

# Financial Delegations

## Purpose

The Board adopted the Financial Delegations at its meeting on 26 October 2010. At the time it was acknowledged that those delegations would be reviewed and new delegations put in place in March or April. This paper covers the proposed new Financial Delegations.

## Background

The existing delegations were adequate to get the organisation operational but have caused a number of limitations on the organisation due to a lack of clarity over some issues.

The proposed delegations change the structure of the document and have lifted the levels of delegation for Tiers 3 and 4 but have not adjusted the delegations to the Chief Executive (CE).

The delegations to the CE reflect the delegation given on 26 October in the resolution, and have been taken directly from that source, with the addition of the constraints on delegation. Those items reflect the constraints that were contained in the previous delegations. The proposed Financial Delegations (Attachment 1) establishes a Board delegation to the CE and then allows the CE to delegate parts of his authority to staff at lower levels.

We have eliminated the financial and document distinction between operating contracts and capital contracts, as the distinction in many cases is arbitrary. A number of our maintenance contracts cover items that we regard as capital; examples are Road Contracts which have a reseal component. While many people validly regard reseals as a maintenance item, our asset management practice reflect it as a capital item. This creates confusion if delegations for capital differ from delegations for operating.

We reflect a difference, in that Operating contracts usually cover a number of years. To cover this point we provide that the contract delegation is an annual cost. Most capital items are not multi-year, and where they are most likely to exceed the \$5m limit, requiring prior approval of the Board. There will be a number of circumstances where maintenance contracts may be for longer than 3 years, but again this can be dealt with by specific approval from the Board for a longer term.

The policy also reflects that there are a number of special circumstances for delegation due to items which are sensitive or a frequent focus of public attention, these items are in a sensitive items section.

## Recommendation

It is recommended that the Board:

- i). Approve the proposed Financial Delegations Authority
- ii). Note that the CE is authorised under existing delegated authorities to amend the Financial delegations to staff at lower levels of the organisation.

## Attachment

**Attachment 1 - Financial Delegations Authority (revised final draft)**

<p><b>WRITTEN and RECOMMENDED by</b></p>	<p>Name: David Foster  <b>Title: Chief Financial Officer</b></p>	
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