



# Delegation of Authority

## 1. Background

Abbeyfield The Dales Ltd. ("ATD") is committed to providing services that enhance the quality of life for older people and developing services that will meet the needs of future generations. This commitment is based on the Guiding Principles, Mission and Values of Abbeyfield and it operates within a control framework that sets out the authorisation levels for all staff at ATD.

## 2. Objectives

The aim of this policy is to ensure governance procedures are clarified and followed to enable the daily operational business of ATD to be conducted effectively. In addition, there are clear authorisation levels that are commensurate with an individual's accountability and that enable quick and smooth business processes for an efficient service; whilst ensuring adequate financial controls are maintained and that RSH/HCA economic standards are adhered to.

## 3. Scope

This policy applies to all ATD staff and to all subsidiary entities of ATD.

## 4. Policy

### 4.1. Definition

The assignment of any responsibility or authority to another person (normally from a manager to a subordinate) to carry out specific activities, such as ordering goods and services.

### 4.2. Parameters

For all financial authorities, including authority to enter a contractual obligation on behalf of ATD, permissions, and limits, please refer to the tables in Appendix 1 (as amended from time to time).

The CE's limits are set by the Board of Trustees.

The Senior Management Team limits and the sub-delegation to the various departments are set by the CE and the Board of Trustees.

The Senior Management Team can reduce or remove any current authorisation for direct reporting staff members at any time. If this is done, the CE and the Financial Controller must be notified.

All staff members are required to comply with this policy and failure to do so may result in an investigation into the circumstances that may lead to disciplinary action as set out in the Disciplinary Policy.

## 5. Finance, Value for Money & Social Value

There is clear accountability for spend and defined limits of authority beyond which additional approval will be needed.

The approval levels are designed to ensure:

- There is oversight and checks on the levels of spending within ATD to ensure money spent is appropriate, necessary and gives best value.
- There is clarity and support to staff in obtaining equipment and consumables that are needed without introducing undue bureaucracy to stifle normal business operations.
- Individuals cannot acquire equipment and consumables unchecked, and whilst there is an implicit relationship of trust with all staff, the authorisation levels are designed to safeguard the organisation and the individual.
- The delegated authority and levels of approval meet the current structure in operation.
- These delegations of authority must be enhanced where possible by simple segregation of duties to ensure further levels of safety and security.

## **6. Supported Appendices**

Appendix1 - Delegation of Authority and Approval Limits

## **7. Linked Policies**

Disciplinary (S008P)

## **8. Legislation/Regulation**

Corporate governance requirements and HCA/RSH economic and VFM standards.

## **9. Review**

Every 3 years, subject to any change in corporate governance requirements.

## **10. Procedure/Guidance**

Appendix1 - Delegation of Authority and Approval Limits

## Appendix 1 Delegation of authority and approval limits

### Delegation and Spending Areas

It is appropriate to specify and define areas of authority to spend or commit Abbeyfield The Dales to cost to ensure there is clarity; the areas covered in this paper are as follows:

- Refunds and credit notes to residents, customers, and stakeholders
- Recruitment of staff
- Operating expenditure
- Annual service / maintenance contracts
- Payments to 3<sup>rd</sup> parties
- Payroll changes and expenditure (including booking of agency labour)
- Capital expenditure
- Banking and Bank transfers
- Un-budgeted expenditure & improvements
- New contracts
- Employee expenses
- Compensation & Goodwill Payments
- Details of what to do in an emergency

### Credit Notes and Write Off's

This relates to the approval of the credit note and/or write off and not the processing element.

Position	Limit	Notes
ATD Board	More than £10,000	A&R Committee receive a summary of Credit notes and write offs approved by members of SLT
Chief Executive	Up to £10,000	
Director	Up to £5,000	2 SLT Signatures
Manager	<u>N/A</u>	

### Recruitment of Staff

Approval for an increase in staffing levels beyond the agreed limits can only be given by the CE or ATD Board. This DOA includes the normal replacement of vacancies, and for any increase or decrease in individuals contracted hours.

Position	Limit
ATD Board	CE and Directors
Chief Executive	Directors and below
Director	Manager and below
Manager	<u>N/A</u>

### Operating Expenditure and Orders

This applies to one transaction or one order for goods and services that are within the approved budget and is not a 'per item' limit. Food orders may fall outside of this specific DOA when ordering on behalf of residents.

Position	Limit	Notes
ATD Board	More than £50,000	
Chief Executive	Up to £50,000	
Director	Up to £15,000	2 SLT Signatures
Maintenance Manager	Up to £1000	Per Invoice Contractor orders only.
Manager	Up to £1000	Monthly limit

NB: Any order or commitment above £50,000 must be notified to the Board

### Annual Service / Maintenance Contracts

The cost of annual service or maintenance contracts is included in the Budget the Board considers and approves each year; therefore, no further approval is required if the actual annual cost is commensurate with the budget. This part of the DOA covers any increase in cost of an annual contract, or where a contract is arranged for the servicing or maintenance of a new item.

Position	Limit	Notes
ATD Board	More than £10,000	
Chief Executive	Up to £10,000	
Financial Controller	Up to £5,000	
Manager	Up to £2,500	Maintenance/H&S Manager

### Payments to 3<sup>rd</sup> Parties

This applies to the approval of payments to suppliers and contractors by cheque, BACS, CHAPS and cash. Please note, signing for cheques etc needs to be consistent with the appropriate bank mandate (under which, any two signatories can sign).

Position	Limit	Notes
ATD Board	More than £150,000	
Chief Executive	Up to £150,000	
Director	Up to £50,000	

NB: it is deemed that the payment of approved expenditure will normally be carried out through the monthly payment of creditors; a strict segregation of duties regime will be observed in all cases. 2 signatories for all cheque payments are needed.

### Overtime, Payroll, Amendments and Expenditure

All amendments or payments will be submitted, and each element approved as appropriate.

Position	Limit
ATD Board	N/A
Chief Executive or SLT	Of the monthly payroll
Director	Of individual site overtime and amendments
Manager	N/A

NB: The full payroll will be checked by a Director and approved by the CE.

### Agency Labour

The booking of agency labour can either be pre-planned or required on an 'as needed' basis. In both circumstances, approval is required from a member of the SLT, an agency code, prior to the booking of the agency shift. This is to ensure the correct management of agency labour bookings is in place and that managers are managing their staffing resource appropriately.

Pre-planned agency requests should come from the manager of the service or an individual they delegate the task to. For 'as needed' requests this must be made by at least a member of staff who holds a supervisory role (e.g. Senior Care Assistant).

In cases of emergency, or where a member of SLT is not available to question the request and provide an agency code, then the individual can request the agency use directly from the agency labour provider, and a retrospective authorisation is requested to ensure awareness and control is maintained.

## Pay Rate Changes

Pay rates are set and approved as part of the annual budget process, the CE will be the final authorisation for the interpretation and sign off for the April pay increases. Any pay rate adjustments outside this process use the criteria below:

Position	Limit
ATD Board	CE and FC(if higher than budget)
Chief Executive	All staff up to Director Level
Director	N/A
Manager	N/A

## Property / Planned Works Expenditure (Capital and Revenue)

The Board approves the planned works programme and budget cost as part of the annual budget review and sign off. The delivery and control of the planned works programme and cost is managed by the Financial Controller who has authority to deliver the approved budget spend.

During a year, priorities may change, and the Financial Controller can vary the planned works programme being delivered as long as the overall spend does not exceed the Board approved limit. Where cost of works may be higher than expected, best endeavours will be made to make savings elsewhere (or cut works). Where this is not possible, the following approvals will be needed.

Position	Limit	Notes
ATD Board	More than 10% of the approved budget	
Chief Executive	Up to 10% of the approved budget	
Director	Up to 5% of the approved budget	
Manager	N/A	

Asset capitalisation policy dictates a value of more the £1,000 for a single or combined purchase.

## Banking & Bank Transfers

This relates to the approval of the transfer and not the processing element. Transfers to existing ATD bank deposit accounts with existing clearing banks can be done at the discretion of the CE/FC. Board must be kept informed prior to the opening of new bank account(s). Transfers to a new institution outside the confines of the existing investment policy will also require prior board approval.

A regular review and overview of deposits will be maintained by the Audit and Risk Committee.

## Un-Budgeted Expenditure and Improvements

All costs or financial commitments over £10,000 needs to be communicated to the Board.

Position	Limit
ATD Board	More than £25,000
Chief Executive	Up to £25,000
Director	Up to £10,000
Manager	No approval level

## New Contracts

This relates to the agreement for ATD to enter into any financial commitment with an organisation that isn't an approved supplier already, or an existing organisation that is providing a new service.

Position	Limit	Notes
ATD Board	More than £50,000	
Chief Executive	Up to £50,000	
Director	Up to £15,000	

## Employee Expenses

This relates to the approval of an individual expense claim.

Position	Limit	Notes
ATD Board	More than £1,000	
Chief Executive	Up to £1,000	
Director	Up to £500	
Manager	Up to £50	

### Compensation & Goodwill Payments

This relates to payments made to settle a complaint or as a goodwill gesture as acknowledgement of a failure or short coming in the high standards of service and conduct that ATD seeks to maintain and deliver.

The limits below apply to an individual payment, or a series of payments to different individuals that stem from the same cause or occurrence which in aggregate reach these limits.

Position	Limit	Notes
ATD Board	More than £10,000 or any value where the complaint or short coming involves a Director.	
Chief Executive	Up to £10,000	
Director	Up to £2,500	

### What to do in an emergency

This section provides guidance for individuals if an emergency arises that requires the commitment of resources or costs that are higher than that individual's delegated authority. For the sake of this paper, an emergency is defined as:

- An event or occurrence where there is an immediate risk to life or a person's welfare, the premises or the business that if not remedied would cause serious harm or a safety risk.
- Immediate is dependent on the situation, and a certain amount of judgement is required, but the use of an 'emergency' should not be used to circumvent normal spending or commitment approvals.

Guidance to follow if an emergency arises and resources or cost needs to be incurred that is higher than an individual's delegated authority:

1. Attempt to contact your line manager or someone senior to you to briefly describe the situation and get their agreement for you to proceed with the course of action you are taking if the cost of doing so is beyond your spending limit.
2. If you are unable to make contact and the situation becomes serious, then take the least cost option to give a temporary solution to the issue until contact can be made with someone more senior.
3. As soon as is practicably possible, contact your line manager or someone senior to you to inform them of the situation, what course of action you have taken, the cost that you have incurred, and what needs to happen next; this will need to be followed up in writing.