

# **INSTITUTE OF PHYSICS**

## **Scheme of Delegation 2023**

## **Introduction**

This Scheme of Delegation primarily sets out the roles, responsibilities and delegated authorities for the Institute of Physics (the IOP). The guiding principle in this scheme of delegation is that all powers of the IOP are vested in the trustees (Council). They may delegate those powers as they deem appropriate to committees of Council, to the Executive Board, and to others, at all times subject to the IOP's [Royal Charter](#), [Bylaws](#), and [Regulations](#). They may also remove such delegations.

The primary role of the trustees is to ensure that the IOP has strong corporate governance and is run efficiently and effectively to achieve its objects as stated in the Royal Charter.

The trustees also establish, implement and monitor the IOP's financial and other controls, delegating powers and responsibilities. The trustees retain ultimate responsibility for such finances and controls, and are accountable to the Charity Commission for their discharge of this duty.

For IOP staff, adherence to the delegations set out in this document is mandatory and failure to follow its requirements could result in disciplinary procedures under the IOP's disciplinary policies.

## **IOP Publishing**

IOP Publishing Limited (IOPP) is a wholly owned subsidiary of the IOP and is covered by this Scheme of Delegation where there is specific reference to it, or there is reference to the IOP Group (of which IOPP is a member). Unless it states otherwise, or the context otherwise requires, references to IOP are to the Institute of Physics only and references to the Executive Board are to the IOP Executive Board.

IOPP has its own Memorandum and Articles of Association (its equivalent of the IOP Charter and Bylaws) and is managed by its own [Board of Directors](#) and Executive Management team.

To the extent that this document relates to IOPP, adherence to the delegations is equally mandatory for IOPP staff, and failure to follow its requirements could result in disciplinary procedures under the IOPP's disciplinary policies.

## **Powers of the IOP**

The [Royal Charter](#), [Bylaws](#), and [Regulations](#) set out the powers of the IOP.

Only the Privy Council (subject also to approval by Council and by the members in a Special General Meeting) can approve any amendments to the Royal Charter or Bylaws.

Council can amend the Regulations.

## **Matters Reserved for the Council of Trustees**

Subject to the [Royal Charter](#), [Bylaws](#), and [Regulations](#), the Council of Trustees have primary authority and have reserved to them all those matters set out in Appendix 1.

## **Delegated Authorisation Levels and Financial and Contract Approvals**

The trustees then delegate certain of those powers and authorities to committees, to the Executive Board, and to individual office holders.

A summary of key delegations is set out in Appendix 2

## Appendix 1

### Council Role, Powers and Matters Reserved

Council is responsible for setting the overall leadership of the IOP and its values and standards, for ensuring compliance with its charitable purposes and objectives and relevant legislation, and for empowering the executive management team to deliver the strategy, operational performance and day to day delivery of the IOP's work.

In carrying out its duties, Council should have due regard to the [Charity Governance Code](#).

All members of Council are trustees of the IOP, with legal, financial and fiduciary obligations accordingly. Under the Charity Commission '[Essential Trustee](#)' Guidance (CC3), all trustees must impartially:

- make sure they are eligible to be a charity trustee;
- make sure that the IOP is carrying out the purposes for which it is set up;
- comply with the IOP's governing document and the law;
- act in the IOP's best interests;
- act responsibly, reasonably and honestly, managing the IOP's resources responsibly;
- act with reasonable care and skill; and
- ensure that the IOP is accountable and that you and your co-trustees comply with statutory accounting and reporting requirements.

In particular, the role, powers and matters reserved to Council are as set out below. In the event of any inconsistency between the following and any Charity Commission rules or regulations or law, the latter shall prevail.

#### **1 Strategy and Leadership**

- 1.1 Approval and review of the IOP Group ('the Group')'s strategic aims and objectives.
- 1.2 Oversight of the Group's operations, ensuring competent and prudent management, sound planning, maintenance of robust internal control systems, adequate accounting and other records, and compliance with statutory and regulatory obligations.
- 1.3 Review of performance in the light of the Group's strategic aims, objectives, business plans and budgets and ensuring that any necessary corrective action is taken.
- 1.4 Approval of any extension of the Group's activities into new business or geographic areas.
- 1.5 Approval of any decision to cease to operate all or any material part of the Group's business.

#### **2 Constitution**

Approval of any changes to the Charter, Bylaws, Regulations or Member Code of Conduct (noting that changes to the Charter and Bylaws also require the approval of the members in general meeting and the Privy Council).

#### **3 Structure and capital**

- 3.1 Approval of any major changes to the Group's corporate structure, including, but not limited to acquisitions and disposals of shares.
- 3.2 Approval of changes to the overall Group structure and associated controls.

**4 Financial reporting and controls** (following recommendation from the Executive or appropriate committee)

- 4.1 Approval of the Annual Budget and any material changes to it.
- 4.2 Approval of the Annual Report and Accounts and any related management representation letter.
- 4.3 Approval of the Group investment strategy.
- 4.4 Approval of any significant changes in accounting policies or practices.
- 4.5 Approval of material unbudgeted pension or operating expenditures (outside pre-determined tolerances).
- 4.6 Review of quarterly financial reports (delegated to Finance & Investment Committee).
- 4.7 Review of six-monthly investment reports (delegated to Finance & Investment Committee).
- 4.8 Approval of pension and investment advisors.

**5 Internal controls and risk management**

- 5.1 Ensuring maintenance of a sound system of internal control and risk management including:
  - (a) retaining overall responsibility for risk management and deciding the level of risk it is prepared to accept for specific and combined risks (noting the role of the Audit & Risk Committee in reviewing the IOP Group risk appetite, tolerance and strategy as articulated by the Council);
  - (b) approving any Risk Appetite Statements from the IOP and the Group;
  - (c) receiving reports on, and reviewing, the effectiveness of, the Group's risk and control processes to support its strategy and objectives;
  - (d) annual review of the Group Risk Register (with interim reviews delegated to the Audit & Risk Committee);
  - (e) approving any appointment of an external provider to undertake an ongoing internal audit programme for the IOP or the IOP Group;
  - (f) approving relevant policies and procedures (see paragraph 14); and
  - (g) approving an appropriate statement for inclusion in the Annual Report and Accounts.

**6 Contracts**

- 6.1 Approval of major capital projects or contracts which are material strategically or by reason of size, in accordance with the approved Delegations of Authority.
- 6.2 Approval of major investments, in accordance with the approved Delegations of Authority.
- 6.3 Use of the Seal (may be delegated from time to time to Executive Officers/membership team).

**7 Property**

Approval of any proposals for the acquisition or disposal of land or buildings (whether freehold or leasehold), or their change of use, taking professional advice as appropriate.

## **8 Complaints**

Ensuring that there is a transparent, well-publicised, effective and timely process for making and handling a complaint and that any internal or external complaints are handled constructively, impartially and effectively.

## **9 Communication**

- 9.1 Ensuring a satisfactory dialogue with members based on a mutual understanding of objectives.
- 9.2 Approval of resolutions and corresponding documentation to be put forward to members at a general meeting.

## **10 Board membership and other appointments**

- 10.1 Subject to the requirements of the Bylaws, ensuring adequate succession planning for Council and senior management so as to maintain an appropriate balance of skills and experience within the IOP and on Council.
- 10.2 Approval of the appointment of any co-opted trustees, in accordance with any agreed procedures or following recommendations by the Nominations Committee.
- 10.3 Selection of the Group Chief Executive Officer (subject to any delegation in accordance with the Bylaws).
- 10.4 Appointment, reappointment or removal of the external auditor to be put to members for approval in general meeting, following the recommendation of the Audit & Risk Committee, and the approval of the remuneration for such auditor (unless delegated to the Audit & Risk Committee).
- 10.5 Subject to the Scheme of Delegation (including regarding the appointment of Executive Directors), approval of appointments to, and removal of directors from, the Board of IOP Publishing Limited.
- 10.6 Approval of appointment of external advisors for Council committees.

## **11 Remuneration**

Determining the remuneration policy for the Group CEO and other senior executives, non-executive directors and external advisors (all delegated to the Remuneration Committee).

## **12 Delegation of Authority**

- 12.1 Approval of the Scheme of Delegation that, amongst other areas, sets out the following:
  - (a) division of responsibilities between the President, Group CEO and the Executive Board; and
  - (b) Delegations of Authority, including the Group CEO's, Group CFO's, Executive Directors and others' authority limits (which must be in writing).
- 12.2 Establishing committees of Council and approving their terms of reference, and approving material changes thereto.
- 12.3 Approval of the membership and chairmanship of Council committees, following recommendations from the Nominations Committee.
- 12.4 Receiving reports from committees of Council on their activities.

### **13 Corporate governance matters**

- 13.1 Undertaking an annual review (with an external review every three years) of its own performance and that of its committees.
- 13.2 Considering the balance of interests between the public, members, employees, customers, and the wider physics community.
- 13.3 Review of the Group's overall corporate governance arrangements.
- 13.4 Receiving reports on membership activity, feedback, and views as appropriate, including reports from the Council Members Reference Group.
- 13.5 Authorising conflicts of interest where permitted by the Bylaws.
- 13.6 Approval of the Modern Slavery Statement.

### **14 Policies**

- 14.1 Approval of key policies, including:
  - (a) Trustee Code of Conduct;
  - (b) Member Code of Conduct;
  - (c) Anti-Bribery and Compliance Policy (delegated to Audit & Risk Committee);
  - (d) Gifts and Hospitality Policy (delegated to Audit & Risk Committee);
  - (e) Whistleblowing Policy (delegated to Audit & Risk Committee);
  - (f) Risk Management Policy (delegated to Audit & Risk Committee); and
  - (g) material finance and investment policies, including:
    - (i) Investment Strategy; and
    - (ii) Reserves Policy.

### **15 Other**

- 15.1 Election of members to Honorary Fellowship (delegated to Nominations Committee).
- 15.2 Prosecution, commencement, defence or settlement of litigation, or an alternative dispute resolution mechanism, material to the interests of the Group.
- 15.3 Approval of major changes to the rules of the Group's pension scheme, material changes to pension funding arrangements or changes of employer trustees or (when this is subject to the approval of the IOP) changes in the fund management arrangements.
- 15.4 Approval of any decision likely to have a material impact on the IOP or the Group from any perspective, including, but not limited to, financial, operational, strategic or reputational.

**Appendix 2  
Matrix of Delegations**

	Privy Council	AGM/ SGM	Council	A&R Cttee	F&I Cttee	Nom Com	Rem Com	Disc Com	Exec Board	President	Group CEO	IOPP Chief Exec	Group CFO	Head of Gov	HR Mgr
<b>Governance</b>															
Amendments to Charter	✓ (3rd)	✓ (2nd)	✓ (1st)												
Amendments to Bylaws	✓ (3rd)	✓ (2nd)	✓ (1st)												
Amendments to IOPP Articles			✓												
IOP Strategy			✓						Rec						
Regulations			✓												
Member Code of Conduct			✓												
Chairs Council										✓					
Chairs Exec Board											✓				
Appoint Group CEO			✓												
Appoint Exec Team			✓								Rec				
Appoint co-opted trustees			✓			Rec									
Appoint IOPP executive directors												✓			
Appoint IOPP non-executive directors (except ex-officio appointments)			✓			Rec									
Appoint IOPP ex-officio non-executive directors											✓				
Change to number of IOPP executive and non-executive directors and removal of IOPP Directors (executive and non-executive)			✓												
Appoint external advisors to Council Committees			✓			✓									
Establish Council Committees			✓												
Committee Terms of Reference			✓												
Appoint Committee Members and Chairs			✓			Rec									
Establish/ Dissolve Nations/ Branches			✓												
Establish Groups			✓												
Nations/ Branches Terms of Reference			✓												
Groups Terms of Reference			✓												
Benevolent Fund Terms of Reference			✓												
Awards						✓									
Appointment of Auditor		✓	2nd Rec	1st Rec											
Auditor Fee			✓	Rec											
Auditor Engagement Contract													✓		
Review Risk Register			✓ (3rd)	✓ (2nd)					✓ (1st)						
Internal Audit Programme				✓											
Instruct IOP External Lawyers											✓			✓ (if <£20,000)	
Scheme of Delegation			✓						Rec						
Fraud and Whistleblowing				✓											
Nominate Public Honours						✓									
Changes to Group Structure			✓												
Determine Council Election Candidates						✓									
<b>Membership</b>															
Set membership Fees		✓	Rec												
Election to Honorary Fellowship			✓ Del			✓									
Any reduction of individual membership fee			✓												
Re-admission to membership			✓												
Undertake Disciplinary Investigations								✓							
Expel/ suspend membership			✓					Rec							

Key: ✓ - Approve  
Rec – Recommend  
Del – Delegated

	Privy Council	AGM/ SGM	Council	A&R Cttee	F&I Cttee	Nom Cttee	Rem Cttee	Disc Cttee	Exec Board	President	Group CEO	IOPP Chief Exec	Group CFO	Head of Gov	HR Mgr
<b>Financial Management and Approvals (subject to budgets)</b>															
Annual Report and Accounts		Presented	✓	Rec											
Annual Budget			✓		Rec (2nd)				Rec (1st)						
Investment Strategy			✓		Rec										
Acquisition or Disposal of Land or Buildings			✓		Rec				Rec						
Disposal of Assets (not land or buildings) - see Financial and Contract Delegations															
Expenditure - see Financial and Contract Delegations															
Capital Expenditure - see Financial and Contract Delegations															
Specific Payments List - see Financial and Contract Delegations															
On-line Banking - see Financial and Contract Delegations															
<b>Contracts</b>															
Sales Contracts - see Financial and Contract Delegations															
Purchase Contracts - based on value (see Financial and Contract Delegations)															
Deeds - see Financial and Contract Delegations															
Use of Seal			✓												
<b>Litigation</b>															
Material litigation/ ADR process (see Matters Reserved)			✓												
Other litigation/ ADR process									✓						
<b>HR</b>															
Recruitment - see Financial and Contract Delegations															
Executive Remuneration			✓ Del				✓								
Pay Awards - see Financial and Contract Delegations															
Redundancy - see Financial and Contract Delegations															
Overall changes to terms of employment											✓				
Individual changes to terms of appointment															✓
Settlement Agreements											✓ (can del)				
<b>IOP and Group Policies</b>															
Group Reserves Policy			✓		Rec										
Other IOP Financial Policies and Procedures									✓						
Group Foreign Exchange Risk Management Policy					✓								Rec		
Trustee/ IOP Exec Conflicts of Interest Policy			✓												
Trustee Code of Conduct			✓												
Group Anti-Bribery & Compliance Policy				✓											
Group Gifts & Hospitality Policy				✓											
Group Whistleblowing Policy				✓											
Group/ IOP Risk Management Policy				✓											
All IOP HR Policies									✓						
IOP Environmental Policy			✓ (2nd)						✓ (1st)						
All IOP GDPR Policies									✓						
All other IOP Compliance/ Governance Policies									✓						

Key: ✓ - Approve  
 Rec - Recommend  
 Del - Delegated