

Delegation and Approval Limits Policy

Control Environment and Responsibilities

Contents

1.	Introduction	3
2.	The policy.....	3
3.	Business reasons for applying the policy	3
4.	Delegating authority and approval limits	4
5.	Responsibilities of those to whom authorities and approval limits have been delegated.....	5
6.	Transfer of authorities and approval limits in the event of planned absences (e.g. holidays)	5
7.	Transfer of authorities and approval limits in the event of unplanned absences (e.g. sickness).....	6
8.	Approval limits form.....	6
9.	Authorities that cannot be delegated.....	6
10.	Duties and responsibilities	6
11.	Delegated authorities not specified	7
12.	Organisational/ departmental change and delegated authorities	7
13.	Definitions	7
14.	Monitoring	8
15.	Contact for further information and advice	8
16.	Other	8
	Approval limits delegated by Director - template	8
	Responsibility and accountability	8
	General approval limits	9
	Specific approval limits	9
	Approval limits not delegated.....	9
	Specific approval limits	10
	Amendment to Approval limits delegated by Director – template	11
	General approval limits	11
	Specific approval limits	11
	Responsibility for profit centres.....	11

1. Introduction

Overview

This policy explains the requirements and process for delegation of authority, including approval limits.

Delegation of authority is the assignment to individuals of responsibility and accountability for specific roles and tasks.

Approval limits specify the value up to which an individual may authorise transactions falling within the scope of their delegated authorities and job description.

In a global organisation it is extremely important that all areas of the business apply financial policy in a consistent manner.

Audience

This document is for all those delegating authority and those to whom authority has been delegated, at all levels of the British Council.

Responsibilities

All staff with delegated authority are responsible for adhering to this policy. All directors are responsible for ensuring their Approval Limits forms are up to date.

2. The policy

No member of staff may exercise any authority that does not derive ultimately from the Board.

The Chief Executive Officer must exercise his delegated authority in line with the provisions of the Board's delegation to the Chief Executive Officer.

Delegated authority must be exercised within the terms and conditions of the Foreign and Commonwealth Office/ The British Council Financial Memorandum.

Delegations of authority and approval limits must be:

- specified in writing;
- kept up to date (reviewed at least annually and when staff change);
- only delegated by someone who has formally had that approval limit delegated to them;
- delegated to an individual, not a post holder

Individuals will be held both accountable and responsible for the delegated authorities and approval limits given to them and may not delegate 100% of these authorities to another individual excepting when approving cover for absences.

3. Business reasons for applying the policy

The British Council is an independent organisation incorporated by Royal Charter and a registered charity. All the British Council's authorities derive from the Royal Charter. The Charter grants the British Council's Board its authorities to conduct the British Council's business, and authorities are in turn delegated downward. Correct application of the Delegation and Approval Limits policy will help ensure that the British Council is operating within the terms of the Royal Charter.

4. Delegating authority and approval limits

- Delegations of authority and approval limits must be specified in writing using the Approval Limits Form. No delegated authority or approval limit should ever be assumed.
- Individuals may only delegate such authorities and approval limits that have been formally delegated in writing to them.
- Authorities and approval limits are delegated to an individual, not a post holder.
- All delegated authorities and approval limits must be reviewed on an annual basis and when staff and/or circumstances change. Examples of a change in circumstances requiring such a review are a change in the financial accounting system used in the British Council and a reorganisation of departmental structure.
- Changes during the year to the authorities and approval limits delegated in the Approval Limits form should be specified in writing in the Amendments to Approval Limits form. This should be signed and filed with the full Approval Limits form. If there are significant changes to the delegated authorities and approval limits then a new Approval Limits form should be completed.
- The signed Approval Limits forms should be filed in each department/ country office, with a copy sent to SAP Support UK as the central repository.
- Approval limits available for delegation are shown below. It is not necessary for a department or country to use all of the available limits.
 - £1,000 (overseas)
 - £5,000 (overseas)
 - £10,000
 - £20,000 (overseas)
 - £30,000
 - £50,000
 - £100,000
 - £250,000
 - £500,000
 - £1,000,000
 - £5,000,000

Approval limits on SAP are a range (e.g. £100,000 - £250,000). The Approval Limit form should record the top of the SAP approval limit range (e.g. £250,000).

When setting limits the Country Director/ Head of Department should be satisfied that:

- The limit reflects the operational needs of the individual;
- The individual has had sufficient experience and training to use their approval limits appropriately;
- Individuals understand that they are both accountable and responsible for any transactions they approve (see the Code of Conduct).

Note that to meet EU reporting requirements, the Procurement Team must be notified of expenditure expected to be over £80,000 in value over the life of the contract, which will not usually be for a period of more than 4 years.

SAP Environment

The approval limits set up on the SAP system (e.g. for approving (releasing) purchase orders and managing budget centres (WBS elements)) should reflect the delegated authorities and approval limits documented in the Approval Limits form.

Requests for changes to approval limits on SAP can therefore only be authorised by someone with the delegated authority over the area (i.e. purchasing group) and value of the change requested.

To request a change on SAP, the appropriate Director/ Head of Department should email an amendments to approval limits form to accompany the user change request. For more details on the details of the process refer to the user change request process.

5. Responsibilities of those to whom authorities and approval limits have been delegated

- The delegated authority/ approval limit should be exercised by an individual to perform their financial duties and responsibilities within both the guidelines of Finance policy and their individual job description. It is the responsibility of each individual to read and understand the appropriate sections of Finance policy.
- Individuals will be held accountable for the delegated authorities and approval limits given to them and may not delegate 100% of these authorities to another individual excepting when approving cover for absences (see section 6 below).
- Individuals working in a SAP environment should be aware that whilst the SAP system will allow approvals for any value on all transactions except approving purchase orders (where the value is limited to the amount set for the individual on the system), they must not approve transactions above the approval limit delegated to them in the Approval Limits form.
- Individuals should not approve payments to themselves or payments from which they will personally benefit.
- Under no circumstances should a Purchase Order/ Invoice Payment be split up into smaller amounts in order to get the payment approved.

6. Transfer of authorities and approval limits in the event of planned absences (e.g. holidays)

- It is the responsibility of the **individual** to transfer their authority and approval limits to an appropriate staff member prior to a planned absence. It should be notified in writing to the person concerned and relevant members of staff should be informed of the transfer.
- Where possible, individuals should plan to make urgent payments prior to an absence, with the remainder of transactions being dealt with through the transfer of authority.
- **SAP Environment** – once the transfer of approval limits has been confirmed in writing, action should be taken to re-assign approval limits on the SAP system in line with the written notification. To do this, email the amendments to approval limits form to accompany the user change request form. For more details on the details of the process refer to the user change request process. The processes for re-assigning approval limits for approving Purchase Orders (based on limits) and travel requests / claims (based on line management structure) on SAP differ. For further details contact the SAP Support helpdesk.

7. Transfer of authorities and approval limits in the event of unplanned absences (e.g. sickness)

- It is the responsibility of the **staff member's line manager** to ensure authorities and approval limits are transferred, if required, during the absence. The transfer should be confirmed in writing to the person concerned and relevant staff members notified as well.
- **SAP environment** – once the transfer of approval limits has been confirmed in writing, action should be taken to re-assign approval limits on the SAP system in line with the written notification. To do this, email an amendments to approval limits form to accompany the user change request form. For more details on the details of the process refer to the user change request process. The processes for re-assigning approval limits for approving Purchase Orders (based on limits) and travel requests / claims (based on line management structure) on SAP differ. For further details contact the SAP Support helpdesk.

8. Approval limits form

The approval limits form identifies the following:

General approval limits – this table details the SAP role (where relevant) and limit up to which each named staff member may approve the following:

- payments;
- journals,
- orders;
- grants;
- credit notes;
- the issuing of corporate credit cards.

Specific approval limits – this table details approval powers delegated to each named staff member in addition to the general powers set out in the general approval limits.

Responsibility for profit centres – this table details the profit centres each listed individual has the responsibility for managing.

9. Authorities that cannot be delegated

Except where specifically authorised in the Approval limits delegated by the Chief Executive Officer, signing powers for the following specific transactions cannot be delegated:

- individuals cannot be delegated the authority to approve payments for themselves
- approving the set-up of bank accounts
- making gifts
- accepting donations
- approving of leases

N.B. A limit is not required to approve invoices issued requesting payment for services, although all client invoices will need to be checked for quality and accuracy before being issued.

10. Duties and responsibilities

Duties and responsibilities should be incorporated into job descriptions rather than included as part of the Approval Limits form.

A table of duties and responsibilities may be used to keep a central list of staff responsibilities, if required, but it **does not** form part of the delegated authorities and approval limits.

11. Delegated authorities not specified

Should you need to delegate authority for a transaction not covered by the general and specific limits, and that is not listed as an authority that cannot be delegated (see section 9 above), please contact Financial Control & Compliance for advice.

12. Organisational/ departmental change and delegated authorities

When there is a change in organisational or departmental structure, the delegated authorities and approval limits should be reviewed and the approval limits form updated if necessary.

This change in structure may impact on other parts of the business, SAP set up etc. and so it is important that consultation and communication with other parts of the business takes place.

13. Definitions

Approval limits – the value up to which an individual may authorise transactions falling within the scope of their delegated authorities and job description.

Approval limits form – the approval limits form should be used to document delegated authorities and approval limits.

Amendment to approval limits form – the amendment to approval limits form should be used to document amendments to the Approval limits form for changes occurring during the year.

Delegation of authority – the assignment to individuals of responsibility and accountability for specific roles and tasks.

Delegated Authorities form – the form previously used to document delegated authorities and approval limits. This has been superseded by the Approval limits form. The Delegated Authorities form should not be used.

Foreign and Commonwealth Office/ The British Council Financial Memorandum – this document sets out the terms and conditions on which the FCO provides a grant in aid to the British Council. It replaces all previous Financial Memoranda and their amendments between the British Council and FCO.

General approval limits – the limit up to which each named staff member may approve the following:

- payments;
- journals,
- orders;
- grants;
- credit notes; and
- the issuing of corporate credit cards;

SAP role - all staff using FABS/SAP are allocated a SAP role. This role determines what tasks they will be able to do on the system.

Specific approval limits - approval powers delegated to each named staff member in addition to the general powers set out in the general approval limits. These limits relate to specific transactions (e.g. disposal of assets).

14. Monitoring

The application of this policy will be monitored through a number of measures including:

- The Global Risk Reporting Process where business units will confirm compliance to the policy;
- The Global Accounts Team in Finance will conduct appropriate testing to ensure compliance, which will be reported in the Monthly Business Review meetings.
- Internal Audit will conduct appropriate testing to ensure compliance, which will be reported in the Monthly Business Review meetings.

15. Contact for further information and advice

If you have any queries in relation to this policy please contact Financial Control and Compliance.

Audit*

16. Other

Approval limits delegated by Director - template

Director's Name:

Signature.....

Date.....

Responsibility and accountability

1. These limits are designed to empower individuals to perform their financial duties and responsibilities within the guidelines of *Essential finance* and individual job descriptions. It is the responsibility of each individual to read and understand the appropriate sections of *Essential finance*.
2. Individuals will be held accountable for the approval limits given to them and may not delegate these to another individual.
3. These Approval Limits should be reviewed on an annual basis and where there is a change in staff.

Set out below are the financial limits that each individual in my department may sign against. The authority to delegate these approval limits has been given to me by and is recorded on file ...

General approval limits

The table below sets out the authorised SAP role and purchasing group (where relevant) of each staff member listed, and the limit each staff member may approve payments, journals, orders, grants, credit notes and the issuing of corporate credit cards.

Surname	First name	SAP role	Purchasing group	Limit (GBP)	Signature, initials and date

Specific approval limits

The table below sets out the **Approval Limits** a staff member has in addition to the general powers on payments and journals.

Approval area	Names	Limit (GBP)	Signature and date
Approve purchase contracts for recurrent services (except leases):			
Approve sale contracts for the provision of British Council services:			
Purchase of fixed assets:			
Approve posts, appointments, salary amounts and changes:			
Approve write-offs:			
Dispose of assets (non-building only):			
Approve contracts for purchase of insurance services:			
Others (specify):			

Approval limits not delegated

Signing power for some specific transactions cannot be delegated: some examples are listed below.

- approving payments to self
- approving the set-up of bank accounts
- making gifts
- accepting donations
- approving of leases

N.B. A limit is not required to approve invoices issued requesting payment for services, although all client invoices will need to be checked for quality and accuracy before being issued.

Responsibility for profit centres

I give approval for managing profit centres as follows:

Name	Post title	Profit centres

Specific approval limits

The following are areas that require specific approval in the Approval Limits form. It is unlikely that an individual manager will need to include all these tasks in the Approval Form.

- Approve **purchase** contracts for recurrent and non-recurrent supply of goods and services (except leases):
- Approve **sale** contracts for the provision of British Council services: Purchase or creation of fixed assets: (non-building only)
- Approve post creation or suppression, appointments, salary amounts and changes:
- Dispose of assets (non-building only):
- Approve contracts and payments for purchase of insurance services:
- Approve or terminate leases for office and staff accommodation, new or renewed (approval can be delegated to Director Global Estates):
- Proposals funded from any source for expenditure on new construction, land, extensions and alterations to existing buildings; disposal of freeholds or long leases
- Severance payments on termination of employment contract (locally employed overseas)
- Severance payments on termination of employment contract (UK)
- Set up bank accounts (can be delegated to Director Finance)
- Obtain external legal advice or approve any legal action by the British Council
- Undertake guarantees or indemnities (unsupported by indemnity by others in favour of the British Council) subject to the provisions of Essential Finance
- Invest British Council funds overseas including trusts' funds administered by British Council managers
- Invest British Council funds including trusts' funds administered by British Council managers
- Borrow with or without security
- Accept donations and transfers of assets or undertakings for the British Council's charitable objects of purposes within these objects
- Make gifts to any one person or organisation as defined in Government Accounting
- Write-off
- Write-off losses and approve special payments as defined in Government Accounting and Essential Finance

Amendment to Approval limits delegated by Director – template

Note: to request a change on SAP, complete the first section of this form and the section on General approval limits. The Director/ Head of Department with the authority to request the change should then email this together with the SAP user change request form to the relevant SAP Support address. This amendment form should be printed, signed and filed with the full Approval Limits form in the local office/ department.

Director's Name:

Signature.....

Date.....

 Set out below are **amendments** to the Approval limits form dated

General approval limits

The table below sets out the staff members for whom general approval limits should be removed, added or amended. The table sets out the authorised SAP role and purchasing group (where relevant) of each staff member listed, and the limit each staff member may approve payments, journals, orders, grants, credit notes and the issuing of corporate credit cards.

Remove/ add/ amend (please specify)	Surname	First name	SAP role	Purchasing group	Limit (GBP)	Signature, initials and date

Specific approval limits

The table below sets out the staff members for whom specific approval limits should be removed, added or amended. The table sets out the **Approval Limits** a staff member has in addition to the general powers on payments and journals.

Remove/ add/ amend (please specify)	Approval area	Names	Limit (GBP)	Signature and date
	(specify)			
	(specify)			
	(specify)			

Responsibility for profit centres

I give approval for the following amendments to managing profit centres as follows:

Remove/ add/ amend (please specify)	Name	Post title	Profit centres

Duties and responsibilities

This list does not form part of the approval limits template. It is a list (not exhaustive) of duties and responsibilities formerly contained in the Delegated Authorities that should be incorporated into job descriptions. The table below may be used to make a central list of staff responsibilities if this is required in your department.

Duty/ Responsibility	Responsible staff member
Arranging programme and keeping register of control checks	
Undertaking control checks	
Monitoring health and safety risks.	
Supervising fire and emergency drills.	
Ordering accountable stationery.	
Holding and issuing accountable stationery.	
Undertaking at least one annual inventory check per annum.	
Keeping cash/cheques in a safe/cash box.	
Opening incoming mail and maintaining register of received sums.	
Systems owners (activity manager).	
VDU (health and safety) assessors.	
Approving the set up, change and deletion of access rights.	
Taking system and data backup.	
Reconciling the monthly staff payroll to the previous month and the main cash book.	
Approving payroll.	
Setting prices.	
Collecting income and issuing receipts.	
Reconciling expected with received income. State responsibility for preparation of 'expected' income statements, 'received' income statements, together with their approval	
Carrying out the bank reconciliation.	
Carrying out monthly review of the monthly vehicle journey record.	
Maintaining staff housing inventories and checking upon departure.	
Signing cheques.	
Keeping all main cash books and all subsequent summary accounts.	
Keeping the petty cash book.	
Custody, safety and security of staff personal records and files.	
Preparing bank pay-in slips and paying money into the bank once a week or whenever it exceeds..... (Specify).	
Drawing cash from the bank	
Keeping keys to the safe(s) and cash box(es)	
Making payments online (UK only)	
Approving line managers travel requests/ claims	