

# DRAFT Financial Regulations Policy

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## DRAFT FINANCIAL REGULATIONS POLICY

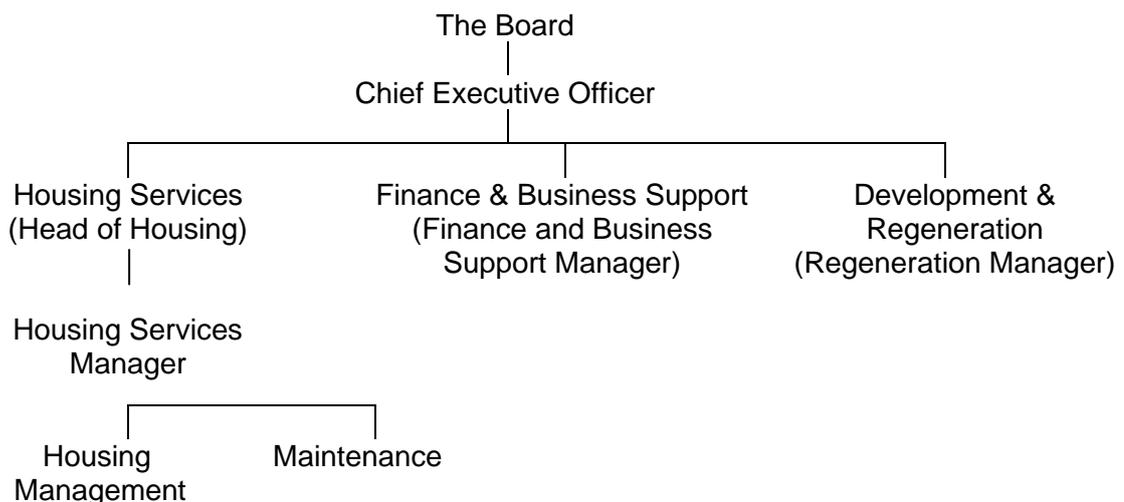
Ardenglen Housing Association can provide this policy on request, in large print, in Braille, on tape or in other non-written format, and in a variety of languages.

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## 1. INTRODUCTION

- 1.1 The Ardenglen Group ('the Group'), comprising Ardenglen Housing Association as the parent and Ardenglen Developments as a subsidiary, is committed to the highest standards of openness, probity and accountability.
- 1.2 The Financial Regulations of the Association form part of its overall systems of financial and management control. The rules of the Association and the standing orders outline how the Association will be controlled and run.
- 1.3 Regulatory Standard of Governance and Financial Management - Standard 5 - states that an RSL must "*conduct its affairs with honesty and integrity*" to ensure this, the Group has clear policy and procedures in place which make sure the organisation acts with transparency, honesty and propriety and avoids any public perception of improper conduct.
- 1.4 We exercise a high quality of financial management in all aspects of our business activities. This document clearly sets out the Association's financial regulations, which translates into practical guidance of the Association's policies relating to financial control and ensures we comply with Regulatory Standard 3, which states an RSL must "manage its resources to ensure its financial well-being and economic effectiveness.
- 1.5 Ardenglen has a good policy and procedures framework in place that complies with legislation, statutory guidance and good practice.
- 1.6 Ardenglen Housing Association Limited's financial regulations are based on the following management structure: -



- 1.7 The Association currently operates under the SFHA Charitable Model Rules Scotland 2013, registered under Industrial & Provident Societies Act 1965 and the Housing (Scotland) Act 2010 – these rules are the constitution of the organisation.
- 1.8 The standing orders of the Association details how the business of the organisation shall be run and includes roles and remit, powers and responsibilities of each Committee or Sub-Committee.
- 1.9 The financial regulations detail Committee and staff responsibilities together with details of generally accepted best practice.
- 1.10 The Association’s detailed financial procedures set out how these regulations shall be implemented and are contained in a separate policy. It is the Finance and Business Support Manager’s responsibility to prepare and maintain the Association’s financial procedures which are available to all staff on the Association’s IT network.
- 1.11 It is the responsibility of Ardenglen’s Finance and Business Support Manager to make arrangement to ensure that these Regulations are adhered to. The Finance and Business Support Manager may delegate such tasks as may appear appropriate from time to time. Such delegation may be explicit or may be implicitly in the nature of an employee’s title or job description. Failure to comply with these Regulations may lead to disciplinary action being taken against the employee or the employees concerned.
- 1.12 The exercising of financial actions delegated to all officers of Ardenglen Housing Association is only permitted where the expenditure that would be committed is within budget, and is consistent with appropriate policies.
- 1.13 A review of the regulations shall take place on a three yearly basis as a minimum. The absence of such a formal review will not, however, cause these Regulations to lapse. These Regulations form part of the Standing Orders of the organisation.

## **2. AIMS AND OBJECTIVES**

- 2.1 The Association aims to meet the Scottish Government Social Housing Charter outcomes 13, 14, 15
- 2.2 The Association will comply with the Regulatory Standards of Governance and Financial Management as stated in the Regulation of Social Housing in Scotland (our Framework) published by the Scottish Housing Regulator.

### 2.3 The Association also aims to:

- To comply with legal duties, codes of good practice and obligations contained within the tenancy agreement.
- To provide homes in a safe and high standard of repair that offer a warm, comfortable and healthy living environment for occupants; and which remain in demand.
- To provide an efficient and responsive reactive repairs service that reflects tenant priorities and gets repairs done right, on time, first time.
- To have consideration of best value through the procurement process.
- Ensure effective systems are in place to monitor all performance and financial aspects of the maintenance service which will underpin the planning of works and enable the Board to control the service.
- Provide customers with regular performance information and a range of opportunities to be involved the development of the full range of maintenance repairs activities and services.
- To ensure practices and procedures are reviewed as a result of feedback through our repair satisfaction survey and complaints procedure

## 3. FINANCIAL CONTROL

### 3.1 The Board

3.1.1 The Board has ultimate responsibility for all aspects of the Association's affairs.

- 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 all Regulatory Standards of Governance and Financial Management
- To ensure that financial control systems are in place and are working effectively
- To ensure that the Association complies with all relevant auditing and accounting legislation

- To approve the Association's Business Plan and Internal Management Plan
- To examine and approve annual budget and the annual financial statements
- To recommend to the Annual General Meeting (AGM) the appointment of the Association's external auditors.
- Ensure that short term budgets are in line with agreed longer term plans and that they are adhered to.

3.1.2 The Board is responsible for the keeping of proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the Association.

3.1.3 The Board must ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010 and the Registered Housing Associations Determination of Accounting Requirements 2014.

3.1.4 The Board has general responsibility for taking reasonable steps to safeguarding the assets of the organisation and to prevent and detect fraud and other irregularities.

3.1.5 The Board also have a duty towards the Association, its staff, tenants and the Community and must therefore take steps to satisfy themselves that they receive all necessary information to allow reasoned and justifiable bases for decision making.

3.1.6 The Board may also delegate its responsibility to the Audit Sub-Committees, from time to time. The Audit Sub Committee is accountable to the Board:-

- Consider any other matters relevant to the financial duties of the Board and make recommendations accordingly.
- Ensure the Board has adequate information to enable it to discharge its financial responsibilities.
- Be responsible for identifying and approving appropriate performance measures for internal and external audit and for monitoring their performance.
- Ensure that satisfactory arrangements are in place to promote economy, efficiency and effectiveness and that the Board is able to give an annual statement of assurance in respect of financial control systems

### 3.1.7 Audit Requirements

The Finance and Business Support Manager is responsible for drawing up a timetable for final accounts purposes and will advise staff and agreed with external auditors, prior to the commencement of the year end statutory audit. The financial statements and management letter will be submitted to the August Board meeting.

External auditors and internal auditors shall have the authority to:-

- Access Association premises at reasonable times.
- Access all assets, records, documents and correspondence relating to any financial or other transactions of the Association.
- 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.
- Access records belonging to third parties such as contractors, when required.

Whenever any matter arising which involves, or is thought to involve, irregularities or fraud concerning cash, stores or other property of the Association or there is any other suspected irregularity in the exercise of the activities of the Association, the head of department concerned shall notify the Chief Executive Officer and/or Finance and Business Support Manager of the Association, which shall take steps, as necessary, by way of an investigation and involvement of internal audit and report the matter to the Scottish Housing Regulator, where required. The Association should also ensure that a procedure for whistle blowing is in place and operating effectively

## **3.2 External Auditor**

- 3.2.1 The appointment of external auditors will take place annually at the AGM.
- 3.2.2 The primary role of external auditor is to report on the Association's financial statements and to carry out such examination of the statements and underlying records and control systems as are necessary to reach their opinion on the statements and to report on the appropriate use of funds. Their duties must be clearly detailed in Engagement Letter which itself should be reviewed annually – this will be in accordance with advice set out in the relevant auditing and accounting standards and legislation. The External Auditor will issue an annual Management Letter for consideration and response by the Board
- 3.2.3 Each year, Board will review the effectiveness of external audit and, provided the auditor's work is of a sufficiently high standard and reasonably priced, should recommend to re-appointment them. The Association audit service will be put out to tender, at least, every 7 years, or until the service level dictates otherwise. A working group consisting of the Chief Executive, the Finance and Business Support Manager and two Board members will be nominated to oversee any audit tender process.
- 3.2.4 Audited financial statements require approval by the Board and must be submitted to the Scottish Housing Regulator online portal system within 6 months of the financial year end. These accounts must be in the prescribed format.

### **3.3 Internal Auditor**

- 3.3.1 The main responsibility of the internal auditor is to provide the Board, the Senior Management Team with assurances on the adequacy of internal control systems.
- 3.3.2 The internal audit service remains independent in its planning and operation and has direct access to the Board; Chief Executive Officer the Senior Management Team. The internal auditor will comply with the Audit Practices Board's auditing guidelines.

### **3.4 Other Auditors**

- 3.4.1 The Association may, from time to time, be subject to an audit or investigation by external bodies such HMRC (Her Majesties Revenue & Customs), which have a statutory right of access.

## **4. STAFF RESPONSIBILITIES**

### **4.1 The Chief Executive Officer**

- 4.1.1 The Chief Executive Officer is responsible for the operational management of the Association's affairs, and must assist Board in determining its strategic objectives and promote the achievement of such objectives through the effective deployment of the Association's resources
- 4.1.2 The Chief Executive Officer is also responsible for the implementation of policy and procedural decisions taken by the Board.

### **4.2 Finance and Business Support Manager**

- 4.2.1 The day to day financial administration of the Association is the responsibility of the Finance and Business Support Manager. The Finance and Business Support Manager is responsible to the Chief Executive Officer for:-

- Financial and business planning
- Preparing annual capital and revenue budgets
- Preparing management accounts and information, monitoring and control of income and expenditure against budgets and all financial operations.
- Preparing the Association's annual accounts and other financial statements and accounts which the Association is required to submit to other authorities.
- Ensuring that the Association maintains satisfactory financial systems.
- Providing professional advice to the Board on all matters relating to financial policies and procedures.

#### 4.3 **Section Heads**

- 4.3.1 Section Heads are responsible to the Chief Executive Officer for the financial management in their own area/departments. They are advised by the Finance and Business Support Manager in executing their financial duties. The Finance and Business Support Manager will also supervise and approve the financial systems operating within departments including the form in which financial records are kept.
- 4.3.2 All Line Managers are responsible for the accountability and control of staff members within their section and for the security and control of all assets, cash and materials relating to that responsibility.
- 4.3.3 The responsibilities and duties of all staff members shall be contained within a suitable job description. The responsibilities and duties of any agents are contained within the relevant Service Agreement/Minute of Agreement.

### 5. **ACCOUNTING**

#### 5.1 **Financial Planning:**

The Finance and Business Support Manager is responsible for preparing business plans for consideration and approval by the Board and for preparing long-term financial forecasts for the period required by the Scottish Housing Regulator as well as Lenders. Financial plans should be consistent with the strategy and major component replacement funding plans approved by Board.

#### 5.2 **Basis of Accounting:**

The Financial Statements are prepared in accordance with SORP (Statement of Recommended Practice) 2014. The transition to FRS 102 (Financial Reporting Standard 102) – changes to the 2015/16 Financial Statements impacted on the following accounting policy adopted and as such the comparative figures re-stated.

##### A **Housing Properties – Revaluation**

Historically all housing properties were recognised at costs, in line with FRS 102 the Association took advantage of the transitional relief available to revalue the housing properties at the transition date and use this as deemed costs going forward.

##### B **Grant Accounting**

Historically all capital grants received were netted off against the costs of housing properties. As the Association has opted to revalue the housing properties capital grants were treated under the performance model and

transferred to reserves up the transition date. From the transition date capital grants are now treated under the accrual model and as such are shown as deferred income and amortised to income over the expected useful life of the housing property structure (excluding land).

#### C Depreciation of Housing Properties

Historically depreciation on housing properties was calculated on the net cost of properties after capital grant. In line with FRS 102, and as noted above in Section B, grants are no longer netted off against the costs of housing properties and as such depreciation is now calculated on the gross cost of housing properties.

#### D SHAPS Pension Scheme

The Association participates in the multi-employer defined benefits Scottish Housing Association Pension Scheme (SHAPS). Under FRS 102 a contractual agreement under a multi-employer defined benefit scheme to fund a past deficit should be accrued for as a liability discounted to net present value.

#### E Annual Leave; Flexi & TOIL Balance Accrual

FRS 102 requires the Association to recognise the cost of all employee benefits to which its employees have become entitled as a result of service rendered

### 5.3 **Format of Published Report and Financial Statements:**

The Financial Statements are prepared for the financial year ending 31 March, in the format required by the applicable law, FRS 102 and the Statement of Recommended Practices (SORP) for Social Housing Providers issued in 2014.

### 5.4 **Accountancy Returns:**

The Finance and Business Support Manager is responsible for sending financial returns and other periodic financial reports to the Scottish Housing Regulator and other agencies, as required. The Finance and Business Support Manager is also responsible for ensuring that all grants notified by Glasgow City Council and other bodies are received.

### 5.5 **Document Retention:**

The Finance and Business Support Manager is responsible for the retention of financial documents, which should be kept in a form acceptable to the relevant authorities, for a minimum of six years from the end of the last financial year they relate to.

The Association is required by law to retain prime documents such as Accounts raised; Copies of receipts; Payroll records; VAT records

5.6 **Accounting Procedures:**

These shall be determined by the Association's Finance and Business Support Manager, in consultation with the Chief Executive Officer. These procedures must take account of statute, good practice and current guidance.

5.7 **Segregation of Duties:**

The allocation of accounting duties should, where possible, take account of segregation of duties – no one individual should have sole responsibility for any single transaction from committing expenditure, authorisation, payment and review.

5.8 **Accounting Policies:**

All accounting policies shall be contained within the annual financial statements and shall be reviewed annually.

**6. BUDGETING**

6.1 **Resource Allocation:**

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

6.2 **Budget Preparation:**

The Finance and Business Support Manager is responsible for ensuring that an annual budget is prepared in advance of the financial year end must be approved by the Board of the Association. The budget must be accompanied by a Statement of Key Assumptions, Statement of Comprehensive Income (SOC) Statement of Financial Position (SOFP) Cashflow Projections, Monthly Income and Expenditure Projection, Key Performance Indicators as well as a summary commentary.

The budget shall be regarded as the basis for authority to incur expenditure. It should be recognised that changes in circumstances may result in changes to budgeted expenditure. Such changes must be approved by the Board.

Where expenditure is necessary as a result of danger to life, limb or property such expenditure shall be incurred and reported to the Board as soon as possible thereafter.

Where expenditure in excess of the budget is required, authorisation must be sought from the Board, unless the previous paragraph applies or the sums are not material.

### 6.3 **Management Accounts:**

Monthly reports are produced and circulated to the Management Team. The report shows current and projected spend against Budget.

A full detailed set of Management Accounts will be presented to the Board on a quarterly basis. These shall compare actual results to date with the estimates contained within the budget. Material variances must be clearly explained within the narrative supporting the Management Accounts. In addition, the effect of likely future events on the financial position should be contained within the quarterly management accounts, together with details of the currently projected financial position of the Association at the year-end.

### 6.4 **Development Programmes**

Capital expenditure on land, building, furniture and any associated costs can only be considered as part of the development programme that has been approved by the Board.

All capital expenditure is updated in the fixed asset register on a monthly basis and is reported to the Board in our quarterly Management Accounts.

### 6.5 **Proposed Development Projects**

Proposed capital projects should be supported by:-

- A statement which demonstrates that the project is consistent with the strategy and development funding plan, approved by the Board
- An initial budget for the project should be submitted. The budget should include a breakdown of costs including all professional fees, VAT and the various sources of funding.
- A full hag financial appraisal of any new projects, in the approved format, should be submitted to Glasgow City Council, Department of Regeneration Services
- A cashflow

### 6.6 **Regeneration**

The Regeneration Manager is responsible for producing the Regeneration Action Plan (annually) and reviewing targets accordingly. All new and existing grant applications require to be submitted to reflect ongoing expenditure commitments.

Grant funding should be drawn down in line with any grant conditions, or on a quarterly basis to ensure effective management of the Association's cashflow.

Monthly nominal account reconciliations of all regeneration projects (income and expenditure) are carried out during management account preparation and details provided to Regeneration Officer/Manager to allow grant submissions to be initiated.

## 6.7 **30 Year Budget:**

The Association shall undertake a review of its long-term projections on an annual basis in order to ensure that the projected annual position remains on target with the 30 year cashflow projections. A full and detailed business plan review shall be undertaken every three years, unless circumstances dictate that an earlier review is necessary. Appropriate sensitivity analysis must be applied to the long-term projections with details being incorporated into the business plan document.

## 7. **INCOME & CASH / BANKING CONTROLS**

### 7.1 **Income**

The Finance and Business Support Manager is responsible for ensuring that appropriate procedures are in operation to enable the Association to receive all the income to which it is entitled.

7.1.1 The Finance and Business Support Manager is responsible for:-

- The prompt collection, security and banking of all income received
- Ensuring that all grants notified by Glasgow City Council and other bodies are received and appropriately recorded in the Association's accounts
- Ensuring that all claims for funds are made by the due dates and all Heads of Departments are fully aware of timescales.

### 7.2 **Income: Cash/Banking Controls**

7.2.1 The Board is responsible for the appointment of the Association's bankers.

7.2.2 All Bank accounts shall be in the name of Ardenglen Housing Association Ltd

7.2.3 The Finance and Business Support Manager is responsible for the setting up and the control of all bank accounts. The Senior Finance Officer shall make arrangements for the safe custody of all banking documents include the stock of cheques and bonus bond and crown vouchers.

7.2.4 All cash and cheques should normally be paid into the account no later than the end of the second banking day after receipt or as soon as practical thereafter, but in any event within five working days.

7.2.5 Procedures for the receipt of all funds are detailed in the financial procedures. Cash received in office; via mail; petty cash

### 7.3 **Irrecoverable Income**

The Association policy is that it does not write-off current tenant rent arrears or service charge arrears.

Factoring arrears and recharge repairs write-off's are approved by the Board in May of each year.

Former Tenant rent arrears and service charges write off's are approved by the Board in May of each year.

## 8. **PAYMENTS, SIGNATORIES & AUTHORISATION CONTROLS**

### 8.1 **Expenditure**

All cheques and BACS payments drawn on behalf of the Association must be authorised by the appropriate personnel. All cash/cheques require two signatories. All BACS schedules must be checked by the Senior Finance Officer/Finance and Business Support Manager who has not prepared the schedule and authorised by one of these signatories before payments can be released. Authority level detailed in section 24.

8.1.2 Bank accounts held by the Association, details of authorised signatories and cheque signing details are contained within the Association financial procedures and are noted below:-

#### **Board Personnel**

Chairperson  
Vice Chairperson  
Treasurer

#### **Staff Personnel**

Chief Executive Officer  
Head of Housing  
Finance and Business Support Manager

8.1.3 All requests for cheque or BACS payments must be accompanied by the appropriate invoice etc. which should be properly authorised and arithmetically checked.

8.1.4 Petty cash procedures are detailed in the Association's financial procedures.

8.1.5 All payments made utilising Company credit cards will be made in accordance with the detailed procedures for this method of payment.

8.1.6 All bank accounts must be reconciled, to the relevant books of account, by the Finance Assistant, on a weekly basis. These reconciliations shall be reviewed monthly and certified as accurate by the Senior Finance Officer.

## **9. SALARIES AND WAGES**

- 9.1 The Finance and Business Support Manager is responsible for all payment of salaries and wages to all staff and all pay documents will be in a form prescribed by relevant legislation.
- 9.2 All Association staff will be appointed to the salary scales approved by the Board and in accordance with appropriate conditions of service. All letters of appointment must be issued by the Chief Executive Officer, who will be responsible for keeping the finance section informed of all matters relating to personnel for payroll purposes.
- 9.3 In particular, these include:-
- Appointment, resignation, dismissal etc
  - Absences from duty for sickness or other reason, apart from approved leave,
  - Changes in remuneration including normal increments and pay awards.
  - Information necessary to maintain records of service for pension, income tax and national insurance etc.
- 9.4 All casual and part time employees will be included on the payroll and the Finance and Business Support Manager will be responsible for keeping all records relating to payroll including those of a statutory nature.
- 9.5 All payments must be made in accordance with the Association's detailed payroll financial procedures and comply with the Inland Revenue regulations.
- 9.6 No advance payment of salaries shall be allowed unless a processing mistake has been made and is deemed to cause unnecessary hardship to the employee.
- 9.7 Salaries will normally be paid on the 27<sup>th</sup> day of each and every month, in the event that the 27<sup>th</sup> falls on a Saturday or Sunday payment will be made on the prior Friday. If the 27<sup>th</sup> falls on a Bank Holiday payment will be made the previous working day
- 9.8 Pensions: The Board is responsible for undertaking the role of the employer in relation to appropriate pension arrangements for employees. The Finance and Business Support Manager is responsible for day to day pension matters including the payment of contributions and the preparation of the annual return to the authorised pension scheme

## **10. DEBTORS CONTROL**

- 10.1.1 The Association acknowledges the requirement to maximise income collection in order to generate as much income as possible via interest receipts.

10.1.2 Where external funding for projects is made available to the Association all grant claims must be submitted timeously in order to ensure receipt of funds prior to payment.

10.1.3 Rental income payments are the main source of revenue income for the Association and operational procedures shall be reviewed regularly in order to monitor their effectiveness. The Housing Manager will monitor rental income receipts and report on a quarterly basis to the Board.

10.1.4 Factoring accounts shall be issued to all owners at the start of the financial year, in accordance with the factoring policy. Factoring debtors will be summarised in the quarterly management accounts.

10.1.5 All other sums due and outstanding to the Association shall be summarised within the quarterly management accounts. Such items shall include insurance claims outstanding and rechargeable repairs due to the Association.

10.1.6 All procedural documents shall incorporate information on debtor control including the basis for monitoring and reporting sums due.

10.1.7 All amounts written off as irrecoverable must be formally reported on and approved by the Board.

10.1.8 Responsibility for Debtors control within the Association is as follows:

- (i) Rent Arrears – Housing Manager
- (ii) Rechargeable Repairs – Housing Officer(s)
- (iii) Factoring Arrears – Finance Assistant
- (iv) Insurance Claims Outstanding – Senior Finance Officer
- (v) Hag Claims Outstanding – Development Manager
- (vi) Regeneration Grants – Regeneration Officer
- (vii) All other sums due – Finance and Business Support Manager

10.9 Quarterly Management Accounts shall detail separately, within the Current Assets Debtors analysis, relevant sums due under each category.

## 11. **ASSET CONTROLS**

11.1 The Association shall maintain a fixed asset register detailing all furniture, fittings and equipment 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.

11.2 The organisation shall undertake quarterly reviews of the register to verify continued ownership and existence of fixed assets. This task shall be undertaken by the Finance Assistant, with the Finance and Business Support Manager carrying out quarterly reviews.

- 11.3 Equipment Maintenance contracts register shall be maintained by the Finance Assistant. Details to be inserted on the register to include service provider, start date, termination date, asset being maintained and costs. This register shall be updated on a quarterly basis by the Finance Assistant, and reviewed by the Finance and Business Support Manager on a quarterly basis.
- 11.4 Details of any assets/equipment disposals, including details of sums received (if applicable) shall be reported to Board.

## 12. CONTRACTS

- 12.1 All contracts entered into by the Association require the authorisation and signature of the Board.
- 12.2 Any material variations, to contracts require the approval of the Board.

## 13. BOOKS, REGISTERS AND COMPUTER DATA

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

<b>Books and Registers</b>	<b>Responsible Staff Member</b>
(a) Cash e-book	Finance Assistant
(b) Petty Cash e-Book	Finance Assistant
(c) SDM Nominal Ledger	Finance Assistant
(d) Fixed Asset Register - AHA	Snr Finance Officer
(e) Fixed Asset Register - MCCH	Regeneration Officer
(f) Equipment Maintenance Register	Business Support Officer
(g) Office Inventory	Business Support Officer
(h) Register of Disposals	Chief Executive Officer
(i) Register of Frauds	Chief Executive Officer
(j) EPB (Employee Payment Benefit) Register)	Chief Executive Officer
(k) Register of Interests	Business Support Officer
(l) Register of Members	Business Support Officer
(m) Register of Donations, Gifts & Hospitality	Business Support Officer
(n) Complaints Register	Business Support Officer
(o) Tender Register	Business Support Officer
(p) Receipt Book	Finance Assistant
(q) Seal Register	Business Support Officer
(r) Rent Account	Housing Manager

- 13.2 Responsible staff member refers to individual having responsibility for maintenance of register etc.

- 13.3 All such books and registers together with other relevant papers or information must be securely stored when not in use by the responsible member of staff.
- 13.4 All information held on the Association's computer network must be backed up on a daily basis, onsite and offsite by the ICT Maintenance contractor. Daily computer backup's are stored in the Business Support offices. It is the responsibility of the Business Support Officer to ensure that this task is undertaken and checked successful on a daily basis.
- 13.5 In conducting its operations the Association must apply with all aspects of the Data Protection Act. All such matters are the responsibility of the Chief Executive Officer.
- 13.6 The Association's ICT co-ordinator is the Business Support Officer.

13.7 Other Tangible Fixed Assets - Register

- 13.7.1 The Senior Finance Officer is responsible for compiling an up-to-date Office Inventory of all Other Fixed Assets - Office fixtures and fittings; furniture; equipment; computers/IT.
- 13.7.2 The Business Support Officer is responsible for advising Senior Finance Officer/Finance and Business Support Manager when any asset within the Fixed Asset register has been disposed of.
- 13.7.3 Other fixed assets are measured at cost. With depreciation provided for on all tangible fixed assets, at rates calculated to write off the cost or valuation of each asset to its estimated residual value on a straight line basis over its expected useful life as follows:

Office Accommodation/Freehold Buildings	30 Years
Fixtures & Fittings	4 Years
Computers & Equipment	4 Years

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset, as if it were at the age and in the condition expected at the end of its useful life.

- 13.7.4 Any employee/Committee Member who borrows equipment belonging to Ardenglen will require to sign a declaration confirming they are responsible for the safeguarding of the item – and will be held liable of replacement cost if the asset is damaged/lost due to negligence.

**14. SECURITY**

- 14.1 Each Line Manager is responsible for maintaining proper and adequate security at all times for furniture, equipment, cash and other assets under their control. The Chief Executive Officer is responsible for the overall security and any risk to the Association must be notified to them immediately.

14.2 Current staff members are all office key holders including the cleaner.

The petty cash box key is held in the locked cupboard. The safe is operated by a “code”, which is held by the Finance Assistant; Senior Finance Officer; Finance and Business Support Manager and the Chief Executive Officer. Access to the safe and petty cash box is restricted to the Finance Team and the Chief Executive Officer.

The loss of office, property or petty cash keys must be notified to the Chief Executive Officer immediately.

## 15. INSURANCES

15.1 **Insurance Cover** - The Finance and Business Support Manager shall effect all appropriate insurance cover on behalf of the Association – insurance cover runs April-March each year.

All Section Heads of the Association shall advise the Finance and Business Support Manager timeously, in writing, of any events likely to result in a change to the Association's insurance requirements.

A review of all in year insurances that are in place, as well as considering future requirements (additions/deletions) - report accordingly to the Board.

All Committee Members and staff members will be included in a suitable fidelity guarantee insurance policy.

15.2 **Insurance Renewal** – proposal form will be completed and submitted to the Insurance broker in mid January of each year. March meeting will be arranged with Insurance Broker to advise on annual premium to be incorporated within budget.

15.3 **Insurance Claims** - The Finance and Business Support Manager is responsible for recording and negotiating all claims in respect of office combined; professional indemnity; crime and other operational related matters.

The Housing Manager/Maintenance Officer is responsible for recording and negotiating all claims in respect of all tenanted/factored housing stock; Engineering Inspections/play equipment insurance as well as forwarding on all public liability claims timeously to the insurance company.

The Chief Executive Officer is responsible for recording and negotiating all claims in respect of employment practice cover; legal expenses as well as personal accident (Board/Staff)

Our Insurance Broker email monthly e-Claims Management reports to the Finance and Business Support Manager and are circulated to SMT and

appropriate authorised personnel. The Insurance Broker discusses any problematic claims with the Finance and Business Support Manager at quarterly insurance review meetings.

- 15.4 The Finance and Business Support Manager is responsible for reporting changes in stock numbers to the Insurance Broker on a quarterly basis. Section Heads shall give prompt notification to the Finance and Business Support Manager of all new properties which require to be insured, and any other changes to tenanted or factored properties relevant to insurance risk or public liability claims.
- 15.5 Section Heads shall give prompt notification to the Finance and Business Support Manager relating to employers liability, professional indemnity and any other operational matters relevant to insurance risk.
- 15.6 A copy of the Employer's Liability Insurance (ELI) certificate will be displayed on the main staff noticeboard (upstairs kitchen area), as well as saved on the IT network. A copy of the ELI certificate will also be displayed on the noticeboard in the Maureen Cope Community Hall.

The Employers Liability certificates will be retained by the Association for a 40 year period.

## **16. RISK MANAGEMENT**

- 16.1 The Association's approach to managing risk is detailed within the Risk Management Policy.
- 16.2 The Association's Board/Audit Committee shall monitor the process and effectiveness of the above policy and report on an annual basis thereon to Board.

## **17. PROCUREMENT OF WORKS, SERVICES & GOODS**

All contracts entered into by the Association for Works, Services and Goods should be procured in accordance with the procedures contained within the Procurement Strategy and the Procurement Manual.

### **Goods and Services**

Board and staff members should avoid using the services of consultants, contactors or others who work for the Association.

Where this is impractical, approval from the Chief Executive must be sought before any binding commitment is entered into, except in an emergency, in which case the arrangement must be declared after the event. No special advantage should be gained through any such arrangement. Copies of invoices/receipts for any works carried must be retained, and verified to the Association's auditors, should this be requested.

Goods for personal use should never be purchased in the name of the Association.

## **18. VALUE FOR MONEY**

- 18.1 The Association shall seek to obtain value for money in terms of its fixed asset investments, its contractual commitments and in its day-to-day operational activities.
- 18.2 The selection of an appropriate method of procurement, the use of tendering procedures, the selection of appropriate financing options, a balancing of quality and cost or other appropriate cost benefit analysis shall be undertaken by the Association in its decision making process.
- 18.3 The Board/Audit Committee shall monitor the process and effectiveness of value for money achieved by the Association and shall report on at least an annual basis to the Board.

## **19. TREASURY MANAGEMENT**

- 19.1 The Association will operate its treasury management activities in accordance with its established treasury management policy. The policy is structured so as to ensure the minimising of risk to the Association in terms of its investment and borrowing strategies and to ensure Board control through a process of regular reporting.
- 19.2 The Finance and Business Support Manager will monitor the performance of the treasury management policy and report on its performance, as detailed within the policy, on a regular basis.
- 19.3 The Finance and Business Support Manager will maintain full records of all banking, investment and borrowing activities.
- 19.4 All funds and borrowings shall be held in the name of Ardenglen Housing Association Ltd.

## **20. TRAVEL, SUBSISTENCE & OTHER ALLOWANCES**

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

Mileage and subsistence rates are determined by EVH (Employers in Voluntary Housing) on an annual basis.

Staff must complete the e-claim form, in the approved prescribed format and correctly authorised by their line manager. Staff travel and subsistence claims

must be submitted on a monthly basis and will be paid together with the salary.

## **21. GIFTS, HOSPITALITY & CONFLICT OF INTEREST**

- 21.1 The giving and receiving of gifts and hospitality shall be in accordance with Association policy.
- 21.2 All Committee members and staff members shall ensure that they declare any interest with regards to any aspect of the Association's activities and required by the Association's rules and procedures.
- 21.3 The Association shall not make any payment (except under a contract of employment, or in reimbursement of expenses incurred) or grant any benefit to any Committee Member or employee, or to a close relative of such a person, or to a business trading for profit in which such a person, or a close relative has a personal interest.

## **22. DONATIONS**

- 22.1 The Association's approach to donations is detailed in within the Gifts & Hospitality Policy.

## **23. BENCHMARKING AND PERFORMANCE ANALYSIS**

- 23.1 The Association's Chief Executive Officer on an annual basis shall provide a full written report to the Board on the following areas:-
  - Analysis Charter Return results.
  - Analysis of Internal Management Plan targets achieved.
  - Comparison of results with Communities Scotland "Digest" ratios.
  - Comparison of results with the Association's annual budget.
  - Comparison of actual and estimated loan covenant results.

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

## 24. EXPENDITURE AUTHORISATIONS

24.1 The Board approve budgets prior to the beginning of the financial year and staff have delegated authority to spend within these budgets. In addition, staff have authority to spend within agreed Glasgow City Council DRS on development and capital expenditure.

24.2 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
- c) approving the invoice after goods or services received

b) & c) are covered within the Financial Procedures

24.3 Approval of Commitment to Spend

### i) Capital Expenditure (other than properties)

a)	Under £15,000	Chief Executive Officer
b)	Over £15,000	Board

### ii) Capital Expenditure (properties)

a)	Purchase of a property	Board
b)	Consultants Fees/Works Costs within approved contract sums	Development Manager

### iii) Staff Appointments, Salaries & Staff Costs

a)	Staff appointments	Board
b)	Temporary Staff	Chief Executive Officer
c)	Salary Reviews	Board
d)	Staff Expenses	Chief Executive Officer
e)	Committee Expenses	Chief Executive Officer
f)	Chief Executive Officer Expenses	Office Bearer
g)	Overtime	Managers

### iv) Property Management & Maintenance Costs

a)	up to £400	Customer Services Assistant
b)	Up to £800	Maintenance Officer
c)	Up to £5,000	Housing Manager
d)	Up to £10,000	Head of Housing
e)	Up to £15,000	Chief Executive Officer
f)	Over £15,000	Office Bearer

v) Office Administration and Other General Expenses

a)	Up to £800	Finance & Bus Support Officer
b)	Up to £5,000	Senior Finance & Bus Support Officer
c)	Up to £10,000	Finance & Bus Support Manager

vi) Housing Management – Legal Fees

a)	Up to £800	Housing Officer
b)	Up to £5,000	Housing Manager
c)	Up to £10,000	Head of Housing
d)	Up to £15,000	Chief Executive Officer
e)	Over £15,000	Office Bearer

vi) Regeneration Services

a)	Up to £400	Regeneration Assistant
b)	Up to £800	Regeneration Officer
c)	Up to £10,000	Regeneration Manager

**25. BRIBERY**

The Association does not condone or accept bribery and will take whatever measures needed to ensure that bribery does not affect the Association. The Association has implemented a policy which details how Ardenglen complies with the Bribery Act 2010.

**26. MONEY LAUNDERING**

Ardenglen is satisfied that it does not carry out any of the regulated activities 'by way of business' and as such is not deemed, in the terms of the MLR, as being a 'relevant business'. Notwithstanding this, in recognition of its range of potential income sources and business transactions, it acknowledges the potential for the organisation and staff being exposed to attempted money laundering; and the offences detailed under the Proceeds of Crime Act 2002 (POCA).

The Association has implemented a policy which details how Ardenglen complies with the Money Laundering Regulations 2007.

## **27. OTHER**

### **27.1 Taxation**

The Finance and Business Support Manager is responsible for all taxation issues in the light of guidance issued by the appropriate bodies and the relevant legislation as it applies to the Association. Therefore, the Finance and Business Support Manager will ensure compliance with statutory requirements including those concerning VAT, PAYE, National Insurance and Corporation Tax.

The Finance and Business Support Manager is responsible for maintaining the Association's tax records, making all tax payments, receiving tax credits, claiming the annual employment allowance and submitting tax returns by their due date, as appropriate.

## **28. CONSULTATION**

28.1 This policy has been reviewed internally by the Finance and Business Support Manager and will be made available for consultation with all Ardenglen Housing Association's Board and staff via the Association's IT network. An article will be published on our newsletter to allow policy consultation with our tenants and owners.

## **29. TRAINING**

29.1 The Association through its Internal Management Plan is committed to training and developing staff and committee members to their full potential in order to deliver a high quality of service in all areas of its business.

29.2 The Board induction programme will include an overview of this policy, including responsibilities for the promotion and delivery of openness and confidentiality as relevant to their job descriptions. Committee members will receive updates on these issues and specific training as required.

## **30. EQUALITIES AND DIVERSITY**

30.1 This policy will be implemented in line with our Equality and Diversity Policy and is subject to an Equality Impact Assessment. An EI Assessment has not been completed; however, the focus of the policy has been assessed as having a neutral impact on the protected characteristics. This demonstrates our ongoing commitment towards providing quality services for all.

### **31. MONITORING AND REPORTING**

- 31.1 The Association will use appeals, complaints, comments or suggestions from users of this policy to monitor its effectiveness. These will also be used to prompt a review of the policy where necessary.

### **32. REVIEW**

- 32.1 This Policy will be approved by the Board. It will be reviewed every three years unless amendment is prompted by a change in legislation, or monitoring and reporting reveals that a change in Policy is required sooner.

### **33. DISTRIBUTION**

- 33.1 This policy will be made available to every employee and committee member and will be made freely available to any tenant or interested party.

Value	Method	Form of competition & advertising (if no Framework available)	Approval to Purchase	Procurement Route (See Section 11)
Up to £2,000	<ul style="list-style-type: none"> <li>• <b>Low Value</b></li> <li>• Direct Award</li> <li>• Price only</li> <li>• No Quotation</li> </ul>	None	Staff as per Authority Levels	<b>No Formal Route: Seek VfM</b>
£2,001 - £5,000	<ul style="list-style-type: none"> <li>• <b>Low Value</b></li> <li>• Direct Award</li> <li>• Price only</li> <li>• One Quotation</li> </ul>	None	Staff as per Authority Levels	<b>No Formal Route: Seek VfM</b>
£5,001 – £15,000	<ul style="list-style-type: none"> <li>• <b>Low Value</b></li> <li>• Competition</li> <li>• Most economically advantageous</li> <li>• Minimum of 3 Quotations</li> <li>• Record of Quotations kept.</li> </ul>	<b>Either or both:</b> <ul style="list-style-type: none"> <li>• Existing suppliers + market information</li> <li>• Public Contracts Scotland Portal – Quick Quotes</li> </ul>	Staff as per Authority Levels	<b>Route 1</b>
£15,000 – £50,000	<ul style="list-style-type: none"> <li>• <b>Medium Value</b></li> <li>• Competition</li> <li>• Most Economically Advantageous <b>or</b> Balance Quality &amp; Price</li> <li>• Minimum of 3 Quotations</li> <li>• Record in Public Register</li> </ul>	<b>Either or both:</b> <ul style="list-style-type: none"> <li>• Existing suppliers + market information</li> <li>• Public Contracts Scotland Portal – Quick Quotes</li> </ul>	Board approval to contract required	<b>Route 1</b>
<b>Above £50,000 but below OJEU limits (Regulated)</b>	<ul style="list-style-type: none"> <li>• <b>High Value</b></li> <li>• Competition</li> <li>• Balance Quality &amp; Price</li> <li>• Minimum of 3 Written Tenders</li> <li>• Recorded in PCS Portal + Record in Public Register</li> </ul>	<b>Advertise via:</b> <ul style="list-style-type: none"> <li>• Public Contracts Scotland Portal</li> </ul>	Board approval to contract required	<b>Route 2</b>
<b>Above OJEU limits (Regulated)</b>	<ul style="list-style-type: none"> <li>• <b>High Value</b></li> <li>• Competition</li> <li>• Restricted Method</li> <li>• Tender under OJEU Procurement Rules</li> <li>• Recorded in PCS Portal + Record in</li> </ul>	<b>Advertise via:</b> <ul style="list-style-type: none"> <li>• Post to OJEU using Public Contracts Scotland Portal</li> </ul>	Board approval to contract required	<b>Route 3</b>

	Public Register			
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