



FINANCIAL REGULATIONS
October 2019
October 2024

Policy on :	Financial Regulations
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Compliant with Charter :	13: Value for Money 14 and 15: Rents and Service Charges
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Compliant with New Regulatory Framework:	<p>5. Regulatory Standards of Governance and Financial Management</p> <p>Standard 2: The RSL is open and accountable for what it does. It understands and takes account of the needs and priorities of its tenants, service users and stakeholders. And its primary focus is the sustainable achievement of these priorities.</p> <p>Standard 3: The RSL manages its resources, while maintaining rents at a level that tenants can afford to pay.</p> <p>Standard 5: The RSL conducts its affairs with honesty and integrity.</p> <p>Standard 6: The Governing Body and Senior Officer have the skills and knowledge they need to be effective.</p>
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Compliant with Tenant Participation Strategy:	N/A
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Compliant with Equal Opportunities :	YES
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Compliant with Budget/Business Plan :	YES
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Date of Approval :	26/11/19
Date for review :	October 2024

Responsible Officer :	Finance & IT Manager, Lorna Colville
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A **FOREWORD**

1. **General**

The Financial Regulations and Operating Procedures are designed to facilitate the smooth running of Paisley Housing Association (“the Association”) and to protect the interests of tenants, owners, members, Board members and staff. This document details the mechanisms to be used to ensure that objectives are achieved as smoothly and as timeously as possible.

Compliance with the Financial Regulations is compulsory for all staff and Board. It is the responsibility of Line Managers to ensure their staff are made aware of the existence and content of the Association’s regulations. Any breach will be the subject of a report to the Board by the Finance & IT Manager following discussion with the staff concerned.

The Finance & IT Manager is responsible for maintaining a continuous review of the finance regulations and advising the Board of any necessary changes.

If any difficulty is encountered in practice with the operation of the regulations or circumstances arise in respect of which it is considered no provision is made then the matter should immediately be raised with the Finance & IT Manager and Chief Executive, and then reported to Board as required.

Where appropriate the Association has and will endeavour to comply with all statutory and regulatory requirements.

This is a Group Policy and as such applies to Paisley Housing Association and its subsidiary.

2. **Compliance with Standards & Legislation**

The Association will conduct its affairs to ensure that it complies with all the legislation and standards, in particular:

2.1 Scottish Housing Regulator (SHR) Charter Standards

i. **13. Value for money**

Tenants, owners and other customers receive services that provide continually improving value for rent and other charges they pay.

ii. **14. Rents and Services**

A balance is struck between the level of services provided, the cost of the services, and how far current and prospective tenants and service users can afford them.

2.2 SHR Regulatory Standards of Governance and Financial Management

i. **Standard 2**

The RSL is open about and accountable for what it does. It understands and takes account of the needs and priorities of its tenants, service users and stakeholders. And its primary focus is the sustainable achievement of these priorities.

ii. **Standard 3**

The RSL manages its resources to ensure its financial well-being, while maintaining rents at a level that tenants can afford to pay.

iii. **Standard 5**

The RSL conducts its affairs with honesty and integrity.

iv. **Standard 6**

The Governing Body and Senior Officer have the skills and knowledge they need to be effective.

2.3 Compliance with the legislation covering financial issues

The Association will abide by all legislation applicable to it.

3. **Review**

A fully updated version of this document will be produced every five years to reflect any amendments agreed by the Board in the intervening period.

B **FINANCIAL CONTROL AND RESPONSIBILITIES**

1. **Board**

The Board has ultimate responsibility for the Association's finances and to ensure the Association (and its subsidiary) has established and maintains systems of controls, in particular financial controls, that are appropriate to the Association's business environment. Specifically:-

- to ensure the solvency of the Association.
- to safeguard the Association's assets (against unauthorised use or disposition).
- to take reasonable steps for the prevention and detection of fraud.
- to ensure the efficient and effective use of resources.
- to ensure proper accounting records are kept.
- to ensure compliance with the Scottish Housing Charter.
- to ensure compliance with the Scottish Housing Regulator's regulatory standards and any issued guidance.
- to ensure that the financial control systems are in place and are working effectively and that a statement of assurances is produced annually.
- to approve the Association's business plan and shorter term budget and longer terms financial plans that fit with the business plan objectives.
- to consider the effect of key business risks of financial projections.
- to ensure the reliability of financial information used within the Association or for publication.
- to select appropriate accounting policies and apply them consistently.
- to prepare the financial statements on a going concern basis in accordance with applicable law and accounting standards, in particular the RSL SORP, and use judgements and estimates that are reasonable and prudent.
- to recommend to the annual general meeting (AGM) the appointment of the Association's external auditors.
- to appoint the Association's internal auditors.
- to appoint the Association's bankers.
- to comply with all statutory and regulatory requirements.

2. **Audit Committee**

The Audit Committee is advisory and reports to the Board. The PHA Board delegates authority to the Audit Committee to oversee risk management, internal audit & value for money and monitors any matter in respect of which it is considered that subsequent action or improvement is needed, approving those steps to be taken or making recommendations to the Board, where appropriate.

It has the right of access to obtain all the information it considers necessary and to consult directly with the external and internal auditors. The Audit Committee must satisfy itself that adequate arrangements are in place to promote economy, efficiency and effectiveness.

The Audit Committee produces an annual statement of assurances that the financial control systems are in place and are working effectively and presents this to the Board. This allows the Board, in turn, to give a statement on internal financial control in the annual financial statements.

3. **Audit Requirements**

The Finance & IT Manager has responsibility, in conjunction with the internal auditors and the external auditors, for testing to ensure that the systems of internal financial control are appropriate.

This will be done through:-

- planned reviews of existing financial systems, controls and procedures to ensure that they are economic, efficient and effective, that they are amended in accordance with changing circumstances and that they are adhered to in practice;
- recommending where appropriate that changes be made to existing financial controls and procedures operated in any Department;
- participation in discussions relating to the formulation and installation of new systems, controls and procedures;
- assisting in the protection of the assets and interests of the Association by carrying out an examination of activities in order to detect fraud, misappropriation, irregular expenditure and losses due to waste or maladministration;
- monitoring compliance with the Association's Financial Regulations.

In order to carry out this remit, the Finance & IT Manager and external and internal auditors shall have authority to:

- access Association's premises at reasonable times
- access all assets, records, documents and correspondence relating to any financial or other transactions of the Association
- require employees 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.

The Finance & IT Manager is responsible for drawing up a timetable for final **financial statements** purposes and will advise staff and external auditors accordingly.

The Board will approve the **financial statements** and the Association's response to the Audit Findings Report.

4. **External Auditor**

The Association will ensure it is formal and transparent in its dealings with the external auditor to ensure it retains an appropriate relationship.

The appointment of the external auditor will take place annually at the AGM and it is the responsibility of the Board to make recommendations following advice received from the Audit Committee and Senior Management Team.

The primary role of the 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:

- whether the financial statements give a true and fair view
- whether the financial statements have been properly prepared in accordance with the relevant statutory requirements
- whether the financial statements are prepared in accordance with the requirements of the Scottish Housing Regulator and other industry legislation.

Their duties will be carried out in accordance with the International Standards on Auditing (UK) and the ethical requirements governing the auditors, including the Financial Reporting Council's Ethical Standards.

The Finance & IT Manager will liaise with the external auditor to draw up a timetable for final financial statement purposes and advise staff accordingly.

A competitive tendering exercise will take place at least every six years to procure the services of an external auditor.

5. **Internal Auditor**

The Association will ensure it is formal and transparent in its dealings with the internal auditor to ensure it retains an appropriate relationship.

The Board, on the recommendation of the Audit Committee, appoints the internal auditor.

The services of the internal auditor will be subject to our formal tendering procedures at least once every 6 years.

The main responsibility of the internal auditor is to provide the Board with assurances on the adequacy of the internal control system.

The internal audit service remains independent in its planning and operation and has direct access to the Board, Chair of the Audit Committee and the Chief Executive.

6. **Other Auditors**

The Association may, from time to time, be subject to audit or investigation by external bodies such as HM Revenue & Customs who have statutory rights of access.

7. **Chief Executive**

The Chief Executive is responsible for the operational management of the association's affairs. They must assist the Board in determining its strategic objectives and promote the achievement of such objectives through effective deployment of the association's resources.

8. **Finance & IT Manager**

Day to day financial administration is the responsibility of the Finance & IT Manager. The Finance & IT Manager is responsible to the Chief Executive for:-

- co-ordinating short/medium and longer term **financial planning, including sensitivity analysis of longer term plans, in line with the approved business objectives.**
- assisting in rent setting;
- preparing management accounts and information, on a timely basis;
- preparing the annual financial statements, liaising with the Association's auditors in respect of the year-end audit and presenting the financial statements to the annual general meeting;
- ensuring that the Association maintains satisfactory financial systems;
- monitoring the day to day running of the Association's finances;
- implementing and operating the Treasury Management Policy of the Association (PPKD FIN 04)

The Finance & IT Manager shall keep the Board informed, each quarter, as to the state of the Association's finances. They shall report to the Board on the statutory accounts of each financial year within five months of the financial year end and provide to all relevant third parties thereafter.

The Finance & IT Manager will ensure that all the Association's development projects have the required level of funding and at the time it is required, liaising with the development consultants to ensure that all eligible grants for such projects have been claimed and adequate loan finance has been arranged.

9 **Line Managers**

Line Managers are responsible to the Chief Executive for the financial management of their delegated expenditure. They can seek advice from the Finance & IT Manager on how to execute their financial duties.

Each Line Manager will ensure that all policies and procedures, for which they have direct responsibility, will comply with and not contradict the Financial Regulations.

Line Managers are responsible for establishing and maintaining clear lines of responsibility within their departments for all financial matters.

Although the relevant Lead RSL has overall control for a FLAIR Project, a Line Manager will be identified as the lead for managing PHA's involvement in that project, including being the budget holder.

C **BUDGETING**

1. **Resource Allocation**

Resources are allocated and reviewed regularly, and at least annually, by the Board.

2. **Financial Planning**

The Finance & IT Manager is responsible for preparing the five-year budgets (including the annual budget) and 30 year long term financial forecast for approval by the Board. Financial plans should be consistent with the business approved by the Board. (5 Year Financial Plan PPKD Fin 11 and 30 Year Financial Plan PPKD Fin 12).

The timetable for the plans is included in the Annual Planning Timetable.

Each line manager will co-ordinate the preparation of estimates of revenue and capital expenditure and income by budget holders in the format and by the date required by the Finance & IT Manager. The Finance & IT Manager will give at least 1 month's notice of when the information is required as per the Planning Timetable.

The Chief Executive will prepare the staffing plan for costing by the Finance & IT Manager.

The Senior Management Team will review the draft 5 year budget for approval by the Board and identifying any savings required, where necessary.

The Finance & IT Manager will prepare the 30 year financial plan, including sensitivity analysis, based on the 5 year budget.

3. **Development Programmes**

Capital expenditure on land and buildings must be approved by the Board, prior to making a financial commitment to a project.

The Chief Executive is responsible for ensuring the development plans are reviewed annually as part of the Business Plan Review. This development programme is then used in the 5 year budget assumptions.

The Finance & IT Manager is responsible for quarterly reporting to the Board on development capital expenditure/income against forecasts, as part of the management accounts.

4. **Preparation of Annual Budget**

The Finance & IT Manager is responsible for ensuring an annual revenue and capital budget, included in the latest 5-year budgets noted above, is prepared annually for approval by the Board by March of each year.

The budget will include a cashflow forecast for the year and a projected year-end **Statement of Financial Position**. (Balance sheet)

The Finance & IT Manager will communicate approved annual budgets to Line Managers and budget holders as soon as possible following their approval by the Board.

The Annual Budget will be used for comparison with actual performance in the Management Accounts.

5. **Control of Budgets**

The Board will monitor overall performance against approved budgets.

The control of income and expenditure within an agreed revenue budget is the responsibility of the designated Line Manager who must ensure that day to day monitoring is undertaken effectively.

Line Managers can delegate part of their budget to their staff members so long as the staff member has sufficient authority (per the Spend Authority Levels, Procurement Policy PPKD FIN 35).

Line Managers must ensure that approved budgets under their control are not exceeded, aim to achieve best value and to ensure that all expenditure has been properly incurred in terms of these Financial Regulations.

Where overspend/lost income is incurred this will be reported to the Board through the Management Accounts and other standard reports to Board, as appropriate, with the Line Manager identifying necessary action to be taken.

The Finance & IT Manager will assist Line Managers by providing management information on income and expenditure as noted in Appendix 1. Line Managers should however be aware of forward commitments that have not yet been paid for.

The Finance & IT Manager will submit quarterly management accounts to the Board comparing actual with budgeted income and expenditure for the year to date, as well as the projected outturn for the year, and actual and projected (Statement of Financial Position (balance sheet) and cashflow, highlighting any relevant matters.

6. **Virement**

Where a Line Manager is responsible for more than one budget, virement (i.e. authority for the transfer of agreed estimates from one budget heading to another) is permitted, provided that the additional expenditure does not exceed the line managers authorised spend limit – as per the Procurement Policy (PPKD FIN 35) and the total of the approved holder's budgets will not be exceeded.

Virement between budgets held by different Line Managers is permitted. This is subject to the prior approval of the Chief Executive, and the agreement of the

transferring Line Manager, provided that the veered expenditure does not exceed the Chief Executive's authorised spend limit and there is sufficient underspend in the budget to be transferred.

When virement is proposed for sums in excess of the Chief Executive's spend authorisation level this will also require the prior approval of the Board. The Chief Executive is responsible for submitting such requests for virement of resources to the Board.

7. **Emergency Expenditure**

In circumstances of emergency, expenditure, in excess of approved virement limits above, may be incurred by obtaining the prior approval of the Chief Executive (or the person responsible for providing management cover in the Chief Executive's absence) or Chair of the Association. The Chief Executive must advise the Finance & IT Manager and report any expenditure so incurred to the next meeting of the Board detailing how this expenditure will be financed.

D **ACCOUNTING POLICIES, RETURNS AND RECORDS**

1. **Basis of Accounting**

The financial statements are prepared on the historical cost basis of accounting and in accordance with applicable accounting standards and the Association's approved Accounting Policy (PPKD Fin 36)

2. **Format of the Accounts**

The Association's accounts are prepared for the financial year ending 31 March, in the format required by the **current** Statement of Recommended Practice (SORP) on the Accounting for Registered Social Landlords.

The Subsidiary accounts are prepared for the financial year ending 31 March, in the format required by the latest Companies Act.

3. **Accounting Returns**

The Finance & IT Manager is responsible for despatching financial returns and other periodic financial reports to the regulatory body and other agencies as required. **Details of the significant financial returns are given below (the list is not exhaustive):**

- Office of Scottish Charity Regulator (OSCR) Annual Return
- Financial Conduct Authority (FCA) Annual Return
- SHR 5 Year Financial Projections
- SHR Loan Portfolio Return
- SHR Online Annual Accounts Return
- Pensions Trust: Pension Financial Viability Return
- Payroll year end online submission to HMRC
- Companies House Annual Return – PSPS subsidiary only
- Annual Corporation Tax submission to HMRC – PSPS subsidiary only

4. **Accounting Records**

The Finance & IT Manager is responsible for the retention of financial documents. These should be kept in a form acceptable to the relevant authorities.

The Association is required by law/best practice to retain prime documents. These are:

- financial statements (permanently)
- associated year end accounts files (last six years)
- copies of receipts, invoices and payments (last six years)
- payroll records (last **seven** years)
- VAT records (last **seven** years)

Please refer to the Privacy Policy detailing the Archiving, Retention and Destruction of Data for all types of records, including those covered by this Financial Regulations Policy.

E **INCOME AND BANKING**

1. **General**

The Finance & IT Manager will ensure that proper financial and accounting procedures are in operation for the collection and recording of all monies due to the Association.

2. **Setting Rents and Other Charges Annually**

With the exception of rents set by the Rent **Registration** Officer, the Board will approve annually the level of rent & service charges chargeable for the following year. The Housing Manager, in conjunction with the Finance & IT Manager, will report to the Board on the proposed level of rents & service charges, taking into account affordability, comparability and viability, our business objectives and our Rent Setting Policy (PPKD FIN27).

The Housing Manager, in conjunction with the Finance & IT Manager, will review annually the level of management fee to be charged to owners for factoring services, for approval by the Board of PSPS.

3. **Banking Arrangements**

The Finance & IT Manager will make any arrangements with the Association's bankers concerning the operation of the bank accounts.

Only cheque signatories may open or close a bank account for dealing with the Association's funds. All bank accounts shall be in the name of the Association.

The Finance & IT Manager is responsible for ensuring that all bank accounts are subject to regular reconciliation and independent review per the Banking Procedure (PPKD FIN 32).

4. **Cash receipts**

Monies received in the office will be processed as per the Banking Procedure (PPKD FIN 32).

A small cash float will be held to enable change to be given if required.

No deductions may be made from any cash collection on behalf of the Association prior to paying into the counter float money box.

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

5. **Rent, Service Charge, Rechargeable Repairs and Factoring Debt Collection**

The procedure for accounting for rents, service charges, rechargeable repairs and factoring payments must be approved by the Finance & IT Manager (Rent and Factoring Procedure PPKD FIN10 & Banking Procedure PPKD FIN32).

The procedure for chasing rent, service charges, rechargeable repairs and factoring debts must be approved by the Housing Manager.

The Housing Manager must ensure that:

- swift and effective action is taken to collect overdue rents and factoring debts in accordance with the formal procedures
- outstanding rents/factoring debts are monitored and regular reports prepared for the Board/Board
- debts will be pursued as per Recharges Recovery Procedure, Rent Arrears Policy and Factoring Debt Recovery Procedures

6. **Collection of Other Debts**

The Finance & IT Manager should ensure that:

- official invoices are raised promptly in respect of other income due to the Association
- swift and effective action is taken to collect overdue debts from these sundry invoices in accordance with the Association's formal procedures
- such outstanding debts are monitored.
- debts will be pursued as per Sundry Debtors Procedure (PPKD Fin09)

7. **Write-off of Debts**

There is a separate procedure note "Provision of and Write Off of Bad Debts" (PPKD Fin 06) on the operation of this part of the finance regulations. The procedure specifies approved levels of authority for write-offs.

8. **Other Grants**

There is often need to apply for and claim grants for activities. This grant will be pursued by the relevant Budget Holder, delegating day to day administration to the appropriate staff member, as required, and ensuring the Finance Department are advised of the grant and when it is due in.

F **EXPENDITURE**

1. **General**

Procurement is covered by the Procurement Policy (PPKD Fin 35)

The Finance & IT Manager is responsible for making payment for all supplies of goods and services to the Association.

Staff should ensure that when reports are submitted to the Board the financial implications of any course of action are fully detailed. The Finance & IT Manager should be consulted prior to a report going to the Board where there are financial implications.

2. **Authority To Incur Expenditure**

Inclusion of an item in the revenue budget constitutes authority to the appropriate budget holder to incur such expenditure up to the level of the provision, subject to the following:-

- The Board ratify all pay awards agreed between EVH and the Unite Union.
- Approval by Human Resources sub-committee is required before implementation of any additional staff and re-grading of existing staff even when provision for this has been made in the revenue budget.
- Items, the costs of which exceed budget holders authorised expenditure levels, per the Procurement Policy (PPKD FIN35), or expenditure not provided for in the budget, subject to virement, will require approval by the Board.
- Technical expenditure in the planned maintenance programme pre-approved by the Board (cyclical and major repairs) do not require further approval by the Board so long as the tendered contracts do not exceed the pre-approved levels.

The Line Manager has overall responsibility for purchases within their department as listed in Appendix 1. Spend may be delegated to named individuals staff members within a department.

An individual staff member may authorise expenditure on items provided for in the annual budget and for which they have responsibility, without first seeking approval of their Line Manager or of the Board up to the authorised limits per the Procurement Policy.

It should be noted that there are limits on available petty cash and credit card spend.

Refer to Purchase Ledger Procedure (PPKD FIN 28) for credit card and Petty Cash procedure (PPKD FIN13) for petty cash.

3. **Petty Cash**

A petty cash float will be held by the Finance Assistant to be used for payment for sundry items of expenditure.

The operation of the float is the subject of a separate procedure note 'Petty Cash Procedure (PPKD FIN13).

4. **Purchase Orders**

An appropriate contract, written order (including email) or works order must be issued and processed for all goods to be supplied to the Association or for any work to be carried out for the Association, as per the Procurement Procedure. The exceptions are payments for public utility services and other periodic payments such as non-domestic rates, the taxi account and petty cash expenditure.

5. **Approved Contractors/Suppliers Lists**

The association operates a procured list of reactive repair contractors for certain items which is reviewed per the Procurement Policy to ensure that the Association is receiving value for money.

Certain named supplies and services are subject to longer term review periods as noted in Appendix 2. All other contractors, consultants and suppliers should be purchased as per the Procurement Policy.

6. **Development Schemes and Consultants**

The Senior Management Team will initiate proposals for rehabilitation/new build schemes

The Land Strategy identifies projects to develop. The Association will employ development agents (including other RSLs with the relevant experience) to undertake developments on the Association's behalf.

The Association will follow Scottish Government guidance and use the Scottish Government's HARP system to process (Scottish Housing Grant) SHG grant applications and claims.

Expenditure will be procured as per the Procurement Procedure.

7. **Tendering**

The approved level above which expenditure must be tendered is included in the Procurement Policy.

The procedure for tendering is included in the Procurement Procedure.

8. **Payments of Invoices**

Payments will be made in line with the Purchase Ledger Procedure (PPKD FIN 28) and Banking Procedure (PPKD FIN 32).

9. **Cheques/BACS**

The Finance & IT Manager shall make proper arrangements for the safe custody of all cheques.

All cheques/BACS payments drawn on behalf of the Association must be signed in a form approved by the Board.

Details of authorised signatories for all payments including BACS and CHAPS as approved by the Board are detailed in the 'Authorised List of Signatories-Cheques and BACS' PPKD FIN02.

Set up of suppliers/contractors payable by BACS, on Castleton Financials and on the Corporate Banking System, is as per the Purchase Ledger Procedure (PPKD FIN 28).

G **SALARIES AND EXPENSES**

1. **General**

The Finance & IT Manager is responsible for all payments of salaries to all staff including payments for approved overtime or expenses. As per the Salaries Procedure (PPKD FIN 21). All time sheets and other pay documents will be in a form prescribed or approved by the Finance & IT Manager.

All Association staff will be paid the appropriate EVH salary scale for their grade as approved by the Board and in accordance with the Conditions of Service. The Corporate Services Officer, who is responsible for personnel issues, will be responsible for keeping the Finance & IT Manager informed of all matters relating to personnel for payroll purposes.

In particular these include:

- appointments, resignations, dismissals, secondments and transfers
- absences from duty for sickness or other reason, apart from approved leave.
- changes in remuneration including pay awards and salary sacrifice
- information necessary to maintain records of service for pensions, income tax, national insurance etc.

The Finance & IT Manager shall be responsible for keeping all records relating to payroll including those of a statutory nature for 7 years.

All payments must comply with Inland Revenue regulations.

Staff are paid monthly on the last working day of each month, for the period to the 5th of the following month.

2. **Pensions**

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

The Finance & IT Manager is responsible for day to day pension matters including paying of contributions to the Pension Trust.

3. **Travel, Subsistence and Other Allowances**

All claims for payment of subsistence allowances, travelling and incidental expenses shall be completed in a form approved by the Finance & IT Manager. As per Staff Expenses Policy (PPKD FIN 25)

Board expense claims should be claimed as per Board Expenses Policy (PPKD FIN 29) and paid from petty cash or by BACS.

H **ASSETS**

1. **Land and Buildings**

The purchase, lease or rent of land or buildings can only be undertaken as part of an approved development or purchase pre agreed with Board.

The Association has a policy for buying and selling stock (Buying and Selling Strategy), part of the wider asset management plan.

2. **Stocks**

The care and custody of stocks of general stationery and cleaning materials is the responsibility of the Clerical Assistants. The Clerical Assistants will ensure that adequate stock records are maintained and regular inspections take place.

3. **Inventories**

An inventory of all office furniture, fittings and equipment costing over £100 will be maintained by the Finance & IT Manager.

4. **Asset Disposal**

No inventory item shall be disposed of without the prior approval of the Chief Executive.

The Finance & IT will have the authority to agree to the disposal of surplus items of equipment and furniture valued under £500 to staff or Board Members. The Chief Executive must agree the disposal of any item valued over £500.

Disposal of land and buildings must only take place with the authorisation of the Board. The consent of the Scottish Government and Renfrewshire Council may also be required.

5. **Treasury Management**

The Treasury Management Policy (PPKD FIN 04) sets out the Association's strategy and policy for cash management, long term investment and borrowings. The Board has responsibility for ensuring the implementation, monitoring and review of the policy statement and associated procedures.

All executive decisions on borrowing, investment or financing (within policy parameters) shall be delegated to the Finance & IT Manager. The Finance & IT Manager and their staff are required to act in accordance with CIPFA's code of practice. They must also have due regard in all matters to statutory requirements, the Association's own rules and standing orders and regulatory requirements and/or expectations.

The Finance & IT Manager shall report to the Board as per the Treasury Management Policy.

I **GENERAL MATTERS**

1. **Fraud and Corruption**

Whenever any matter arises 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 Anti-Fraud Policy (PPKD FIN 38) or Anti Bribery Policy ((PPKD FIN 34) should be followed. This will include reporting the matter internally or to any other appropriate regulatory body where required (See Notifiable Events Policy). There is also a Whistleblowing Policy in place, which the Association must ensure is operating effectively.

2. **Risk Management**

There is a Group Risk Management Policy in place. This takes account of the SHR's Regulatory Standards of Governance and Financial Management. It must identify the risks facing the Association and the types of protection required to cover these risks. The policy and process contained therein cover important potential liabilities and are designed to meet any potential risk to all **key** assets.

3. **Insurance**

The Finance & IT Manager, in consultation with the Chief Executive and other Line Managers, will effect and maintain appropriate insurance on all assets and in respect of all legal liabilities of the Association (see Appendix 3). Appendix 4 also highlights those responsible for providing accurate information to ensure that the amount of cover carried by the Association is correct. The Finance & IT Manager will be responsible for submitting all annual returns, and for payment of premiums.

The Insurance Claims Procedure (PPKD FIN 14) should be referred to for making claims and storing related information.

The Finance & IT Manager will liaise with the Association's insurers and advisers about specific insurance problems not noted in the insurance claims procedure.

The Procurement Policy will be followed for tendering for the insurance services.

The annual budget for insurance will be approved by Board through the budget approval process. The Board delegate to the Finance & IT Manager to agree the specific annual terms of cover.

Line managers must ensure that any agreements negotiated within their department with external bodies insure against any **key** legal liabilities to which the Association may be exposed. The Finance & IT Manager's advice should be sought, where necessary, to ensure this is the case. Line Managers must give prompt notification to the Chief Executive and Finance & IT Manager of any potential new risks and additional property and equipment which may

require insurance and any alteration to existing insurance.

All staff using their own vehicles on behalf of the association shall maintain appropriate insurance cover for business use.

4. **Security**

Line Managers are responsible for maintaining proper security at all times of all buildings, stock, stores, furniture, cash etc. under their control. They shall consult the Finance & IT Manager in any case where security is thought to have been defective or where it is considered that special security arrangements may be needed.

The loss of safe keys must be reported to the **Finance & IT Manager** immediately.

The **Chief Executive, in conjunction with the Corporate Services Officer**, shall be responsible for maintaining proper security and privacy of information. Access to areas where data is stored will be restricted to authorised persons.

Key documents will be stored electronically, or where not possible, originals will be stored in the safe. If it is impractical to store in the safe alternative specific arrangements will be approved by the Chief Executive.

Data covered by the NASSO protocol will be stored in accordance with the protocol.

The Association has in place an ICT Disaster Recovery Policy (PPKD FIN 33), covering ICT, and a **Major Incidents and Business Continuity Planning Policy**.

5. **Conduct of Staff and Board**

The Association expects that staff at all levels will observe the EVH Code of Conduct of Staff.

The Board also has a Code of Conduct for Board Members and individual members are expected to adhere to this.

6. **Hospitality**

Guidelines on accepting or providing hospitality are set out in the Association's policy on hospitality (Hospitality & Gifts Policy)

Any hospitality or gifts that are accepted must be recorded in the Hospitality Register.

7. **Obtaining Expert Financial Advice.**

Where considered appropriate the Senior Management Team and/or Board shall seek the advice of financial experts, in particular in relation to taxation matters but also insurance, pensions and treasury management issues.

8. Data Protection

When implementing the policies and procedures of the Association all staff and board members must adhere to and be aware of the requirements of the Data Protection Act 2018 which include the General Data Protection Regulation (EU) 2016/679 (“the GDPR”);

The Association is committed to ensuring the secure and safe management of data held by the Association in relation to customers, staff and other individuals. The Privacy Policy sets out the Association’s duties and procedures for processing that data. The Corporate Services Officer has responsibility to ensure compliance with the Act and the Privacy Policy.

As part of the Privacy Policy, the Association has produced a Fair Processing Notice (Privacy Notice), which it is required to be provided to all individuals whose personal data is held by the Association, in particular as it relates to our tenants, suppliers and employees.

There is an Appendix to the Privacy Policy detailing the Archiving, Retention and Destruction of Data for all types of records, including those covered by this Financial Regulations Policy.

9. Freedom of Information

When implementing the policies and procedures of the Association all staff and board members must adhere to and be aware of the requirements of the Freedom of Information legislation and the requirements of the model publication scheme from the Information Commissioner, in particular to make information accessible to the public via our website.

As such the Finance Regulations are published on the PHA website.

APPENDIX 1

Line Manager	Staff Authorised to Spend (subject to approved limits)	BUDGETS CONTROLLED BY STAFF	REGULARITY OF SPEND INFORMATION PROVIDED BY FINANCE
Chief Executive :	Chief Executive	Recruitment Affiliation Fees & Subscriptions Publicity Legal Fees FLAIR Costs Board & Staff training & conferences	Quarterly
		Chief Executive's Direct Costs	Quarterly
	Development	Development grants received Owners payments (CTI projects) HAG received Development Contract Costs	Monthly
		Direct Costs	Quarterly
Housing Manager:	HM Team	Private Factor Costs	Quarterly
		Housing Management Direct Costs	Quarterly
		Factoring Direct Costs	Quarterly
Technical Manager:	Technical Team	Day-to-Day Repairs Cyclical Repairs Planned Maintenance Multi Storey Service Costs Play & Laundry Equipment and Lift Costs Service Costs (including Close Cleaning)	Monthly Quarterly
		Technical Direct Costs	Quarterly
	Technical Manager	Office Repairs and Maintenance Health & Safety expenditure.	Quarterly

APPENDIX 1 (CONT)

Line Manager	Staff Authorised to Spend (subject to approved limits)	BUDGETS CONTROLLED BY SENIOR STAFF	REGULARITY OF SPEND INFORMATION PROVIDED BY FINANCE
Finance & IT Manager:	Finance & IT Manager:	Auditors Fee Insurance Maintenance Of Computer Hardware and Software Office Equipment Maintenance Common Electricity Costs Common Heating Systems	Quarterly
		Finance Direct Costs	Quarterly
	Finance & IT Manager:	Telephone Costs Photocopy Charges Postage & Stationery Heating & Lighting (office)	Monthly

Contracts for Supplies and Services

Expenditure	Responsibility of	Maximum Timetable for review
Art and Design Work Legal Services External Consultants Development Consultants	Chief Executive	Every 5 years
Lift Maintenance CCTV Bulk Uplift Stair Cleaning Third Party Gas servicing Asbestos surveys	Technical Manager	Every 5 years
Insurance Services Maintenance of Office Equipment Maintenance of Computer Hardware External and Internal Audit	Finance & IT Manager	Every 5 years
Energy Consultants Utility Contracts	Finance & IT Manager	Every 5 years
Electronic Payment System (Allpay)	Housing Manger	Every 5 years

INSURANCES

Types of Insurance Held By Association	Responsibility Of	Notes
Voluntary Board Members & SENIOR OFFICERS Liability	Finance and IT Manager	If not a member of the SFHA, required to be purchased through our insurance company.
Contract Works Insurance. (Clause 22C of Standard Form of Contract 1980)	Technical Manager/ and IT Manager	Based on estimated works and fees on rehabilitation schemes/planned maintenance works. Cover should be arranged annually but will be reviewed on a contract by contract basis through the Associations building insurers
Buildings Insurance H.A owned properties and factored properties	Finance and IT Manager	Based on reinstatement value of housing association owned flats and those belonging to other owners in buildings factored by Paisley. Adjusted annually through completion of declaration issued by the Association's insurers. This insurance currently has an excess of £500 on all Housing Association owned flats. There is a £100 excess on owners' flats.
Buildings Insurance (for office premises)	Finance and IT Manager	Based on reinstatement value of property adjusted annually through completion of declaration issued by the insurers.
Office Contents	Finance and IT Manager	Based on inventory of office contents up-dated annually for inflation through completion of declaration issued by insurers
Public Liability Employers Liability Personal Accident Fidelity Guarantee Cyber	Finance and IT Manager	Each of these is adjusted annually through completion of declaration issued by the insurers.
Play & Laundry Equipment Insurance	Technical Manager	Adjusted each year through completion of declaration issued by insurer.
Lift Engineering Insurance	Technical Manager	Adjusted each year through completion of declaration issued by insurer.