



## FINANCIAL REGULATIONS

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# West of Scotland Housing Association Ltd

## Financial Regulations

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## **Financial Regulations**

### **1. Financial Control**

The section considers the financial and audit responsibilities of the Associations' Board and Sub Committees and is to augment detail provided with the Associations' Scheme of Delegation.

#### **1.1 The Board**

The Board has ultimate responsibility for the Association's finances. Its financial responsibilities are:

- To ensure the solvency of the Association
- To safeguard the Association's assets
- To ensure the effective and efficient use of resources
- To ensure compliance with Scottish Housing Regulator's performance standards
- To ensure that financial control systems are in place and are working effectively and that an annual statement of assurance is produced by internal audit
- To approve the Association's corporate plan and monitor performance against the plan
- To approve annual estimates of income and expenditure and to approve the financial statements and monitor performance against budget
- To recommend to the annual general meeting (AGM) the appointment of the Association's external auditors.
- Treasury management including the conditions under which the Association borrows or lends money
- Approval of major revenue, capital or otherwise material contracts.
- Approval of major investments

#### **1.2 Audit Committee**

The Audit Committee is accountable to the Board for the fulfilment of the responsibilities delegated to it as set out in its terms of reference in the Audit Committee Handbook. Its primary role is to contribute independently to the Board's overall processes for ensuring that an effective internal control system is maintained. The committee considers issues with a financial implication or associated risk and advises the Board accordingly.

The Audit Committee has the right of access to all information it considers necessary to fulfil its responsibilities and to consult directly with internal and external auditors.

#### **1.3 Audit Requirements**

The Director of Finance and Corporate Services is responsible for drawing up a timetable for final account purposes and will advise staff and external auditors accordingly.

The annual financial statements and management letter will be reviewed by the Audit Committee. On its recommendation the financial statements will be submitted to the Board Committee for approval.

External and internal auditors and have the authority to:-

- Access all assets, records, documents and correspondence relating to any financial or non financial transaction
- Require and receive such explanations as are necessary concerning any matter under examination
- Require any employee of the Association to account for cash, stores or any other Association property under their control
- Request access to records belonging to third parties, such as contractors when required.

### **1.3.1 External Audit**

The appointment of external auditors will take place annually at the Association's annual general meeting. It is the responsibility of the Board to make recommendations following advice from the Audit Committee.

The primary role of external audit is to report and reach an opinion on the Association's financial statements and to report on the appropriate use of funds. An examination of the financial statements, underlying records and control systems will be carried out. The external auditor's duties will be in accordance with advice set out in the code of audit practice and the Auditing Practices Board's auditing standards.

Each year the Audit Committee will review the effectiveness of external audit. Provided the auditor's work is of a sufficiently high standard and reasonably priced, the Audit Committee will recommend that the Board Committee should reappoint them. We will re-tender for our external auditors on a 5 yearly basis, unless there is a change in circumstances, this will be done in line with the Association's Procurement Policy and Procedures.

### **1.3.2 Internal Audit**

Internal audit is delivered by a suitable qualified individual or firm. It is, however, the Audit Committee's responsibility to monitor the effectiveness of the internal audit function.

The main responsibility of internal audit is to conduct audits of the areas specified in the internal audit programme and to report on the adequacy of controls in these areas to the Audit Committee on a regular basis. The audit programme should be set on a three year running programme as a result of an audit needs assessment by the Internal Auditor and agreed by the Director of Finance and Corporate Services. The Audit Committee and Director of Finance and Corporate Services may also request an audit at any time of areas of concern. The internal auditor is to be allowed direct access to the Board, Chief Executive Officer and chairperson of the Audit Committee at any time.

We will re-tender for internal auditors every 5 years, unless there is a change in circumstances, to ensure that we obtain Value for Money. This will be carried out in line with the Association's Procurement Policy and Procedures.

### **1.3.3 Other Auditors**

The Association may, from time to time, be subject to audit or investigation by HM Revenues and Customs, Scottish Housing Regulator, Audit Scotland, the Office of the Scottish Charity Regulator (OSCR) and the Financial Conduct Authority (FCA). These bodies have statutory right of access.

### **1.4 Responsibilities**

The responsibilities of the Chief Executive Officer, Director of Finance and Corporate Services and Corporate Management team are defined within the Associations' Scheme of Delegation.

### **1.5 Budgeting**

#### **1.5.1 Resource Allocation**

Resources are allocated regularly, and at least annually, on recommendation of the Board.

#### **1.5.2 Budget Preparation**

The Director of Finance and Corporate Services is responsible for ensuring the presentation of an annual budget to the Board for discussion. After discussion and agreement at Board and after any alterations requested the budget will be made available to managers identified within this document as responsible for budget areas. The budget will contain both revenue and capital information.

Following approval by the Board, the budget, at a detailed level, will be communicated to the budget holders.

#### **1.5.3 Capital Expenditure**

Capital Expenditure on land, buildings, furniture and associated costs can only be undertaken if it is part of the development programme/ budget approved by the Board or in exceptional circumstances, where outwith the Board cycle, as approved by the Chief Executive Officer/Director of Finance and Corporate Services and the respective Chair of the Association and/or Development and Investment Sub Committee (DISC).

Quarterly statements concerning all expenditure will be submitted to the Board for discussion.

Proposed capital projects on land and buildings may be brought to the DISC for a recommendation to the Board that the project be included in the approved development programme as and when required. Prior to a project within the approved development programme being submitted to a funding body, the DISC will receive a report containing:

- A statement which demonstrates the project's continued alignment with approved strategic plans
- An analysis of the estimated expenditure
- An analysis of the anticipated funding sources (grants, loans, reserves)\*
- A financial appraisal of the project demonstrating its viability and contribution to the association
- Confirmation of compliance with approved procurement procedures and regulatory body requirements

- Confirmation that Finance and Housing Services and Property have discussed the project and it can be accommodated within the Association's budget forecast.

\*Actual expenditure and funding will only be known after contractors/consultants have been selected and grant approval has been accepted.

#### **1.5.4 Financial Planning**

The Director of Finance and Corporate Services is responsible for submitting the financial plan to the Board for approval. The financial plan will include long term forecasts for at least the periods required by Scottish Housing Regulator and lenders. The financial plan will be consistent with other strategic and development plans approved by the Board.

#### **1.5.5 Budgetary Control**

The annual budget is broken out into account categories. All account categories are assigned to budget holders. The control of income and expenditure within each account category is the responsibility of the designated budget holder. Budget holders are responsible to their line manager for the income and expenditure allocated to their designated account categories. The budget holder will be assisted in this duty by management information provided by the Finance Manager, a member of the Finance team or drawn directly by the manager from the accounting system.

#### **1.5.6 Additional Unbudgeted Income**

From time to time the Association is in receipt of unbudgeted funds such as from the sale of dispersed stock etc. Where appropriate, these funds may be used to support expenditure that would not otherwise be undertaken. Decisions regarding the allocation of this expenditure are delegated to the Corporate Management Team up to a limit of £50,000 per item. Expenditures on items over £50,000 are subject to Board approval.

### **1.6 Accounting and Reporting Policies**

#### **1.6.1 Annual Audited Financial Statements**

The annual audited financial statements are prepared on the historical cost basis of accounting as modified by the valuation of certain heritable properties. They are prepared in accordance with applicable accounting standards, and in the format required by the Statement of Recommended Practice (SORP) for registered social housing providers. The financial year is from 1<sup>st</sup> April to 31<sup>st</sup> March.

#### **1.6.2 Quarterly Management Accounts**

Management accounts will be produced each quarter, for periods ending 30<sup>th</sup> June, 30<sup>th</sup> September, 31<sup>st</sup> December and 31<sup>st</sup> March. These reports will be produced and issued within six weeks of the report date with the exception of 31<sup>st</sup> March where 10 weeks is appropriate as part of the preparation of the annual financial statements process. These will contain:

- A balance sheet
- A summary income and expenditure account

- Income and expenditure broken down into account categories, showing actual to date, budget to date, variance to date, and annual budget and where appropriate the year end projection.
- Key ratio analysis

### **1.6.3 Monthly Financial Statements**

Monthly budget statements for budget holders will be produced if appropriate each month reporting the results to the end of the month. These reports will be produced and issued within four weeks of the report date. The Finance Manager or a member of the Finance team will meet with budget holders on a regular basis to discuss results.

### **1.6.4 Returns**

The Director of Finance and Corporate Services is responsible for dispatching returns and other periodic financial reports to regulatory bodies.

### **1.6.5 Records**

The Director of Finance and Corporate Services is responsible for the retention of financial documents. The Association is required by law to retain prime documents.

- |                             |                           |
|-----------------------------|---------------------------|
| • accounts raised           | 6 years plus current year |
| • copies of receipts        | 6 years plus current year |
| • payroll records           | 6 years plus current year |
| • VAT records               | 6 years plus current year |
| • Other financial documents | 3 years plus current year |

Reference should also be made to the Association's Data Protection Policy and Procedures.

## **2 Income and Banking**

### **2.1 General**

Levels of rents and lettings are determined by procedures approved by the Board.

The Director of Finance and Corporate Services is responsible for:

- ensuring that appropriate procedures are in place to enable the Association to collect all income to which it is entitled
- prompt collection, security and banking of all income received
- ensuring that grants approved by funders are received and recorded in the accounts in an appropriate manner
- ensuring that all claims for funds are made by the due date

### **2.2 Appointment of Bankers**

The Chief Executive Officer is responsible for approval of the appointment of the Association's Bankers on the recommendation of the Director of Finance and Corporate Services. The service will be reviewed on a 5 yearly cycle.



### **2.3 Banking Arrangements**

The Director of Finance and Corporate Services is responsible for liaising with the Association's bankers in relation to the Association's bank accounts, payment of BACS and issue of cheques. All cheque books shall be ordered on the authority of the Director of Finance and Corporate Services who shall make proper arrangements for their safe custody.

Only the Director of Finance and Corporate Services may open or close a bank account for dealing with the Association's funds. All bank and loan accounts shall be in the name of the Association.

All cheques drawn and BACS payments on behalf of the Association must be authorised in the form approved by the Board. Details of authorised persons to sign cheques and authorise transfers to/from the deposit accounts are detailed in appendix 1.

Details of staff who can sign draw down notices for loans are also contained in appendix 1.

### **2.4 Cash Receipts**

It is not the Association's policy to accept payments in cash. Cash, however will be accepted in special circumstances, for example, when payment of arrears to avoid eviction or when cash is posted to the office.

All monies received within the head and area offices must be recorded by the office on a daily basis. An authorised receipt will be issued. Where the area office does not have a safe then cash should be transferred to the head office where practical on the day of receipt.

Cash holdings must comply with the requirements of the Association's insurers. No deductions may be made from any cash collected on behalf of the Association prior to passing the funds to Finance for banking intact.

Personal or other cheques must not be cashed out of money received on behalf of the Association.

The Association's Cash Handling Procedures should be followed for all cash received.

### **2.5 Rents**

The methods for collecting rents as arranged by the Director of Housing and Customer Service must be approved by the Director of Finance and Corporate Services and the Board. The Director of Housing and Customer Service should ensure that:

- Rents are collected in a timely and effective manner and in accordance with procedures detailed in the Arrears Policy.
- Monitoring and reporting of both current and former tenants' outstanding rents are done as per the procedures in the Arrears Policy and the Former Tenant Balances Policy.

Individual rent write offs in excess of £2,000 must be approved by the Board

## **2.6 Debt Collection (other than rents)**

Income is collected from the factoring service, rechargeable repairs and agency services. The Director of Finance and Corporate Services should ensure that:

- Invoices are raised promptly in respect of income due to the Association.
- Overdue debts are collected in a timely and effective manner and in accordance with procedures detailed in the factoring and rechargeable repairs policies and procedures.
- Outstanding debts are monitored and appropriate procedures are employed to collect overdue debts.

In the case of Factoring, Agency Income and HAG Claims the responsibility for collection lies with the Director of Development and Asset Management. In his absence, these responsibilities would be delegated to the Property Services Manager.

The Director of Development and Asset Management in consultation with the Director of Finance and Corporate Services is responsible for implementing credit arrangements and where appropriate indicating a period in which different types of invoices are paid. All write offs over the value £2,000 must be approved by the Board.

## **2.7 Write Off of Other Debts**

The Association aims to pursue all debts due. However when further efforts to collect overdue debts is considered uneconomic then any write offs must be done in accordance with the appropriate policy, such as the Factoring Policy and the Rechargeable Repairs Policy. All write offs over the value of £2,000 must be approved by the Board.

## **2.8 Gifts, Benefactions, Hospitality and Donations**

The Executive Assistant is responsible for ensuring that records are maintained in respect of gifts, benefactions, hospitality and donations made to or declined by the Association. Members of the Board and members of staff are responsible for adhering to the Entitlements, Payments and Benefits Policy that sets out guidance on hospitality and gifts that are acceptable / unacceptable. All hospitality or gifts that are accepted by (members of the Board or staff) must be recorded in the Gifts Hospitality Register.

Limits concerning acceptable expenditure for entertaining guests from outside bodies are set out in the Association's Entitlements, Payments and Benefits Policy.

## **2.9 Security of Documents Signed**

The Secretary of the Association is responsible for ensuring the safekeeping of official and legal documents.

## **3 Expenditure**

The Director of Finance and Corporate Services is responsible for making payment to suppliers of goods and services to the Association.

### **3.1 Authorities**

The Directors have overall responsibility for purchases within their department. Purchasing authority may be delegated to named budget holders within the department or authorised personnel in their absence.

Directors and budget holders are not authorised to commit the Association to expenditure without first ensuring that the expenditure will be covered by the designated budget.

Invoices should be authorised for payment by the budget holder rather than the member of staff who originally placed the order. This should be in line with authorisation limits.

Appendix 2 lists the schedule of staff authorised to place orders, approve invoices for payments and their limits.

The applicable Director should place details with the Director of Finance and Corporate Services of any staff authorised to sign in place of any member listed due to their absence.

Any Director may sign in an emergency for another department head in the latter's absence provided the expenditure is recommended by a member of the former's department.

### **3.2 Petty Cash**

The Finance department holds a petty cash float. The float is maintained on an imprest system.

Employees responsible for petty cash must obtain vouchers as evidence of disbursements by claimants wherever possible. A petty cash request form must be completed before petty cash is distributed.

### **3.3 Purchase Orders**

Purchase orders should be confirmed by official documentation for all work, goods or services to be supplied to the Association except for the supplies of public utility services, for periodic payments such as rent or rates, for petty cash purchases or for any exceptions that the Director of Finance and Corporate Services may approve. Purchase orders must be signed by two members of staff, the member of staff requesting the purchase and their line manager/budget holder.

- Job order forms must be raised for all day to day repairs, medical adaptation, gas servicing, electrical inspections and all other repair/ services to properties.
- Official order forms will be issued for all other purchases using the Association's standard purchase order form.
- Development projects and major repair project expenditure should be confirmed by signed contracts, letters of appointment, official orders etc.

### **3.4 Building Works**

For larger works, outwith the scope of reactive repairs, the Association will endeavour to obtain 'Value for Money' by a combination of quotations,

competitive tender and negotiation. The Association's Procurement Policy and Procedures sets out the policy and procedures to be adopted

### **3.5 Development Projects and Building Contracts**

Contracts for the construction of new buildings or the refurbishment of existing ones are the responsibility of the Board. This responsibility has been delegated to the Development and Investment Sub Committee (DISC) Contracts are administered by the Director of Development and Asset Management. In the absence of the Director of Development and Asset Management they would be administered by the Development Team. Contracts will comply with the Association's procurement policy on development activities. The appointment of consultants will comply with the Association's Procurement Policy and Procedures.

All development projects will be subject to investment appraisal reviewed by the Director of Finance and Corporate Services.

Following completion of a development project, a final report will be submitted to DISC. This will record actual expenditure against budget and will reconcile funding arrangements. For each project, documentary evidence concerning the decision making process will be retained for audit purposes.

### **3.6 Grant Offers**

The Association receives various grants in support of its activities. It is important that all forms are completed appropriately and comply with the grant provider's requirements. Appendix 5 provides details of those who are authorised to sign requests for grants and grant offers.

### **3.7 Procurement of Services**

Service procurement such as for solicitors, external and internal auditors should be carried out in accordance with the Procurement Policy and Procedures.

### **3.8 Non Housing Fixed Asset Additions**

Capital expenditure on information, communication technology and office equipment should be committed in accordance with the provisions of the acquisition and disposal policy.

### **3.9 Payment of Invoices**

Payments will only be effected against invoices which have been certified for payment by the appropriate authoriser within their approved limits as set out in appendix 2. The approval of invoices for payment will be evidenced by the relevant member of staff signing it. The signing off of an invoice for payment means that:

- The goods have been received, examined and approved with regard to quality and quantity, or that services rendered or work done is satisfactory
- Where appropriate, it is matched to the order
- Invoice details (quantity, price) are correct
- The invoice is correct arithmetically
- The invoice has not been passed for payment previously
- Where appropriate VAT regulations have been complied with

- The financial ledger account code is quoted, including account category, development scheme (if appropriate), area and function

Approved invoices must be passed to the Finance department, as soon as they are certified.

## **4 Salaries**

### **4.1 General**

All Association staff will be appointed to the salary scales approved by the Board. The Association is a member of Employers in Voluntary Housing (EVH) and salary scales and terms and conditions are set by EVH. The Board will be consulted by EVH on salary increases and changes to terms and conditions. Letters of appointment will be retained by the HR & Corporate Services team. The Head of Corporate Services is responsible for ensuring that the Director of Finance and Corporate Services is informed of all matters relating to personnel for payroll purposes including:

- Appointments, resignations, dismissals, supervisions, secondments and transfers
- Absences from duty for any reason apart from annual leave.
- Changes in remuneration including increments and pay awards
- Information necessary to maintain records of service for superannuation, income and national insurance

The Director of Finance and Corporate Services is responsible for keeping all records relating to payroll.

### **Temporary Posts**

The Chief Executive Officer may recruit temporary staff or upgrade existing staff on a temporary arrangement subject to any additional costs being able to met from within the overall salaries budget agreed by the Board (or in exceptional cases up to a maximum 1% of over the approved salaries budget). This can be delegated to the Director of Finance and Corporate Services in the Chief Executive's absence. The approved budget should include a buffer to address temporary staffing changes.

### **Replacement of Existing Posts**

Replacement of existing staff on complement is delegated to Directors and Managers subject to the prior agreement by the Corporate Management Team.

### **New Posts or Changes In Contracted Hours**

New posts to the staffing complement or permanent changes in staffing complement, beyond those that were agreed when the budget was approved, must be approved by the Board in advance of the new appointment, with the exception of minor changes in the working hours of individuals up to a maximum of 1 day per week.

### **Overtime**

Payments for overtime can also be agreed by Managers, following discussion with their Director and dependent on available budget, subject to a maximum in total for all staff they manage of 20 hours per month. Overtime beyond this

limit must have the prior approval of the Director of Finance and Corporate Services who will confirm sufficient headroom within the approved salaries budget exists to absorb the additional cost (or in exceptional cases that the additional expenditure will be contained to within a 1% overspend on the approved salaries budget).

#### **4.2 Pensions**

The Board is responsible for undertaking the role of employer in relation to appropriate pension arrangements for employees.

The Director of Finance and Corporate Services is responsible for day to day pension matters. These include the payment of contributions, and the submission of annual returns to authorised pension schemes.

#### **4.3 Travel, Subsistence and Other Allowances**

Staff travelling expenses are paid by BACS in accordance with payment dates advised by the Finance team. Claims by members of staff must be completed in the approved form and submitted to finance by the specified date. They will be certified by the appropriate line manager as detailed in Appendix 3.

Board member expenses are paid by either BACS or cheque via the purchase ledger. Claims must be completed in the approved form and certified by the Chief Executive or Director of Finance and Corporate Services before being submitted to Finance.

The certification will mean that the journeys were authorised, and expenses are properly and necessarily incurred.

### **5 Assets**

#### **5.1 Land and Buildings**

The purchase, lease or rent of land or buildings can only be undertaken with the approval of the Board. The Director of Finance and Corporate Services is responsible for maintaining the Association's land and property register.

#### **5.2 Inventories**

The Director of Finance and Corporate Services is responsible for maintaining a register of all office equipment, furniture, fixtures and fittings.

#### **5.3 Asset Disposal**

Disposal of land and buildings must only take place with the authorisation of the Board or DISC and subject to regulatory consent if the value exceeds 120k.

Disposal of equipment and furniture must be in accordance with the Information, Communication Technology and Office Equipment Acquisition and disposal Policy and Procedures.

#### **5.4 Treasury Management (Investment and Borrowings)**

The Board is responsible for approving a treasury management policy statement. This sets out strategies and policies for cash management, long term investments and borrowings. The Board is responsible for ensuring implementation, monitoring and review of such policies.

All executive decisions regarding borrowing, investment or financing (within policy parameters) will be delegated to the Director of Finance and Corporate Services. All borrowings and investments will be in the name of the Association and will conform to any regulatory requirements.

The Director of Finance and Corporate Services will report to the Audit Committee and the Board regularly in each financial year on the activities of the treasury management operation, on the exercise of treasury management powers and on monitoring and compliance.

The Association has external treasury management advisors in place. This service is re-tendered on 3 yearly basis in line with the Association's Procurement Policy & Procedures.

## **6 Risk Management**

The Board has responsibility for developing a risk management strategy. The purpose of the strategy is to identify the risks facing the Association and review the mitigation strategies adopted. The strategy will address all material liabilities and the risk of loss or impairment of assets. This will be prepared and reported on quarterly to Audit Committee and 6 monthly to the Board.

Risk management is ongoing. The Audit Committee meet four times a year and at each meeting review the high level risks and actions being taken to mitigate high level risk. On an annual basis the Audit Committee will review and update the Association's risk register where applicable.

## **7 Insurance**

The Director of Finance and Corporate Services is responsible for effecting insurance cover. The relevant director is responsible for:

- Obtaining quotes
- Negotiating claims (on non housing claims)
- Maintaining necessary records
- Dealing with insurers about specific insurance problems.
- Housing insurance claims
- Negotiating claims re housing.

The Directors must ensure that any agreements negotiated within their departments with external bodies cover any legal liabilities to which the Association may be exposed. The Director of Finance and Corporate Services' advice should be sought to ensure that this is the case.

The Directors must give prompt notification to the Director of Finance and Corporate Services of any potential new risks and additional property and equipment which may require insurance and any alterations affecting risks.

Insurance claims must be in accordance with the insurance claims procedures.

A register will be kept of all insurances effected by the Association and the property and risks covered.

All staff using their own vehicles on behalf of the Association shall maintain appropriate insurance cover for business use. Staff must sign a declaration form, on an annual basis, to confirm that their car is comprehensively insured for business use.

All staff using any of the company vehicles insured by the Association must complete an insurance questionnaire.

## **8 Taxation**

The Director of Finance and Corporate Services is responsible for advising the Corporate Management Team on all taxation issues in the light of relevant legislation and guidance issued by the appropriate bodies.

The Association has charitable status and therefore is not subject to corporation tax. The Director of Finance and Corporate Services is responsible for considering the taxation implication of any proposed income generating activities to ensure that the charitable status is not affected, seeking taxation advice where necessary.

The Director of Finance and Corporate Services is responsible for:

- maintaining the Association's tax records
- making all tax payments
- receiving all tax credits
- submitting tax returns by their due date as appropriate

## **9 Security**

The Chief Executive Officer and Directors have ultimate responsibility for maintaining proper security at all times for all office buildings, office furniture, cash etc. under their control.

All sensitive information will be stored in a secure manner to maintain privacy. Personnel records will be kept on a secure drive on the IT server by the Head of Corporate Services. Current payroll records will be kept in a secure cabinet in the Finance Department. Access to the payroll software will be password protected. All information relating to individuals will be subject to the provisions of the Data Protection Act. The Director of Finance and Corporate Services will be responsible for compliance.

## **10 Code of Conduct**

Staff at all times will observe the Association's code of conduct in respect of financial probity, as detailed in the Statement of Terms and Conditions of Employment.

Members of the Board must disclose any interest in the Association's Register of Interests.

## **11 Performance Reporting**

A quarterly report highlighting a summary of the performance of key areas of operations should be prepared and presented to the Board. Whilst comprehensive details of the various departments' performance should be provided, a summary of key performance indicators should also be presented with suitable explanations being prepared.



## **12 Contracts to comply with Standing Orders**

- 12.1** (a) Every contract entered into by the Association shall comply with all applicable statutes, regulations, directives or common law principles and with these Standing Orders.
- (b) No exception from any of the provisions of these Standing Orders shall be made otherwise than as authorised by the Board.
- (c) All figures exclude VAT

### **Authorised Officer**

**12.2** The Chief Executive Officer may from time to time prescribe personnel of the Association who are Authorised Officers for the purposes of these Standing Orders and may prescribe different amounts or purposes.

### **Purchases by the Association**

#### **12.3** (a) Below EU Procurement thresholds

An Authorised Officer may enter into an agreement for the purchase of goods, materials, works or services up to the appropriate threshold (see below) having due regard to the need to obtain value for money. The relevant Authorised Officer shall keep a record showing how value for money has been obtained.

The EU Procurement thresholds applicable to the Association as a Contracting Authority are:

- Services Contracts - £181,302;
- Supplies Contracts - £181,302 and
- Works Contracts - £4,551,413.

(Valid from 1 January 2018)

The Director of Finance and Corporate Services shall give guidance and, where appropriate, determine the nature of a contract for the purposes of deciding whether the EU Procurement Regulations are applicable.

In terms of guidance, where a proposed contract contains elements of both supplies and services, the classification should be determined by the respective values of the two elements. Where it covers works/supplies or works/services, it should be classified according to the predominant purpose. In the event of the classification not being clear, the Director of Finance and Corporate Services shall determine the matter and his or her decision shall be final.

In determining whether a contract price is likely to exceed the EU Procurement thresholds, the "aggregation" rules should be considered. Where a single works involves more than one contract the estimated value of all the contracts must be aggregated to decide whether the threshold is reached. Where the threshold is reached each of the works contracts will be covered by the Regulations.

In determining whether the threshold has been or is likely to be reached for supplies or services contracts, the rules require aggregation:

- Of the estimated value of separate contracts for meeting a single requirement.
- In certain circumstances, where a series of contracts or a renewable contract is entered into for suppliers/services of the same type during a twelve month period.

Any decision as to whether the aggregation rules apply shall be referred to the Director of Finance and Corporate Services whose decision shall be final.

Where it has been determined that the EU Procurement Regulations do not apply to a contract, the Authorised Officer remains under an obligation to demonstrate value for money ("VFM").

In deciding how best to demonstrate VFM, the Authorised Officer shall have regard to the Association's VFM Strategy. The Authorised Officer is obliged to retain evidence of how VFM principles were considered and applied for a minimum of six years from the date of the award/appointment.

Where the contract exceeds £1,000 in value the Authorised Officer is recommended to obtain and consider, unless impractical, at least three written or secure electronic quotations from suitable contractors, consultants or suppliers. For the avoidance of doubt, standing lists of persons approved for specified categories of supplies, works or services may be used provided VFM can be demonstrated. Such lists shall be kept updated and copies supplied to the Head of Corporate Services.

Where the contract exceeds £50,000 in value or amount an appropriate tendering procedure should be used and approval made by the relevant Lead Manager. The Procurement Policy provides guidance on authorisation and approval levels for Procurement.

Quotations or tenders shall not be required where the contract is for the procurement of supplies, works or services that involve:

- Special scientific or artistic knowledge.
- Patented or proprietary goods.
- The particular skills or knowledge of the person appointed.
- The temporary extension of existing contracts based on existing contract prices.
- Purchase of goods or materials through a contract organized by an approved purchasing organization able to meet legal and regulatory requirements.

A description of all contracts entered into (and where possible before completion) will be provided to the Head of Corporate Service who will maintain a central contracts register.

(b) Over EU Procurement thresholds

The Association's tendering and award procedures must strictly adhere to the provisions of The Public Contracts (Scotland) Regulations 2015 (and all

subsequent or relevant EU regulation pertaining to procurement). Observance of the EU procurement regime will be monitored by the Director of Finance and Corporate Services.

The Director of Finance and Corporate Services shall have the discretion to stipulate that the EU Procurement procedures be followed even where the Regulations do not apply.

**12.4** Standing Order 8.3(a) shall not apply to the appointment of subcontractors, the supply of works, goods, materials or services where the Association concerned is in competition with other contractors. The Authorised Officer shall have the authority to negotiate for the supply of works, goods, materials or services required provided that:-

- (a) The terms of the agreement are clearly defined;
- (b) There is due regard to the need to obtain VFM; and
- (c) Records of prices and negotiations shall be kept in a form acceptable to the Director of Finance and Corporate Services

All procurement should be carried out in line with the Association's Procurement Policy and Procedures.

## APPENDIX 1

### **Schedule of Authorised staff re Cheque Payments, BACS payments and Bank and Loan Transfers**

Cheque Accounts (including current, factoring and rent accounts)

Two signatories are required, one of whom must be a Director of the Association.

The following are entitled to act as cheque signatories:-

Chief Executive Officer  
Director of Finance and Corporate Services  
Director of Housing and Customer Service  
Director of Development and Asset Management

At any point in time there will be a maximum of five senior members of staff entitled to act as the additional cheque signatory. The named employees will be appointed by a formal resolution. The Board minutes will maintain a list of the senior members of staff authorised to act as cheque signatories. BACS payments are to be verified by one of the senior staff who are cheque signatories and thereafter authorised by a Director.

Deposit Accounts and loan draw downs

Transfers in/from the deposit accounts and the draw down of loans must be authorised by two directors.

## APPENDIX 2

### Schedule Of Staff Authorised To Certify Expenses Claims

<b>Staff Member</b>	<b>Authoriser</b>
Housing Services	Senior Housing Officer or above
Senior Housing Services Officer	Housing Services Manager
Repairs Team	Senior Technical Officer
Welfare Rights Team	Senior Welfare Rights Officer
Contracts Team	Senior Contracts & Compliance Officer
Senior Contracts & Compliance Officer	
Senior Technical Officer	Property Services Manager
Housing Services Manager Community & Support Services Manager	Director of Housing and Customer Services
HR & Corporate Services Team	Head of Corporate Services
Finance & IT Teams	Head of IT and Finance
Development Officer Development Assistant	Development Manager
Community & Support Services Willowacre Trust	Community & Support Services Manager
Head of IT & Finance Head of Corporate Services	Director of Finance and Corporate Services
Property Services Manager Development Manager	Director of Property
Directors Executive Assistant	Chief Executive Officer
Chief Executive Officer	The Board Chair

\*Any director is authorised to approve staff expenses in the absence of the usual authoriser.

### APPENDIX 3

#### Schedule Of Budget Holders

<b>Account Category</b>	<b>Budget Holder</b>	<b>As per Annual Budget</b>
<b>Capital Expenditure</b>		
Land and Buildings	Director of Finance and Corporate Services	
Office and Other Buildings	Director of Finance and Corporate Services	
Motor Vehicles	Director of Finance and Corporate Services	
Furniture	Director of Finance and Corporate Services	
ICT Equipment	IT Manager	
<b>Capital Income</b>		
Social Housing Grants	Director of Finance and Corporate Services	
Housing Loans	Director of Finance and Corporate Services	
<b>Revenue Income</b>		
Fully Owned	Director of Housing and Customer Service	
Shared Ownership	Director of Housing and Customer Service	
Service Income	Director of Housing and Customer Service	
Community & Support Services Grants/ Income	Community & Support Services Manager	
Decant Grants	Director of Housing and Customer Service	
Home Loss Disturbance	Director of Housing and Customer Service	
Factoring	Director of Development and Asset Management	
<b>Expenditure</b>		
<b>Controllable Department Overheads</b>		
Salaries	Director of Finance and Corporate Services	
Motor Expenses	Director of Finance and Corporate Services	
Travel Expenses	Line Managers	
Subsistence Overtime	Line Managers	
<b>Maintenance</b>		
Day to Day Repairs	Property Services Manager	

<b>Account Category</b>	<b>Budget Holder</b>	<b>As per Annual Budget</b>
DTD – Void Repairs	Property Services Manager	
DTD – Non recoverable Decant Repairs	Property Manager	
DTD – Non recoverable Services	Housing Services Manager	
Cyclical	Property Services Manager	
Major Repairs	Property Services Manager	
<b><u>Other Property Direct Costs</u></b>		
Property Insurance	Director of Finance and Corporate Services	
Depreciation of Housing Stock	Director of Finance and Corporate Services	
Bad Debts	Director of Finance and Corporate Services	
Management Charges	Director of Finance and Corporate Services	
Common Housing Register	Housing Services Manager	
Council Tax on Void Properties	Housing Services Manager	
Legal Fees	Director of Finance and Corporate Services	
Other Security Costs	Housing Services Manager	
<b><u>Other Direct Costs</u></b>		
Development Costs	Director of Development & Asset Management	
Decant Costs	Director of Housing and Customer Service	
Marketing Costs	Head of Corporate Services	
Tenant Participation Costs	Head of Corporate Services	
Home Loss Disturbance	Director of Housing and Customer Service	
CCTV Costs	Housing Services Manager	
<b><u>Office Overheads</u></b>		
Rent	Director of Finance and Corporate Services	
Rates	Director of Finance and Corporate Services	
Insurance	Head of Corporate Services	
Heat and Light	Head of Corporate Services	
Rental of Equipment	IT Manager	
Repairs and Renewals	Head of Corporate Services	
Maintenance of Equipment	IT Manager	
Telephones – General	IT Manager	
Telephones – Fax	IT Manager	
Telephones – Alarms	IT Manager	

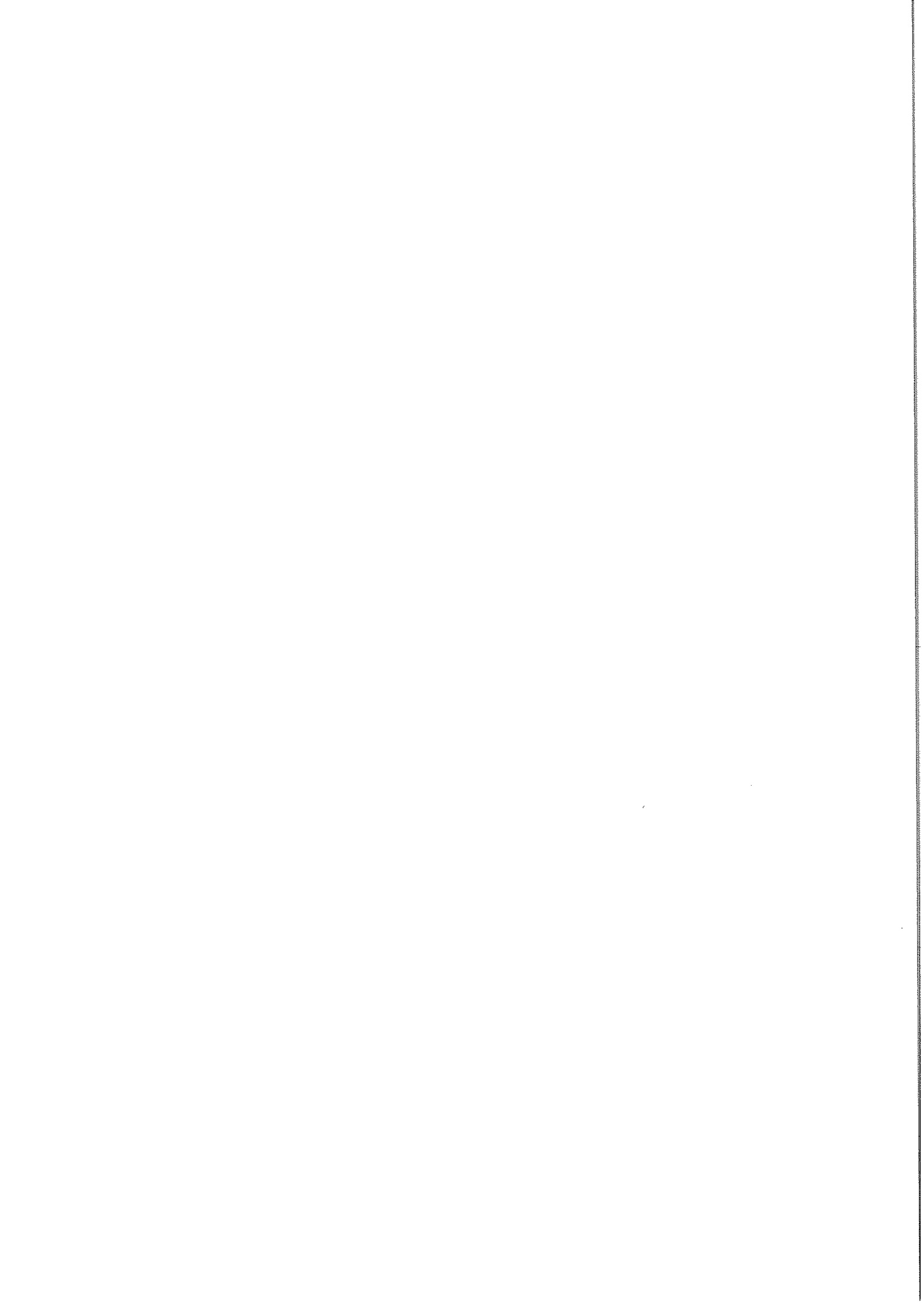
<b>Account Category</b>	<b>Budget Holder</b>	<b>As per Annual Budget</b>
Telephones – IT Links	IT Manager	
Telephones – Mobile Phones	IT Manager	
Postage	Head of Corporate Services	
Printing	Head of Corporate Services	
Stationery	Head of Corporate Services	
Affiliation Fees	Director of Finance and Corporate Services	
Cleaning	Corporate Services Manager	
Staff Recruitment	Organisational Development Officer	
PR/Promotion	Head of Corporate Services	
Professional Fees	Head of Corporate Services	
Staff Vocational Training	Head of Corporate Services	
Staff Seminars and Conferences	Head of Corporate Services	
Subscriptions	Head of Corporate Services	
Audit Fee	Director of Finance and Corporate Services	
Depreciation	Director of Finance and Corporate Services	
Access Audits	Head of Corporate Services	
Bank Charges	Head of IT & Finance	
General Expenses	Head of Corporate Services	
Health and Safety Costs	Director of Development & Asset Management	
Area Committee Costs	Housing Services Manager	
Board Training	Director of Finance and Corporate Services	
Service Costs Sheltered Housing	Director of Housing and Customer Service	
Service Costs Other Properties	Director of Housing and Customer Service	
Interest Received	Director of Finance and Corporate Services	
Interest Paid	Director of Finance and Corporate Services	
Major Repairs Release	Director of Finance and Corporate Services	
Depreciation Credit	Director of Finance and Corporate Services	
Major Repairs Provision	Director of Finance and Corporate Services	



## APPENDIX 4

### Schedule Of Staff Authorised to request and accept Grants

<b>Category of Grant</b>	<b>Authorised to request Grant</b>	<b>Authorised to Accept Grant offer</b>
Development	Chief Executive Officer Director of Development & Asset Management Development Manager	Chief Executive Officer or Director of Finance and Corporate Services or Head of Corporate Services
Maintenance	Director of Development and Asset Management Property Services Manager	Chief Executive Officer or Director of Finance and Corporate Services or Head of Corporate Services
WSHAWT Community & Support Services	Community & Support Services Manager	Chief Executive Officer or Director of Finance and Corporate Services or Director of Housing and Customer Service Or Community & Support Services Manager



Financial Regulations - Appendix 2a

Department	Position	As a Requester	As an Approver
Corporate Services	Chief Executive Officer	no limit within budget	no limit within budget
Corporate Services	Finance & Corporate Services Director	no limit within budget	no limit within budget
Housing	Director of Housing & Community Engagement	300,000	60,000
Repairs	Director of Property	300,000	50,000
Community & Support Services	Community & Support Services Manager	60,000	5,000
Corporate Services	Head of Corporate Services	50,000	5,000
Development	Development Manager	50,000	no limit within contract
Finance	Head of Finance & IT	20,000	1,000
Housing	Housing Services Manager	10,000	5,000
Repairs	Property Manager	100,000	50,000
Community & Support Services	Community Centre Officer	5,000	0
Community & Support Services	Community Services Officer	5,000	0
Community & Support Services	Support Services Officer	5,000	0
Community & Support Services	Older Person's Support Worker	3,500	0
Community & Support Services	Community & Support Services Assistant	3,000	0
Community & Support Services	Community Connector	3,000	0
Community & Support Services	Community Worker	500	0
Community & Support Services	Energy Advice Officer	500	0
Community & Support Services	Handy Person	500	0
Community & Support Services	Money Advice Officer	500	0
Community & Support Services	Retirement Assistant Gourlay Street	500	0
Community & Support Services	Volunteer Coordinator	500	0
Community & Support Services	Retirement Assistant Bell Drive	250	0
Community & Support Services	Retirement Assistant Bulldale Place	250	0
Community & Support Services	Retirement Assistant Denmilne Gardens	250	0
Community & Support Services	Community Centre Assistant	50	0
Corporate Services	HR Officer	5,000	0
Corporate Services	Executive Assistant	3,000	0
Corporate Services	Application Support Analyst	1,000	0
Corporate Services	Communication & PR Coordinator	1,000	0
Corporate Services	Tenant Engagement Officer	1,000	0
Corporate Services	Corporate Services Assistant	100	0
Corporate Services	Receptionist	100	0
Development	Senior Development Officer	30,000	no limit within contract
Development	Development Assistant	10,000	0
Finance	Finance Manager	20,000	1,000
Finance	Finance Officer	1,000	500
Finance	Finance Assistant	500	0
Housing	Senior Housing Officer	5,000	3,000
Housing	Senior Welfare Rights Officer	5,000	3,000
Housing	Housing Officer	3,000	2,500
Housing	Welfare Rights Officer	3,000	2,000
Housing	Assistant Housing Officer	2,000	1,000
Housing	Housing Assistant	1,000	0
Housing	Retirement Assistant Denmilne Gardens	1,000	0
Housing	Welfare Rights Assistant	1,000	0
Repairs	Senior Contracts Assistant	50,000	no limit within contract
Repairs	Senior Technical Officer	10,000	5,000
Repairs	Technical Officer	5,000	1,500
Repairs	Senior Contract & Compliance Assistant	1,500	0
Repairs	Senior Factoring & Contracts Assistant	1,500	0
Repairs	Senior Repairs Assistant	1,500	1,000
Repairs	Contract & Compliance Assistant	1,000	0
Repairs	Repairs Assistant	1,000	0
Repairs	Handy Person's Assistant	50	0

PLEASE NOTE THE SAME PERSON CANNOT RAISE A PURCHASE REQUEST AND APPROVE THE SAME REQUEST.

