



**SOUTH WAIRARAPA
DISTRICT COUNCIL**
Kia Reretahi Tātau

Financial Delegations Policy

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1. Financial Delegations Policy

1.1. Purpose

This internal Policy:

- Outlines the rules and context for South Wairarapa District Council (**Council**) delegations;
- Explains how to assign and cancel delegations; and
- Details the level of authority required to approve expenditure, set revenue, price of goods, services and carry out actions or make decisions in specific situations.

1.2. Scope

This internal Policy applies to all staff (permanent, fixed term) and contractors at the Council that are referred to as staff throughout this policy.

1.3. Principles

Council supports the principle of effective and efficient decision-making, and timely conduct of Council business. To assist in achieving this, Council authorises the Chief Executive Officer (**CE**) to undertake financial management activities and expend within prescribed limits. The CE also subdelegates authority to staff for effective operation.

1.4. Limitations

The council's ability to delegate functions comes from Clause 32, Schedule 7 of the Local Government Act 2002 (**LGA**).

In accordance with the LGA, Council may delegate any function except:

1. the power to make a rate; or
2. the power to make a bylaw; or
3. the power to borrow money, or purchase or dispose of assets, other than in accordance with the long-term plan; or
4. the power to adopt a long-term plan, annual plan or annual report; or
5. the power to appoint a chief executive; or
6. the power to adopt policies required to be adopted and consulted on under the LGA in association with the long-term plan or developed for the purpose of the local governance statement or
7. the power to adopt a remuneration and employment policy.

2. Policy Statements

2.1. Delegations:

- a. New or amended delegations must be in writing and authorised by the CE;
- b. Are to defined positions;
- c. Are for an indefinite term unless stated otherwise; and
- d. Are limited to the area of responsibility and cost centre(s) of the position as set out in their Delegated Authority Letter (Appendix 2).

Any person exercising a delegation is accountable for the results of their actions.

The Council's delegation's framework is based on the following principles:

- a. To ensure compliance with all legal requirements;
- b. To reflect the separate roles of governance and management. To reduce unnecessary complexity and promote efficiency and effectiveness;
- c. Should be delegated to those at the lowest practical level; and
- d. If consideration is being given to a decision that would alter the level of service of a significant activity, it must be discussed with the Council prior to any decision being made or commitment being given.

2.2. General rules

Delegated decisions are a decision of the Council and are binding on the Council.

Apart from the CE and CFO the delegations to officers apply to specific cost centres related to the officer's area of responsibility.

2.3. One-up rule

The one-up rule means obtaining the approval of someone senior who also has appropriate delegated authority before committing to the expenditure or making the decision. The leader initiating will be required to discuss with their manager for approval. This is usually an immediate manager (or, in their absence, the person acting in their capacity). This may be a standing open-ended approval.

The one-up rule must be used when:

- a. Specifically required, such as when seeking review of decisions.
- b. The decision may be politically sensitive.
- c. The decision relates to "sensitive expenditure."
- d. There is uncertainty as to how delegated authority should be applied.
- e. The delegated officer or a related party will, or may, personally benefit or be seen to benefit.
- f. There is, or may seem to be, a conflict of interest between the parties.
- g. Approving a temporary delegated authority (refer next section).

Note: A related party is a family member or an entity in which the delegated officer has a financial or management interest, such as a business partnership.

2.4. Temporary delegations

Temporary delegated authority:

- a. must be given to an officer to cover for another's officer's planned absence; and
- b. must be made in writing and signed by the relevant Delegated Financial Authority (**DFA**) holder or the CE.

Only the CE can give a temporary delegation to an officer who is acting in the role of a Strategic Leadership Team member (**SLT**). The authority to approve a temporary unplanned delegation sits with the one-up manager or the CE.

2.5. Non-existent positions

If a current Council bylaw delegates authority to a specific position and the position no longer exists, it is regarded as having been replaced by the relevant SLT member who may then delegate authority to an existing role.

2.6. Unclear or conflicting delegations

The Council operates under several Acts of Parliament, policies, Council and committee resolutions. Where Acts have been amended, or where legislation, delegations or policies conflict with each other the conflict must be referred to:

- a. The relevant SLT member if:
 - i. There is an apparent conflict of delegations;
 - ii. The delegations are not clearly defined or do not exist for the situation;
 - iii. There are apparent conflicting policies; or
 - iv. There is a lack of clear policy or recent appropriate precedent.
- b. If the SLT member is unable to resolve the conflict it should be referred to the appropriate Council committee.

3. Delegations Schedules

Column A

Authority to purchase.

1. Plant and equipment;
2. Capital items;
3. Goods and services within estimates; and
4. Approve variation orders on contracts up to individual limit.

The individual limits in this column are the levels to which Council officers can commit Council to expenditure.

If an officer requires work to be commissioned at a value higher than their individual limit, it must go to the next authorised person in the chain, who has a higher level of authority.

All contract variation orders must be approved within the specified limits regardless of the value of the contract awarded. Each variation order is to be treated as a separate purchase and processed accordingly.

Column B

Authority to commit Council to un-budgeted expenditure, up to the individual limits in this column. If work is required that is not budgeted and is over \$50,000, it must be approved by Council.

Column C

Authority to enter contracts within estimates or accept tenders for asset disposal:

- This applies to the sale of Council assets to external parties; and/or
- It will cover the sale of assets to staff once such assets have been declared surplus to requirements (i.e., office furniture, computer equipment etc).

Column D

Authority to make payments for.

1. Awarded contracts providing Purchase Order (**PO**) in place or a Council resolution to enter the contract exists;
2. Approved loan repayment;
3. Investments, tax and payroll payments;
4. GST payments; and
5. Agency payments relating to Greater Wellington regional Council rates.

Part (1) of this relates to all invoice processing where a PO has been raised and approved using the authority levels in Column A.

Invoices without PO's need to be approved in line with the authority levels in Column A. Contracts which have "subject to tender" and awarded with Council approval can be released as long as the payment relates to the core contract.

Any variation orders require individual approval in line with Column A. All figures are GST exclusive.

3.1. DFA Levels to positions within the Council

Job Title	Purchases A	Unbudgeted expenditure B	Asset disposal C	D See column D notes for 1, 2, 3, 4,5
CE	\$500,000	\$50,000	\$50,000	D 1,2,3,4,5
Group Manager: Infrastructure and Community Operations	\$200,000	\$30,000	\$30,000	D 1
Group Manager: Corporate Services	\$200,000	\$30,000	\$30,000	D 1,2,3,4,5
Group Manager: Planning and Regulatory	\$200,000	\$30,000	\$30,000	D 1
CDEM Controller (response in a CDEM event only)	-	\$50,000	-	D 1
Chief Financial Officer (CFO)	\$50,000		\$20,000	D 1,2,3,4,5
Corporate Support Manager	\$50,000			D 1
Community Operations Manager	\$50,000			D 1
Manager: Environmental Services	\$50,000			D 1
Manager: Building Services	\$50,000			D 1
Manager: Planning	\$50,000			D 1
Principal Engineer Rooding	\$30,000			D 1
Programme Director, Local Waters Done Well	\$50,000			D1
Principal Advisor, 3 waters	\$30,000			D 1
Principal Engineer, 3 waters	\$30,000			D 1
Library Manager	\$30,000			D 1
Principal Advisor: Asset Management	\$30,000			D 1
Principal Advisor: Project Management	\$30,000			D 1
Partnerships & Communications Manager	\$20,000			D 1
Lead Advisor: Performance & Strategy	\$20,000			D 1
Lead Advisor: Democracy and Committees	\$20,000			D 1
People and Culture Manager	\$20,000			D 1

Job Title	Purchases A	Unbudgeted expenditure B	Asset disposal C	D See column D notes for 1, 2, 3, 4,5
Lead Advisor: Information Management	\$20,000			D 1
Team Leader: Customer Experience	\$15,000			D 1
Team Lead, Finance	\$15,000			D 1
Lead Regulatory Officer, Bylaws and Animal Control	\$15,000			D 1
Lead Planner	\$15,000			D 1
Lead Building Control Officer	\$15,000			D 1

3.2. Other Delegated Authority areas

Delegated Authority to write off:

Stock and stationary	
Budget Manager and relevant Group Manager jointly	Up to \$10,000
CFO	\$5,000
Outstanding sundry income	
Sundry debts – CE	Over \$10,000
Sundry debts – Group Manager Corporate Services	Over \$5,000 and up to \$10,000
Sundry debts – CFO	Up to \$5,000
Excess water under policy	
CEO and CFO jointly	Over \$10,000
Group Manager, Infrastructure & Community Operations and CFO jointly	Over \$5,000 and up to \$10,000
CFO and Team Lead, Finance jointly	up to \$5,000

Delegated Authority to refund:

Overpayments of rates and sundry income	
Group Manager Corporate Services	Over \$10,000
CFO	Over \$10,000
Team Lead, Finance	\$10,000

4. CE Officer Delegations

4.1. Financial Delegations from Council to the CE

Schedule 1 sets out authorised financial delegations from the Council to the CE. Any transaction exceeding the authorised limit is required to be approved by resolution at a meeting by the Risk and Assurance Committee (**RAC**) (provided it falls within their delegated financial authority set out in Part A above), or by Council.

The CE can sub-delegate any of the powers and functions to staff but retains the right to perform any sub-delegation.

Activity	
Financial Management	• 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 required) • 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. • Authority to facilitate Council borrowing with recognised banking institutions under the Local Government Funding Authority (LGFA) • Investing surplus Council funds in accordance with investment policies, strategies, limits and security requirements • Transfer of funds between the Council's bank accounts • Transfer and payments approved within the Long-Term Plan (LTP) and Annual Plan. • Authority to add and remove signatories on the bank account.
Variation of Budget	Delegated the authority to vary the constituent sums that make up a budget where: • the Group Manager Corporate Services and the CFO confirm that the variation can be appropriately funded or will be funded from savings made on other sums with the same budget; and • the variation will allow the department concerned to better achieve the purpose or purposes for which the budget was adopted.
Additional financial functions	• Approve rates penalty remission outside of policy where this enables payments of rates or an agreement of a payment plan.

For the avoidance of doubt, the following financial transactions have not been authorised to be performed by the CE:

- The sale or disposal of obsolete, surplus of non-repairable land and building assets, which is required to be approved by Council resolution.

4.2. Appointment of an Interim CE

When there is a long-term absence of a CE and the Council has appointed an Interim CE, all delegations are passed on to the Interim CE.

4.3. In the CE's Absence

In the absence of the CE, and where an Acting CE has not been appointed, two SLT members may jointly undertake the CE's delegated authority provided that:

- the matter requires urgent resolution and cannot await the CE's return.

4.4. Authorised Signatories

Action	Authorised Signatories
Apply the Council Common Seal	CE Group Manager Corporate Services Group Manager Planning and Regulatory General Manager Infrastructure and Community Operations
Release Payments	Two people are authorised to release payments. Refer to payment authorisation for the current list of staff with appropriate authority

5. Individual delegations

Delegated Authority or Delegations is the authority to approve expenditure, carry out actions or make decisions on behalf of the Council in specific situations. The terms DFA or 'delegations' are identical in meaning and are used interchangeably.

Job descriptions, employment contracts or other documents that mention that a position has delegated authority do not grant the authority.

5.1. Business Unit Specific

Each Business Unit (**BU**) manager is responsible for identifying and ensuring that their staff has the delegated authority required to carry out their role.

5.2. Assigning Delegations

Each manager is responsible for identifying the relevant delegations to specific positions in their area. New or amended delegations are assigned through a Delegated Authority Form which is approved by the CE.

Managers must immediately cancel an individual's delegations and their warrant (if applicable) whenever staff leave the Council.

5.3. New, temporary and amended Delegated Authority

The Council's Delegation Authority Form describes the conditions of a position's authority. It is authorised by the CE. The letter must be countersigned by the officer to ensure that they understand the responsibilities of the DFA in their role.

the Legal Advisor and Payment Services must update the Delegations Register to add or amend the position delegation. Accounts payable and System administrators are advised to update the system where necessary.

Temporary sub-delegations where an officer is away on business or leave should be authorised by the holder of the relevant Delegated Authority Form (or the CE). The form is attached to this policy at Appendix 2

5.4. Monitoring of Financial Delegations

The Council's financial management information system (**MAGIQ**) monitors financial delegations at a transaction level.

Transactions should be referred via the system to someone with the appropriate cost centre delegation level. Compliance with delegated authority must be ensured by both the purchaser and the authorising officer.

It is expected that officers know and understand the policies and adhere to them, regardless of whether the limits allow it or not.

5.5. Disestablishment of Roles – Cancelling Delegations

When a role has been disestablished, all existing delegations, and warrants (where applicable) are automatically revoked.

the legal Advisor and Payment Services must update the Delegations Register to remove the position's delegations and file the letters in the Archived Delegations Register.

6. Financial Management and Transactions

6.1. Budgets

Seeking Approval for Overspend

Authority is delegated to commit expenditure within the budgeted amount. For a cost centre over-run, the manager must find savings within the cost centres they are responsible for. This applies to the total budget for a cost centre or the individual programme or activity budgets. Capital Expenditure (**CAPEX**) cannot be transferred to Operating Expenses (**OPEX**). The manager must also identify any impact at an activity level.

As soon as a cost centre manager becomes aware that a cost centre or activity budget may be overspent, they must discuss with their Manager and Finance. The CE has the authority to approve OPEX variances in a strategy or activity area by an amount no greater than 5% and CAPEX variances in a strategy or activity area by an amount no greater than 5% as long as the overall annual plan budget for the year is not exceeded.

Overspends up over \$20,000 for OPEX or for \$50,000 CAPEX without commensurate savings must be approved by Council. Any overspends in excess of \$100,000 without commensurate savings must be approved by full Council.

LTP and Annual Plan Budgets

The CE has the authority to approve OPEX variances in an activity area by an amount no greater than 5% and CAPEX variances in a strategy or activity area by an amount no greater than 5% as long as the overall annual plan budget for the year is not exceeded.

Use of Reserves – Budgeted and Unbudgeted

The use of reserves is approved in the LTP or Annual Plan, which are approved by Council. The CE can approve unbudgeted use of Reserves up to \$75,000 with endorsement from the CFO. RAC have no delegated financial authority and can only recommend to Council funding requests and approvals of unbudgeted expenditure.

Any other Committees not listed above have no financial delegated authority.

6.2. Fees and charges

The Council has more than 1,000 different fees and charges. They are one way the Council can recover the costs it incurs when undertaking many of its functions. The Council's Revenue and Financing Policy set the rationale for the setting of fees and charges.

They are usually set or amended as part of an LTP or Annual Plan or where there is a change in circumstance including changes in legislation.

User charges are in two categories:

- a. Charges set by Council where there is significant community interest, and/or legislative requirement to set the charge. For these, Council resolves maximum fee levels, but officers may vary charges below the maximum, within policy and process constraints.
- b. Charges that are not constrained by legislation or bylaws and where Council has determined that officers may vary charges within policy constraints.

6.3. Payment Authorisation

The following applies to staff authorising electronic payments in accordance with DFA.

Requirements in regard to payment authorisation

Description	Delegated to
Payment Authorisation	
Authority to sign to operate the Council's accounts, endorse lodgements for credit or debit and authorise electronic funds.	CE CFO Team Lead, Finance Group Manager Corporate Services General Manager Planning and Regulatory Services Group Manager Infrastructure and Community Operations

Technical Delegation to the CFO

In order to process purchase orders and payments relating to contracts and agreements approved by Council resolution, a technical delegation of \$15,000,000 is given to the CFO. This delegation will also apply to purchase orders and payment that relate to multiple cost centres and that cover more than one division.

Technical Delegation to the GM Infrastructure & Community Operations

In order to process payments relating to contracts and agreements approved by Council resolution, a technical delegation of \$5,000,000 is given to the GM Infrastructure & Community Operations. This delegation will also apply to payments that relate to multiple cost centres.

6.4. Ruamahanga Roads

On 1 July 2019, the Council and Carterton District Council (**CDC**) 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 Roading Manager may authorise roading works to occur within the Carterton District. Likewise, the CDC Senior Roading Officer may authorise roading works to be done in the South Wairarapa District.

Delegated authority is given to these two positions up to \$30,000 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. 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 the Council and CDC known as Ruamahanga Roads.

7. Appendices

7.1. Appendix 1 – Delegated Authority Form South Wairarapa District Council Delegation Form

(To be completed when new staff with financial delegations are appointed by 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:

Name of employee:	
whilst performing the Role of:	
Date Delegation commences:	
Signed by the Delegatee:	Initials
Name	
Title	
Date signed	
Witnessed by:	
Signature	
Name	
Title	
Date signed	

7.2. Appendix 2 – Temporary Delegation Form
(transfer to SWDC letter head)

**DELEGATION OF POWERS UNDER THE LOCAL GOVERNMENT ACT
AND OTHER LEGISLATION**

Background

- 1) The South Wairarapa District Council's Delegations Policy contains a record of delegations previously made by the Council to the Chief Executive and other staff, and delegations subsequently made by the Chief Executive to other staff (including financial authorisations).
- 2) The Chief Executive also has the responsibilities listed in Section 42(2) of the Local Government Act 2002, as well as the powers given to the Chief Executive by various other Acts of Parliament and by the Council's various bylaws.
- 3) The Chief Executive and other officers are able to delegate their responsibilities pursuant to Clause 32B of Schedule 7 of the Local Government Act 2002.
- 4) The Chief Financial Officer will retain the technical delegation of \$15,000,000 this position holds while acting in a Group Manager position.

Delegation

I, <Name>, <Position>, hereby sub-delegate to <Name>, <Position>,

- All of my powers and responsibilities, including my financial authorisation (limit of expenditure of up to \$xx,xxx)

subject to the conditions listed below:

Conditions

- Expenditure is restricted to items within approved budgets for which funds have been provided and all precedent actions have been completed.
- Adherence, in the exercise of this authority, to accepted Council practice and policy and any relevant statutory requirements.
- This sub-delegation is effective from <Date> to <Date>.
- This sub-delegation does not include the power to further sub-delegate to another Council officer.

Signature: (Delegating)	Signature: (Delegate)
Name	Name
Position	Position

Date:

cc: Group Manager Corporate Services
cc: Chief Financial Officer
cc: Legal Advisor

7.3. Appendix 3 – New delegated financial authority

DELEGATION OF POWERS UNDER THE LOCAL GOVERNMENT ACT AND OTHER LEGISLATION

Background

- 1) The South Wairarapa District Council's Delegations Policy contains a record of delegations previously made by the Council to the Chief Executive and other staff, and delegations subsequently made by the Chief Executive to other staff (including financial authorisations).
- 2) The Chief Executive and other officers are able to delegate their responsibilities pursuant to Clause 32B of Schedule 7 of the Local Government Act 2002.

Conditions of delegation

Authority to make payments for.

1. awarded contracts providing Purchase Order in place and correctly approved.
2. approved loan repayment
3. investments, tax and payroll payments
4. GST payments.
5. Agency payments relating to Greater Wellington regional Council rates.

Part (1) of this relates to all invoice processing where a purchase order has been raised and approved using the authority levels in Column A.

Invoices without Purchase Orders need to be approved in line with the authority levels in Column A. Contracts which have “subject to tender” and awarded with Council approval can be released as long as the payment relates to the core contract.

Any variation orders require individual approval in line with Column A. all figures are GST exclusive.

Addition of new delegation

DFA Levels to positions within the Council

Job Title	Purchases A	Unbudgeted expenditure B	Asset disposal C	D see column D notes for 1, 2, 3, 4,5
	\$	\$	\$	D

A new financial delegation is requested for the above role.

Signed (Requesting Manager)

Approved (Chief Executive Officer)

Date

cc: Legal Advisor

7.4. Appendix 4 – Amendment to delegated financial authority

DELEGATION OF POWERS UNDER THE LOCAL GOVERNMENT ACT

AND OTHER LEGISLATION

Background

- 1) The South Wairarapa District Council's Delegations Policy contains a record of delegations previously made by the Council to the Chief Executive and other staff, and delegations subsequently made by the Chief Executive to other staff (including financial authorisations).
- 2) The Chief Executive and other officers are able to delegate their responsibilities pursuant to Clause 32B of Schedule 7 of the Local Government Act 2002.

This form is to be used to remove/replace or change an existing delegated authority

Request to replace or change a delegated authority

DFA Levels to positions within the Council

Job Title	Purchases A	Unbudgeted expenditure B	Asset disposal C	D see column D notes for 1, 2, 3, 4,5
	\$	\$	\$	D
Replace with or amend to:				

Request to remove delegated authority

DFA Levels to positions within the Council

Job Title	Purchases A	Unbudgeted expenditure B	Asset disposal C	D see column D notes for 1, 2, 3, 4,5
	\$	\$	\$	D

Signed (Requesting Manager)

Approved (Chief Executive Officer)

Date

cc: Legal Advisor