

SOUTH WAIRARAPA DISTRICT COUNCIL

7 AUGUST 2019

AGENDA ITEM C2

AMENDMENT TO FINANCIAL DELEGATIONS POLICY O200

Purpose of Report

To seek Councils approval of the proposed minor change to Policy O200 Financial Delegations.

Recommendations

Officers recommend that the Council:

1. *Receive the Amendment to Financial Delegations Policy O200 Report.*
2. *Approve the change to Policy O200 Financial Delegations.*

1. Executive Summary

Council approved the O200 Financial Delegations Policy in May 2017 and minor amendments at the meeting on 9 August 2017. Due to the signing of a combined roading contract with Carterton District Council (CDC), amendments need to be made to reflect the new structure of the combined roading teams. Officers have taken this opportunity to update the rest of the Policy for changes in titles and reviewed some delegation levels.

2. Background

Council approved the O200 Financial Delegations Policy at the 17 May 2017 and minor amendments at the 9 August 2017 meeting.

Amendments are now being proposed to cover recent changes to job titles, the combined roading contract with CDC, additional wording regarding the Maori Standing Committee funding allocated in the 2019/20 budget and increased delegation levels for some roles as recommended by Audit New Zealand.

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
- Changes to some of the delegation levels after feedback from Audit New Zealand, in particular, the financial delegations for the Group Managers have been increased from \$50,000 per transaction to \$100,000 per transaction

- Financial delegations for Managers for Operating expenditure and Capital expenditure have been changed to be consistent to a maximum of \$3,000 per transaction.
- Those Managers with larger dollar value transactions are proposed to have a financial delegation for Operating expenditure and Capital expenditure to a maximum of \$10,000 per transaction i.e. the Amenities Manager, Roothing Manager, Assets & Operations Manager and Finance Manager.

These 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.

- Additional wording at paragraph 2.9 regarding the funding allocated to the Maori Standing Committee (MSC) which is to be allocated in a similar way to the Community Board funding. A paper went to the MSC meeting on 29 July 2019 explaining the process to allocate this funding and the need for appropriate resolutions to allow transparency in the spending of ratepayer money.
- An additional paragraph 2.15 has been inserted to cover the joint roading contract with CDC to manage the roading network for both SWDC and CDC's districts.

Due to the need to insert the paragraph regarding Ruamahanga Roads, this policy has not been to a Finance Audit and Risk (FAR) Committee meeting but has been circulated to FAR members for their comment and input.

It is now presented to Council for their review and approval.

4. Appendices

Appendix 1 – O200 Financial Delegations Policy

Contact Officer: Jennie Mitchell, Group Manager Corporate Support
Reviewed By: Harry Wilson, Chief Executive Officer

Appendix 1 – O200 Financial Delegations Policy



**SOUTH WAIRARAPA
DISTRICT COUNCIL**
Kia Reretahi Tātau

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 or Long Term Plan (LTP).

Any expenditure above approved Annual Plan or 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 \$5100,000 to:

- Group Manager Planning and Environment (GMPE)
- Group Manager Infrastructure and Services (GMIS) 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 ManagLeader
- Environmental Services ManagTeam Leader
- Roading Manager
- Amenities Manager
- Asset & Operations Manager
- ~~Project/Programme Manager~~
- Finance Team Leader Manager
- ~~Senior Planning Managerer~~

2.8 The Amenities Manager sub-delegates to the SeniorBranch 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 and 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 Team Leader Manager (FLM) or Group Manager Corporate Support (GMCS) based on resolutions from CB and MSC meetings.

2.10 **Delegation Form and Specimen Signatures**

All new Managers and Team Leaders 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 Leader-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 Mayor and Chief Executive are 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 \$1050,000 to:

- Group Manager Planning and Environment
- Group Manager Infrastructure and Services 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 Roothing Manager employees who are part of the SWDC roading team may authorise roading works to occur within the Carterton District. Likewise, the CDC Senior Roothing Officer team employees 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, as long as expenditure is within budget for the Council concerned. 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.~~

2.1.56 **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 and
- Group Manager Corporate Support
- ~~Project/Programme Finance~~ Manager
- ~~Amenities Roothing~~ Manager
- ~~Assets and Operations~~ Manager

All electronic funds transfers must be authorised by designated signatories, one of whom must include ~~at the~~ Group Manager ~~Corporate Support or the Finance Manager~~. ~~The Finance Team Leader may authorise payments if necessary in the absence of another signatory and with written permission from either the CEO or the GMCS.~~

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 GMIS is the Response Manager in the event of a declared emergency.

The GMCSCEO 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:

- Her 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, 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 [Working Party 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 [Team Lead Manager](#). This delegation is specific to the administration of rates collection, rates [rebate](#) eligibility, rates remissions, [postponement](#) and relief from paying rates.

~~The schedule of delegations relating to rating policies are contained in the Long-Term Plan.~~

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		√	√		Amenities Manager Finance Team Leader Manager Project & Solid Waste Manager	
\$10,001 to \$20,000		√	√		Roading Manager Assets & Operations Manager Project/Programme Manager Amenities Manager	
\$20,001 to \$510,000		√	√			
\$1050,001 to \$500,000		√				
Over \$500,000					CEO & Mayor	
Other Planned operating expenditure						
\$0 to \$100		√	√	√	Senior Branch Librarians	
\$101 to \$3,000		√	√	√	All Managers and Team Leaders Senior Planning Manager	
\$3,001 to \$10,000		√	√		Finance Team Leader Manager, Amenities Manager, Rooding Manager, Assets & Operations Manager	
\$10,001 to \$510,000		√	√			
Over \$510,000		√				
Planned capital expenditure						
Up to \$1,000		√	√	√	Branch Librarians	
\$1,001 to \$23,000		√	√		Finance Team Leader Manager	
\$3,001 to \$10,000		√	√	√	Finance Manager, Amenities Manager, Rooding Manager, Assets & Operations Manager	
\$210,001 to \$510,000		√	√			
\$510,001 to \$500,000		√				
Over \$500,000	√					
Unplanned expenditure						

Financial delegation	Council	CEO	Group Manager	Managers	Other	
Capital expenditure – emergency works up to \$10,000		√				
Unplanned other work over \$10,000	√					
Signing authority						
For payment of expenditure and payroll by cheque or electronic transfer. Two signatures, one must be a Group Manager or CEO.		√	√		Project/Programme Manager Amenities Manager Finance Team Lead Manager (with special permission) Roothing 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		√	√			
<u>Sale or disposal of library books</u>					<u>Branch Librarians, Amenities Manager</u>	
Stock						
Sale of surplus/obsolete or damaged stock		√	√			
Write off stock		√	√ In consultation with CE			
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 Team Leader Manager	

Financial delegation	Council	CEO	Group Manager	Managers	Other	
Invest surplus funds (within Policy)		√	Group Manager Corporate Support		Finance Team Leader <u>Manager</u>	
Debtors						
Write off debts up to \$5,000		√	Group Manager Corporate Support <u>In consultation with CEO</u>			
Write off debts excluding rates \$5,001 to \$10,000		√				
Write off debts over \$10,000	√				<u>Finance, Audit & Risk</u>	
Write off additional water usage accounts up to \$1,000 (in line with water leaks policy)		√	Group Manager Corporate Support <u>Group Manager Infrastructure & Services</u>	<u>Assets & Operations Manager</u>	<u>Both to review and approve</u> <u>Asset & Operations Manager</u>	
Write off additional water usage accounts over \$1,000 (in line with water leaks policy)		√	Group Manager Corporate Support Group Manager Infrastructure & Services	<u>Assets & Operations Manager</u>	<u>Both to review and approve</u>	
Rates penalty remission within Policy		√	Group Manager Corporate Support	<u>Finance Manager</u>		
Rates penalty remission outside Policy		√	<u>Group Manager Corporate Support</u>			

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, F L M
002	Corporate Services	GMCS, F L M
003	Professional Services	GMIS, F L
105	Elected Members	GMCS, F L M
106	Community Board Featherston	CBF, GMCS, F L M
107	Community Board Greytown	CBG, GMCS, F L M
108	Community Board Martinborough	CBM, GMCS, F L M
109	<u>Maori Standing Committee</u>	<u>MSC, GMCS, FM</u>
211	Public Protection & Health	GMPE, E S F L M
212	Building & Construction	GMPE, B F L M
213	Animal Control	GMPE, E S F L M
215	Emergency Management	GMIS
217	<u>Rural Fire</u>	<u>GMIS</u>
319	Resource Management	GMPE, S P M
425	Economic, Cultural & Community Development	GMCS, F L M Grants per Annual plan/ L T P
426	Community Wellbeing	GMCS, F L M
530	Parks & Reserves	AM, GMIS
532	Campgrounds	AM, GMIS
536	Swimming Pools	AM, GMIS
540	Library Featherston	LF, AM, GMIS
541	Library Greytown	LG, AM, GMIS
542	Library Martinborough	LM, AM, GMIS
546	Community Buildings	AM, GMIS
547	Greytown Town Centre	AM, GMIS
548	<u>Waihinga Centre</u>	<u>AM, GMIS</u>
552	Cemeteries	AM, GMIS
554	Housing	AM, GMIS
557	Rental Properties	AM, GMIS
558	Pain Farm	AM, GMIS
559	Toilets	AM, GMIS
660	Land Transport	GMIS , RM
665	Unsubsidised Land Transport	GMIS , RM
770	Water Supply	GMIS , AOM, P M
876	Solid Waste Management	GMIS , <u>AOM</u> , <u>PM</u>
977	Wastewater	GMIS , AOM, <u>PM</u>

* Key to Roles	
AM	Amenities Manager
AOM	Asset & Operations Manager
BTL M	Building Team Leader Manager
CBF	Featherston Community Board
CBG	Greytown Community Board
CBM	Martinborough Community Board
CEO	Chief Executive Officer
ES TLM	Environmental Services Team LeaderManager
F TLM	Finance Team Leader Manager
GMCS	Group Manager Corporate Support
GMIS	Group Manager Infrastructure & Services
GMPE	Group Manager Planning & Environment
LF	Librarian - Featherston
LG	Librarian - Greytown
LM	Librarian - Martinborough
PM	Project/Programme Manager
RM	Roading Manager
SP M	Senior Planning Manager

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: _____