



## **FINANCIAL REGULATIONS AND DETAILED FINANCIAL PROCEDURES**

### **2021**

#### **1.0 INTRODUCTION**

Housing Associations are expected to exercise a high quality of financial management in all aspects of their business activities and this is articulated in “The Standards of Governance and Financial Management for RSLs published most recently by the Scottish Housing Regulator in February 2019. Regulatory Standard 3 required that “The RSL manages its resources to ensure its financial well-being, while maintaining rents at a level that tenants can afford to pay,

This document identifies the following as the key elements to achieving the necessary standard;

- the RSL has effective financial and treasury management and controls and procedures, to achieve the right balance between costs and outcomes and controls costs effectively. The RSL ensures security of assets, the proper use of public and private funds, and access to sufficient liquidity at all times;
- the governing body fully understands the implications of the treasury management strategy it adopts, ensures this is in the best interests of the RSL and that it understands the associated risks;
- the RSL has robust planning and control framework and effective systems to monitor and accurately report delivery of its plans. Risks to the delivery of the plan are identified and managed effectively.
- the governing body ensures financial forecasts are based on appropriate and reasonable assumptions and information about what tenants can afford to pay and feedback from consultation with tenants on rent increases
- the RSL monitors, reports on and complies with any covenants it has agreed with funders
- The governing body ensures that employee salaries, benefits and its pension offerings are at a level that is sufficient to ensure the appropriate quality of staff to run the organisation successfully, but which is affordable and not more than is necessary for this purpose
- The governing body ensures the RSL provides accurate and timely statutory and regulatory financial returns to the Scottish Housing Regulator. The governing body assures itself that it has evidence the data is accurate before signing it off.

The Association operates under the Scottish Federation of Housing Associations’ Charitable Model Rules (Scotland), which are often referred to as the constitution.

The standing orders of the Association detail how the business of the organisation shall be run and include responsibilities, power and remits of each Board or sub-Committee.



The financial regulations detail Board and staff responsibility together with details of generally accepted best practice.

The Associations financial regulations are based on the staff structure applicable at the time.

## **2.0 FINANCIAL REGULATIONS**

The following sections (3 to 18) cover matters of Financial Regulation.

## **3.0 BOARD OF MANAGEMENT RESPONSIBILITIES**

The Board of Management (governing body) has ultimate responsibility for all aspects of the Association's affairs and includes

- ✓ Ensuring that the Association operates as economically, efficiently and effectively as possible within the Association's overall objectives.
- ✓ Being in control of the Association's finances and ensuring that the expenditure of the Association is covered by income from all sources.
- ✓ Ensuring that proper accounting records are kept which disclose, with accuracy, the financial position of the Association.
- ✓ To ensure compliance with the Scottish Housing Regulators (SHR) Regulatory Standards of Governance and Financial Management.
- ✓ To ensure that financial control systems are in place and are working effectively and that a statement or report of assurance is produced by the internal auditor at least annually.
- ✓ To ensure that the Association complies with best practice guidance for both internal and external audit.
- ✓ To approve the Association's annual Corporate Management Plan (CMP).
- ✓ To recommend to the Annual General Meeting (AGM) the appointment of the Association's external auditors.
- ✓ Ensure that the annual audited accounts are published in accordance with the Association's rules and that all statutory returns are completed within the required time period.
- ✓ Safeguarding the assets of the Association and for taking reasonable steps to prevent and detect fraud and other irregularities.

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

The Board must ensure that they have the skills and knowledge they need to be effective in their role. To assist with this the Board must undertake an annual appraisal.

They must at all times seek to identify risks to the Association and mitigate the same.

## **4.0 STAFF RESPONSIBILITIES**

It is the responsibility of the Association's Chief Executive to co-ordinate the activities of the other staff and to report to the Board of Management. The Chief



Executive is also responsible for the implementation of strategic, policy and procedural decisions taken by the Board of Management.

The Chief Executive is also responsible for the promotion of the Association and for co-ordinating the activities of other senior officers.

The Chief Executive is responsible for ensuring the Board of Management receives all information and relevant guidance and training which it requires to meet its objectives.

All Senior Staff 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 also responsible for managing the financial budgets allocated to their area of responsibility.

All staff are responsible for the security and control of all assets, cash and materials.

The responsibilities and duties of all staff members are contained within individual job descriptions. The responsibilities and duties of any Agents or service providers are contained within a relevant Minute(s) of Agreement or Service Level Agreement.

## **5.0 DIRECTOR OF FINANCE & CORPORATE SERVICES**

The Director of Finance & Corporate Services is responsible to the Chief Executive for the administration and control of the finance department. Responsibilities include: -

- ✓ assisting in long-term planning & preparing 30-year projections on an annual basis;
- ✓ assisting in rent setting;
- ✓ co-ordinating input into the preparation of the annual budget;
- ✓ presenting management accounting reports to the Board of Management and the Finance, Audit & Corporate Governance Committee on a timely basis;
- ✓ preparing the annual accounts and liaising with the Association's auditors in respect of the year end audit
- ✓ monitoring the day to day running of the Association's finances;
- ✓ maintaining efficient systems of financial control and reporting;
- ✓ preparing the five-year financial projections;
- ✓ ensuring the Association has adequate insurance policies in respect of buildings, office equipment and public liability;
- ✓ ensuring that all the Association's development projects have the required level of funding at the time it is required and that all eligible grants for such projects have been claimed and that adequate loan finance has been arranged;
- ✓ implementing and operating the Treasury Management Policy of the Association with regard to the investment of surplus funds to the benefit of the Association but with the minimum of risk and without contravening statutory restrictions and the Association's rules;
- ✓ contributing to the preparation of the annual Corporate Management Plan;



- ✓ implementing decisions taken by the Board of Management or the Finance, Audit & Corporate Governance Committee on financial matters;
- ✓ taking such emergency or short-term action as may be necessary to protect or promote the Association's financial position, subject to the reporting of all such actions to the Chief Executive and to the following meeting of the Board of Management;
- ✓ despatching financial returns and other periodic financial reports to the regulatory body and other agencies as required.
- ✓ any other duties described in the job description.

## **6.0 ACCOUNTING**

All accounting procedures and records of the Association shall be followed by the Director of Finance & Corporate Services in accordance with requirements of statutory agencies, authorities and good practice.

The allocation of accounting duties should where possible take account of segregation of duties and records should be regularly updated.

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

The financial statements are prepared on an historical cost basis and in accordance with applicable accounting standards. Where valuations have been obtained for the fixed assets then the Board of Management will decide if the result of the valuations should be incorporated into the balance sheet of the Association.

The accounts are prepared for the financial year ending 31 March in each year, in the format required by the Statement of Recommended Practice (SORP) for RSLs.

The annual accounts will also reflect the SHR's Statutory Guidance on "Preparation of Financial Statements" issued in February 2019.

## **7.0 BUDGET PREPARATION, REVIEW & APPROVAL**

The budget is prepared in a form agreed by the Board of Management. It will be in line with the objectives of the Association and will form a key element of the annual management planning process.

The budget will be prepared by the Director of Finance & Corporate Services on a departmental basis and each member of the Management Team shall be held accountable and responsible for his or her particular department.

The Director of Finance & Corporate Services will prepare a budget timetable which will outline the key dates for the submission of financial information and the dates of the key Board meetings.

Preparation will commence prior to the financial year-end (in the preceding November) with input by the head of each department and the Chief Executive. This process will run alongside the rent setting process for the following year.



The draft budget is to be reviewed with the Finance, Audit & Corporate Governance Committee prior to final approval by Board of Management. The Board of Management may also review a draft budget.

The final budget will be presented for approval by the Board of Management in February each year.

The final annual budget will comprise of:

- ✓ A clear statement of main assumptions and sources of information underlying the budget
- ✓ Statement of Comprehensive Income
- ✓ Statement of Financial Position
- ✓ Detailed capital budgets for all projects
- ✓ Monthly cash flow projections
- ✓ Monthly income and expenditure details
- ✓ Cost allocation information
- ✓ Appropriate KPI & OPI analysis
- ✓ Loan covenant compliance performance
- ✓ Supplementary to the budget will be benchmarking information and a sensitivity analysis
- ✓ A summary covering report to the Board of Management necessary for a clear understanding of the budget

Once approved, the budget is to be used as the basis for authority to incur expenditure. It should be noted that changes in circumstances might result in changes to budgeted expenditure. Such changes must be approved by the Board of Management.

The Board of Management has the power to delegate the authority to spend up to the approved budget limit and transfer (vire) between budget headings.

## **8.0 BOOKS, REGISTERS & IT DATA**

The following books and registers are maintained by the Association and the following staff are responsible for this:-

### **Director of Finance & Corporate Services**

- ✓ Nominal Ledger
- ✓ Purchase Ledger
- ✓ Rent Ledger
- ✓ Cashbook
- ✓ Petty Cash Record
- ✓ Payroll Records
- ✓ Housing Fixed Asset Register
- ✓ Register of other Fixed Assets
- ✓ Register of Members

### **Chief Executive**

- ✓ Fraud Register



- ✓ Register of Disposals
- ✓ Tender Book / Receipt Book
- ✓ Quotation Register
- ✓ The Payment and Benefits Register (Previously the Schedule 7 Gifts & Hospitality Register)
- ✓ Register of all staff and Board members declaration of interests
- ✓ Seal Register

#### Property Services Manager

- ✓ Asbestos Register

#### Housing Services Manager

- ✓ Register of the Interested Tenants

Responsible staff member refers to the 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.

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.

In conducting its operations, the Association must comply with all aspects of the Data Protection law. All such matters are the responsibility of the Director of Finance & Corporate Services.

The Association's I.T. co-ordinator is the Director of Finance & Corporate Services.

### **9.0 EXTERNAL AUDIT**

External auditors will be appointed at each Annual General Meeting, following a recommendation by the Board of Management and in line with the Association's Rules and current statutory requirements.

Auditors will be appointed following a tendering process and in accordance with good practice the Association shall change its external auditors at least every 9 years.

The role of the auditors must be clearly detailed in an Engagement Letter which itself should be reviewed on an appropriate basis.

Preparation of the financial statements should be undertaken by the Association's Director of Finance & Corporate Services. A timetable setting out the key audit dates shall be agreed with the external auditors prior to the commencement of the year end statutory audit.

Preparation of annual accounts is to commence one month prior to the financial year end and draft accounts together with audit schedules are to be prepared for the Auditors by the time the audit commences.



The financial statements must be in the required format and contain the report of the external auditors. In addition, the financial statements must contain a report from the Board of Management, to include comment on past and future developments, together with a separate Board of Management report on the systems of internal financial control.

Draft audited financial statements will be presented to the Finance Audit & Corporate Governance Committee for review with the final accounts being approved by Board of Management at an appropriate meeting.

Final audited accounts will be adopted at the Annual General Meeting (AGM). These accounts should be signed and submitted to The Scottish Housing Regulator within six months after the end of the financial year.

Final audited and signed accounts will also be submitted to the lenders and the accounts must also be sent to the Financial Conduct Authority (FCA) along with the annual return issued by them.

The annual return will be made to the Office of the Scottish Charity Regulator (OSCR) once the accounts have been approved.

A Management Letter must be received annually by the Board of Management. The consideration and response to the Management Letter shall then be delegated to the Finance, Audit & Corporate Governance Committee.

A copy of the auditor's Management Letter and the Board of Management's response to the Management Letter will also be submitted to the Scottish Housing Regulator within required timescales.

## **10.0 INTERNAL AUDIT**

The Global Institute of Internal Auditors defines internal audit as:

*"an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes."*

The Association's Finance, Audit & Corporate Governance Committee has the responsibility for the appointment of the internal auditors following a tendering process.

The internal auditor will carry out the Association's Internal Audit function and will carry out a rolling programme of reviews of the effectiveness and application of internal controls and procedures, including an annual review of adherence to the Financial Regulations and Financial Procedures.

This appointment will be reviewed regularly and as a minimum every three years.

The Internal Auditors shall draw up a 3-year plan following a review of the Associations risk register and discussions with the Management Team.



Once agreed the plan should be presented to the Finance, Audit & Corporate Governance Committee for their review and approval.

The internal audit reports detailing the auditor's findings should be provided to the Finance, Audit & Corporate Governance Committee in the first meeting after the visit has been carried out. This report will include the proposed management response in the first instance and the Committee can change or amend this as required.

Internal Audit reports relating to customer services, health & safety or human resources issues will also be presented to the relevant Sub Committee.

The appropriate committee will monitor progress reports and the implementation of all agreed actions within timescales.

The main responsibility of the internal auditor is to provide the Board of Management, the Chief Executive and the departmental heads with assurances on the adequacy of the internal control system and to suggest good practice guidance.

The internal audit service remains independent in its planning and operation and the auditors should have direct access to the Board of Management, Chief Executive and Convenor of the Finance, Audit & Corporate Governance Committee.

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 Finance, Audit & Corporate Governance Committee as soon as is practical.

The internal auditor may be asked to participate or advise in discussions relating to the formulation and installation of new systems, controls and procedures.

The internal auditor may assist in the protection of the assets of the Association by carrying out regular reviews of operations in order to detect system weaknesses, inefficiencies, fraud, misappropriation and losses due to waste or maladministration.

The internal auditor will comply with the Auditing Practice Board's auditing guideline Guidance for Internal Auditors.

## **11.0 CASH CONTROLS / BANKING**

The Director of Finance & Corporate Services shall be responsible for: -

- ✓ the setting up and control of all bank accounts;
- ✓ the stock of cheques and stationery
- ✓ the investment of all temporary cash surpluses accruing to the Association;
- ✓ ensuring that all claims for funds are made by the due date;
- ✓ ensuring that all grants notified by the Scottish Government and other bodies are received and appropriately recorded in the Association's accounts;
- ✓ the prompt collection, security and banking of all income received.



All bank accounts and the petty cash account must be reconciled to the relevant books of account by one of the Assistant Finance Officers on a monthly basis. These reconciliations shall be reviewed and certified as accurate by either the Finance Officer or Director of Finance & Corporate Services.

All front-line staff have the responsibility to deliver or ensure that cash collected at the front desk is passed as soon as possible to the Assistant Finance Officer.

The Assistant Finance Officers have the responsibility for the petty cash float for the payment of incidental expenses and collection of any cash received for rents.

The Finance Team shall be responsible for the safe custody of all banking documents, including cheques, and the petty cash float, these should be held within the office safe as set out in the Financial Procedures.

## **12.0 DEVELOPMENT CONTRACTS & NEW PROJECTS**

Prior to committing the Association to any new projects or activities a full options appraisal and financial assessment shall be carried out and reported to the Board of Management for consideration and approval.

In the event that the new project or activity results in a net financial cost to the Association then the overall impact on the Association's long-term financial projections requires to be considered and reported on as part of the overall assessment report.

External specialist and legal advice shall be taken where appropriate.

Consent for asset disposals shall be sought from the SHR and the lenders where appropriate.

All partnership agreements shall be reviewed by the Board of Management and approved by them.

Should the Associations agents / partners advise of any variation to a contract which has a financial implication then this shall be reported to the Director of Finance & Corporate Services as soon as is practicable by the Chief Executive (or other identified officer).

It will be the responsibility of the Director of Finance & Corporate Services to arrange for adequate funding for such a variation. Any material variation to development contracts requires the approval of the Board of Management.

All officers and consultants shall have regard to the requirements of the Scottish Government and the Scottish Housing Regulator in respect of matters relating to development contracts.

## **13.0 PROPERTY INFORMATION**

Property information will be maintained, recording an adequate description for each house owned in terms of address, location, number of rooms, number of persons.



This information will be held within the housing and maintenance software packages and on various spreadsheets.

For each property owned, the property information will include the following:-

- ✓ current rent being charged
- ✓ details of service charges being included within the rent
- ✓ the size and type of property
- ✓ a history of all repairs and maintenance carried out (on SDM)
- ✓ a plan of all future maintenance required (on PIMMS)

Shared ownership and shared equity properties will state the current tranche position or percentage owned.

The format in which the property information is kept will be determined by the Director of Finance & Corporate Services.

#### **14.0 ASSETS (OTHER THAN PROPERTY)**

An inventory of assets shall be maintained recording an adequate description of equipment and fittings owned by the Association.

Each identified officer shall be responsible to the Director of Finance & Corporate Services for maintaining an annual check of all the items on the fixed asset register and for notifying the Director of Finance & Corporate Services of any obsolete assets or assets that have been disposed of. This will ensure that the financial ledger accurately reflects the assets owned by the Association.

Each identified officer will ensure that the property and equipment is maintained in good working order.

The Association's property shall not be removed other than in ordinary course of the Association's business, or used other than for the Association's purposes.

#### **15.0 INCOME**

The collection of all money due to the Association shall be under the control of the Director of Finance & Corporate Services.

All employees shall furnish the Director of Finance & Corporate Services with such particulars in connection with work done, goods supplied or services rendered and of all other amounts due as may be required by him/her to record correctly all sums due to the Association.

All money received by an employee on behalf of the Association shall without delay be given to a member of the Finance Department and it shall be banked as soon as possible.

#### **16.0 INSURANCES**

The Director of Finance & Corporate Services shall put in place all required insurance cover.



Officers shall give prompt notification, in writing, to the Director of Finance & Corporate Services of all new risks, properties or vehicles that require to be insured and of any alterations affecting existing insurance policies.

All officers will notify the Director of Finance & Corporate Services by email, of any loss, liability or damage or any event likely to lead to a claim.

All employees and Chief Executives of the Association will be included in a suitable Crime Cover insurance policy.

The Director of Finance & Corporate Services shall ensure that procurement of Insurances is in accordance with the Association's Corporate Procurement Policy and current legislation.

Property related claims are the responsibility of the Property Services Manager.

Housing related claims are the responsibility of the Housing Services Manager

All other insurance claims being the responsibility of the Director of Finance & Corporate Services.

All insurance claims shall be made as soon as possible after the incident to ensure that cash is recovered and maximised.

The Employer's Liability Insurance Certificate will be displayed in the public reception area for each place of business.

The Association shall ensure, prior to contracts commencing, that written agreement is received from external contractors that they shall insure and take responsibility for all works in progress. A copy of the insurance cover in place must be received by the Association in advance of such works commencing.

## **17.0 SECURITY**

All staff are responsible for maintaining proper and adequate security at all times for furniture, equipment, cash and other equipment under their control. The Chief Executive is responsible for overall security and any risks to the Association must be notified to the Chief Executive immediately.

Current petty cash key holders are the Director of Finance & Corporate Services and the Assistant Finance Officer.

The safe keys are kept by the Assistant Finance Officers and the Director of Finance & Corporate Services. All cash on the premises will be held in the safe overnight.

Access to the safe is restricted to members of the finance team only. The safe is accessed via a two part key which is held by the Assistant Finance Officer. The safe is kept permanently locked and the safe key kept in a safe place.

Under no circumstances should other staff members be given access to the safe or retain possession of the petty cash box keys. In all cases petty cash and rent box



keys must be retained in the possession of the authorised staff member who, under no circumstances, should leave keys unattended.

The business credit card will also be kept in the safe.

All staff, Board of Management members and the office domestic are office key holders.

All information held on the network must be backed up on a daily basis. It is the responsibility of the Finance Officer to ensure that this task is undertaken and liaise with the current network support agents to ensure this happens.

Access to computer systems must be restricted by the appropriate use of passwords, which are prompted to be changed every 90 days for SDM Housing Software and PC's.

The Director of Finance & Corporate Services will ensure that there are adequate systems in place covering the security and use of all data (personal and sensitive information) relating to applicants, tenants, members of staff, contractors and of the public held either in electronic or paper format, to comply with the Data Protection Act.

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

All staff and Board of Management members who have been issued with a tablet, mobile phone, laptop or other mobile device are responsible for the safe keeping and security of these devices. Should the device be damaged or lost then this should be reported immediately to the Chief Executive.

## **18.0 MISCELLANEOUS**

The Treasury Management Policy of the Association is a separate standalone policy and is separately reviewed.

Procedures for the use of the Company Seal and details of authorised signatories for important documents are set out in a separate policy document.

The Chief Executive is responsible for Risk Management and this is covered in the Risk Management Framework document.

A quarterly Risk Management matrix is prepared by the Chief Executive and considered by the Board of Management. All actions to reduce the impact of risks identified are included within this report as well as any emerging or reducing risks.

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.

The selection of an appropriate method of procurement, the use of tendering or quotation procedures, the selection of appropriate financing options and a balancing



of quality and price or other appropriate cost benefit analysis shall be undertaken by the Association in its decision-making process – this will be in line with the Association's Corporate Procurement Policy.

## **19.0 DETAILED FINANCIAL PROCEDURES**

In order to facilitate the efficient and effective operation of the Association in matters relating to finance, a series of financial controls have been established and approved by the Board of Management.

These controls incorporate the basic elements of financial control that exist in most Associations as well as some which are particular to Ochil View.

***It is essential for the Association that these controls are made known and adhered to by all staff and Board Members.***

The following sections cover matters relating to Detailed Financial Procedures.

## **20.0 CHEQUE AUTHORISATIONS / INTERNET BANKING / AUTHORISED SIGNATORIES**

The Board of Management 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 Scottish Government approvals on development and capital expenditure.

### **20.1 Cheques & Direct Debits**

All cheques, payments etc must be signed by any two authorised persons.

As a rule, Cheques for all the Association's main bank accounts shall bear the signatures of the Chief Executive and Depute Chief Executive. In their absence cheques may be signed by the Housing Services Manager, Property Services Manager, the Chairperson, Vice Chairperson or the Treasurer (known as the Office Bearers).

The procedures for signing Direct Debits shall be the same as those outlined above for cheques.

All cheques / internet banking payments over £250,000 require the signature by one Board Member and one management team member unless there is specific delegated authority given by the Board of Management for an alternative arrangement.

### **20.2 Internet Banking Payments**

For payment of accounts by internet banking the same signatories as mentioned in 20.1 above shall apply.

### **20.3 Loan Draw Down Notices**

The Chief Executive and/or the Depute Chief Executive can sign loan draw down notices.

### **20.4 Deposit Accounts**



The Chief Executive and/or the Depute Chief Executive can sign requests to place funds on deposit and withdraw funds from deposit.

## 20.5 Authorised Account Signatories

### Board Members

- ✓ Chairperson
- ✓ Vice Chairperson
- ✓ Treasurer

### Senior Management Team

- ✓ Chief Executive
- ✓ Depute Chief Executive / Director of Finance & Corporate Services
- ✓ Housing Services Manager
- ✓ Property Services Manager

## 21.0 **DESIGNATED BUDGET HOLDERS AND RESPONSIBILITY**

The following Officers of the Association are designated budget holders. They are responsible for monitoring, controlling and authorising expenditure relating to the following budget headings: -

- ✓ Chief Executive - development expenditure
- ✓ Chief Executive & Depute Chief Executive - General running costs of the Association and Insurances
- ✓ Director of Finance & Corporate Services / Depute Chief Executive – Insurances, internal and external audit fees, training fees, and general office administration costs etc
- ✓ Housing Services Manager - housing services departmental costs
- ✓ Property Services Manager – property services departmental costs

The following table gives further expenditure authorisation limits;

### Customer Services

Up to £250	Customer Services Assistants/Property Services Assistant/ Housing Services Assistant (Housing Options)/Tenancy Sustainment Assistant
Up to £1,500	Assistant Property Services Officer / Housing Services Assistant (Arrears & Administration)/ Assistant Housing Services Officers
Up to £2,500	Housing Services Officers /Tenancy Sustainment Officer/Tenant Engagement and Communication Officer
Up to £4,000	Property Services Officers



Up to £10,000	Property Services Manager / Housing Services Manager
Up to £250,000	Chief Executive
£250,001 plus	Board of Management

#### Finance & Corporate Services

Up to £1,500	Corporate Services Administrator / Assistant Finance Officer
Up to £2,500	Finance Officer
Up to £100,000	Director of Finance & Corporate Services
Up to £250,000	Chief Executive
£250,001 plus	Board of Management member

The above amounts are exclusive of VAT and relate to single job lines only and not batches of invoices

#### Disaggregation

*It is not permissible for any employee to circumvent the above thresholds by way of disaggregation i.e. the deliberate manipulation of works or supply orders to reduce their individual value which has the effect of bringing them within specific authorization thresholds without prior authorisation and /or unless it can be clearly demonstrated and evidenced that the intention of the action taken was to provide better value for money.*

*Any employee found to be operating the Associations Detailed Financial Procedures or the Corporate Procurement Policy in such a deliberate, unauthorised or unethical way will be subject to serious disciplinary action which may include dismissal.*

Where a maintenance contract has been subject to tender and approved by the Board of Management the Property Services Manager, Chief Executive or Depute Chief Executive will be responsible for checking that the work has been carried out, the price is correct and that the invoice or certificate is authorised for payment. In these instances, these individuals may approve invoices outside their specific approval limits, as the contract has previously been approved by Board of Management.

All designated budget holders are responsible for providing reasons for any material budgetary underspend or overspends. They will also be involved in any discussions as to how to implement corrective action when overspent on budget headings. The Budget holders will also be required to provide explanations on any forecast results.

## **22.0 BUDGETARY CONTROL**

The Director of Finance & Corporate Services / Depute Chief Executive, in conjunction with the Chief Executive, will prepare a financial budget document, for Board consideration and approval, prior to the commencement of each financial year.

The value of a budget statement as a management tool will be recognised and under no circumstances will the Association operate without a budget document.



It is the responsibility of all budgets holders to control relevant budgets. Budgetary control will be assisted by production of regular management accounts and accompanying narrative reports comparing actual income and expenditure with budget estimates. The Director of Finance & Corporate Services will report on actual income and expenditure against budget.

The Director of Finance & Corporate Services will ensure that material variances are clearly explained within the narrative supporting the quarterly Management Accounts. Explanations of material variances will be sought from budget holders during the preparation of the budget monitoring reports and management accounts where necessary.

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. This shall be reflected in the Forecast for the year. Cashflow 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.

Senior Staff should ensure that when reports are issued to the Board of Management, the financial implications of any course of action should be fully detailed e.g. where a tender return is higher than the budget amount. The Director of Finance & Corporate Services should be consulted prior to any report that has material financial implications going to the Board of Management and asked to provide a commentary on this.

#### 22.1 Management Accounts

On a quarterly basis the Director of Finance & Corporate Services shall prepare Management Accounts, which shall compare actual results to date with the estimates contained in the budget. The Management Accounts will also contain a forecast of the results against the budget for the year. Should known future events have a material effect on the Association's financial position then this will be made clear to the Board of Management and reflected in the financial forecast and risk assessment.

A timetable for the production of the Management Accounts will be prepared at the start of the financial year and accounts will usually be prepared within 28 days of the month end.

#### 22.2 Emergency Expenditure

Where an emergency arises, the Chief Executive and Director of Finance and Corporate Services may jointly approve non budgeted expenditure up to £10,000 in line with the Standing Orders of the Association. In other instances expenditure may be incurred beyond authorisation levels by obtaining the prior approval of 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 Director of Finance & Corporate Services, if possible, before agreeing to any request. Any such expenditure must be reported by the Chief Executive to the next meeting of the Board of Management for information and retrospective approval.

#### 22.3 Reporting

The Director of Finance & Corporate Services shall report to the Board of Management each quarter on the strategic finances of the Association and shall



report on the statutory accounts and loan covenants within six months of the financial year end. The Finance, Audit & Corporate Governance Committee will be presented with detailed quarterly Management Accounts and operational key performance indicators. The Scottish Housing Regulator and the Associations lenders must also be supplied with audited year end accounts within the same time scale.

#### 22.4 Virements

The Director of Finance & Corporate Services shall have the authority to approve virements of up to £10,000 subject to agreement with the Chief Executive. This will be notified to the Board of Management at the next presentation of the quarterly management accounts.

### **23.0 CHEQUES & INTERNET BANKING PAYMENTS**

#### 23.1 Cheque Payments

The Association's payment run is carried out on a Thursday with cheques being issued in the post by the Friday evening. All cheque requests must be with the Finance Department by the Wednesday lunchtime.

A weekly list of cheques will be produced to accompany the cheques for signature, which will be signed by the relevant signatories. The cheque list will also contain details of any cancelled cheques. A file is maintained within the Finance Department of the cheque lists.

All invoices included in the cheque payment list will be available for cheque signatories to inspect prior to the signing of the cheques.

The invoices and back up documentation are then filed by purchase ledger number in the purchase invoices files.

Cheques will then be issued to the payee with a remittance advice detailing what the payment relates to. Remittance advices will be posted along with the cheque.

Cheques will run in numerical order. When blank cheque books are received in the office these will be checked by the Assistant Finance Officer to ensure that they have not been tampered with and that the cheques run in numerical order. Cheque books will be stored in the locked safe.

Where no invoice is available e.g. Petty cash, rent refund, etc a cheque request form must be completed and will include the payees name, dates, details, amounts, and authorisation. This will be used as a substitute invoice voucher.

It is the responsibility of the section requesting payment to complete and pass the substitute invoice voucher to the Assistant Finance Officer who will arrange for payment to be made.

#### 23.2 Internet Banking Payments

The Assistant Finance Officer will collate all the payments to be made by Internet Banking on Thursdays. Payment details will then be entered into the Bankline system and a printout of the proposed payments printed off.

The list of the proposed payments, the SDM payments report and the appropriate backup will be given to the two authorised signatories for checking and authorising.



Once the list has been approved and authorised the Finance Officer shall make the electronic payment transfer.

Remittance advices shall be sent electronically by e-mail or posted out following the payment being made. Where suppliers have requested that remittance advices are not sent electronically then they shall be sent via post.

## **24.0 CREDIT CARD PAYMENTS**

The Association has a credit card held in the name of the Chief Executive. The limit on the credit card is £4,000 and it is used to purchase, infrequently, items from the internet, Board conference accommodation etc.

If a credit card payment is required, the Chief Executive will sign and authorise a 'Credit Card Payment Request Form' and the copy will be held in the finance department.

The Chief Executive will arrange to make the payment with the credit card but in some instances this may be delegated to the Finance Officer or the Director of Finance & Corporate Services.

The Assistant Finance Officer will reconcile the statements against the Credit Card Payment Request file once statements have been received.

When not in use the credit card will be held in the office safe.

When the monthly credit card statement is received, it must be date stamped. The Assistant Finance Officer will ensure that each transaction on the statement has the appropriate credit card authorisation form and / or receipt. Where there is a transaction on the statement that does not have the correct authorisation form and / or receipt this must be queried and resolved immediately.

There should be no circumstances under which the credit card is used in error and for any other purpose than in relation to business for the Association. Any such occurrence must be formally reported to the Board of Management. Should the Board of Management deem it appropriate an investigation may be undertaken

## **25.0 DETAILS OF BANK ACCOUNTS**

The Association has the following accounts with the Royal Bank of Scotland:

### Account

Current Account

Rent Account (Clacks)

Corporate Money Market (CMM) Account

All accounts are held at the Stirling Branch of the Royal Bank of Scotland.

The Association also has an Allpay (rent) bank account in operation and may also have funds place on fixed term or notice deposit accounts with various banks and / or building societies.



## **26.0 RECEIVING MONEY / CHEQUES**

Although the Association does not actively encourage cash being received over the counter it will not refuse this method of payment.

If cash has been received over the counter, a receipt shall be completed in the three-part book. The receipt shall contain the date, the amount received, whether the payment is for rent, factoring, rechargeable repairs etc, the tenant's name and address and the signatures of the persons who make and who receive the payment.

The tenant receives a copy of the receipt, a copy is kept in the book and a copy is given to the Assistant Finance Officer with the cash received.

All cash received by the above method is deposited in the rent cash box and, where practical and material, will be banked the same day (or if received after 3pm) the next working day. On occasion, monies from the rent cash box will be transferred to the petty cash box to top up petty cash (see Section 27.0 Petty Cash)

The Association will not normally accept payments when these are offered by tenants in their homes.

However, there may be occasions, for example with tenants in serious arrears with legal action ongoing, where payments may be offered and the Association would wish to accept these. Officers accepting cash or cheque payments outside the office shall issue a receipt as set out above phone the office to advise that such a payment has been received and return to the office with the payment at the earliest possible opportunity.

The Finance Officer carries out a monthly reconciliation between the three-part book kept at reception and the receipt spreadsheet held in the finance department. The three-part book is then signed by the Finance Officer as being checked and the spreadsheet also marked.

Details of all cheques and cash received in the office are maintained on spreadsheet.

Payment of money into the bank is as follows: -

- ✓ **Current Account:** house sales, insurance claims, HAG payments
- ✓ **Rent a/c - Clacks:** all rent, recharges and factoring related payments

Details of all money and cheques banked are recorded on the spreadsheet and reconciled to the total being paid in.

Once banked - the "pay in" date will be entered on the spreadsheet.

All cash received should be securely stored within the rent tin each evening and kept in the safe. The petty cash and rent tin shall be kept in a drawer during business hours.

All bank reconciliations will be carried out monthly and will be signed and dated as checked and verified by the Director of Finance and Corporate Services.



The Finance Officer will ensure that appropriate processes are in place for the timely and accurate recording of all monies due to the Association through the raising of sales invoices. These should generally be raised by the Assistant Finance Officers and checked for accuracy by another member of the Finance Team prior to being sent to customers. Sales invoices should be raised for factoring, rechargeable repairs, common repairs to owners, etc.

All Housing and Frontline staff are trained and authorised to accept electronic payments and payments via the Worldpay card payment device or Callpay. Card numbers must not be written down by Association staff under any circumstances and the card numbers evident on the receipts produced by the electronic card machine will be redacted by the Assistant Finance Officers at the earliest opportunity before filing. The card machine will be protected by tamperproof tape and it is the responsibility of the Finance department to ensure this is in place and checked on a regular basis.

Callpay payments require to be done through the Association's Allpay Website; all trained staff have their own username and password to access this system.

The Finance Officer is the main Allpay administrator should passwords require to be re-set etc

Cash should never be left unattended. If no members of the Finance team are available to take cash, this should be passed to a member of the Management Team to keep safe and secure until a member of the finance team is available.

## **27.0 PETTY CASH**

A petty cash float is maintained by the Finance department.

Petty cash is used for sundry expenditure only and is subject to a maximum pay out of **£30**.

The cash is held in a locked metal box and is kept in the Finance department during the day or in the safe at night.

All petty cash disbursements must be accompanied by a receipt and/or a petty cash voucher signed by the parties making and receiving the payment.

All petty cash vouchers must contain details of what the expense refers to and must be dated as at time of payment.

It is preferable that any staff expenses be paid via the wages system as opposed to via the petty cash. This will avoid any problems with taxable and non-taxable expenses.

At no time will the petty cash be used by any staff/Board member for purposes other than expenditure wholly and necessarily incurred on official business.

The Assistant Finance Officer is currently the person responsible for handling petty cash and maintaining the associated records.



Petty cash may be topped up from the rent cash box up to a maximum of £250 on each occasion. Such transfers will be approved by the Director of Finance and Corporate Services or the Chief Executive.

Regular checks on the petty cash and petty cash records will be made by an officer other than the staff member responsible for maintaining the petty cash system. This task is currently carried out by the Finance Officer.

The Finance Officer will check and sign off the petty cash vouchers on a monthly basis.

A petty cash spreadsheet must be kept for the purposes of recording petty cash receipts/payments and, as a minimum, monthly reconciliation's will be undertaken by the person responsible for petty cash.

The monthly petty cash journal will be authorised by the Finance Officer or, in their absence, the Director of Finance & Corporate Services.

Any petty cash shortage, which cannot be identified, must be reported to the Chief Executive immediately.

A limit of £250 shall be kept in the finance petty cash box at any one time. In exceptional circumstances this limit may be increased with prior approval from the Chief Executive subject to a maximum of £500.

## **28.0 DETAILS OF SALARY / STAFFING MATTERS**

The Chief Executive is responsible for the HR records of the Association. It is the responsibility of the Chief Executive to ensure that all relevant information with regards to payroll is provided to the Finance Team prior to the payroll processing date. This should include approved starters and leavers forms, and approved salary changes.

Salaries and wage increases arising from staff promotions or additional incremental increases must be approved by the Board of Management prior to any payment being made.

Prior to a new financial year the Board of Management will accept the Employers in Voluntary Housing pay award proposals for the year ahead on the basis that a ballot has taken place among the membership and the majority of members have agreed to the proposals.

If the final agreed pay award differs from that agreed by the Board then a report will be provided to the Board or the changes will be reported in the final draft budget if not already approved. Otherwise, a verbal update on the award will be provided to the Finance, Audit & Corporate Governance Committee. ***(Should the Association cease to be full members of EVH this section will not be applicable).***

All staff will be notified in writing of any pay increases or amendments to their salary. This will be prior to the first payment following the award. The Chief Executive shall sign all pay increase or amendment letters and the Chairperson shall sign the Chief Executives letter.



The Finance Department shall issue an expenses claim form to all staff at least one week prior to pay day. This form is for all overtime and disbursement claims. The form will be returned to the Finance Department within the timescale given to ensure payment is made in the current month.

All requests for overtime will be authorised in advance where possible, and on a monthly basis, and should not exceed the amount contained within the staff member's contract of employment.

All expense claim forms will be signed by the appropriate Departmental Director, Manager or the Chief Executive and receipts will be provided where possible. The Chairperson is responsible for signing the Chief Executives expenses. The Assistant Finance Officer is responsible for checking the arithmetic and accuracy of all claims prior to payment.

All claims for mileage, subsistence, spectacle allowances, essential car user's allowances shall be made in accordance with those rates set out by EVH and notified to staff as part of their annual increase letters.

Salaries will be processed by one of the Assistant Finance Officers which will then be checked in detail and countersigned by either the Finance Officer or Director of Finance and Corporate Services.

The Chief Executive and Director of Finance and Corporate Services will sign and date the salaries payment print out to show that all salary payments have been checked. In the event that the Chief Executive or Director of Finance and Corporate Services is absent, the salary payment may be released on the basis of one signature, provided that the salaries paperwork is countersigned on the return to work of that person.

Staff salaries are paid on the 25<sup>th</sup> day of the month for that calendar month. If the 25<sup>th</sup> day falls on a Saturday, Sunday or Public Holiday the payments will be made on the last preceding working day.

The only exception to the above rule will be the December salaries which may be paid earlier and only at the discretion of the Chief Executive.

Salaries are paid direct into the employee's nominated bank account by internet banking.

All staff will be given a pay slip as soon as the salaries are processed.

For the purposes of statutory sick pay the Finance team must be advised of all absences from work arising from sickness.

A return to work interview will be held with the staff member who has been off sick, as soon as is practically possible following their return to work.

A salary exception report shall be prepared once a month to show where there have been material differences in gross salaries, overtime, expenses etc. This will be reviewed and approved by the Director of Finance & Corporate Services (in their absence, the Chief Executive).



The Finance Team are responsible for submission of all PAYE returns and pension contributions in accordance with statutory timetables. P60's will be issued by the Assistant Finance Officers following the end of the tax year.

Any voluntary deductions from pay must be supported by written authorisation given by the employee and the information held in the salary file.

Onward payment of deductions from salaries (PAYE, NIC, Staff Savings, Union Payments etc will be requested/authorised by the Assistant Finance Officer preparing the payroll and will be approved by the Director of Finance and Corporate Services or the Chief Executive.

Under no circumstances will salary advances be made to any member of staff.

## **29.0 INVOICES & AUTHORISATION OF EXPENDITURE**

Procedures for authorisation of expenditure are as follows: -

### **29.1 Invoices Received**

Upon receiving an invoice, the Assistant Finance Officer checks the details and additions, attaches a Purchase Invoice Slip and records the invoice date and supplier reference, assigns an Invoice Number and records the invoice in the Purchase Ledger.

The Assistant Finance Officer initials the slip to confirm that the details have been entered onto the purchase ledger and the arithmetic has been checked. The invoice is then passed to the relevant budget holder for authorisation.

The Purchase Ledger Slips are colour coded as follows: -

**Pink** – Development and Stage 3 adaptations

**Green** – Administration, Housing Management and Property Maintenance, general maintenance and repairs, cyclical maintenance.

The Budget Holder or person who has been responsible for organising the purchase of the goods or service checks that the job details have been carried out or that the goods or services have been received, that the price charged is correct and that the account has not previously been passed for payment.

If satisfied, they will authorise the invoice, subject to their approval limit. Their line manager or other senior member of staff will countersign the purchase invoice slip as a second approval.

A list of all staff who are authorised to sign the purchase ledger slips is attached at **Appendix 1** along with the reference as to what the initials look like.

Payment will be made once the authorised invoice has been returned to the Assistant Finance Officer and within the appropriate payment timescales.

It is essential that payment is not made on duplicate, fax or copy invoices.



The budget holder is responsible for clearly marking on the invoice what the work or goods relate to, i.e. day to day repairs, rechargeable repairs, cyclical maintenance, insurance costs, items deductible from contractors, services etc. This will ensure that the correct postings are made to the nominal ledger and that the true financial position of the Association is properly recorded.

A list of all approved suppliers (not just maintenance) is in place and shall be revised annually, and approved by the Board of Management. Goods and services should be ordered from the approved suppliers wherever possible. Approval from a member of the Management Team should be sought where a non-approved supplier is to be utilised.

The Assistant Finance Officer codes the purchase invoice slip and passes it to the Finance Officer for checking.

The invoice is entered onto a cheque / internet banking payments list, which is presented to the cheque signatories at the time of signing. The cheque signatory will sign the list once all cheques have been signed. The internet banking payments listing and the supporting SDM payments report will be signed in the case of internet banking payments.

The payment method, cheque number (if appropriate) and date paid is then recorded on the purchase invoice slip and the invoice is stamped "paid".

The invoices and works orders are then scanned onto the network then filed in purchase ledger number order by the Assistant Finance Officer. Separate files are kept for Development.

All delivery notes and statements are filed in the statements file. Statements are checked to the purchase ledger within one month of being received. The aged creditors listing from SDM will also be reviewed at the same time as the supplier statements are checked.

To preserve separation of authorising expenditure and issuing of payment, the Assistant Finance Officer is not allowed to authorise expenditure. Works/goods in excess of an amount stated in the detailed procedures and Corporate Procurement Policy must receive 3 quotations or tenders before any order for goods or services is agreed. These quotes and tenders will be held within the department to which they relate and recorded in the Tender / Quotations register.

All unauthorised invoices held in the purchase ledger are reviewed on a monthly basis by the Assistant Finance Officer who will then contact the appropriate staff member to enquire about the progress with the 'held' invoice.

## **29.2 Invoices Raised**

All invoices issued by the Association must be issued via the Finance Department. Requests to raise invoices will be made in writing or by email to the Finance Department. Once raised the invoice is passed back to the appropriate person.

All copies of invoices raised by the Association will be dated, numbered and filed in the sales invoices file. They will be recorded on the sales register contained at the front of the file.



When invoices have been paid they will be marked as paid on the sales register.

A monthly review of the sales register will be made to ensure that all debts are pursued and reminder invoices issued, where necessary.

### 29.3 Segregation of Duties

The same person should not sign the two boxes contained within the “Authorisation section” on the purchase invoice slip.

The “authorised by” boxes (acknowledging receipt of goods and or services) should be signed by two **separate** staff members. The person who placed the order for the goods and services should sign the first box and their line manager or other senior staff member should initial the second box.

## 30.0 MAINTENANCE & REPAIRS

The Chief Executive and the Property Services Manager will be advised, prior to the start of each financial year, of the budget approved for expenditure limits.

The allocation of funds will exclude any salary costs, recoverable costs and overhead allocation and will refer solely to the budget cash available for goods and or services provided by external contractors and consultants

The Association has two lists of Approved Contractors –

- ✓ Reactive Maintenance and
- ✓ Planned Maintenance

### 30.1 Authorised Expenditure Levels and Delegated Powers to Accept Quotes and Tenders

The Association’s policy regarding expenditure levels and delegated powers to accept quotes and tenders is as follows: -

<b>Estimated Works Costs</b>	<b>Post</b>	
	<b>nstruct Work</b>	
<b>Up to £250</b>	Customer Services Assistants	
<b>Up to £1,500</b>	Assistant Property Services Officer	
<b>Up to £4,000</b>	Property Services Officers	
<b>Up to £10,000</b>	Property Services Manager	3 written Quotations
<b>Up to £250,000</b>	Chief Executive	3 written Quotations (based on written specification)
<b>over £250,000</b>	Board of Management / Letter of acceptance	Competitive Tender



The above figures exclude VAT.

The above delegated authority limits are in accordance with the Corporate Procurement Policy.

The Director of Finance & Corporate Services will liaise with the Senior Management Team on a quarterly basis for the purposes of monitoring actual against planned expenditure. In addition to this, regular meetings will take place with the Housing Services Manager, the Property Services Manager and the Director of Finance & Corporate Services to review spend to date and discuss future spend and funding requirements.

The Director of Finance & Corporate Services will also report the quarterly results of repairs and maintenance to the Board of Management and the Finance, Audit & Corporate Governance Committee through the management accounts.

Projections of cyclical and major repairs works must be compiled on a quarterly basis in order to allow incorporation of the financial effects into the rolling 12 monthly cashflow and year end forecasts

### **31.0 BOARD EXPENSES – AUTHORISATION, PAYMENT AND RECORDING**

The Board Member will complete a standard Board Expenses Claim Form, detailing the dates, nature and amount of the expense and attaching any supporting receipts.

Expenses may also be paid to those members of any tenant engagement/scrutiny group e.g. for taxi costs and the same procedure shall be followed for these members as Board members.

The Assistant Finance Officer then checks the additions, mileage and allowance rates where applicable, and initials the Claim Form.

The Chief Executive or Depute Chief Executive then authorises the Claim Form.

Payment can be made either by cheque, petty cash or internet banking.

For payment by cheque or internet banking payments, the Claim Form is recorded as an invoice in the Purchase Ledger.

For payment by cash, the Claim Form is recorded through the petty cash and the Board Member signs the petty cash voucher as a record that payment was received.

No cheque / internet banking signatory may authorise payment to themselves, with the exception of payroll approvals which require two separate approvals by the Chief Executive and Depute Chief Executive

The Assistant Finance Officer will monitor Board expenses and a spreadsheet will be maintained which shows the expenditure per Board member on a month by month basis as well as cumulatively.



### **32.0 BAD DEBT PROCEDURES**

The bad debts relating to rental income, rechargeable repairs and factoring are reviewed on a six-monthly basis.

The Housing Services Manager, will decide which, if any, of the outstanding debts are to be deemed irrecoverable.

The Director of Finance & Corporate Services will prepare a report on the financial implications of the proposed write off and present this to the Board of Management as potential write offs.

Prior to any debts being written off (except where the tenant is deceased) the debt shall be passed to a debt collection agency who will be given an opportunity to recover the debt. The debt collection agency will advise the Association if debts are deemed non-recoverable.

On a six-monthly basis the Board of Management will be presented with a report detailing accounts that require approval for write off.

The Finance Department will maintain a spreadsheet of all debts written off and any receipts received after the debts have been written off.

Following approval by the Board of Management, the Finance Department will be responsible for ensuring that the debts are written off the appropriate accounts.

Each financial year the Director of Finance & Corporate Services will review the bad debt provision in the annual accounts and budget for the year. The provision will also be reviewed on a quarterly basis and a decision will be taken as to whether or not the provision will be altered.

Any other debts due to the Association are reviewed on an ongoing basis by the Director of Finance & Corporate Services, with any potential write off being brought to the Chief Executive's attention.

The Board of Management give delegated authority to the officers to write off individual bad debts up to an amount of £500 per case and subject to a maximum of £2,000 every quarter. In addition to this, arrears balances which are uncollectable due to a formal trust deed, sequestration or bankruptcy may be written off immediately with the approval of the Housing Services Manager and will be reported to Board of Management as part of the next Bad Debt Review Report.

### **33.0 TENANT CREDIT BALANCES – WRITE BACKS**

In all cases where we have no contact details for the former tenant / customer, the Board of Management will authorise the write back of all credit balances held for more than one year.

### **34.0 INSURANCE CLAIMS**

Insurance claims relating to day-to-day maintenance are dealt with by the Property Services Officer (Planned Maintenance).



On issuing the works orders the customer services staff will mark clearly that the job is to be recovered through insurance. If it is not known at the time of issuing the job order then the Assistant Property Services Officer will notify the Assistant Finance Officer as soon as possible after it is known.

Within one week of the incident a notification form will be submitted to the insurer by the Property Services Officer (Planned Maintenance). Within two weeks of receiving the invoices the Property Services Officer (Planned Maintenance) will prepare and submit the final claim form to the insurers. A copy of the claim form will be scanned into the general insurance folder for reference.

All invoices paid, which relate to insurance, are held in a control account. On a monthly basis an analysis of the control account will be carried out by the Assistant Finance Officer who will discuss this with the Property Services Officer (Planned Maintenance).

On a monthly basis the Assistant Finance Officer will ask the Property Services Officer (Planned Maintenance) for an update on the items outstanding in the control account.

All insurance receipts will be allocated to the control account and any excess not received will be coded to repairs and maintenance. A copy of the insurance receipt will be scanned into the general insurance folder.

The balance on the control account is shown as a debtor in the balance sheet.

### **35.0 RECHARGEABLE REPAIRS**

On issuing works orders the customer services staff will mark clearly whether the work is of a rechargeable nature. If this is not known at the time the order is processed then the Assistant Property Services Officer will inform the Assistant Finance Officer, as soon as possible.

All requests for invoices to be raised will be made in writing to the Assistant Finance Officer as soon as the rechargeable repair has been invoiced by the contractor. An invoice will be issued detailing the costs for the repair. An administration charge will be added to the recharge sum and will be capped at £50.

The Assistant Finance Officer will send the invoice along with a standard letter to the tenant / former tenant.

The Assistant Finance Officer will raise the debt on the tenant's recharge account within the rent accounting system as soon as the invoice has been raised. The letter and invoice is scanned onto the system and 28 days later is passed on Housing Services for collection if the account remains unpaid.

A spreadsheet is then kept by the Assistant Finance Officer, which details the balance on the tenants' accounts. This spreadsheet is reconciled to the nominal ledger on a monthly basis.



A spreadsheet is also maintained by the Assistant Finance Officer to monitor the payment of recharges. The Housing Services staff are responsible for monitoring any broken agreements.

The balance on the control account is shown in the balance sheet as a debtor.

### **36.0 SUPPLIER DETAILS**

Requests to set up a new supplier will require a New Supplier/Change of Supplier Detail form to be completed by the person making this request. This will be actioned by the finance department who will hold copies of the forms.

The form will contain details of all checks required to be carried out prior to the supplier being included in any payments run.

Any changes to existing supplier details, e.g. bank account details, registered address will require verifying by the finance department.

These changes should be recorded on the New Supplier/Change of Supplier Detail form.

The Director of Finance & Corporate Services will approve all New Supplier/Change of Supplier Detail forms and the completed forms will be scanned to the supplier diary.

### **37.0 EX GRATIA PAYMENTS**

The Association may, in certain circumstances, make an ex-gratia payment where a claimant has experienced a direct and quantifiable loss (but not including a loss of earnings) as a result of action or omission on the part of the Association.

An ex-gratia payment may also be awarded where standards of service have been poor or unsatisfactory. Any such payment should be made in accordance with the Customer Payments Policy. Current approval limits are as follows:

<b>Position</b>	<b>Sum</b>
Property Services/Housing Services Manager	Up to £250
Chief Executive	Up to £500
Board of Management	Over £500

Claims for injury or damage to property shall be referred immediately to the Association's insurers. Ex-gratia payments may be made if the amount of the claim falls below the excess payable on our Insurance Policy.

### **38.0 GENERAL LEDGER**

Required journals shall be regularly written up and posted in a timely manner by the Finance Team.

The journal voucher will show who prepared each journal, approved it and input it. This should be dated with the posting date rather than period end date. Journal



sheets are reviewed and approved by a member of the finance team and are supported by appropriate documentation. Journals cannot be prepared, reviewed and posted by the same person. A register of all journals shall be held for reference and ease of locating journals as and when required.

Journal sheets and their supporting documentation shall be retained on file within the Finance Team.

Cash book postings are made on a regular, at least monthly basis to reflect receipts and payments, including those paid via standing order and direct debit, and inter account bank transfers.

All bank accounts will be reconciled to the bank statement monthly. A copy will be filed in the month end files within the finance department.

All suspense accounts shall be investigated and cleared in a timely manner on a monthly basis.

Monthly reconciliations will be carried out on all balance sheet accounts.

### **39.0 FACTORING**

All factoring information is detailed in our Factoring Statement of Service and Factoring Policy.

Procedures relating to the recording and receipt of funds for factoring activity are noted within the receipt of monies financial procedure in Section 4.

At each month end the Assistant Finance Officer shall produce a full reconciliation of individual factoring balances. This shall include individual opening balances, accounts issued, sums paid, any adjustments and closing balance. This shall be reviewed and agreed as factually accurate by the Finance Officer and evidence of this retained on file.

The Finance Officer shall agree the Control Account balance with the month end trial balance figure. Any differences must be investigated and resolved promptly. Arrears letters will be produced 28 days from the date of invoice (for unpaid accounts) and Property Services staff will be responsible for pursuing the arrear.

The Finance Team has the responsibility for the Factoring Service and the issue of timeous factoring accounts where applicable.

### **40.0 COMPONENT ACCOUNTING**

Programmes of work that will be capitalised will be determined annually within the annual budget, although priorities may change throughout the year, any changes must be agreed and approved by the Board of Management or relevant sub-committee.

All information about replacements/disposals will be picked up through the ledger by the Finance Officer; this includes the date of renewal/disposal and amounts.



The Director of Finance & Corporate Services will administer an excel database of all assets, replacements, disposals and depreciation calculations. The Director of Finance & Corporate Services is responsible for maintaining the component accounting database and updating it at least once a year.

Journal entries must be posted at the year-end for component replacements, disposals and the depreciation charge, once the database has been appropriately updated. The Director of Finance & Corporate Services will be responsible for producing the journal voucher and passing this to the Assistant Finance Officer for posting.

#### **41.0 REVIEW**

This document will be reviewed annually.

Anne Smith  
Director of Finance & Corporate Services / Depute Chief Executive

**April 2021**

#### **Policy Review & Consultation Process**

Reviewed by the Management Team	29 <sup>th</sup> April 2021
Recommended by the Finance, Audit and Corporate Governance Committee	N/A
<b>APPROVED BY THE BOARD OF MANAGEMENT</b>	<b>29<sup>th</sup> APRIL 2021</b>
<b>Date of Next Review</b>	<b>January 2022</b>



## FINANCIAL REGULATIONS &amp; PROCEDURES

## LIST OF ALL STAFF SIGNATURES &amp; INITIALS (see separate pdf Copy)

	NAME	POST	AUTHORISATION LEVEL	SIGNATURE	INITIALS	DATE
1.	George Tainsh	Chief Executive	Up to £250,000			
2.	Anne Smith	Director of F & C Services / Depute Chief Executive	Up to £100,000			
3.	Andrew Gibb	Property Services Manager	Up to £10,000			
4.	Linda McLaren	Housing Services Manager	Up to £10,000			
5.	Ailsa Sadowski	Property Services Officer (Planned Maintenance)	Up to £4,000			
6.	Grahame Phillips	Property Services Officer (Inspections)	Up to £4,000			
7.	Ashleigh Brown	Property Services Officer (Reactive/Gas Maintenance)	Up to £4,000			
8.	Christine Thomson	Housing Services Officer	Up to £2,500			
9.	Donald Beaton	Housing Services Officer	Up to £2,500			
10.	Linda Ure	Housing Services Officer	Up to £2,500			
11.	Marian Kelley	Housing Services Officer	Up to £2,500			
12.	Sandra Marshall	Housing Services Officer	Up to £2,500			
13.	Margaret Hall	Tenancy Sustainment Officer	Up to £2,500			
14.	Chris McShane	Tenant Engagement and Communication Officer	Up to £2,500			
15.	Neil Harrison	Finance Officer	Up to £2,500			



16.	Vicki Brown	Assistant Property Services Officer	Up to £1,500			
17.	Adele Rae	Assistant Housing Services Officer	Up to £1,500			
18.	Hazel McLean	Assistant Housing Services Officer	Up to £1,500			
19.	Heather Kennedy	Assistant Finance Officer	Up to £1,500			
20.	Janie Taylor	Assistant Finance Officer	Up to £1,500			
21.	Kate Oliver	Corporate Services Administrator	Up to £1,500			
22.	David Bishop	Housing Services Assistant	Up to £1,500			
23.	Donna Phillips	Housing Services Assistant	Up to £250			
24.	Leona Hens	Property Services Assistant	Up to £250			
25.	Margaret Scott	Customer Services Assistant	Up to £250			
26.	Tara Hamilton	Customer Services Assistant	Up to £250			
27.	Kirsten Kirkwood	Customer Services Assistant	Up to £250			
28.	Robert Cowan	Tenancy Sustainment Assistant	N/A			