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## 1 Introduction

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- 1.1 The overall responsibility and liability for the actions of those managing Foundation Scotland [FS] rests with the trustees. Under section 26 of the Articles “The Board may delegate to the Chief Executive such powers and duties as the Board think fit”: in practice the Board delegates day to day responsibility for FS to the Chief Executive [CEO]. The purpose of the Scheme of Delegation and Reserved Matters Policy [SDRM] is to provide clarity as to the decisions which can be taken by the CEO and those where the Board retains authority.
- 1.2 The key objective of the policy is provide an “at a glance” framework for both the Board and staff. The delegation which the CEO chooses to assign to staff is covered in the Authority Levels Policy [P004].

## 2 Scope

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- 2.1 This policy applies to all FS trustees, co-opted committee members and employees.

## 3 Abbreviations and Definitions

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### Abbreviations

- CEO – Chief Executive Officer
- SDRM – Scheme of Delegation and Reserved Matters
- OSCR – Office of the Scottish Charity Regulator

## 4 Policy

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- 4.1 This SDRM complements the Articles of Association and is consistent with the provisions in the Charities and Trustee Investment [Scotland] Act 2005 and the Office of the Scottish Charity Regulator [OSCR] guidance on Good Governance.
- 4.2 The SDRM is formally reviewed annually by the Finance Committee who may make recommendations for amendments to the Board.
- 4.3 The CEO is expected to exercise reasonable judgement as to the escalation of issues to the Board outwith meetings. Notwithstanding this, transactions which are significant [novel, contentious or greater than £1m] must be communicated to the Board.

### Policies Reserved to the Board

- 4.4 The following policies, which ensure that FS is complying with laws and regulations, are reviewed by their respective committee and then approved by the Board. All other policies are delegated to the CEO.

Policy	Prior Committee Review
Anti-Bribery	Finance Committee
Anti-Fraud	Finance Committee
Anti-Modern Slavery	
Anti-Money Laundering	Finance Committee
Complaints and Compliments	
Conflict of Interest	
Data Protection	
Environmental	
Equal Opportunities	
Expenses	Finance Committee
Gift and Income Acceptance	
Grant-making	
Health and Safety	
Information Security	
Investment	Investment Committee
Reserves	Finance Committee
Remuneration and Benefits	Remuneration Committee
Risk Management	Risk Committee
Safeguarding	
Scheme of Delegation	Finance Committee
Treasury Management	Finance Committee
Trustee Code of Conduct	
Whistle-blowing	

#### Delegation and Reserved Matters Table

Area	Reserved to the Board	Delegated to the CEO
Administration	Cycle of Board and committee meetings, composition of Board agendas and approval of Board meeting minutes.	Recommendations for the cycle of Board meetings, and for the composition of agendas for meetings. Preparation of draft minutes and maintenance of efficient overall arrangements for the administration of FS.
	Undertaking periodic self-assessment and externally assessed board effectiveness reviews.	Provision of support and resources for Board Members to maintain and develop their skills and knowledge.
Annual Report and Accounts	Approval of the Annual Report and Accounts.	Drafting the Annual Report and Accounts for the Finance Committee review and Board approval. Submission of related regulatory returns.

Area	Reserved to the Board	Delegated to the CEO
Audit Matters	Appointment of the external auditors and approval of changes to their overall terms of appointment. Consideration of significant issues arising from the work of the appointed auditors.	Responsibility for management of relationships with external auditors. Reporting to the Finance Committee and the Board on matters arising from the work of the appointed auditors.
Business Activities	Approval for the commencement of a significant new business stream.	Operational management of business streams.
	Approval for the acceptance of donations which may carry significant risk.	Acceptance of no-risk income.
External Advisors	Appointment of professional advisors/firms.	Recommendations to the Board for the appointment of professional advisors.
External Communications	Approval of press communications in a crisis situation.	All press communications in line with the business plan.
Governance	Approval of recommendations to change or amend FS's governing documents subject to the approval of the Regulator. Establishing the Terms of Reference, reviewing the work, and receiving annual reports of sub committees.	Responsibility for all matters of organisational structure below the level of CEO. Able to delegate authority to staff and prepares and maintains an Authority Levels Policy.
HR Issues	Appointment, appraisal and dismissal of the CEO. Approval of significant changes to staff terms and conditions of employment. Approval of annual pay awards and receiving reports from the Remuneration Committee.	All appointments and other HR matters.
Operational Plans and Budget	Consideration and approval of the annual budget. Approval of variations to the organisational budget where the cumulative in year variation would significantly impact on the budgeted results.	Preparation of Annual Plans and Annual Budgets. Approval of variations to the organisational budget where the cumulative in year variation would have insignificant impact on the budgeted results. Reporting budget variances in management accounts.
	Approval of capital expenditure not previously included in the Budget.	Preparation of business cases and other supporting documents for capital expenditure.

Area	Reserved to the Board	Delegated to the CEO
Organisational Performance Management	Determination and approval of arrangements for performance management and consideration of regular monitoring reports.	Keeping the Board informed of progress in achieving performance objectives and advising of any significant variance from the approved plans and budget.
Risk Management [including Legal Compliance]	Setting Risk appetite levels. Reviewing the Risk and Incident Registers quarterly. Consideration of reports on Risk Management. Reviewing reports on legal compliance.	Maintaining the system of internal controls and assurance framework and to provide the Board and the Finance and Risk Committees with assurance on its on-going effectiveness. Escalation of issues for consideration by the Board.
Treasury	Opening an account with a new clearing bank. Decisions around the investment or draw down of core cash.	Managing day to day liquidity and reporting on this to the Finance Committee.
	Approval of individual payments of more than £100k.	Approval of all payments up to £100k and all inter-account transfers.
Long Term Planning	Determination of the overall strategic direction. Approve the vision, role and values of FS and reviewing these as necessary.	Creation and recommendation of draft Strategic Plan, vision, roles and values.

## 5 Roles and Responsibilities

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5.1 Roles and responsibilities are detailed above.

## 6 Training

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6.1 There is no training in relation to this policy.

## 7 References

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7.1 Institute of Chartered Secretaries and Administrators – Matters reserved for the Board of Trustees.

7.2 Office of the Scottish Charity Regulator [OSCR] - Guidance on Good Governance.

## 8 Review

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8.1 This policy is reviewed, approved, and endorsed by the Board of trustees. It is updated when required by legislation, to ensure that it reflects statutory responsibilities, government guidance and best practice for FS or every 12 months whichever is the soonest.