Cyfoeth Naturiol Cymru
Natural Resources Wales

Natural Resources Wales

Board Meeting

16 October 2013

Paper Title	**Financial Scheme of Delegation**
Paper Reference:	NRW B (O) 43.13 (Oct 13)
Paper Prepared By:	Andrew Jervis

Purpose of Paper:	To provide the Board an update on the redraft of the Financial Scheme of Delegation.
Recommendation:	To approve the revised Financial Scheme of Delegation
Decision Required:	Approval

Impact: To note – all headings might not be applicable to the topic	**Impact on the Environment –** The Financial Scheme of Delegation defines the delegated limits for financial decision making within NRW. It is a key document of the NRW Governance framework and ensures that public funds are expended effectively ensuring the key principles of propriety and regularity. **Impact on the Economy**: No impact **Impact on Community**: No impact **Impact on Knowledge**: No impact

Introduction

1. The Financial Scheme of Delegation (FSoD) establishes delegated responsibility for financial decisions. The current FSoD has been in place since vesting and it was felt enough time had elapsed to review and where appropriate revise sections. The revised document covers all NRW activities and now negates the need for the continuation of previous FSoD documentation. It must be recognised that this is an iterative process and will require further reviews and revisions as the business matures. By default the revisions will become less but it is appropriate given the importance of the document that any revisions are approved by the Board.

Proposal

2. The revised scheme is a harmonisation of the current NRW Scheme and the three legacy Schemes and negates the need to look at four documents for individual delegated authority. The revised document is the NRW Financial Scheme of Delegation.

3. There will be further revisions to the FSoD as the business matures and the organisational design changes. All new iterations of the document will be presented to the Board for approval.

4. It is a particularly difficult exercise without a harmonised grade system to establish authorisation levels. The revised document is based on a tier approach utilising the current Organisational Charts.

5. The levels of authorisation are as follows:

   Tier 1 – Chief Executive
   Tier 2 – Executive Directors
   Tier 3 – Leadership Team
   Tier 4 – Direct reports to Leadership Team

6. There are certain areas of business activities which are very specific such as Forest Operations and these have been covered in the FSoD utilising existing pay bands to ascertain the appropriate level of authority.

7. There were also areas of the business which were not covered previously and these have now been incorporated.

8. The detailed revisions for consideration and approval are in Annex 1. All of the revisions are still in line with the NRW Financial Memorandum issued by Welsh Government.
   The full FSoD is Annex 2.

Proposals and Next Steps

9. If approved by the Board the next stage of the process will be to communicate the FSoD to staff via the normal communications methods - intranet, Managers Need to Know and team meetings.

10. Any concerns or clarification should be sought from the Financial Scheme of Delegation Co-ordinator who sits within the Finance and Corporate Assets Team.

Risks

11. Future revisions of the FSoD will be required in conjunction with the ongoing organisational change. Unless this happens key components of the delegation may be missed.

12. The revised document is about empowering staff. There is always the possibility that limits could be exceeded. It is felt however with the internal control framework in place this is a low risk.

Financial Implications

13. There are no financial cost implications.

Communications

14. Once approved the new FSoD will be placed on the intranet, mangers will be made aware via the monthly Managers Need to Know notice so that it can be cascaded via their regular departmental/team meetings.