

## Delegation and authorisation of Trustees authority and sub-delegation of authority

Policy Number	HA/BOT/POL/002	Version	V3. 05-2016
Approved by Board on	15 March 2016		
Responsible person	Board of Trustees	Review Scheduled on	1 March 2020

### About Human Appeal

Human Appeal is an incorporated UK charity working across the globe to strengthen humanity in the face of poverty, social injustice and natural disaster. Through the provision of immediate relief and establishment of self-sustaining development programmes, Human Appeal strives to save lives.

Our vision is to contribute to a just, caring and sustainable world free of poverty. We do this by raising money to fund immediate and long-term sustainable solutions, and empower local communities.

The trustees of Human Appeal are ultimately responsible for the governance of the organisation, this encompasses the strategy, budgeting, forecasting, considering the going concern of the organisation solvency, risk mitigation, as well as ensuring an appropriate control and safe environment.

### Introduction

Trustees are members of Human Appeal, a company limited by guarantee, as such they are directors of the company and hold the legal responsibility towards governance and must ensure adherence to the Companies Act 2006 and the Charities Act 2006.

The CEO and the senior management team ensure the day to day operations of Human Appeal. The Trustees are primarily focused on governance and appropriate oversight.

### Policy

It is Human Appeal's policy that authorisation is delegated to those areas that are held responsible for the successful implementation of the organisations objectives. Human Appeal assigns authorisation levels based on employees' level of responsibility.

### Scheme of Delegated Duties

1. Powers reserved to the Board of Trustees (the Board)
2. Powers reserved to Company Members (the Trustees)
3. Powers delegated to Chair and nominated trustees
4. Sub-Committees of Board of Trustees
5. Delegation of day to day management to the Chief Executive Officer and staff
6. Limitations set on exercise of Executive powers
7. Authority delegated to staff for specific purposes
8. Monitoring and Reporting of delegated powers

#### 1. Powers reserved to the Board

Power	How exercised
Election of Trustees	By resolution passed at Board meeting
Appointment of Auditors	By resolution passed at Board meeting

## Delegation and authorisation of Trustees authority and sub-delegation of authority

To receive Annual Accounts	Received at Board meeting after formal approval by the Finance Risk and Audit Committee and the Board
Reserves Policy	reviewed annually by the Board
Investment Policy	reviewed by the Board not less than every three years
Accounting Policies	Changes approved annually by the Board on the recommendation of Finance Director as part of the approval of the Annual Accounts
Approving ex-gratia payments	as notified by the CEO or Finance Director
Loans to subsidiary companies Loans to overseas offices	Loan agreement as applicable
Disposal of property	delegated to named trustees
Corporate risk register	reviewed annually by Audit, Finance & Risk Committee
Appointment of Directors to related companies	By resolution of the Board
Health and Safety review	Receipt of annual report from management

### Explanatory Note

There are some reserved powers that the trustees cannot delegate to management and which require formal approval of the Board and which carry legal sanctions on the Board. The Board has also reserved powers to itself to approve the strategic and operational parameters to demonstrate it exercises control over the strategic direction of the charity and operational standards. The Corporate Calendar can ensure that these items are regularly reviewed/approved by the Board.

## 2. Powers Delegated to Chair, honorary officers and nominated trustees

### 2.1 Delegation of powers to the Chair

Power	How exercised
The Board delegates to the Chair urgent decisions which require trustee approval between the Board meetings.	The Chair will involve other trustees at his discretion and any major decisions will be reported back to the Board

### Explanatory Note

The Board currently meets at least four times a year and occasionally decisions requiring trustee approval are required between meetings. Where these are urgent the Board delegates to the Chair to use his discretion to make a decision on their behalf.

### 2.2 Delegation of powers to Honorary Officers and nominated trustees

Power	How exercised
Property Disposals	Power delegated to three named trustees appointed by the Chair of whom two must approve disposals in line with the requirements of the Charities Act.
Powers delegated to Honorary Officers and to named trustees to provide evidence of Board authorisation for the opening and closing of offices overseas.	The power to open and close offices is delegated to management at paragraph 4 of this paper. However, host governments sometimes require evidence of a Board

## Delegation and authorisation of Trustees authority and sub-delegation of authority

	resolution which authorises the opening or closing of an office in their country. This resolution gives powers for such a resolution to be approved by two Honorary Officers or named trustees on behalf of the Board.
Powers to establish subsidiary companies	Honorary Officers or named trustees have been granted powers to establish subsidiary companies on behalf of the Board. Honorary Officers or named trustees may co-opt other trustees to assist their decision making or refer decisions to a full Board Meeting.

### Explanatory Note

In order to operate effectively the Board has also delegated authority to Honorary Officers and to named trustees to act on its behalf in limited areas. This includes areas where to delay taking action until a formal Board meeting would seriously impact on the day-to-day operations of the charity.

### 4. Sub-Committees of the Board

Articles allow for the creation of a number of sub-committees of the Board, to undertake various tasks on behalf of the Board and to make recommendations to the Board but to whom the Board do not formally delegate authority. Terms of reference for sub-committees are agreed by the Board and sub-Committees may co-opt members other than trustees.

### 5. Delegation of day-to-day management to the Chief Executive Officer

While trustees are responsible for everything that the organisation does, they are permitted to delegate the day to day running of the Board to management, but they are obliged to set up appropriate controls and reporting mechanisms to ensure that management operates efficiently, effectively and accountably.

**Through adopting this policy the Board formally delegates to the CEO the day to day management of organisation for which he is accountable to the Trustees.**

**The Board of Trustees also delegates to the Chief Executive Officer (CEO) the authority to sub-delegate and re-delegate such authority as to conduct activities necessary for the operational continuation of the organisation.**

### 6. Limitations set on the exercise of Executive powers

Policy	Limitations
6.1. Annual Plan and Budget	These require the approval of the Board
6.2. Strategic Plan	This requires the approval of the Board
6.3 Financial Authorisations: the Board delegates authority to staff to approve Project Expenditure to a level set by the Board.	Responsibility for ensuring adequate and proportionate controls exist in authorising financial commitments lies with the CEO and Senior Management Team. Human Appeal has in place the following policies establishing financial limits on financial commitments. For information these are currently: "Delegation to executive management & staff Policy"

## Delegation and authorisation of Trustees authority and sub-delegation of authority

### Explanatory Note

In line with most charities the Board delegates responsibility for the day-to-day operation of the charity to the Chief Executive Officer and through her/him to the senior management team and staff. However, the Board has set limits to the exercise of these powers and reserves to itself certain decisions. These are noted above.

**In addition, the CEO will refer to the Board any decisions which in the considered judgement of the CEO, he considers Trustees would wish to first approve.**

Where in doubt the onus is on the CEO to seek guidance from the Chair or deputy Chair.

### 7. Authority delegated to staff for specific purposes

Delegated power	How exercised
Execution of legal documents	Two staff from nominated posts are empowered to sign certain legal documents on behalf of the organisation. Use is limited by the requirement for there to be two signatories to most documents
Waqf Administration (if applicable)	Powers are delegated to staff for limited purposes and to four identified post holders, two of whom are need to signed relevant documents
Powers of Attorney	Identified post holders are authorised to issue powers of attorney subject to limitations set out in the resolution
Opening/Closing Bank Accounts	Identified post holders are authorised to open and close bank accounts in the UK and overseas.

### Explanatory note

Formal evidence of delegated authority is often required by third parties who enter into contracts with the organisation or for staff whose role it is to act on behalf of the charity. This evidence is provided by the Board passing formal resolutions, which delegate express powers to nominated individuals.

### 8. Monitoring and reporting on delegated authority

The monitoring of use of delegated authority can be achieved through the exchange of information between management and the Board and the key role played by the Audit, Finance and Risk Committee.

The Audit Committee will provide a report to the Board on operational matters and circulates corporate communications to trustees at his/her discretion as a means of reporting on the implementation of the annual and strategic plan through which delegated authority is used. All SMT papers and minutes are shared with the Chair of Trustees, who should meet with the Chief Executive on a regular basis (normally twice a month), either face to face or via the telephone.

The Audit Committee agrees with internal audit an annual audit plan. It meets quarterly and reviews issues relating to compliance and financial matters and reports to the Board its view on the control environment within the organisation.

## Delegation and authorisation of Trustees authority and sub-delegation of authority

Trustees take on a lead Trustee role, through which they engage with nominated parts of the organisation. This includes the role of the Honorary Treasurer, who meets regularly with the Finance Director and the Head of Internal Audit (normally monthly) and the lead Trustees for trading. In addition lead trustees for other functions, such as programme review and campaigns may also meet more formally with staff (as applicable or desired).

### Corporate calendar

The following issues must come to the Board each year, although the timing may vary:

- Strategic Plan
- Strategic Steer
- Annual Budget
- Approval of annual report and accounts
- AGM resolutions
- Report on compliance with Trustee Code of Conduct
- A copy of the annual return to the Charity Commission, for information
- Corporate Risk Register
- Trustee Audit and Finance Report
- Health & Safety Report
- Security Report

In addition the Board receives quarterly reports from senior management on key performance indicators. Other issues are brought to the Board as the need arises. Any trustee may request, through the Chair, for other specific matters to be brought to the Board.