

# Active Essex Scheme of Delegation



CHANGING **1 MILLION** LIVES

# Active Essex (hosted by Essex County Council) - Scheme of Delegated Authorities

13<sup>th</sup> December 2017

## 1. Introduction

1.1 The Scheme of Delegated Authority is a key internal control document for Active Essex and compliance with it at all times is mandatory, in line with the host agency (Essex County Council) financial policies and procedures.

This host agency policy sets process and procedures around who can:

- i. Enter Active Essex/ host agency into a spending commitment
- ii. Authorise payments.

And it provides:

- iii. Strong internal control process
- iv. Ensures that robust financial check and challenge is place
- v. Enables transparent and robust reporting on financial activity.

1.2 ECC Scheme of Delegation can be [found here](#):

## 2. Policy Statement

2.1 This policy, allows Active Essex staff as host agency employees, delegated authority and enables the partnership to operate the following:

- To enter Active Essex into a spending commitment on grants, goods and services, on gifts and hospitality
- The approval of payments of authorised expenditure on grants, goods and services, travel and subsistence and on gifts and hospitality
- The approval of purchase ledger payments
- The approval of grant payment processing
- The electronic authorisation required to transfer funds to a third party.
- Ensure internal controls are in place around spending
- Ensure internal controls are in place for monitoring and management of Active Essex finance.

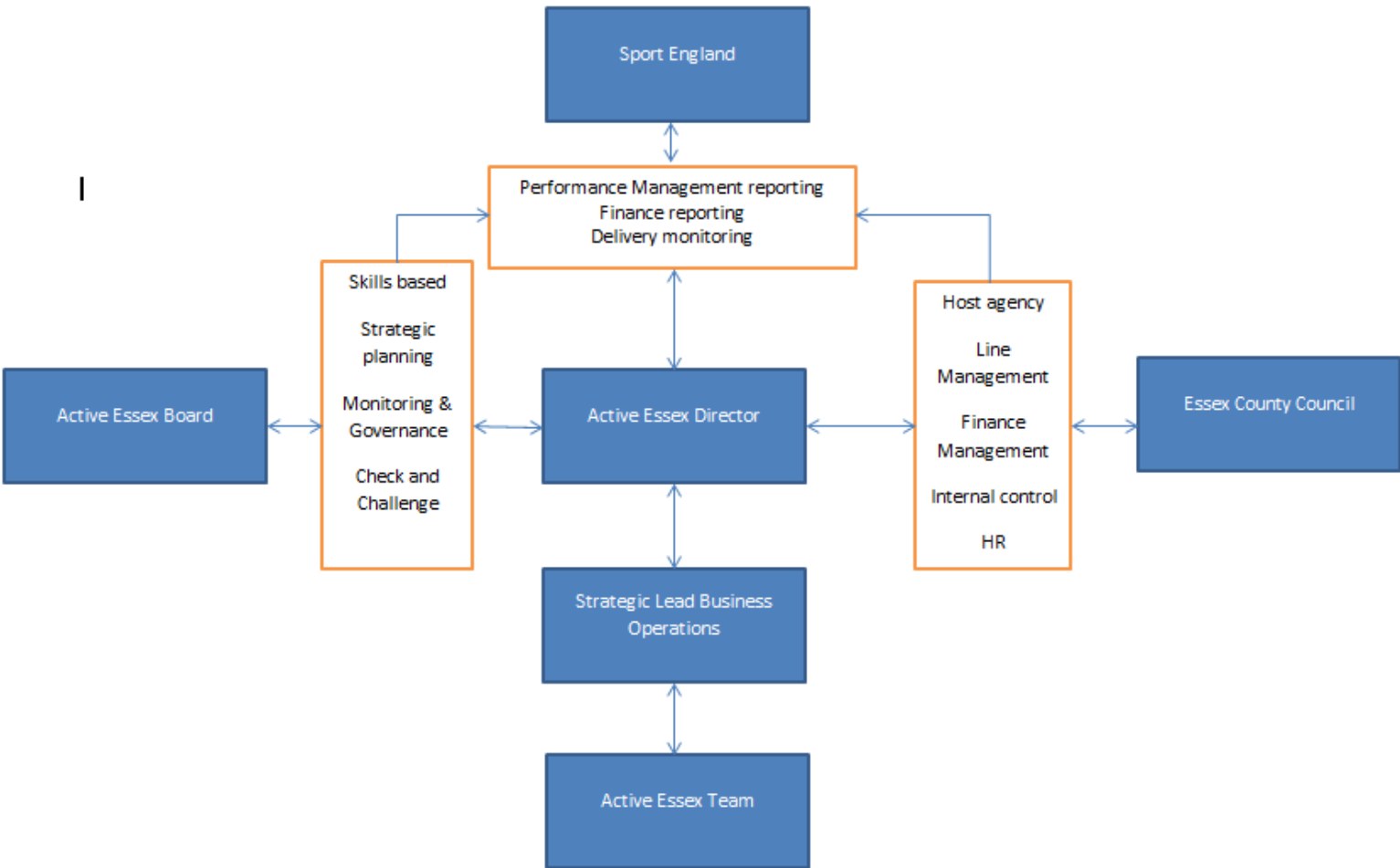
## 3. Responsibilities

3.1 Staff should ensure that they are aware of their delegated authority in the course of entering Active Essex into a spending commitment or when authorising payments.

3.2 Director of Active Essex, under host agency process is able to delegate authority. Staff, who have delegated authority will receive a training and support from the host agency. The staff member will need to ensure they remain up to date with ECC policy and procedure and adhere to this.

3.3 In considering any decision to enter into a spending commitment or approve payments, full compliance with Essex County Council's (Host Agency) policies is mandatory.

Active Essex Internal Control and Reporting Flow Chart



## **4. Implementation**

4.1 ECC Scheme of delegation depicts the authorisation process that is in place. All Active Essex staff are employed by the host agency and as a result, this scheme of delegated authority will be implemented in line with current ECC financial procedures and policies, which set out various circumstances when Active Essex staff must obtain Essex County Council's prior approval around spend controls and authorisations.

4.2 The Director of Active Essex (referred to as Head of Service in ECC policy) has Level 4 authority and can approve payment of up to £150,000.

4.3 Senior Managers have Level 5 authority to approve £50,000

4.4 These currently are:

- Strategic Lead Business Operations
- Strategic Lead, Delivery
- Strategic Lead, Education and Skills

4.5 The above areas are auditable by the external auditors, and any breaches could result in the accounts of Active Essex being qualified on the grounds of regularity. For further information on Spend Controls, please refer to the Strategic Lead for Business Operations.

## **5. Delegations of Authority**

5.1 Delegated authority, around financial operations can only occur in line with ECC policy as outlined below:

## **6. Authority to approve individual or multi-year funding programmes**

6.1 Before any grant is committed the funding envelopes for new individual and multi-year funding programmes must be approved by the relevant Delegated Authority. This is to ensure that there has been a thorough review of the overall concept and scale of the programme and that the programme fits within Active Essex's strategic objectives and priorities.

6.2 Changes or extensions to existing grant programme funding envelopes: The value of the funding envelope agreed under 6.1. together with the required increase to the funding envelope is used to determine the delegated authority level required to approve the change or extension.

6.3 Where there are significant changes to the overall concept of the grant programme, with no change to the financial funding envelope, then these changes should also be approved. The existing approved programme funding envelope value (as detailed in 4.2-4.4) is the relevant amount used to determine the applicable delegated authority.

## **7. Authority to enter into spending commitments**

7.1 (Table 1 below): Delegated Authorities have been established on the basis that the primary control will be at the point of awarding the grant and not the payment process. This is because it is at the time of awarding the grant that Active Essex becomes committed to the expenditure, the processing of the invoice/claim is simply a matter of settling an existing liability.

**Table 1. Authority to enter into a spending commitment**

Awards and operating expenditure in line with host agency process and levels.

	Grant Awards	Budgeted Operating costs
Active Essex Board	To have sight/ report of any award or payment above £50,000	To have sight/ report of any award or payment above £50,000
Director	£150,000	£150,000
Strategic Lead, Business Operations	£50,000	£50,000
Strategic Leads	£10,000	£10,000
Project Leads	£10,000	£10,000

7.2 Project Leads have authority to approve awards only for the programmes which they manage.

7.3 Under the purchase ordering system, a purchase order will be required for every order placed; this order number must be quoted on the invoice received. Failure to raise a purchase order will result in an invoice being rejected and delays in payment to suppliers.

Particular attention is drawn to the following requirements in relation to the placing of orders:

- Not to split an order into multiple orders (including linked transactions) with the express purpose of circumventing these delegations
- The need to ensure that an appropriate separation of duties is maintained at all times.

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**Table 2. Gifts and Hospitality**

(Particular attention should be paid to ensure adherence to Essex County Council's Gifts and Hospitality policy).

	Any one gift given or total of gifts to one person/organisation in a financial year.	Providing hospitality
Essex County Council	£25	£0
Active Essex Board	£25	£0
Director	£25	£0
Strategic Lead, Business Operations	£25	£0
Strategic Leads	£25.	£0

## 8.1 Stand-in delegated authority:

- 8.1 ECC policy makes provision for stand in authority. Where a delegated authority is not going to be available for any length of time (e.g. due to holiday or sickness), ECC policy allows for stand-in/ delegated authority.
- 8.2 Where a stand-in has been pre-approved then that person (the stand-in authority) is able to approve the necessary requests and values provided that they are within their usual authority levels. To aid clarity, a stand-in authority cannot authorise amounts over their usual authority levels, i.e. you cannot delegate a higher value to a lower authority level.
- 8.3 This will include requests and process within ECC for approve and recording on the Delegated Authority Authorisation.

## 9. Review Date

9.1 This Policy will be:

- Reviewed biennially by the Director and SLBO with the support of the ECC Finance Team, or earlier if required, and updated accordingly.
- The amended document to be reviewed and discussed by the Active Essex Board prior to submission to the Audit Committee.
- Reviewed, discussed and recommended for approval by the Audit Committee.
- Approved by the Board.

### Versions of this document

Version	Document Type	Updated by	Approved by the Board
V1	Original version	Director	13 <sup>th</sup> December 2017
V2	Updated		
V3	Updated		