

AMENDMENTS TO FINANCIAL DELEGATIONS POLICY O200

Purpose of Report

To seek Council approval of proposed changes to Policy O200 Financial Delegations.

Recommendations

Officers recommend that the Council agree the following recommendation from the Finance Audit and Risk Committee:

1. *Receive the Amendments to Financial Delegations Policy O200 Report.*
2. *To approve the changes to Policy O200 Financial Delegations with amendments to the unplanned expenditure delegations as agreed (FAR 2019/40).*

1. Executive Summary

Council approved minor changes to the O200 Financial Delegations Policy in August 2019 incorporating changes relating to the combined roading contract with Carterton District Council (CDC). Due to further structural changes resulting in the new role of Group Manager Partnerships and Operations and the recent shareholding with Wellington Water Limited (WWL), officers have reviewed and updated the Policy for changes in titles and reviewed some delegation levels. The proposed changes were taken to the Finance Audit and Risk (FA&R) Committee meeting on 11 December 2019, and are now being brought to Council for final approval.

2. Background

Council approved changes to the O200 Financial Delegations Policy at the 7 August 2019 meeting.

Amendments are now being proposed to cover recent changes to job titles, the shareholding in WWL, and a number of other small changes.

3. Discussion

Attached at Appendix 1 is the revised Financial Delegations Policy which shows the proposed amendments as tracked changes.

Amendments include:

- Changes to job titles since the last review
- Addition of the Communications and Human Resources Manager roles to the delegations
- Addition wording regarding the WWL statutory powers due to SWDC becoming a shareholder.
- Deletion of the Assets and Operations Managers (AOM) role due to this function now being carried out by WWL.
- Addition of the Human Resources Manager (HRM) as a signatory on SWDC bank accounts due to removal of the AOM role.
- Changes to of the delegation levels for Capital expenditure – emergency works from up to \$10,000 to up to \$50,000. This is a result of feedback from Audit New Zealand, that some of the financial delegations were too low.
- Financial delegations for stock write offs changed from requiring the CEO to approve to any two of the Group Manager Corporate Support (GMCS), Finance Manager (FM) and Group Manager Partnerships and Operations (GMPO).
- Financial delegations for water use waivers changed from requiring the CEO to approve to any two of the Group Manager Corporate Support (GMCS), Finance Manager (FM) and Group Manager Partnerships and Operations (GMPO). The water waiver policy is attached at Appendix 2 for information for those Councillors not familiar with the policy.
- It was agreed that FA&R recommend to Council an increase the threshold for the CEO to approve unplanned expenditure including the use of reserve funds. The recommendation from FA&R is that this threshold be increased to \$100K and specific mention is made of the CEO approving using reserves when appropriate. The proposal is that the CEO would consult with the Mayor before doing this and also advise Councillors of proposals so that they are aware and can discuss via e-mail if there are strong objections. The recommendation is also that if the Reserve in question is in deficit, or the proposed expenditure will put it into deficit, the CEO needs formal Council approval to do so.

The increases in delegation levels are in response to Audit NZ recommendations from recent Audit reports as follows:

3.1 Low delegation levels

We continue to recommend the District Council review the Delegations Policy and take into account that some areas of operation have inherently higher levels of expenditure than others and it may be practical to have higher delegations within these areas.

The review of the Financial Delegations Policy was presented to FA&R for their review in December 2019 and they now make their recommendations to Council for their approval.

4. Appendices

Appendix 1 – O200 Financial Delegations Policy

Appendix 2 – N1100 Water by meter water leak write off policy

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Appendix 1 – O200 Financial Delegations Policy



Financial Delegations Policy

1. Introduction

The South Wairarapa District Council (SWDC) Financial Delegations Policy sets out the delegations to the Chief Executive and staff of SWDC.

2. Financial Delegations

2.1 Council's authority to delegate to Officers comes from Schedule 7 Clause 32 of the Local Government Act 2002.

2.2 The matters Council cannot delegate are also listed in Clause 32 as follows:

- a. the power to make a rate; or
- b. the power to make a bylaw; or
- c. the power to borrow money, or purchase or dispose of assets, other than in accordance with the long-term plan; or
- d. the power to adopt a long-term plan, annual plan, or annual report; or
- e. the power to appoint a chief executive; or
- f. the power to adopt policies required to be adopted and consulted on under the Act in association with the long-term plan or developed for the purpose of the local governance statement; or
- g. the power to adopt a remuneration and employment policy.

2.3 Schedule 7 Clause 32(7) also states:

To avoid doubt, no delegation relieves the local authority, member, or officer of the liability or legal responsibility to perform or ensure performance of any function or duty.

The following section outlines financial delegations for the Chief Executive and sub-delegations to staff to approve transactions in a financial capacity.

2.4 Delegation of authority and authority limits

SWDC has specific responsibilities with regard to financial delegations of authority and authority limits.

2.5 Expenditure Delegations

The Chief Executive has a schedule of staff who have expenditure delegations. The schedule can be found in Appendix 1 of this policy.

All delegations are for expenditure that has been budgeted for in the Annual Plan (AP) or the Long Term Plan (LTP).

Once every three years, Council prepares an LTP, in the other two years an AP is prepared. References to delegations for the LTP in this policy relate to expenditure that has been budgeted for in the **first year of the Long Term Plan** (LTP).

Any expenditure above approved Annual Plan or the Long Term Plan amounts must be authorised by the CEO.

All transactions must comply with the Procuring Goods & Services Policy (M500).

2.6 The Chief Executive sub-delegates the authority to raise purchase orders and authorise invoices for payment to a maximum of \$100,000 to:

- Group Manager Planning and Environment (GMPE)
- Group Manager ~~Infrastructure and Services~~ [Partnerships and Operations \(GMPOIS\)](#) and
- Group Manager Corporate Support (GMCS)

2.7 The Group Managers may further sub-delegate the authority to raise purchase orders and authorise invoices for payment as per the table in Appendix 1:

- Building Team Manager
- Environmental Services Manager
- Roothing Manager
- Amenities Manager
- Asset & Operations Manager
- Finance Manager
- [Planning Manager](#)
- [Communications Manager](#)
- [Human Resources Manager](#)

2.8 The Amenities Manager sub-delegates to the Branch Librarians at Featherston, Greytown and Martinborough Libraries, the authority to purchase books for their Library to the value of \$1,000 per transaction. These purchases are Capital Expenditure.

2.9 The Chief Executive delegates to the Featherston, Greytown and Martinborough Community Boards and the Maori Standing Committee annual budgets for Operational expenditure for them to use as appropriate. The Community Boards are also delegated Capital expenditure for them to use as appropriate. Purchase orders and Invoices for Community Board (CB) and Maori Standing Committee (MSC) expenditure will be approved by the Finance Manager (FM) or Group Manager Corporate Support (GMCS) based on resolutions from CB and MSC meetings.

2.10 **Delegation Form and Specimen Signatures**

All new Managers commencing in roles with Financial Delegation will complete and sign a Delegation form. This form provides a specimen signature for the Finance team and auditors. Originals of these forms will be held by the Accounts Payable Officer.

Temporary delegation forms will be completed where a person has been asked to "Act" in a role for a period of more than one week while the incumbent is on leave.

If a delegation form has not been completed then all expenditure will need to be authorised by the Manager one up from the person who is absent. For example, the CEO will sign on behalf of the GM Planning & Environment, the GMPE will sign on behalf of the Building Team Manager etc.

The Delegation form is attached as Appendix 3 of this policy.

2.11 Financial Management

The Chief Executive has delegated authorisation to manage SWDC finances within the Council approved annual budget. This includes:

- Opening and operating accounts with the Council's selected bankers as necessary for the conduct of Council business
- Reviewing the services provided by the selected banker, opening and operating accounts with, and accepting banking services from, other registered banks (if and when required)
- Investing Council funds in accordance with investment policies, strategies, limits and security requirements
- Monitoring the circumstances of approved institutions and reporting back to Council should they be, or appear likely to be required to be, excluded from use for investment purposes

The Chief Executive can sub-delegate any of these authorities to the Group Manager Corporate Support.

2.12 Contracts

The Chief Executive is delegated authority to enter, sign, go to market, and vary contracts for the supply of goods or services on behalf of the Council to the value of \$500,000 that have been budgeted for in the Annual Plan or Long Term Plan.

The Chief Executive has delegated authority to enter, sign, and go to market for programmed infrastructure renewal and maintenance contracts (\$500,000 or more) that have been budgeted for in the Annual Plan or Long Term Plan.

2.13 The Chief Executive sub-delegates the authority to enter, sign, go to market and vary contracts to a maximum of \$100,000 to:

- Group Manager Planning and Environment
- Group Manager [Infrastructure and Services](#) [Partnerships and Operations](#) and
- Group Manager Corporate Support

2.14 All delegations in this clause are for expenditure that is budgeted for in the Annual Plan or Long Term Plan. Any expenditure above approved Annual Plan amounts must be authorised by the CEO. All transactions must comply with the Procuring Goods & Services Policy (M500).

See Appendix 1 for further detail on the financial delegation limits for various transactions.

2.15 Ruamahanga Roads

From 1 July 2019, South Wairarapa District Council (SWDC) and Carterton District Council (CDC) have entered into a joint contract to provide roading maintenance and capital works as part of a joint network covering the roads in both districts. The two roading teams will work as one to deliver this contract via the lead contractor Fulton Hogan. On a day to day basis, the SWDC Roding Manager may authorise roading works to occur within the Carterton District. Likewise, the CDC Senior Roding Officer may authorise roading works to be done in the South Wairarapa District. Delegated authority is given to these two positions up to \$75,000 for work covered by the joint contract. Anything over the delegated amount, or which is not covered by the joint contract, will be approved in line with normal delegation policies for each respective council. Clear records will be kept to ensure that expenditure on roading in one district is paid for by that district and that claims from NZTA for that district are received by that district. The purpose of this delegation is to ensure the smooth running of the roading shared service between SWDC and CDC known as Ruamahanga Roads.

2.16 Wellington Water Limited

On 1 October 2019, SWDC became a shareholder of Wellington Water Limited (WWL). This means that WWL carries out the day to day operating of SWDC's three waters networks. As part of this relationship the Service Level Agreement (SLA) with WWL provides for the following statutory powers to be delegated to WWL to enable them to manage the three waters networks

Exercise of Statutory Powers

2.16.1 Council by this agreement appoints the Chief Executive Officer of Wellington Water (CEO) as its officer and gives the CEO the following powers to exercise on the Council's behalf:

2.16.2 the general powers of entry given to a local authority by section 171 of the LGA 2002;

2.16.3 the powers given to a local authority in an emergency or where there is danger, by section 173 of the LGA 2002, provided Wellington Water notifies Council of the event as soon as possible; and

2.16.4 the powers in relation to construction of works on private land given to a local authority by section 181 of the LGA 2002.

2.16.5 Council (acting through its Chief Executive) shall delegate to Wellington Water and Wellington Water Personnel such further Statutory Powers as are necessary to enable Wellington Water to provide the Management Services.

2.16.6 The CEO may, subject to the terms of any delegation, delegate any of the powers set out in clause 2.16.1 and 2.16.7 to Wellington Water Personnel, other than the power to further delegate the power.

2.16.7 Council may, by separate written delegation, delegate additional powers to the CEO.

[2.16.8 Council may from time to time issue initial or additional sealed warrants to Wellington Water Personnel identified by Wellington Water as suitable to hold a warrant as are required to enable Wellington Water to provide the Management Services.](#)

[2.162.17](#) **Payment Authorisation**

The Chief Executive or Manager responsible for an operational area may authorise payments for goods and services, provided these have been purchased in accordance with Council policy.

Any two of the following signatories must sign together to operate the Council's accounts, endorse cheques or other lodgements for credit or debit:

- Chief Executive
- Group Manager Planning and Environment
- Group Manager ~~Infrastructure and Services~~ [Partnerships and Operations](#) and
- Group Manager Corporate Support
- Finance Manager
- [Roading Manager](#)
- [Human Resources Manager](#)
- ~~[Assets and Operations Manager](#)~~

All electronic funds transfers must be authorised by designated signatories, one of whom must include the Group Manager Corporate Support or the Finance Manager.

3. **Chief Executive Delegations**

Under section 42 (2) of the Local Government Act 2002, the Chief Executive has delegated authority and responsibility for:

- Implementing the decisions of the local authority;
- Providing advice to members of the local authority;
- Ensuring that all responsibilities, duties, and powers delegated to any person employed by SWDC, or imposed or conferred by an Act, regulation, or bylaw, are properly performed or exercised;
- Ensuring the effective and efficient management of the activities of SWDC;
- Maintaining systems to enable effective planning and accurate reporting of the financial and service performance of the local authority;
- Providing leadership for the staff of SWDC;
- Employing the staff of SWDC; and
- Negotiating the terms or employment of the staff of SWDC.

3.1 **Staffing Matters**

All SWDC staff are employed by the Chief Executive.

3.2 **Planning Documents**

The Chief Executive has delegated authority to implement any proposal or matter included in a Long-Term Plan or Annual Plan that has been adopted by Council.

3.3 Delegation to facilitate Council borrowing generally

The Chief Executive has delegated authority to facilitate Council borrowing with recognised banking institutions including the Local Government Funding Authority (LGFA).

3.4 Delegation to the Chief Executive under Local Government Official Information and Meetings Act 1987

The Chief Executive has authority under the Local Government Official Information and Meetings Act 1987, to determine:

- Whether a request for information is to be refused; and/or
- Whether a charge is to be imposed
- Whether a request for information should be transferred.

3.5 Civil Defence Emergency Management

The Chief Executive has delegated authority for undertaking planning, operational and co-ordination measures to ensure effective and efficient use of resources before and during a state of civil defence emergency, including an overview of the Council's participation in the civil Defence Emergency Management Group.

The GMISPO is the Response Manager in the event of a declared emergency.

The GMCs is the Recovery Manager in the event of a declared emergency.

The Mayor has the authority to declare a civil emergency for the district if necessary.

4. Affixing the Common Seal

Any two of the following are authorised to execute documents under seal:

- Heris Worship the Mayor
- Deputy Mayor
- Chief Executive

5. Finance Department Delegations

The Finance function of SWDC is responsible for financial and accounting management, revenue and rates, internal audit, as well as internal IT systems.

5.1 Fees and Charges

The Chief Executive sub-delegates to the Group Manager [Infrastructure and Services Partnerships and Operations](#), the Group Manager Planning and Environment and the Group Manager Corporate Services authority to determine fees and charges for any of the Council's facilities and services and vary any of the fees and charges on reasonable grounds. Where fees for services are required to be consulted upon with ratepayers (e.g. Resource Management Act), the relevant Group Manager will make recommendations and approval will be granted by Council once the consultation process has been completed.

5.2 Debts

The Chief Executive sub-delegates to the Group Manager Corporate Support (GMCS) authority to write-off bad debts as considered appropriate, subject to all reasonable steps having been taken to obtain recovery. The Chief Executive or GMCS will report

to the Finance Audit and Risk Committee any write-offs of rates debts and sundry debtor accounts over the value of \$5,000 for any one ratepayer or debtor.

5.3 **Rates**

Under Section 132 of the Local Government (Rating) Act (2002) the Council delegates the exercise of functions, powers or duties conferred by this Act, to the Chief Executive, the Group Manager Corporate Support and the Finance Manager. This delegation is specific to the administration of rates collection, rates rebate eligibility, rates remissions, postponement and relief from paying rates.

Appendix 1
South Wairarapa District Council - Delegations Schedule

Financial delegation	Council	CEO	Group Manager	Managers	Other	
Planned operating expenditure within a Contract for Service						
\$0 to \$10,000		√	√		Finance Manager	
\$10,001 to \$20,000		√	√	√	Roading Manager Assets & Operations Manager Amenities Manager	
\$20,001 to \$75,000		√	√		Roading Manager with regard to Ruamahanga Roads contract	
\$75,001 to \$100,000		√	√			
\$100,001 to \$500,000		√				
Over \$500,000	√				CEO & Mayor	
Other Planned operating expenditure						
\$0 to \$100		√	√	√	Branch Librarians	
\$101 to \$3,000		√	√	√	All Managers	
\$3,001 to \$10,000		√	√		Finance Manager, Amenities Manager, Roothing Manager, Assets & Operations Manager	
\$10,001 to \$75,000		√	√		Roothing Manager with regard to Ruamahanga Roads contract	
\$75,001 to \$100,000		√	√			
Over \$100,000		√				
Planned capital expenditure						
Up to \$1,000		√	√	√	Branch Librarians	
\$1,001 to \$3,000		√	√		Finance Manager, Communications Manager	
\$3,001 to \$10,000		√	√	√	Finance Manager, Amenities Manager, Roothing Manager, Assets & Operations Manager	
\$10,001 to \$75,000		√	√		Roothing Manager with regard to Ruamahanga Roads contract	
\$75,001 to \$100,000		√	√			
\$100,001 to \$500,000		√				

Financial delegation	Council	CEO	Group Manager	Managers	Other	
Over \$500,000	√					
Unplanned expenditure, Use of reserves						
Capital expenditure – emergency works <u>or use of reserves</u> up to \$100,000		√			Use of reserves in consultation with Mayor and after advising Councillors. If Reserve is in credit and will remain in credit after the transaction. If the Reserve will be in deficit Council approval is required.	
Unplanned other work <u>or use of reserves</u> over \$100,000	√					
Signing authority						
For payment of expenditure and payroll by cheque or electronic transfer. Two signatures, one must be a Group Manager or CEO.		√	√		Finance Manager Roading Manager Assets & Operations Manager	
Sale/disposal of obsolete, surplus or non-repairable fixed assets						
Land and buildings	√					
Vehicles		√				
Plant and equipment up to \$2,000 net book value		√	√			
Plant and equipment over \$2,000 net book value		√				
Computer equipment		√	√			
Sale or disposal of library books					Branch Librarians, Amenities Manager	
Stock						
Sale of surplus/obsolete or damaged stock		√	√			
Write off stock		√	√ In consultation with GMCES	Finance Manager	Two to review and approve	

Financial delegation	Council	CEO	Group Manager	Managers	Other	
Transfer/Investment of Reserve Funds						
Transfer and payments – approved within the Annual Plan		√	Group Manager Corporate Support			
Transfer funds between Council’s bank accounts		√	Group Manager Corporate Support		Finance Manager	
Invest surplus funds (within Policy)		√	Group Manager Corporate Support		Finance Manager	
Debtors						
Write off debts up to \$5,000		√	Group Manager Corporate Support			
Write off debts excluding rates \$5,001 to \$10,000		√				
Write off debts over \$10,000					Finance, Audit & Risk	
Write off additional water usage accounts up to \$1,000 (in line with water leaks policy)		√	Group Manager Corporate Support Group Manager Infrastructure Partnerships & Operations Service s	Assets & Operations Finance Manager	Both Two to review and approve	
Write off additional water usage accounts over \$1,000 (in line with water leaks policy)		√	Group Manager Corporate Support Group Manager Infrastructure & Services	Assets & Operations Manager	Both to review and approve	
Rates penalty remission within Policy		√	Group Manager Corporate Support	Finance Manager		
Rates penalty remission outside Policy		√	Group Manager Corporate Support			

Appendix 2

South Wairarapa District Council - Schedule of Delegations by Cost centre

The following schedule indicates which Managers have the ability to authorise expenditure on which cost centres (please see Key on following page for explanation of Roles). The CEO can authorise expenditure for any Cost centre.

Cost centre	Cost centre Name	Roles that can sign for this Cost centre*
001	General	GMCS, FM
002	Corporate Servicesupport	GMCS, FM
	Communications	CM**
	Human Resources & Health and Safety	HRM**
003	Professional Services	GMIS,PO
105	Elected Members	GMCS, FM
106	Community Board Featherston	ECBF , GMCS,FM
107	Community Board Greytown	GCBG ,GMCS,FM
108	Community Board Martinborough	MCBM ,GMCS,FM
109	Maori Standing Committee	MSC,GMCS,FM
211	Public Protection & Health	GMPE, ESM
212	Building & Construction	GMPE, BM
213	Animal Control	GMPE, ESM
215	Emergency Management	GMISPO
319	Resource Management	GMPE,PM
425	Economic, Cultural & Community Development	GMCS,FM Grants per Annual plan/LTP
426	Community Wellbeing	GMCS,FM
530	Parks & Reserves	AM, GMISPO
532	Campgrounds	AM, GMPOIS
536	Swimming Pools	AM, GMPOIS
540	Library Featherston	LF, AM, GMISPO
541	Library Greytown	LG, AM, GMPOIS
542	Library Martinborough	LM, AM, GMPOIS
546	Community Buildings	AM, GMPOIS
547	Greytown Town Centre	AM, GMPOIS
548	Waihinga Centre	AM, GMPOIS
552	Cemeteries	AM, GMPOIS
554	Housing	AM, GMPOIS
557	Rental Properties	AM, GMPOIS
558	Pain Farm	AM, GMPOIS
559	Toilets	AM, GMPOIS
660	Land Transport	GMPOIS , RM
665	Unsubsidised Land Transport	GMPOIS , RM
770	Water Supply	GMPOIS , AOM
876	Solid Waste Management	GMPOIS ,

977	Wastewater	GM POIS , AOM
980	Stormwater	GM POIS , AOM

* Key to Roles	
AM	Amenities Manager
AOM	Asset & Operations Manager
BM	Building Manager
CM	Communications Manager
FCBF	Featherston Community Board
GCBG	Greytown Community Board
MCBM	Martinborough Community Board
CEO	Chief Executive Officer
ESM	Environmental Services Manager
FM	Finance Manager
GMCS	Group Manager Corporate Support
GMPOIS	Group Manager Infrastructure Partnerships & Operations Services
GMPE	Group Manager Planning & Environment
HRM	Human Resources Manager
LF	Librarian - Featherston
LG	Librarian - Greytown
LM	Librarian - Martinborough
RM	Roading Manager
PM	Planning Manager

** The Communications Manager and Human Resources Manager have delegation to approve appropriate costs in other cost centres. E.g. reprinting of new brochures (CM), advertising for new staff (HRM) as well as delegation for their own cost centre budgets.

Appendix 3

South Wairarapa District Council Delegation Form

To be completed when new Managers appointed at SWDC.

I agree to abide by all South Wairarapa District Council policies with regard to incurring expenditure and to stay within my delegation limit when exercising this delegation. I have read and understood the Financial Delegations Policy and agree to abide by the delegations appropriate to my role as outlined in Appendices 1 and 2 of the Financial Delegations Policy:

Name of employee: _____ whilst performing the Role of:

Date Delegation commences _____

Date Delegation ceases (for temporary delegations) _____

Signed by the Delegatee:

(Signature)

(Initials)

Name: _____

Title: _____

Date signed: _____

Witnessed by:

(Signature)

Name: _____

Title: _____

Date signed: _____

Appendix 2 – N1100 Water by meter water leak write off policy



WATER BY METER LEAK WRITE-OFF POLICY

1. Rationale

To provide for write-off of water by meter usage charges where genuine reasons exist to do so.

To encourage reduction in water usage through prudent application of policies.

2. Purpose

- To set out fair procedures for the write-off of water by meter charges where a leak has been detected.
- To reduce overall consumption through identification and repair of leaks.
- To recognise genuine and real hardship.

3. Guidelines

1. Current owners will be allowed one write-off under this policy per financial year.
2. The write-off will only apply where the leak identified is of such magnitude that usage will exceed the allowance set in any year. For example, a slowly dripping tap is unlikely to result in excess usage.
3. A copy of the invoice for repair is supplied. Again the nature of the repair must indicate that excess usage is likely.
4. Meter readers will be issuing notices where they suspect excess usage, at the time they read the meter. If this notice is not acted on within four weeks then this policy will not apply.
5. A write-off will be available due to council error, or the meter reading inaccurate usage.
6. If a property changes ownership during the year, usage for the rest of that year will start from nil from the time of change of ownership.
7. If a write-off is agreed, but the user has a history of usage in excess of the allowance, and estimated usage (based on historical usage) amount will be calculated and invoiced.

4. Delegation

Implementation of this policy is delegated to the Chief Executive who may further delegate as is seen fit.