financial management is key to the success of the business. The Financial Scheme of Delegation outlines the authority vested in staff to ensure proper control over the expenditure of public funds. Impact on the Economy: No impact Impact on Community: No impact Impact on Knowledge: No impact
--	--

Introduction

1. The Financial Scheme of Delegation (FSoD) establishes delegated responsibility for financial decisions. The current FSoD has been in place since vesting and it was felt enough time had elapsed to review and where appropriate revise sections. The revised document covers all NRW (Natural Resources Wales) activities and now negates the need for the continuation of previous FSoD documentation. This is an iterative process and will require further reviews and revisions as the business matures; by default, the revisions will become less but it is appropriate given the importance of the document that any revisions are approved by the Board.

Proposal

2. The revised scheme is a harmonisation of the current NRW Scheme and the three legacy Schemes and negates the need to look at four documents for individual delegated authority. The revised document is the NRW Financial Scheme of Delegation.
3. There will be further revisions to the FSoD as the business matures and the organisational design changes. All new iterations of the document will be presented to the Board for approval.
4. It is a difficult exercise without a harmonised grade system to establish authorisation levels. The revised document is based on an organisation management level approach utilising the current Organisational Charts.
5. The levels of authorisation are as follows:

Level 1 – Chief Executive
Level 2 – Executive Directors and Directors
Level 3 – Leadership Team
Level 4 – Direct reports to Leadership Team

6. Delegated Authority stops at Level 4. It is accepted that there will be delegation required below this level in certain areas of the business. If these sub-delegations are required these should be agreed formally with the relevant Executive Director. The FSoD Co-ordinator should be notified and any requests for sub-delegated authority should be made in consultation with the Head of Business Support Service. This will then provide a robust audit trail. It should be recognised that by having sub-delegation that this does not abdicate responsibility from the appropriate Executive Director and ultimately the Accounting Officer.

All approved sub-delegated powers will be time limited and reviewed by the FSoD Co-ordinator on a regular basis to ensure they are still required and appropriate. To ensure adequate independence is exercised over the register of sub-delegated powers a review of FSoD Delegations will be included in the Annual Internal Audit Plan.

It is felt that the above approach will ensure appropriate delegation at the correct level, remaining at Level 4, but the sub-delegation offers flexibility into the organisation in a period of change and as it matures.

Longer term it is anticipated that sub-delegation would only be in exceptional circumstances

7. All of the revisions are in line with the NRW Framework Document issued by Welsh Government.
8. The new Finance/HR system is being configured to incorporate FSoD delegations within its workflow functionality.

The full FSoD is at Annex 1.

Proposals and Next Steps

9. If approved by the Board the next stage of the process will be to communicate the FSoD to staff via the normal communications methods - intranet, Managers Monthly Guide and team meetings.
10. Any concerns or clarification should be sought from the Financial Scheme of Delegation Co-ordinator who sits within the Finance and Corporate Services Team.

Risks

11. Future revisions of the FSoD will be required in conjunction with the ongoing organisational change. Unless this happens key components of the delegation may be missed.
12. The revised document is about empowering staff. There is always the possibility that limits could be exceeded. It is felt however with the internal control framework in place this is a low risk.

Financial Implications

13. There are no financial cost implications.

Communications

14. Once approved the new FSoD will be placed on the intranet, managers will be made aware via the Managers Monthly Guide so that it can be cascaded via their regular departmental/team meetings.

The revised format document is easier to follow with direct intranet links to the sections officers wish to consult.

Annex 1 – Financial Scheme of Delegation