**UNDERSTANDING DELEGATION OF POWERS**

***Amend as required to suit your specific needs***

* *Change the logo in the Header to your own*
* *Use the select all then replace all to amend the document for your NGB*
* *If your NGB is an unincorporated organisation i.e. not a Company replace all reference to the Board of Directors with the name of your NGB governing committee e.g. Executive or Management Group*
* *If your NGB is a charity your governing group may be the Trustees or similar*

**Understanding Delegation of Powers**

In addition to being an important part of everyone’s daily life, delegation of tasks is a crucial part of the governance of a National Governing Body (NGB). Delegation can increase the range of services that an NGB may provide to its members. Delegation from the Board allows a NGB to benefit from the expertise and abilities of others but if not undertaken in a controlled and measured way it could also be hazardous. The hazards arise from the fact that delegation entails a **transfer of power.**

[For example, every time lawmakers delegate to bureaucrats, they give away a portion of their authority to govern. The great danger of delegation is that the people to whom power is delegated will abuse the power they receive. This possibility is why some people mistakenly equate delegation to **abdication** but that is not the case and clearly needs to be managed by the use of a Delegated Powers Process and an agreed use of powers from the onset that is understood by all parties.]

* There must be clear and precise written understanding between the Board and the person/committee to whom the delegated power is given so that the actions taken are entirely consistent with the interests of the NGB and the requirements of the Board.
* There must be a process of monitoring the outcomes of the delegation.
* A process of annual review of the levels of delegation - allows the responsibility, which is still held by the original Board, to be considered in line with the requirements of the NGB going forward.

Unless explicitly empowered by the Chief Executive Officer (lead employee) or Board, committees cannot make binding management decisions. For the most part the function of a committee is to solve problems for and/or make recommendations to, the management team on which the latter, and only the latter, has the power to **make decisions or policy**.

**The key principle of Delegation:**

There must be clear written delegated authority which is fully understood by those taking on the delegated “task” and those delegating the authority need to monitor the performance of individuals and/or groups regularly to ensure that the delegated “task” is being performed as agreed.

**Supporting principles:**

1. **Clarity of roles**

The Board should define the roles and responsibilities of the Chair and other Board members. The role of the Chair should include some delegated power from the whole Board to ensure that the organisation’s business is efficiently and accountably conducted between Board meetings allowing the Chair to make certain decisions on behalf of and without reference to the whole Board.

Where the Board has delegated specific roles to Directors ultimate responsibility still rests with the Board as a whole. In such situations the Board member(s) concerned should separate the specific roles from their wider Director role.

1. **Effective delegation**

The Board should ensure that staff, volunteers and agents have sufficient delegated authority to discharge their duties. All delegated authorities must have clear limits relating to budgetary and other matters.

In all but the smallest organisations, the Board will need to delegate parts of its work to others in a clear, practical and legal manner. Delegations may be made to individual directors, sub-committees, the chief executive, other staff, volunteers or agents and consultants. Delegations must comply with the terms of the organisation’s governing document and any relevant legislation. Where there is a chief executive (or similar), delegations to other staff and non-Director volunteers should normally be through that individual.

Delegations should always be in writing and should set clear limits on matters such as expenditure, authority and decisions that can be made. Delegations may be written in Board minutes, terms of reference for sub-committees and staff job descriptions, but a separate list noting all delegations together can be helpful.

1. **Terms of reference**

The Board may wish to set up sub-committees, advisory groups, panels or other bodies to assist its work. Such bodies should have clear written terms of reference in addition to any delegated authority. These must be regularly reviewed and checked against the strategy and operation plan so as to maximise the benefit of having such groups.

1. **Monitoring**

All delegated authorities must be subject to regular, usually annual monitoring by the Board. The Board must remain in ultimate control of all delegations:

* Directors and other individuals should report back to the Board promptly on any use of delegated authority
* the Board should receive regular reports and minutes from all sub-committees which should be noted/discussed at Board meetings
* the mechanisms established for internal control and performance reporting should be used to monitor use of delegated authority by the chief executive, or other staff or volunteers

**Table of Typical Delegation Mechanisms**

|  |  |
| --- | --- |
| **Employees** | **Committees** |
| Job Descriptions | Terms of Reference |
| Annual work plan | Limits of Authority |
| Line management | Timeframes |
| Support and challenge | Reporting |
| Review outcomes – plan adjustments | Monitoring of outputs |