



Dalmuir Park
Housing Association

DALMUIR PARK HOUSING
ASSOCIATION LIMITED

FINANCIAL REGULATIONS

DALMUIR PARK HOUSING ASSOCIATION LTD
Financial Regulations

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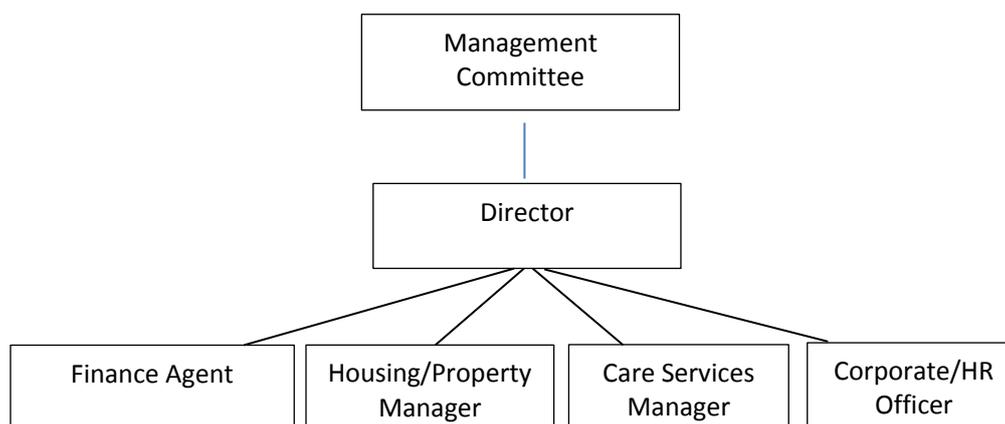
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Approved by Management Committee on 21 March 2018

Review Date March 2021

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 Dalmuir Park Housing Association Limited's financial regulations are based on the following current management structure: -



- 1.3 The Association currently operates under the SFHA Charitable Model Rules (Scotland) 2013 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 committee 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 and Committee Members. It is the responsibility of section heads to ensure that all staff are aware of the existence and content of these regulations, and the Chair of the Board to ensure that the Committee Members are aware of their existence and content.
- 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 Director or the Management Committee.
- 1.11 An annual assurance audit of adherence to the Financial Regulations and Financial Procedures shall be undertaken by the Finance Agent. Findings shall be reported to the Management Committee for information and action.
- 1.12 It is the responsibility of all Staff to inform the Finance Agent or Director of any areas in the Financial Regulations or Procedures that require to be updated or reviewed.
- 1.13 In all DPHA's official documents, where references are made to specific job titles, roles, groups or committees, such references shall be deemed to include any changes or amendments to these job titles, roles, groups or committees resulting from any restructuring or organisational changes made within the Association, made between document reviews.

2. MANAGEMENT COMMITTEE RESPONSIBILITIES

- 2.1 The Management Committee 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.
- 2.2 Statute requires the preparation of financial statements for each financial year and it is the Management Committee which is responsible for ensuring proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association.
- 2.3 The Management Committee is also responsible for safeguarding the assets of the organisation and for taking reasonable steps to prevent and detect fraud and other irregularities.
- 2.4 The Management Committee 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 always 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 always seek to identify risks to the Association and mitigate the same.

3. STAFF RESPONSIBILITIES

- 3.1 The Director is responsible to the Management Committee for the implementation of strategic, policy and procedural decisions taken by the Committee and the day to day management of the Association. The Director is also responsible for the promotion of the Association and for co-ordinating the activities of other Officers. The Director is responsible for ensuring the Management Committee receives all information and relevant guidance and training which it requires to meet its obligations.
- 3.2 All Section Heads/Agents are 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.

- 3.3 The responsibilities and duties of all Section Heads and staff members shall be contained within a suitable job description. The responsibilities and duties of any agents are contained within the relevant Minute (s) of Agreement or Service Level Agreement.

4. ACCOUNTING

- 4.1 All accounting procedures of the Association shall be determined by the Association's Finance Agent in consultation with the Director. These procedures must take account of statute, good practice and current guidance.
- 4.2 The format of the Association's financial records shall be determined by the Association's Finance Agent in consultation with the Director and must take account of audit requirements, good practice and current guidance.
- 4.3 The allocation of accounting duties must where possible take account of segregation of duties and records should be regularly updated.
- 4.4 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 Audit & Risk Sub Committee for approval out with this cycle when changes are made.
- 4.5 It is the responsibility of the Audit & Risk Sub Committee to oversee the implementation of changes to accounting policies and practices.

5. AUDIT REQUIREMENTS

External Audit

- 5.1 The external auditor will be appointed at each Annual General Meeting in line with the Association's Rules and current statutory requirements.
- 5.2 The External Auditor will be appointed following a tendering process and in accordance with good practice. The Association shall review its external auditors every 5 years unless the service level dictates otherwise.
- 5.3 The role of the external auditor must be clearly detailed in an Engagement Letter provided by the external auditor that shall be reviewed at each annual audit in accordance with good practice.
- 5.4 Preparation of the financial statements shall be undertaken by the Association's Finance Agent. A year end timetable should be completed by the Finance Agent and be agreed with the external auditor prior to commencement of the year end statutory audit. The Finance Agent will set out the expected timelines. 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 Management Committee to include comment on past and future developments, together with a separate Committee report on the systems of internal financial control. An annual assurance check will be performed by the Finance Agent and reported to the Management Committee to support this.

- 5.5 Draft audited financial statements will be presented to the Audit & Risk Sub Committee for consideration and recommendation to Management Committee for approval. Final audited accounts will be adopted at the Annual General Meeting normally held in September.
- 5.6 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.
- 5.7 A copy of the auditor's Management Letter and the Committee's response to the Management Letter will also be submitted to the Scottish Housing Regulator within required timescales.
- 5.8 The external audit function shall be overseen by the Audit and Risk Sub Committee and in line with good practice the Sub Committee shall have a closed-door session, with no staff present, with the external and internal auditor at least once a year.

Internal Audit

- 5.9 The internal auditor will be appointed to carry out a rolling programme of reviews of the effectiveness and application of internal controls and procedures.
- 5.10 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 Management Committee.
- 5.11 A rolling programme for internal audit shall be set out and agreed by the Audit and Risk Sub Committee based on current risk assessments. The setting of the internal audit programme shall take account of concerns or recommendations from the Management Committee and Management Team.
- 5.12 The Audit and Risk Sub Committee will review all internal audit reports and progress reports and will monitor the implementation of all agreed actions within set timescales.
- 5.13 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 Audit and Risk Sub Committee as soon as is practical.
- 5.14 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 Management Committee.
- 5.15 The internal auditor may assist in the protection of the assets of the Association by carrying out regular reviews of operations to detect system weaknesses, inefficiencies, fraud, misappropriation and losses due to waste or maladministration. Final responsibility for such matters lies with the Management Committee.
- 5.16 As part of the 3 year audit programme, the internal auditor will also review compliance with the Association's Financial Regulations and Procedures. Final responsibility for such matters lies with the Management Committee.

6. FRAUD AND OTHER FINANCIAL IRREGULARITIES

- 6.1 The primary responsibility for the prevention and detection of fraud and errors rest with the Management Committee. The external auditor may plan the external audit to have a reasonable expectation of detecting material misstatements in the financial statements, whether caused by fraud or errors.
- 6.2 To assist in discharging its responsibilities in this area the Audit and Risk Sub Committee and the Management Committee 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.
- 6.3 All matters in relation to fraud prevention, reporting, recording and associated matters are outlined in the Association's Fraud Policy.

7. BUSINESS PLANNING

- 7.1 The Association shall have in place a three-year business plan document which sets out the strategic direction of the Association. The Management Committee 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 the Management Committee 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 Management Committee and the Management Team in consultation with staff, tenants and other stakeholders as necessary and in line with the Business Planning Protocol.
- 7.2 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)
- 7.3 On an annual basis, the Director will prepare a detailed plan for the Association within the annual delivery of the business plan.
- 7.4 The Director shall produce an annual timetable to accompany the business planning process detailing the stages, processes and responsibilities to achieve the timetable.
- 7.5 The annual Business Plan will set departmental performance targets and KPIs and shall feed into the annual Business Plan review and budget setting process and the Association's risk management procedures.

- 7.6 On at least a quarterly basis, progress against the Delivery Plan and operational targets shall be reported to the Management Committee. These reports shall be supported by the management accounts to ensure all aspects of the business plan are linked together and operating effectively. The Risk Register will be reviewed at each Audit & Risk Sub Committee meeting.
- 7.7 On at least an annual basis the achievement of strategic objectives will be considered and reported to the Management Committee.

8. APPROACH TO FINANCIAL FORECASTING

- 8.1 The Finance Agent will be responsible for the preparation of long term financial planning on behalf of the Association. The Senior Management Team and Management Committee will be involved in the process with the forecasts requiring approval by the Management Committee as part of the Business Plan.
- 8.2 Long term financial forecasts shall be prepared in accordance with timescales noted at clause 8.4 and shall be forwarded to all lenders (in line with loan agreement requirements). Formal feedback and sign off will be sought from Section Heads in relation to assumptions and outputs for their area.
- 8.3 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 Management Committee, all in accordance with existing guidance from the SHR. A copy of this information shall be submitted to lenders.
- 8.4 The Association shall undertake a review of its long-term projections on an annual basis as part of the Business Plan and update 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 and scenario testing must be applied to the long-term projections with details being incorporated into the business plan document.
- 8.5 The content of the 30-year financial forecasts shall include the following information as a minimum:
- Details of main assumptions employed and 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 and scenario planning;
 - 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.
- 8.6 While the overall responsibility for this information lies with the finance team it is essential that an appropriate level of input from all Section Heads is accounted for within the long term

financial plans. The areas of rent levels, rent increases and other service charges, maintenance costs, staffing levels and costs and any future development activity require agreed input.

- 8.7 Given the impact that inflation and interest rates may have on the expected financial position, the Finance Agent shall seek information from lenders and other treasury sources 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 by the Audit and Risk Sub Committee as part of the drafting process.
- 8.8 The Finance Agent 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 Management Committee;
 - Provision of information to external parties;
 - Feedback to Management Committee from external parties.
- 8.9 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.

9. ANNUAL BUDGET

Preparation, Review and Approval

- 9.1 An annual budget must be approved by the Management Committee 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.
- 9.2 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

9.3 The budget will be prepared by the Association's Finance Agent. Going forward from 2019/20 a zero based budgeting approach will be adopted to allow budget holders to consider their needs set against the new business plan and demonstrating value for money. The Finance Agent 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 Section Heads and budget holders for review and approval;
- Submission of draft budget to Audit and Risk Sub Committee 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 Audit & Risk Sub Committee review; and
- Final approval of the budget by the Management Committee.

Budgetary Control

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

9.5 It is the responsibility of all budgets holders to control relevant budgets. Budgetary control will be assisted by production of monthly expenditure reports and quarterly management accounts and accompanying narrative reports comparing actual income and expenditure with budget estimates. The Finance Agent will report on actual income and expenditure against budget on a quarterly basis to both the Management Team and the Audit & Risk Sub Committee.

9.6 The Finance Agent will ensure that material variances (defined as variances exceeding +/- 10% or £1,000) 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. The Finance Agent shall, using their judgement, also highlight any other variances where this is considered appropriate.

9.7 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).

9.8 In circumstances of emergency, expenditure may be incurred beyond authorisation levels by obtaining the prior approval of the Director or if not available the most senior member of staff on duty and the Chairperson of the Association (or Office Bearer in the absence of the Chairperson), who will consult the Finance Agent, if possible, before agreeing to any request. Any such expenditure must be reported by the Director to the next meeting of the Management Committee for retrospective approval.

- 9.9 Section Heads should ensure that when reports are issued to the Management Committee, the financial implications of any course of action should be fully detailed particularly if the decision sought has financial consequences that has not been budgeted for. The Finance Agent should be consulted prior to any report that has material financial implications going to the Management Committee.
- 9.10 Monthly rental income and maintenance expenditure reports shall be produced by the Care Manager and Housing & Property Manager 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.
- 9.11 The Director has authority to reallocate budgets between cost headings subject to a maximum level of £10,000.

10. CASH CONTROLS

- 10.1 Bank accounts held by the Association, details of authorised signatories and cheque signing details are contained within the Association's detailed financial procedures.
- 10.2 Procedures for the receipt of funds are detailed in Section 5 of the financial procedures.
- 10.3 A petty cash float not exceeding £500 shall be held for making small payments and properly authorised expenses. The Finance Officer has day to day responsibility for petty cash payments. Petty cash procedures are detailed in the Association's financial procedures.
- 10.4 All bank accounts and petty cash accounts must be reconciled to the relevant books of account by the Senior Finance Officer monthly. These reconciliations shall be reviewed and certified as accurate by the Association's Finance Agent.
- 10.5 The Senior Finance Officer shall make arrangements for the safe custody of all banking documents including cheques.
- 10.6 In the event of an amendment to any supplier bank account being notified by e-mail, the finance team shall contact the payee directly and request written confirmation of the change on company headed paper. Such changes must be highlighted on the next available BACS payment list and be independently verified by the Director or Manager who is certifying the BACS list for payment.
- 10.7 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 a member of the Finance team to review and verify. Petty cash procedures are detailed in the Association's financial procedures

11. DEBTORS CONTROLS

- 11.1 The Association acknowledges the requirement of maximising income through investments, in line with the Associations Treasury Management Policy.
- 11.2 Where external funding for projects is made available to the Association, all grant claims must be submitted timeously 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.

- 11.3 Rental and Service Charge income payments are the main source of revenue income for the Association and operational procedures shall be reviewed by the Housing Officer regularly to monitor their effectiveness. A monthly report on rent arrears shall be prepared by the Housing/Property Manager and circulated to the management team (who should review and instruct any further action as necessary) and be reported quarterly to the Management Committee as part of the performance report.
- 11.4 Factoring income payments are another source of revenue income for the Association and operational procedures shall be reviewed by the Finance Officer regularly to monitor their effectiveness. A monthly report on factoring arrears shall be prepared by the Finance Agent and circulated to the management team (who should review and instruct any further action as necessary) and be reported quarterly to the Management Committee as part of the performance report.
- 11.5 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.
- 11.6 Procedures relating to rents and other income generating areas shall incorporate information on arrears control including the basis for monitoring and reporting sums due. The procedure for arrears control and monitoring are detailed in Arrears Policy and the Factoring Policy.
- 11.7 All amounts written off as irrecoverable must be formally reported on and approved by Management Committee on an annual basis prior to the balances being written off.
- 11.8 Responsibility for Debtors control within the Association is as follows: -
- (i) Rent Arrears –Housing/Property Manager
 - (ii) Insurance Claims outstanding – Finance Agent
 - (iii) Wider Action Claims outstanding – Finance Agent
 - (iv) Factoring – Finance Agent
 - (v) All other sums due – Finance Agent
 - (vi) Care Charges – Care Manager

12. ASSET CONTROLS

- 12.1 The originals of all title deeds shall be held in secure storage by the Association’s solicitors or bankers. The finance team will maintain a register of all title deeds and will provide a report to the Management Committee on an annual basis that all title deeds are properly held.
- 12.2 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.
- 12.3 The Association shall undertake six monthly reviews of the register to verify continued ownership and existence of these fixed assets. This task shall be undertaken by the Finance Agent.

- 12.4 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.
- 12.5 Details of any asset (property & land) and equipment disposals, including details of sums received (if applicable), shall be reported to and authorised by the Management Committee.
- 12.6 The Finance Agent 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. 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 quarterly journal shall be reviewed quarterly by the Finance Agent.

13. PROCUREMENT, CONTRACTS AND TENDERING

- 13.1 All works, goods and services will be procured in accordance with the terms of the Association's separate Procurement Policy.
- 13.2 Where necessary, quotations or tenders for goods or services will be obtained, according to the financial limits as detailed in the Procurement Policy.
- 13.3 Orders for works, goods and services will be in accordance with current procedures, the budget limits and the regulations on incurring and authorising expenditure.
- 13.4 All contracts entered into by the Association require the authorisation of the Director or Management Committee, in line with the Scheme of Financial Delegation. The signing of authorised contracts shall be undertaken by those granted delegated authority by the Management Committee.
- 13.5 Where contracts for new-build or maintenance projects, or for annual services, provide for payment to be made by instalments, the Property Services Officer and the finance team shall keep records detailing the position of accounts on each contract, together with any other payments and the related professional fees.
- 13.6 Payment to contractors, whether on account or the final account, shall be made in accordance with current procedures. The Finance Agent shall meet regularly with the appropriate officer to monitor expenditure on contracts.
- 13.7 The Management Committee shall be provided with quarterly updates on the progress of all contracts, including a summary of the position of accounts on each contract as part of the Performance Report.
- 13.8 The Association shall take account of all relevant law and government regulation as appropriate. When required and following approval by the Management Committee, a procurement consultant may be used to ensure the Association complies with all applicable Procurement legislation, regulation and the Procurement Policy.

14. NEW PROJECTS

- 14.1 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 Management Committee for consideration and approval and authorised in line with the Scheme of Financial Delegation.
- 14.2 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.
- 14.3 External specialist and legal advice shall be taken where appropriate.

15. BOOKS, REGISTERS AND COMPUTER DATA

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

Books and Registers	Staff Member Responsible
Cashbook	Senior Finance Officer
Petty Cash Book	Finance Officer/Assistant
Nominal Ledger	Senior Finance Officer/Finance Officer
Purchase Ledger	Finance Officer/Assistant
Sales Ledger	Finance Officer/Assistant
Rent Ledger	Senior Finance Officer/Assistant
Fixed Asset Register – Housing	Finance Agent
Fixed Asset Register - Other	Finance Agent
Register of Disposals	Director
Register of Frauds	Finance Agent
Register of Payments and Benefits	Corporate Services Officer
Register of Interests	Corporate Services Officer
Register of Members	Corporate Services Officer
Register of Gifts and Hospitality	Corporate Services Officer
Tender Register	Corporate Services Officer
Complaints Register	Corporate Services Officer
Register of Title Deeds	Finance Agent
List of Approved Suppliers	Finance Agent
Safe Register	Finance Agent

- 15.2 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.
- 15.3 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.

- 15.4 The registers of Fraud, Corruption, Bribery and Whistleblowing will be reported to the Audit and Risk Sub-Committee when any actions are registered and annually to the Management Committee.
- 15.5 In conducting its operations the Association must comply with all aspects of the General Data Protection Regulation (GDPR). All such matters are the responsibility of the Director and ultimately the Management Committee.
- 15.6 The Association's IT co-ordinator is the Corporate Services Officer. The systems administrator is the IT Service Provider and user rights are noted within the Association's IT policy.

16. SECURITY

- 16.1 All Section Heads are responsible for maintaining proper and adequate security always for buildings, furniture, equipment, and other assets, and any cash under their direct control. The Director is responsible for overall security and any risks to the Association must be notified to the Director immediately.
- 16.2 All information held on computer must be backed up daily and stored off-site. It is the responsibility of the Corporate Services Officer to ensure this task is undertaken.
- 16.3 Access to computer systems must be restricted by the appropriate use of passwords which shall be prompted to change every 90 days for software in line with the password protocol document. A formal password policy should be in place and enforced and be contained within the Association's IT policy.
- 16.4 The Director 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 Data Protection statute and regulations. Passwords should never be shared and will be unique to each officer for audit and security purposes.
- 16.5 A key/fob inventory is held by the Corporate Services Officer who will review the inventory twice per year. All personnel holding keys are responsible for their safe keeping.
- 16.6 All cash boxes (petty cash, rent collection and factoring collection) will be held in the office safe always unless in use. The keys to the petty cash and collection boxes are held by the finance team in a locked drawer at all times.
- 16.7 Access to the safe is restricted to the:
- Senior Finance Officer,
 - Finance Officer; and
 - Finance Assistant.
- 16.8 Under no circumstances should other staff members be given access to the safe. In all cases petty cash and rent and factoring collection box keys must be retained in the possession of the authorised staff member who, under no circumstances, should leave keys unattended.
- 16.9 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 Officer to ensure all items are present in the safe.

- 16.10 The loss of office, property or petty cash keys must be notified to the Director immediately.

17. INSURANCES

- 17.1 The Association's Finance Agent shall arrange all insurance cover on behalf of the Association subject to the management team confirming cover requirements. Due to EU and Scottish Government Procurement rules the use of a specialist consultant will be required due to the specialist nature of this contract. The appointment of this consultant will be approved by the Management Committee.
- 17.2 All Section Heads of the Association shall advise the Finance Agent in writing of events likely to result in a change to the Association's insurance requirements.
- 17.3 The Finance Agent, in consultation with the management team, shall review all insurances during the year to ensure that we continue to have adequate insurance cover and report to the Management Committee thereon.
- 17.4 It is the responsibility of the Property Services Officer to identify and report potential property claims to the Finance Officer, along with supporting documentation. The submission of all insurance claims is the responsibility of the Finance Officer who shall record, monitor and control all insurance claims.
- 17.5 The Employer's Liability Insurance Certificate will be displayed in the public reception area for each place of business.
- 17.6 The Association shall ensure, prior to contracts commencing, that we examine what 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.

18. RISK MANAGEMENT

- 18.1 The Association's approach to managing risk is detailed within the Risk Management Policy.
- 18.2 All current activities, and proposals for significant new activities, will be subject to a risk assessment as specified in the Risk Management Policy.
- 18.3 Where potential risks are identified the activity will be included in the current Risk Register together with measures to manage, mitigate or reduce the risk.
- 18.4 The Director will present the current risk register to each Audit & Risk Sub Committee.

19. VALUE FOR MONEY

- 19.1 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.

19.2 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.

19.3 The Finance Agent will produce a value for money statement and be reviewed annually in line with the Annual Budget, to select current best practice.

20. TREASURY MANAGEMENT

20.1 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 (2011 Edition), (the Code).

20.2 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, contained in the Treasury Management Policy, set out the way the Association will seek to achieve policies and objectives and prescribing how it will manage and control those activities.

The content of the policy and treasury management practices will follow the recommendations 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.

20.3 The Association's Management Committee will receive reports on its treasury management strategy and policies, an annual report which will comment on the effectiveness of the strategy with any recommendations for change to be considered.

20.4 The Association delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices for the execution and administration of treasury management decisions to the Finance Agent.

21. TRAVEL, SUBSISTENCE & OTHER ALLOWANCES

21.1 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 Committee Members' and Staff Expenses.

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

22. GIFTS, HOSPITALITY & INTERESTS

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

22.2 All Management Committee 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, Code of Conduct and Entitlements, Payments and Benefits Policy and regulatory expectations. The Corporate Services Officer shall maintain a register of interests in accordance with the Association's Code of Conduct and Entitlements, Payments and Benefits Policy.

23. DONATIONS

23.1 The Association's approach to donations is detailed within the Donations Policy.

23.2 All donations must be approved by the Management Committee.

24. BENCHMARKING AND PERFORMANCE ANALYSIS

24.1 The Association's Director shall ensure that reports will be submitted annually to the Management Committee 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).

The Association's Management Committee may consider issues arising from the above in greater detail or may delegate further scrutiny to the Audit & Risk Sub Committee.

24.2 All Section Heads are responsible for the provision of information attaching to their department in line with an agreed timetable confirmed by the Director and included within the annual delivery 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 to the Corporate Services Officer. The Finance Agent shall audit relevant information provided to ensure accuracy and consistency of reporting.

25. INCURRING AND AUTHORISING EXPENDITURE

25.1 Only those staff with the delegated authority as set in the Scheme of Financial Delegation 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.

25.2 The Management Committee approve budgets prior to the beginning of the financial year and staff have delegated authority to spend within these budgets subject to Standing Orders, the Financial Regulations and the current Scheme of Financial Delegation.

25.3 Any non-emergency expenditure (including contract variations) up to £10,000 in total in excess of set budgetary limits may be approved by the Director who shall report such matters for retrospective approval to the next Management Committee.

25.4 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.

b) & c) are covered within the Financial Procedures.

25.4 Approval of Commitment to Spend

Scheme of Financial Delegation

i) Capital Expenditure (excluding properties)

a)	Under £15,000	Director/Statutory Manager
b)	Over £15,000	Management Committee

ii) Capital Expenditure (properties)

a)	Purchase of a property	Management Committee
b)	Consultants Fees / Works Costs within approved contract sums	Director/Statutory Manager
c)	Component replacement costs within agreed contract sums	Housing /Property Manager
d)	Major Repairs	Housing /Property Manager

iii) Staff Appointments, Salaries & Staff Costs

a)	Staff appointments	Director
b)	Temporary Staff	Director
c)	Annual Salary Reviews	Management Committee
d)	Staff Expenses	Director
e)	Committee Expenses	Director
f)	Director Expenses	Chairperson
g)	Overtime	Director
h)	Overtime of Director	Chairperson
i)	Redundancies, settlements etc	Management Committee
j)	Creation of New Posts	Management Committee

iv) Property Management Costs

a)	Repair & Maintenance up to £250	Property Services Assistant – Gd3
b)	Repair & Maintenance up to £500	Property Services Assistant – Gd5
c)	Repair & Maintenance up to £1,000	Housing Officers
d)	Repair & Maintenance up to £5,000	Property Services Officer
e)	Repair & Maintenance up to £10,000	Housing /Property Manager
f)	Repair & Maintenance over £10,000	Director

v) Office Administration & Other General Expenses

a)	Up to £500	Finance Officer
b)	Up to £1,000	Senior Finance Officer
b)	Up to £1,000	Corporate Services Officer
c)	Up to £10,000	Director/Statutory Manager
d)	Over £10,000	Management Committee

vi) Housing Management

a)	Legal Fees up to £1,000	Housing Officers
b)	All costs up to £5,000	Housing /Property Manager
c)	All costs up over £5,000	Director/Statutory Manager
d)	All costs over £10,000	Management Committee

vii) Care

a)	All costs up to £100	Warden (F/T)
b)	All costs up to £100	DOSCG Co-ordinator
c)	All costs up to £5,000	Care Service Manager
d)	All costs up to £10,000	Director/Statutory Manager
e)	All costs over £10,000	Management Committee

The above noted individuals (other than Customer Service Assistants) have the same authority levels for authorising invoices for payment.

Appendix 1

Authorised Signatories

BACS Payments	
Prepared by	Finance
Authorised by	Director, Housing/Property Manager, Care Services Manager, Senior Finance Officer (any 2 of 4)
Cheque Payments	
Prepared by	Finance
Authorised by	Director, Housing/Property Manager, Care Services Manager, Senior Finance Officer (any 2 of 4)
Grant Offers-Stage 3	
Grant Claims	Property Services Officer Finance Team

A current sample signatory list is held by Finance Team.

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 Management Committee at the appropriate meeting.

If the Senior Finance Officer is preparing the BACS/Cheque payment run, they are unable to authorise those payments to ensure there is a clear segregation of duties.

Appendix 2

Budget Holders

Director	Employee Costs – Salary & Expenses Consultants Advertising & Promotion Committee Expenses Committee Training Staff Recruitment Staff Training Subscriptions Donations General Legal fees New Build Projects	
Housing/Property Manager	Reactive Maintenance Void Costs Major Repairs Cyclical Maintenance Estate Management Property Costs Component Replacement Costs Office Repairs Bad Debts Tenant Participation Community Benefits Housing Legal Fees Service Charges CCTV Costs	
Finance Agent	Audit Fee (Internal & External) Bank Charges General Expenses Heat, Light & Cleaning Insurance Office Equipment Maintenance Printing & Stationery Postage Rent & Rates Telephones Loan Payments Other Fixed Assets	
Care Services Manager	All Care Services Costs Fundraising Income Supporting People Grant Income Bad Debts	

Policy List

<u>Policy Title</u>	
Fraud Policy	Section 6
Procurement Policy	Section 13
General Data Protection Regulation	Section 15
IT Policy	Section 16
Password Protocol Document	Section 16
Risk Management Policy & Strategy	Section 18
Treasury Management Policy	Section 20
Staff Expenses	Section 21
Committee Expenses	Section 21
Entitlements, Payments & Benefits Policy	Section 22
Donations Policy	Section 23
Standing Orders	Section 25

