



Dunbritton Housing Association Limited

Name of Policy	Financial Regulations
Responsible Officer	Head of Finance & Corporate Services
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1. INTRODUCTION

- 1.1 The Association must demonstrate effective governance and sound financial management and must have a robust policy and procedural framework that complies with legislation, guidance, and good practice.
- 1.2 Dunbritton Housing Association Limited's financial regulations are based on the following current management structure: -

Chief Executive Officer			
Head of Finance & Corporate Services	Head of Asset Services	Head of Housing Services	

- 1.3 The Association currently operates under the Charitable Model Rules 2020 (Scotland) which are the constitution of the organisation.
- 1.4 The standing orders of the Association detail how the business of the organisation shall be run and include delegated responsibilities, powers and remits of each committee or sub-committee.
- 1.5 The Financial Regulations detail Board and staff responsibilities together with details of generally accepted best practice. They form a part of the overall system of financial and management control and take account of the Scottish Housing Regulator's (SHR) Standards of Governance and Financial Management.
- 1.6 Compliance with the Financial Regulations is compulsory for all staff. It is the responsibility of section heads to ensure that all staff are aware of the existence and content of these regulations.
- 1.7 Training, periodic refreshers/updates for staff should be performed as and when required.
- 1.8 Nothing in these Financial Regulations shall override instructions from or conditions imposed by the Scottish Government, the Scottish Housing Regulator, the Financial Conduct Authority and the Financial Reporting Council and any other appropriate statutory organisation or any current legislation. Nothing in the supporting financial procedures or policies will override the principles embodied in the regulations.
- 1.9 The financial procedures set out how these regulations shall be implemented.
- 1.10 A review of the regulations shall take place at least every 3 years, or earlier if deemed appropriate by the Chief Executive or the Board.

1.11 A mini audit of adherence to the Financial Regulations shall be undertaken by the Head of Finance & Corporate Services annually. Findings shall be reported to the Board for information and action.

2. INTERNAL FINANCIAL CONTROL

2.1 Internal Financial Control can be defined as the controls established to:

- provide reasonable assurance of the safeguarding of assets against unauthorised use or disposal;
- provide reasonable assurance of the maintenance of proper accounting records and the reliability of financial information used in and published by the Association.

Requirement for Internal Financial Control

2.2 In addition to our own need for a documented system of internal controls to achieve the aims set out at item 2.1 above, it is a requirement of Regulatory Advice Notes issued by the SHR that we include a statement in our published accounts which:

- confirms that the Board of Management acknowledges its responsibility for Internal Control;
- includes a description of the key procedures for Internal Financial Control;
- confirms that the Board of Management has, in the Financial Year, reviewed the effectiveness of the system of Internal Financial Control and reports whether any weaknesses in the system of Internal Financial Control have resulted in material losses, contingencies or uncertainties which require disclosure in the audited accounts;
- explains that the system cannot provide absolute assurance against material loss or misstatement;
- provides reason for any noncompliance;
- covers the period between balance sheet date and the date the accounts are signed.

2.3 The External Auditors are required to review this statement and to report any discrepancies between it and the results of the audit work.

Responsibility for Internal Financial Control

- 2.4 Responsibility for Internal Financial Control lies with Board of Management. The Board of Management is responsible, therefore, for ensuring that the control system defined above is in place, is adhered to and is effective. All Board of Management members and staff must adhere to the controls which apply to any situation involving the Association. Day to day management and implementation of controls is delegated to the Chief Executive and other Senior Staff.

Key Controls

- 2.5 The Association will, at all times, maintain the following key controls:
- Quarterly Management Accounts, with supporting narrative, will be prepared for management use and presented to the Board of Management for approval;
 - the Association will prepare annually its Report and Financial Statements and arrange for an External Audit to be conducted within four months of the end of each financial year;
 - the finalised Audited Report and Financial Statements and the External Auditor's Final Audit Findings Report will be presented to the Board of Management at least one week before the Association's AGM;
 - a budget for each financial year will be prepared then discussed and approved by the Board of Management before each Financial Year commences;
 - segregation of duties (where possible) will be maintained between initiating, actioning and recording a financial transaction;
 - all borrowing decisions and changes to banking arrangements will be approved by the Board of Management before being actioned;
 - all financial transactions shall take account of approved delegated authorities.

3. BOARD MANAGEMENT RESPONSIBILITIES

- 3.1 The Board has ultimate responsibility for all aspects of the Association's affairs. It is responsible for the leadership, strategic direction and control of the Association and for ensuring it secures good outcomes for its tenants and service users.
- 3.2 Statute requires the Board to prepare financial statements for each financial year and it is the Board which is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association.
- 3.3 The Board is also responsible for safeguarding the assets of the organisation and for taking reasonable steps to prevent and detect fraud and other irregularities.
- 3.4 Board members have a duty towards the Association, its staff, tenants, other service users and the community in which it operates. They must therefore seek good quality information and advice at all times and ensure their decisions are based on the same. This advice may need to be sought from external professional advisors where necessary. They must also ensure they have the skills and knowledge they need to be effective in their role. They must at all times seek to identify risks to the Association and mitigate the same.

4. STAFF RESPONSIBILITIES

- 4.1 The Chief Executive is responsible to the Board for the implementation of strategic, policy and procedural decisions taken by the Board and the day-to-day management of the Association. The Chief Executive is also responsible for the promotion of the Association and for co-ordinating the activities of other Managers. The Chief Executive is responsible for ensuring the Board receives all information and relevant guidance and training which it requires to meet its obligations.
- 4.2 The Management Team is responsible for ensuring staff members within their section understand their respective roles and responsibilities and for monitoring their performance against the same. They must ensure they and their staff are open about, and accountable for, all they do. They are responsible for the security and control of all assets, cash and materials relating to their section. They are also responsible for managing the financial budgets allocated to their area of responsibility.
- 4.3 The responsibilities and duties of all staff members shall be contained within a suitable job description. The responsibilities and duties of any external service provider are contained within the relevant Minute (s) of Agreement or Service Level Agreement. The Finance Agents shall assist the Association in carrying out its finance role as requested.

5. ACCOUNTING

- 5.1 All accounting procedures of the Association shall be determined by the Association's Head of Finance & Corporate Services in consultation with the Chief Executive. These procedures must take account of statute, good practice, and current guidance.
- 5.2 The format of the Association's financial records shall be determined by the Association's Head of Finance & Corporate Services in consultation with the Chief Executive and must take account of audit requirements, good practice, and current guidance.
- 5.3 The allocation of accounting duties should where possible take account of segregation of duties and records should be regularly updated.
- 5.4 All accounting policies of the Association shall be contained within the annual financial statements and shall be reviewed annually as part of the approval of the financial statements. Accounting policies shall be presented to the Board for approval out with this cycle when changes are made.

6. AUDIT REQUIREMENTS

External Audit

- 6.1 The external auditor will be appointed at each Annual General Meeting, following a recommendation by the Board and in line with the Association's Rules and current statutory requirements.
- 6.2 The External Auditor will be appointed following a tendering process and in accordance with good practice the Association shall review its external auditors every 7 years unless the service level dictates otherwise.
- 6.3 The role of the external auditor must be clearly detailed in an Engagement Letter provided by the external auditor that shall be reviewed every three years in accordance with good practice.
- 6.4 Preparation of the financial statements shall be undertaken by the Association's Head of Finance & Corporate Services. A year end timetable should be completed by the Head of Finance & Corporate Services and be agreed with the external auditor prior to commencement of the year end statutory audit. The financial statements must be in the required format and contain the report of the external auditor. In addition, the financial statements must contain a report from the Board to include comment on past and future developments, together with a separate Board report on the systems of internal financial control.
- 6.5 Draft audited financial statements will be presented to the Board for approval at an appropriate meeting. Final audited accounts will be adopted at the Annual General Meeting.

- 6.6 Final audited and signed accounts will be submitted to the Scottish Housing Regulator (SHR), lenders, OSCR and to the Financial Conduct Authority within the required timescales following the financial year end.
- 6.7 A copy of the auditor's Management Letter and the Board response to the Management Letter will also be submitted to the Scottish Housing Regulator within required timescales.
- 6.8 The external audit function shall be overseen by the Board and in line with good practice shall have a closed-door session, with no staff present, with the external and internal auditor at least once a year.

Internal Audit

- 6.9 The internal auditor will be appointed to carry out a rolling programme of reviews of the effectiveness and application of internal controls and procedures.
- 6.10 The internal auditor will be appointed following a tendering process and will be appointed for a maximum of three years (subject to an annual renewal of the appointment) by the Board.
- 6.11 A rolling programme for internal audit shall be set out and agreed by the Audit & Risk committee based on current risk assessments. The setting of the internal audit programme shall take account of concerns or recommendations from the Management Team.
- 6.12 The Board will review all internal audit reports and progress reports and will monitor the implementation of all agreed actions within set timescales.
- 6.13 The internal auditor will have access to all locations, staff, records, and physical assets necessary for the performance of their role. Staff will provide the internal auditor with any explanations necessary as part of their review. No limitations will be placed on the scope of their review. Any such limitations will be reported to the Board as soon as is practical.
- 6.14 The internal auditor may be asked to participate or advise in discussions relating to the formulation and installation of new systems, controls, and procedures. Final responsibility for such matters lies with the Board.
- 6.15 The internal auditor may assist in the protection of the assets of the Association by carrying out regular reviews of operations in order to detect system weaknesses, inefficiencies, fraud, misappropriation, and losses due to waste or maladministration. Final responsibility for such matters lies with the Board.
- 6.16 The internal auditor will also monitor compliance with the Association's Financial Regulations and Procedures as part of their internal audit reviews. Final responsibility for such matters lies with the Board.

7. FRAUD AND OTHER FINANCIAL IRREGULARITIES

- 7.1 The primary responsibility for the prevention and detection of fraud and errors rest with the Board. The external auditor may plan the external audit in order to have a reasonable expectation of detecting material misstatements in the financial statements, whether caused by fraud or errors.
- 7.2 To assist in discharging its responsibilities in this area the Board should receive reports from the internal auditor on all cases of actual or attempted fraud or bribery and consider whether internal controls require to be reviewed.
- 7.3 All matters in relation to fraud prevention, reporting, recording and associated matters are outlined in the Association's Anti-fraud bribery policy.

8. BUSINESS PLANNING

- 8.1 The Association shall have in place a three-year corporate plan document which sets out the strategic direction of the Association. The Board is ultimately responsible for the governance and direction of the Association, and it is recognised that the business plan should represent a joint understanding by staff and Board of what the Association wants to achieve, the choices available and the key risks faced by the Association. The business plan shall therefore be produced by the Board and the Management Team in consultation with staff, tenants and other stakeholders as necessary.
- 8.2 The content of the business plan should recognise and reflect the current SHR's Business Planning Recommended Practice for RSL's. It should include:
- Vision and Values
 - Profile of Association and achievements (including analysis of our customer profile, stock, rents, performance, and asset management)
 - Analysis of the Operating Environment (using PEST, SWOT and Risk Analysis)
 - Strategic Objectives
 - Annual Delivery plan
 - Financial analysis (including scenario planning and sensitivity testing)
- 8.3 On an annual basis, the Chief Executive has delegated authority for the preparation of a detailed operational plan for the Association on behalf of the Board within the framework of the business plan.
- 8.4 The Chief Executive shall produce an annual timetable to accompany the business planning process detailing the stages, processes, and responsibilities in order to achieve the timetable.
- 8.5 The Operational Plan will set departmental performance targets and KPIs and shall feed into the annual budget setting process and the Association's risk management procedures.

- 8.6 On at least a quarterly basis progress against operational targets shall be reported to the Board. These reports shall be supported by the management accounts, other section reports and the risk register to ensure all aspects of the business plan are linked together and operating effectively.
- 8.7 On at least an annual basis the achievement of strategic objectives will be considered and reported to the Board.
- 8.8 The Association shall take account of the SHR document on Recommended Practice-Business Planning produced in December 2015 in its business planning process.

9. APPROACH TO FINANCIAL FORECASTING

- 9.1 The Head of Finance & Corporate Services will assist with the preparation of long-term financial planning on behalf of the Association. The Management Team and Board will be involved in the process with the forecasts requiring approval by the Board.
- 9.2 Long term financial forecasts shall be prepared annually and shall be forwarded to all lenders as well as external and internal auditors for information and consideration. Formal feedback shall be sought from all parties reading the assumptions employed and the financial outturns.
- 9.3 The Association prepares and submits 5-year financial projections to SHR in the prescribed format and within the relevant timescales, which have been presented to and approved by the Board, all in accordance with existing guidance from the SHR. A copy of this information shall be submitted to lenders and the external auditor.
- 9.4 The Association shall undertake a review of its long-term projections on an annual basis in order to ensure that the projected annual position remains on target with the 30-year statement of comprehensive income, statement of financial position and cash-flow projections. A full and detailed business plan review shall be undertaken annually. Appropriate sensitivity analysis must be applied to the long-term projections with details being incorporated into the business plan document.
- 9.5 The content of the 30-year financial forecasts shall include the following information as a minimum:
- Details of main assumptions employed and their source.
 - Statement of Comprehensive Income for 30 years.
 - Statement of Financial Position projections for 30 years.
 - Cash flow projections for 30 years.
 - Key performance indicators data and peer comparisons.
 - Covenant compliance schedules.

- Appropriate sensitivity analysis.
 - Schedules for all income and cost information and assumptions; and
 - Supporting narrative to confirm an overview of the projected outturns, any areas for further consideration, any areas of concern and any actions required that flow from production of the final information.
- 9.6 While the overall responsibility for this information lies with the finance staff it is essential that an appropriate level of input from the Management Team is accounted for within the long-term financial plans. In particular, the areas of rent levels, rent increases, maintenance costs, staffing levels and costs and future development activity require agreed input.
- 9.7 Given the impact that inflation and interest rates may have on the expected financial position, the Head of Finance & Corporate Services shall seek information from lenders regarding future expected rates for these areas. In addition, any real cost increase assumptions should take account of lender and valuer advice. All assumptions made in the forecasts should be reviewed and agreed with the Board.
- 9.8 The Head of Finance & Corporate Services shall produce an annual timetable to accompany the financial forecasting process, and this shall take account of
- Provision of, review and agreement on future maintenance plans.
 - Provision of, review and agreement on rental, staffing and development assumptions.
 - Production of draft projections.
 - Executive team discussion, review, and agreement of draft projections.
 - Reporting to the Board.
 - Provision of information to external parties; and
 - Feedback to Board from external parties.
- 9.9 The importance of financial forecasting in relation to the Association's overall business planning process is recognised and timetables applicable to both processes require to be carefully aligned.

10. ANNUAL BUDGET

Preparation, Review and Approval

- 10.1 An annual budget must be approved by the Board of the Association prior to the start of the financial year to which it relates. The setting of the annual budget forms part of the annual business planning cycle and will reflect the Association's current business plan, operational plans, and longer-term financial forecasts.
- 10.2 This annual budget will comprise of:

- A clear statement of main assumptions and sources of information underlying the budget.
- Projected Statement of Comprehensive Income
- Projected Statement of Financial Position
- Projected Cash Flow Statement.
- Detailed capital budgets for all projects.
- Monthly cash flow projections.
- Monthly income and expenditure details.
- Cost allocation information.
- Appropriate ratio analysis.
- Loan covenant compliance performance; and
- Any summary narrative commentary necessary for a clear understanding of the budget

10.3 The budget will be prepared by the Association's Head of Finance & Corporate Services each year, taking into account the prior year budget, year to date variances and any known changes linking to the Business Plan. The Head of Finance & Corporate Services will put in place a timetable which will take account of:

- Provision of budget planning information from budget holders.
- Review of planned, cyclical, and major repairs to be undertaken in line with the 30-year plan.
- Submission of draft budget to Management Team and budget holders for review and approval.
- Submission of draft budget to Board for review and discussion including the impact of any options or sensitivities where there is a potential material financial effect over the 12-month period.
- Amendments as a result of Board review; and
- Final approval of the budget by the Board.

Budgetary Control

10.4 Once approved, the budget shall be regarded as the basis for authority to incur expenditure, subject to current Standing Orders, the Scheme of Delegation and any specific exemptions agreed with the Board. It should be recognised that changes in circumstances may result in changes to budgeted expenditure. Such changes must be approved by the Board.

10.5 It is the responsibility of all budgets holders to control relevant budgets. Budgetary control will be assisted by production of quarterly management accounts and accompanying narrative reports comparing actual income and expenditure with budget estimates. The Head of Finance & Corporate Services will report on actual income and expenditure against budget on a quarterly basis to both the Management Team and the Board

10.6 The Head of Finance & Corporate Services will ensure that material variances are clearly explained within the narrative supporting the quarterly management accounts. Explanations of material variances will be sought from budget

holders during the preparation of the quarterly management accounts where necessary.

- 10.7 The quarterly management accounts should include the effect of likely future events on the financial position together with details of the currently projected financial position of the Association at the year-end. Cash flow monitoring and covenant compliance will form a part of the management accounts. A copy of the approved budget and quarterly management accounts will be sent to the Association's lender(s) and external auditor.
- 10.8 In circumstances of emergency, expenditure may be incurred beyond authorisation levels by obtaining the prior approval of the most senior member of staff on duty and the Chair of the Association (or Office Bearer in the absence of the Chair), who will consult with the Finance Manager, if possible, before agreeing to any request. Any such expenditure must be reported by the Chief Executive to the next meeting of the Board for retrospective approval.
- 10.9 Management Team should ensure that when reports are issued to the Board (or any other Committee) the financial implications of any course of action should be fully detailed. The Head of Finance & Corporate Services should be consulted prior to any report that has material financial implications going to the relevant Committee.
- 10.10 Monthly rental income and maintenance expenditure reports shall be produced by the relevant team and be circulated to all members of the Management Team. The finance team shall undertake a monthly review of the trial balance income and expenditure for the purposes of budget monitoring and shall maintain a budget variance file to advise of projected outturns at the year end.
- 10.11 The Chief Executive has authority to reallocate budgets between cost headings subject to a maximum level of £20,000.

11. CASH CONTROLS

- 11.1 Bank accounts held by the Association, details of authorised signatories and cheque signing details are contained within the Association's detailed financial procedures.
- 11.2 Procedures for the receipt of funds are detailed in the financial procedures.
- 11.3 A petty cash float not exceeding £250 shall be held for the purpose of making small payments and properly authorised expenses. The Head of Finance & Corporate Services has day to day responsibility for petty cash payments. In the absence of the Finance Manager, the Finance Officers will assume responsibility for petty cash payments. Petty cash procedures are detailed in the Association's financial procedures.
- 11.4 All bank accounts and petty cash accounts must be reconciled to the relevant books of account by the Finance Team monthly. These reconciliations shall be

reviewed and certified as accurate by the Association's Head of Finance & Corporate Services.

- 11.5 The Head of Finance & Corporate Services shall make the arrangements for the safe custody of all banking documents including cheques.
- 11.6 In the event of any supplier bank account being notified by e-mail the finance team shall contact the payee directly and request written confirmation of the change. Such changes must be highlighted on the next available BACS payment list and be independently verified by the individual out with the finance team who is certifying the BACS list for payment.
- 11.7 All incoming post must be opened by one member of staff. Any cheques or cash received should be recorded on an incoming mail register and passed to the finance officer to review and verify.

12. DEBTORS CONTROLS

- 12.1 The Association acknowledges the requirement to maximise income collection in order to generate as much income as possible via interest receipts.
- 12.2 Where external funding for projects is made available to the Association all grant claims must be submitted timeously in order to ensure receipt of funds prior to payment (where allowed) or as soon as possible (in line with grant offer conditions) after payment has been made.
- 12.3 Rental income payments are the main source of revenue income for the Association and operational procedures shall be reviewed regularly in order to monitor their effectiveness.
- 12.4 All other sums due and outstanding to the Association shall be summarised within the quarterly management accounts. Such sums shall include; insurance claims outstanding, chargeable repairs and improvement works for owners.
- 12.6 Procedures relating to rents and other income generating areas shall incorporate information on debtor control including the basis for monitoring and reporting sums due.
- 12.7 All amounts written off as irrecoverable must be formally reported on and approved by Board prior to the balances being written off.
- 12.8 Responsibility for Debtors control within the Association is as follows: -
 - (i) Rent Arrears – Head of Housing Services
 - (ii) Property Insurance Claims outstanding – Head of Asset Services
 - (iii) Non property insurance claims outstanding – Head of Finance & Corporate Services
 - (iv) Owners share of contract costs – Head of Asset Services
 - (v) Factoring- Head of Finance & Corporate Services

- (vi) Hag Claims - Head of Finance & Corporate Services
- (vii) Chargeable Repairs - Head of Finance & Corporate Services

13. ASSET CONTROLS

- 13.1 The originals of all title deeds shall be held in secure storage by the Association's solicitors or bankers.
- 13.2 The Association shall maintain a fixed asset register detailing all furniture, fittings and equipment and other items classed as capital assets, owned by the organisation. The register should detail acquisition date, disposal date, estimated useful life for depreciation purposes and cost. In addition, copies of invoices relating to each asset purchased shall be contained within the register, which may be held in electronic format.
- 13.3 The Association shall undertake six monthly reviews of the register to verify continued ownership and existence of these fixed assets. This task shall be overseen by the Head of Finance & Corporate Services.
- 13.4 Equipment Maintenance contracts and leasing contracts shall be entered into for such fixed assets as appropriate and a separate register shall be held by the Association. Details to be inserted on these registers include; service provider, start date, termination date, and asset being maintained/leased and cost. This register shall be updated on a quarterly basis by the finance team and held in an electronic format.
- 13.5 Details of any asset/equipment disposals, including details of sums received (if applicable), shall be reported to and authorised by the Board.
- 13.6 The Head of Finance & Corporate Services will ensure a register of all properties owned by the Association is maintained and kept up to date. The housing properties register shall ensure the Association complies with the requirements of component accounting. The current housing register used by the Association is known as the Real Asset Management (RAM). This holds records of all housing assets by phase, split into relevant components. Component and property replacements and disposals, along with depreciation charges of housing property assets shall be updated on the component accounting spreadsheet in a timely manner. Copy invoices for all replacements will be kept in a file within the finance department. This task is undertaken by the finance team on a quarterly basis. These updates and the resultant monthly journal shall be reviewed by the Head of Finance & Corporate Services.

14. PROCUREMENT, CONTRACTS AND TENDERING

- 14.1 All works, goods and services will be procured in accordance with the terms of the Association's Procurement Policy.

- 14.2 Where necessary, quotations or tenders for goods or services will be obtained, according to the financial limits as detailed in the Procurement Policy.
- 14.3 Orders for works, goods and services will be in accordance with current procedures, in particular the budget limits and the regulations on Incurring and Authorising Expenditure.
- 14.4 All contracts within the scope of the procurement policy entered by the Association require the authorisation of the Board.
- 14.5 Where contracts for new-build or maintenance projects, or for annual services, provide for payment to be made by instalments, the finance team and relevant officer shall keep records detailing the position of accounts on each contract, together with any other payments and the related professional fees.
- 14.6 Payment to contractors, whether on account or the final account, shall be made in accordance with current procedures. The Head of Finance & Corporate Services shall meet regularly with the appropriate officer to monitor expenditure on contracts.
- 14.7 The Board shall be provided with quarterly updates on the progress of all contracts, including a summary of the position of accounts on each contract.
- 14.8 The Association shall take account of the current Scottish procurement regulations. When required and following approval by the Board a procurement consultant may be used to ensure the Association complies with all applicable Procurement legislation and requirements.

15. NEW PROJECTS

- 15.1 Prior to committing the Association to any new projects or activities a full options appraisal and financial assessment shall be carried out and reported to the Board for consideration and approval.
- 15.2 In the event that the new project or activity results in a net financial cost to the Association then the overall impact on the Associations long term financial projections requires to be considered and reported on as part of the overall assessment report.
- 15.3 External specialist and legal advice shall be taken where appropriate.

16. BOOKS, REGISTERS AND COMPUTER DATA

- 16.1 As a minimum requirement the following books and registers must be maintained by the Association: -

Books and Registers	Staff Member Responsible
Cashbook	Head of Finance & Corporate Services

Petty Cash Book	Head of Finance & Corporate Services
Nominal Ledger	Head of Finance & Corporate Services
Purchase Ledger	Head of Finance & Corporate Services
Sales Ledger	Head of Finance & Corporate Services
Rent Ledger	Head of Finance & Corporate Services
Fixed Asset Register – Housing	Head of Housing Services
Fixed Asset Register - Other	Head of Finance & Corporate Services
Register of Disposals	Head of Asset Services
Register of Frauds	Head of Finance & Corporate Services
Register of Payments and Benefits	Head of Finance & Corporate Services
Register of Interests	Head of Finance & Corporate Services
Register of Members	Head of Finance & Corporate Services
Register of Gifts and Hospitality	Head of Finance & Corporate Services
Tender Register	Head of Asset Services
Complaints Register	Head of Finance & Corporate Services

- 16.2 Responsible staff member refers to individual having responsibility for maintenance of and administration relating to each register. This responsibility may be delegated to another staff member by the responsible staff member.
- 16.3 All such books and registers together with other relevant papers or information may, where appropriate, be kept in an electronic format and must be securely stored when not in use.
- 16.4 In conducting its operations the Association must comply with all aspects of the Data Protection Act, General Data Protection Regulations, and all other relevant legislation. All such matters are the responsibility of the Chief Executive.
- 16.5 The Association's IT co-ordinator is the Head of Finance & Corporate Services. The systems administrator is the Head of Finance & Corporate Services (external provider) and access of user rights are noted within the Association's Data Management policy.

17. SECURITY

- 17.1 All Management Team are responsible for maintaining proper and adequate security at all times for buildings, furniture, equipment, and other assets, and any cash under their direct control. The Chief Executive is responsible for overall security and any risks to the Association must be notified to the Chief Executive immediately.
- 17.2 All information held on computer must be backed up daily and stored on cloud. It is the responsibility of the Head of Finance & Corporate Services this is completed.
- 17.3 Access to computer systems must be restricted by the appropriate use of passwords which shall be prompted to change every regularly for software and pc's etc. A formal Data Management policy should be in place and enforced.
- 17.4 The Chief Executive through the Data Protection Officer will ensure that there are adequate systems in place covering the security and use of all data (personal and sensitive information) relating to applicants, tenants, members of staff, contractors and of the public held either in electronic or paper format, to comply with the all relative legislation.
- 17.5 All current staff members are office key/ fob holders. All personnel holding keys / fobs are responsible for their safe keeping.
- 17.6 The petty cash boxes will be held during the day by the finance team in a locked safe. Keys are retained by the Finance Officer. Overnight the petty cash box shall be locked in the safe currently located in the finance department.
- 17.7 Access to the safe is restricted to the finance team, using a keypad the Finance team know the combination only.
- 17.8 Under no circumstances should other staff members be given access to the safe or retain possession of the petty cash box keys. In all cases petty cash box keys must be retained in the possession of the authorised staff member who, under no circumstances, should leave keys unattended.
- 17.9 A register shall be maintained of all items held within the safe. Documents should be signed out when removed by an authorised member of staff and signed back in when returned. A regular check should be made by the finance team to ensure all items are present in the safe.
- 17.10 The loss of office, property or petty cash keys must be notified to the Chief Executive immediately.

18. INSURANCES

- 18.1 The Association's Head of Finance & Corporate Services shall arrange all insurance cover on behalf of the Association subject to the management team

confirming cover requirements. The use of a specialist consultant may be required. The appointment of this consultant will be approved by the Board.

- 18.2 All Management Team of the Association shall advise the Head of Finance & Corporate Services in writing of events likely to result in a change to the Association's insurance requirements.
- 18.3 The Head of Finance & Corporate Services, in consultation with the management team, shall review all insurances during the year and report to the Board thereon.
- 18.4 The submission of all property insurance claims is the responsibility of the Head of Asset Services. All other claims shall be dealt with by Finance and the finance team shall record, monitor and control all insurance claims.
- 18.5 The Employer's Liability Insurance Certificate will be displayed in the public reception area for each place of business.
- 18.6 The Association shall ensure, prior to contracts commencing, that written agreement is received from external contractors that they shall insure and take responsibility for all works in progress. A copy of the insurance cover in place must be received by the Association in advance of such works commencing.

19. RISK MANAGEMENT

- 19.1 The Association's approach to managing risk is detailed within the Risk Management Policy.
- 19.2 All current activities, and proposals for new activities, will be subject to a risk assessment as specified in the Risk Management Policy and Strategy.
- 19.3 Where potential risks are identified the activity will be included in the current Risk Matrix together with measures to eliminate or minimise the risk.
- 19.4 The Chief Executive will provide the current risk matrix and a report to the Board at least every six months, providing an update regarding progress to mitigate the key strategic risks to the Association.

20. VALUE FOR MONEY

- 20.1 The Association shall seek to obtain value for money in terms of any fixed asset investments, its contractual commitments and in its day-to-day operational activities. Returns on investments shall be managed in line with the Treasury Management Policy.
- 20.2 The selection of an appropriate method of procurement, the use of tendering procedures, the selection of appropriate financing options and a balancing of

quality and cost or other appropriate cost benefit analysis shall be undertaken by the Association in its decision-making process.

21. TREASURY MANAGEMENT

21.1 The Association will comply with the Chartered Institute of Public Finance & Accountancy (CIPFA) Treasury Management in the Public Services: Code of Practice and cross Sectorial Guidance Notes (2017 Edition), (the Code).

21.2 The Association will create and maintain as the cornerstone for effective treasury management.

- A treasury management policy statement stating the policies objectives and approach to risk management of its treasury management activities.
- Suitable treasury management practices (TMP's), setting out the manner in which the Association will seek to achieve those policies and objectives and prescribing how it will manage and control those activities.

The content of the policy statement and TMP's will follow the recommended contained in sections 6 & 7 of the code, subject only to amendment where necessary to reflect the particular circumstances of the Association. Such amendments will not result in the Association materially deviating from the Code's key principals.

21.3 The Associations Board will receive reports on its treasury management policies, practices, and activities, in line with the Treasury Management Policy.

21.4 The Association delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to the Board and for the execution and administration of treasury management decisions to the Chief Executive in conjunction with the Head of Finance & Corporate Services.

22. TRAVEL, SUBSISTENCE & OTHER ALLOWANCES

22.1 All claims for payment of car allowances, subsistence allowances, travelling and incidental expenses shall be authorised and paid in accordance with the Association's policies and procedures on Board Members' and Staff Expenses.

22.2 All claims for payments of travel, subsistence and other expenses will require to be authorised in accordance with the current financial procedures.

23. GIFTS, HOSPITALITY & INTERESTS

23.1 The giving and receiving of gifts and hospitality shall be in accordance with the Association's Entitlements, Payments, and Benefits Policy.

23.2 All Board members and staff shall ensure that they declare any interest with regards to any aspect of the Association's activities as required by the

Association's rules and regulatory requirements. The Chief Executive through the Head of Finance & Corporate Services shall maintain a register of interests in accordance with the Association's Entitlements, Payments, and Benefits Policy.

24. DONATIONS

- 24.1 All donations must be approved by the Board through the Community Support Fund.

25. BENCHMARKING AND PERFORMANCE ANALYSIS

- 25.1 The Association's Chief Executive shall ensure that reports will be submitted to the Board on the following areas: -

- (a) Analysis of Business Plan targets achieved
- (b) Comparison of results with the SHR published ratios and statistics
- (c) Comparison of results with the Association's annual budget.
- (d) Comparison of actual and estimated loan covenant results; and
- (e) Annual Return on the Charter (ARC).
- (f) Annual Assurance Statement

The Association's Board may consider issues arising from the above in greater detail.

- 25.2 All Management Team are responsible for the provision of information attaching to their department in line with an agreed timetable confirmed by the Chief Executive and included within the operational plan. Section Heads, when providing relevant data or statistics summaries, shall email the detailed calculations or file attachments that represent the source of the summary data or statistics provided. The Chief Executive or a delegated representative shall audit relevant information provided in order to ensure accuracy and consistency of reporting.

26. INCURRING AND AUTHORISING EXPENDITURE

- 26.1 Only those staff with the delegated authority to do so will incur an expenditure commitment or authorise a payment. No payments will be made unless the payment has been checked and signed off by those with the appropriate authority.
- 26.2 The Board approve budgets prior to the beginning of the financial year and staff have delegated authority to spend within these budgets subject to Standing Orders and the current Scheme of Delegated Authority.
- 26.3 Any non-emergency expenditure (including contract variations) up to £20,000 in total more than set budgetary limits may be approved by the Chief Executive who shall report such matters for retrospective approval to the next Board meeting.

26.4 There are three levels of procedures involved in authorising expenditure.

- a) taking on the commitment to spend.
- b) certification that the expenditure is arithmetically correct; and
- c) approving the invoice after goods or services received.

Further information on (b) and (c) is contained in the detailed financial procedures.

26.4 Approval of Commitment to Spend

- i) Capital Expenditure (excluding properties, including IT, motor vehicles, copiers etc)

a)	Under £20,000	CEO
b)	Over £20,000	Board

- ii) Capital Expenditure (properties)

a)	Purchase of a property	Board
b)	Shared owners buy backs within budget	CEO
c)	Consultants Fees / Works Costs within approved contract sums up to £750k	CEO
d)	Component replacement costs within agreed contract sums	CEO , Head of Finance & Corporate Services and Head of Asset Services

- iii) Staff Appointments, Salaries & Staff Costs

a)	Staff appointments	Board
b)	Temporary Staff	CEO/ MT
c)	Annual Salary Reviews	Board
d)	Staff Expenses	CEO /MT
e)	Board Expenses	CEO & FCSM
f)	Chief Executive Expenses	Chair or office bearer
g)	Overtime	CEO / MT
h)	Overtime of Chief Executive	Chairperson
i)	Redundancies, settlements etc	CEO /Staffing Committee / Board

- iv) Asset Management Costs

a)	Repair & Maintenance up to £750	Asset Management Assistants
b)	Repair & Maintenance up to £1,000	Repairs Coordinator
c)	Repair & Maintenance up to £2,000	Maintenance Officer
d)	Repair & Maintenance up to £10,000	Head of Asset Services

e)	Repair & Maintenance up to £20,000	CEO
f)	Repair & Maintenance over £20,000	Board

v) Business Support Costs

a)	Up to £750	Corporate Services Assistant
b)	Up to £2000	Corporate Compliance Officer, Finance Officer
c)	Up to £10,000	Head of Finance & Corporate Services
d)	Up to £20,000	CEO
e)	Over £20,000	Board

vi) Housing Service Costs

a)	All costs up to £750	Housing Services Assistant
b)	All costs up to £2,000	Housing Officer
c)	All costs up to £10,000	Head of Asset Services
d)	All costs up to £20,000	CEO
e)	All costs over £20,000	Board

The above noted individuals have the same authority levels for authorising invoices for payment.

Appendix 1

Authorised Signatories

BACS Payments	
Prepared by	Finance Officers
Authorised by	CEO, Head of Asset Services, Head of Housing Services, Head of Finance & Corporate Services, (any 2 of 5)
Cheque Payments	
Prepared by	Finance Officers
Authorised by	CEO, Head of Asset Services, Head of Housing Services, Authorised board members (any 2 of 5)
Grant Offers- DRS	
Accepted by	CEO
Grant Claims	Head of Finance & Corporate Services
Grant Offers-Other	
Accepted by	CEO
Grant Claims	Based on authority agreed by Board

A copy of all sample signatory forms issued to third parties must be retained by the Finance Team.

Contracts requiring signature must be signed in line with delegated authority granted by the Board at the appropriate meeting.

Budget Holders

Chief Executive	Employee Costs Consultancy Costs Staff Recruitment General Legal fees New Build Costs Other Fixed Assets
Head of Asset Services	Reactive Maintenance Void Costs Major Repairs Cyclical Maintenance Component Replacement Costs Commercial Property Cost Stage 3 Costs Service Charges
Head of Housing Services	Housing Legal Fees Rental Bad Debts Tenant Participation Void Council Tax
Head of Finance & Corporate Services	Advertising & Promotion Committee Expenses Committee Training Staff Training Subscriptions Telephones Heat, Light & Cleaning General Expenses Office Repairs Office Equipment Maintenance Printing & Stationery Postage
Head of Finance & Corporate Services	Audit Fee (Internal & External) Bank Charges Housing Bank Charges Legal Fees Factoring Wider Action Insurance Rent & Rates Loan Payments Grant submission/drawdown Donations

Please sign below that you have read and understood the Financial Regulations Policy:

NAME	POSITION	SIGNATURE	DATE

Signed **Secretary** _____

Chair _____