FINANCIAL REGULATIONS AND DETAILED FINANCIAL PROCEDURES 2026

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1.0 INTRODUCTION

1.1 Housing Associations must 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” updated most recently by the Scottish Housing Regulator in February 2024. 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,

1.2 The financial regulations form part of the overall system of financial and management control of Ochil View Housing Association. The Rules (also known as the constitution), the Remits of the Board and sub committees, and the Standing Orders & Delegated Authority outline how the Association will be controlled and run, including delegated responsibilities, powers and remits.

1.3 Compliance with the financial regulations is compulsory for all staff and Board members. It is the responsibility of the Senior Management Team to ensure that all staff are aware of the existence and content of the financial regulations. The financial procedures set out how these regulations will be implemented and are contained in the appendix. It is the responsibility of the Director of Finance and Corporate services (DFCS) to prepare, maintain and propose additions or changes to the financial regulations including the procedures as required.

1.4 The financial regulations shall not override instructions from, or conditions imposed by the Scottish Government, the Scottish Housing Regulator (SHR), the Financial Conduct authority and any other appropriate statutory organisation or any current legislation.

2.0 FINANCIAL REGULATIONS

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

3.0 BOARD OF MANAGEMENT RESPONSIBILITIES

3.1 The Board of Management (who are the governing body) has ultimate responsibility for all aspects of the Association’s affairs. It is responsible for the leadership, strategic direction and control of the Association and for ensuring good outcomes for tenants and service users are achieved.

3.2 As a result, Board members have a duty towards the Association, its staff, customers and in the community in which it operates. They must therefore seek good quality information and advice at all times to ensure a reasoned and justifiable basis for decision making. This advice may need to be sought from external professional advisers where applicable. They must also ensure they have the skills and knowledge they need to be effective in their role (to assist with this an annual appraisal is conducted). They must at all times seek to identify risks to the Association with ensure that mitigating actions in place.

3.3 The Board delegates responsibilities to the Finance, Audit and Corporate Governance (FACG) committee who undertake the on-going monitoring of the financial position and financial control systems. The DFCS reports direct to the FACG as well as to the Board.

3.4 The financial responsibilities are:

- ✓ To ensure the effective and efficient use of resources
- ✓ To ensure the solvency of the Association.
- ✓ To ensure that proper accounting records are kept which disclose, with accuracy, the financial position of the Association. This includes approving the annual budgets of income and expenditure.
- ✓ To ensure compliance with the 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, including that at the Annual General Meeting to appoint the external auditors.
- ✓ To approve the Association's annual Corporate Management Plan (CMP).
- ✓ To 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.
- ✓ To safeguarding the assets of the Association and for taking reasonable steps to prevent and detect fraud and other irregularities.

4.0 STAFF RESPONSIBILITIES

4.1 The Chief Executive

It is the responsibility of the Association's Chief Executive for the implementation of strategic, policy and procedural decisions taken by the Board of Management and the operational management of the Association's affairs.

The Chief Executive is responsible for ensuring the Board of Management receives all information and relevant guidance and training which it requires to meets its objectives. The Chief Executive is also responsible for the promotion of the Association and for co-ordinating the activities of other senior officers.

4.2 Senior Management Team (SMT)

All members of the SMT 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

In addition, SMT members should ensure that when they issue reports to the Board, the financial implications of any course of action should be fully detailed. The DFCS should be consulted prior to any report that has material financial implications being presented to the Board.

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4.3 Director of Finance and Corporate Services (DFCS)

The DFCS 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 quarterly management accounting reports to the Board of Management and the FACG 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 FACG 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;
- ✓ issuing financial returns and other periodic financial reports to the regulatory body and other agencies as required.
- ✓ any other duties described in the job description.

4.4 Other Staff

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 <u>ACCOUNTING</u>

5.1 All accounting procedures and records of the Association shall be determined by the DFCS in consultation with the Chief Executive. This will be 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.

5.2 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 2024.

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6.0 BUDGETING AND FORECASTING

6.1 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 DFCS on a departmental basis and each Departmental director shall be held accountable and responsible for his or her department.

6.2 The DFCS 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.

6.3 The draft budget is to be reviewed with the FACG Committee prior to final approval by the 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.

6.4 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 with 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 is necessary for a clear understanding of the budget

6.5 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. In circumstances of emergency, expenditure may be incurred beyond the authorisation levels in accordance with the guidelines in the Standing orders at section 2.

6.6 The Association is required to prepare and submit 5-year financial projections to the SHR in the prescribed format and within the relevant timescales, approved by the Board before submission.

6.7 The Association shall undertake a review of its long-term projections on an annual basis to ensure the projected annual position remains on target with the 30-year cash flow projections. Appropriate sensitivity analysis must be applied to the long-term projections with the results reported to the Board. A full and detailed business plan review shall be undertaken every three years and more often where circumstances (including loan agreement terms and conditions) dictate that an earlier review is necessary.

7.0 BOOKS, REGISTERS & IT DATA

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

7.1 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

The list above is maintained electronically within the Homemaster system

7.2 Chief Executive

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

7.3 Director of Property Services

- ✓ Asbestos Register
- ✓ Contracts Register

7.4 Director of Housing Services

- ✓ Register of the Interested Tenants
- ✓ Stock profile

7.5 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 DFCS. The Association's I.T. co-ordinator is the DFCS.

8.0 EXTERNAL AUDIT

8.1 The primary role of an external audit is to report on the Association's financial statements and to carry out such examination of the statements and underlying records and control systems as are necessary to reach their opinion on the statements and to report on the appropriate use of funds. Their duties will be in accordance with advice set out in the Financial Reporting Council code of auditing standards.

8.2 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 re-tender its external audit service at least every 5 years. The role of the auditors must be clearly detailed in an Engagement Letter which itself should be reviewed on an appropriate basis.

8.3 Preparation of the financial statements should be undertaken by the Association's DFCS. 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. 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.

8.4 Draft audited financial statements will be presented to the FACG 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 SHR within six months after the end of the financial year.

8.5 Final audited and signed accounts will also be submitted to the lenders and 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) within 9 months of the end of the financial year.

8.6 An Audit Summary Report must be received annually by the Board of Management. The consideration and response to this report is also presented to the Board at the

July meeting. A copy of the auditor's Audit Summary report and the Board of Management's response to the report will also be submitted to the SHR within required timescales.

9.0 INTERNAL AUDIT

9.1 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."

9.2 The Association's FACG 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 financial based audit. This appointment will be reviewed regularly and as a minimum every five years.

9.3 The Internal Auditors shall draw up a 3-year plan following a review of the Association's risk register and discussions with the Management Team. Once agreed the plan should be presented to the FACG Committee for their review and approval.

9.4 The internal audit reports detailing the auditor's findings should be provided to the FACG 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.

9.5 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 FACG Committee.

9.6 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 FACG 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.

9.7 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.

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

10.0 CASH CONTROLS / BANKING

10.1 The DFCS shall be responsible for: -

- ✓ the setting up and control of all bank accounts;
- ✓ the investment of all temporary cash surpluses accruing to the Association in line with the Association's Treasury Management policy;
- ✓ 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.

10.2 All bank accounts and the petty cash account must be reconciled to the bank account in the finance system 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 DFCS.

10.3 No cash will be accepted at the front desk without the approval of a member of the SMT. Cash will only be accepted under exceptional circumstances (e.g., cash payment offered to prevent eviction or £1 Membership fees).

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

11.0 DEVELOPMENT CONTRACTS & NEW PROJECTS

11.1 Prior to committing the Association to any new projects or activities, a full options appraisal and financial assessment shall be carried out and reported to the Board 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.

11.2 The Chief Executive must ensure that the SHR is informed of any disposal of assets as soon as possible after the disposal is made. This should be done through the notifiable events process. All officers and consultants shall have regard to the requirements of the Scottish Government and the SHR in respect of matters relating to development contracts

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

11.4 Should the Associations agents / partners advise of any variation to a contract which has a financial implication then this shall be reported to the DFCS as soon as is practicable by the Chief Executive (or other identified officer). It will be the responsibility of the DFCS to arrange for adequate funding for such a variation. Any material variation to development contracts requires the approval of the Board of Management.

12.0 PROPERTY INFORMATION

It is the Director of Property Services who is responsible for maintaining the appropriate property information within Homemaster.

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

- ✓ address and location
- ✓ current rent being charged
- ✓ details of service charges being included within the rent
- ✓ the size (including number of persons) and type of property
- ✓ a history of all repairs and maintenance carried out
- ✓ a plan of all future maintenance required

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

13.0 ASSETS (OTHER THAN PROPERTY)

13.1 A fixed asset register shall be maintained within the finance system detailing all furniture, fittings and equipment owned by the Association. This will detail cost, acquisition date and estimated useful life for depreciation purposes.

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.

13.2 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.

14.0 INCOME

14.1 The collection of all money due to the Association shall be under the control of the DFCS.

14.2 All employees shall provide the DFCS with the details of the work done, goods supplied, or services rendered and of all other amounts due as may be required by to record correctly all sums due to the Association.

14.3 No cash should be accepted by any employee of the Association, except under exceptional circumstances – any such circumstance will require the approval of a member of the Senior Management Team (as per section 10.3. In this event, any monies shall without delay be given to a member of the Finance Department and it shall be banked as soon as possible.

15.0 INSURANCES

15.1 The DFCS shall put in place all required insurance cover. Officers shall give prompt notification, in writing, to the DFCS of all new risks, properties or vehicles that require to be insured and of any alterations affecting existing insurance policies.

15.2 All officers will notify the DFCS by email, of any loss, liability or damage or any event likely to lead to a claim. Property related claims are the responsibility of the Director of Property Services. Housing related claims are the responsibility of the Director of Housing Services. All other insurance claims are the responsibility of the DFCS. All insurance claims shall be made as soon as possible after the incident to ensure that cash is recovered and maximised.

15.3 All employees and Chief Executive of the Association will be included in a suitable Crime Cover insurance policy called management liability practice cover.

15.4 The DFCS shall ensure that procurement of Insurances is in accordance with the Association's Corporate Procurement Policy and current legislation.

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

15.6 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.

16.0 SECURITY

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

16.2 The safe keys are kept by the Assistant Finance Officers and the DFCS and access to the safe is restricted to the finance team members only. All cash on the premises will be held in the safe overnight. Under no circumstances should other staff members be given access to the safe. The safe is kept permanently locked and the safe keys kept in a safe place. The business credit cards will also be kept in the safe.

16.3 All staff and the office cleaner are office key holders.

16.4 All information held on the network is automatically backed up regularly both on a local device and in a data centre cloud backup. It is the responsibility of the Finance Officer to ensure that this task is undertaken by the IT contractors and liaise with them to ensure that they are checking this regularly. Access to computer systems must be restricted by the appropriate use of passwords, which are prompted to be changed every 30 days for Homemaster Housing Software and the PC's passwords policy is documented in the ICT Security policy.

16.5 The DFCS 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.

16.6 The loss of office, property, 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 as per the ICT Acceptable Use Policy.

17.0 MISCELLANEOUS

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

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

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

17.4 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.

17.5 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.

17.6 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.

18.0 OTHER RELATED POLICIES

Standing Orders and Delegated Authority
Rules of Association
ICT Acceptable Use Policy
ICT Security Policy
Treasury Management Policy
Risk Management Framework
Corporate Procurement Policy
Employee Expenses Policy
Fraud, Bribery and Corruption Policy
Rechargeable repairs Policy
Property Factoring Policy

19.0 REVIEW

This document will be reviewed annually.

Policy Review & Consultation Process

Reviewed by the Management Team	October 2024
Recommended by the Finance, Audit and Corporate Governance Committee	7th November 2024
APPROVED BY THE BOARD OF MANAGEMENT	28th November 2024
Date of Next Review	November 2025

APPENDIX 1 - DETAILED FINANCIAL PROCEDURES

1.0 INTRODUCTION

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.

2.0 PAYMENTS AND 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.

2.1 Payments (cheques, internet banking payments & direct debits)
All payments must be approved by any two authorised persons.

As a rule, payments from all the Association's main bank accounts should be approved by the Chief Executive and DFCS. In their absence payments may be signed by the Director of Housing Services, Director of Property Services, 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 other payments.

All payments over £1million 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.

2.2 Loan Draw Down Notices
The Chief Executive and/or the DFCS can sign loan draw down notices.

2.3 Deposit Accounts
The Chief Executive and/or the DFCS can sign requests to place funds on deposit and withdraw funds from deposit.

2.4 Authorised Account Signatories

Board Members

- ✓ Chairperson
- ✓ Vice Chairperson

- ✓ Treasurer

Senior Management Team

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

2.5 Internet banking access

Internet banking access to the RBS system (called Bankline) to make payments is given to the Chief Executive, the DFCS and the Finance Officer. Normally it is the Finance Officer who releases the payment on internet banking and the DFCS does this in their absence (and then the Chief Executive if both employees were unavailable). A Bankline card, a card reader and an ID are issued by the RBS to each of these employees, and a password and PIN are set by each user to access the system.

3.0 DESIGNATED BUDGET HOLDERS AND RESPONSIBILITY

3.1 Designated Budget Holders
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, training fees
- ✓ Chief Executive & DFCS - General running costs and insurances
- ✓ DFCS –internal and external audit fees, and general office administration costs etc
- ✓ Director of Housing Services - housing services departmental costs
- ✓ Director of Property Services – property services departmental costs

3.2 Expenditure authorisation levels
The following table gives further expenditure authorisation limits for staff members for expenditure which is either included in the budget (and so already authorised by the Board) or separately authorised by the Board as documented in a Board minute:

£1,000,000 +	Board of Management Member
Up to £1,000,000	Chief Executive
Up to £1,000,000	Directors
Up to £36,000	Senior Officers
Up to £12,000	Officers
Up to £6,000	Assistant Officers
Up to £3,000	All other staff

The above amounts are inclusive of VAT and relate to single job lines only and not batches of invoices. Two approvals with sufficient authority are required by the

Homemaster system as authorisation for payment of any invoice. The approvers are responsible for checking that the work has been carried out (or the goods received) and that the price is correct.

3.3 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 authorisation 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 Association's 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.

3.4 Budget Holders responsibilities

It is the responsibility of all budget holders to control the budgets they are responsible for. 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.

4.0 BUDGETARY CONTROL

4.1 Annual Budget

The DFCS, 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.

4.2 Quarterly Management accounts

Budgetary control will be assisted by production of quarterly management accounts and accompanying narrative reports comparing actual income and expenditure with budget estimates. The DFCS will report on actual income and expenditure results against the phased budgeted figures in the management accounts. A timetable to produce the Management Accounts will be prepared at the start of the financial year, and accounts will usually be prepared within 28 days of the quarter end.

4.3 Budget Variances

The DFCS 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.

4.4 Forecasted financial position

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. The quarterly management accounts will be sent to the Association's lenders.

4.5 Board reports including financial implications

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 DFCS 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.

4.6 Emergency Expenditure

Where an emergency arises, the Chief Executive and DFCS 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 DFCS, 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.

4.7 Financial Reporting

The DFCS 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. This quarterly reporting includes the detailed quarterly management accounts and operational key performance indicators and in addition, the FACG committee will be presented with the year end management accounts. The Scottish Housing Regulator and the Association's lenders must also be supplied with audited year end accounts within the same time scale.

4.8 Virements

The DFCS shall have the authority to approve virements of up to £10,000 subject to agreement with the Chief Executive. This is the process to move allocated funds from one budget line to another. This will be notified to the Board of Management at the next presentation of the quarterly management accounts.

5.0 SUPPLIER PAYMENT PROCESS

5.1 Payment preparation

A weekly payment run is processed on a Wednesday for payment on the following Monday. The Assistant Finance Officer processes the proposed payments which require two approvals on Homemaster. This is called interim and final approval where the two authorised signatories check and approve each proposed payment on the system.

5.2 Internet banking payment

Once payments have been approved in Homemaster, the RBS import file (which is downloaded from Homemaster) is then uploaded directly to the RBS internet banking system (known as Bankline). A download of the payments is taken from RBS and issued to the Finance Officer, who will then make the electronic payment transfer (or the DFCS in their absence as per section 2.5).

Once the RBS import file has been produced, it cannot be altered manually, and any changes would need to be made by a payment authoriser on Homemaster. As a result, there is no purpose in a further check to be carried out to compare the actual payment made to what was approved on Homemaster.

5.3 Remittance advices

Remittance advices are sent electronically by e-mail following the payment being processed on Bankline. Where suppliers have requested that remittance advices are not sent electronically then they shall be sent via post.

5.4 Cheque payments

Payment may be made by cheque on occasion, and cheques must be signed by two authorised bank signatories.

6.0 CREDIT CARD PAYMENTS

6.1 Credit card holders and levels

The Association has two credit cards held in the name of the Chief Executive and DFCS. The limit on each credit card is £5,000 and it is used to purchase, infrequently, items from the internet, Board conference accommodation etc. When not in use the credit cards will be held in the office safe.

6.2 Credit card payment process

If a credit card payment is required, the Card Holder will authorise a 'Credit Card Payment Request Form' and the copy will be held in the finance department. The Card Holder will arrange to make the payment with the credit card but in some instances, this may be delegated to the Finance Officer.

6.3 Credit card reconciliation process

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.

The Assistant Finance Officer will reconcile the statements against the Credit Card Payment Request file once statements have been received. These reconciliations should be approved by the DFCS or Chief Executive. NB They should not approve the reconciliation of the credit card held in their name.

6.4 Credit card use

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.

7.0 BANK ACCOUNT DETAILS

7.1 RBS bank accounts

The Association has the following accounts with the Royal Bank of Scotland (at the Stirling branch):

Account
Current Account
Rent Account (Clacks)
RBS Business reserve Account

7.2 Other bank accounts

The Association also has an Allpay (rent) bank account in operation and has funds placed on fixed term or notice deposit accounts and invested in Treasury Bills with various banks and the Association's appointed broker. In addition, there is a charity account with the Bank of Scotland that facilitates the loan with that lender.

8.0 RECEIVING MONEY / CHEQUES

8.1 Cash receipt process

The Association does not accept cash unless there are exceptional circumstances and there is specific approval from a member of the Senior Management Team. In these instances, the cash will only be accepted in the office (not in tenants' homes or elsewhere).

Where practical and material, this cash will be banked the same day or the next working day.

Details of all cheques and cash received in the office are maintained on spreadsheet and reconciled to the total being paid in. Once banked, the pay in date will be entered on the 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

8.2 Bank reconciliations

All bank reconciliations will be carried out weekly and at the least monthly (depending on workload) and will be signed and dated as checked and verified by the DFCS at the end of each month. A copy will be filed in the month end files within the finance department.

8.3 Sales invoices

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. All invoices issued by the Association must be issued by the Finance department and are generally processed by the Assistant Finance Officers. The Sales invoices should be processed for factoring, rechargeable repairs, common repairs to owners, etc.

8.4 Staff accepting payments

All Assistant Finance Officers, Housing, and Frontline staff are trained and authorised to accept electronic payments and payments via the Worldpay portal. Card numbers must not be written down by Association staff under any circumstances.

Such payments require to be done through the WorldPay portal; all trained staff have their own username and password to access this system.

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

9.0 DETAILS OF SALARY / STAFFING MATTERS

9.1 Chief Executive responsibility

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.

9.2 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 (EVH) 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 Executive’s letter.

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

9.3 Expense claim form approval process

The Finance Department shall make available 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 monthly, and should not exceed the amount contained within the staff member's contract of employment.

All expense claim forms will be approved 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 Executive's 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. All employee expenses will be claimed with reference to the Employee Expenses Policy.

9.4 Payroll processing

The monthly payroll will be processed on the SAGE payroll system by one of the Assistant Finance Officers. This will then be checked in detail and countersigned by either the Finance Officer or DFCS.

Prior to the payroll being released for payment, the following checks should be carried out by two separate individuals from Chief Executive, Director of Finance & Corporate Services or Finance Officer:

- Ensure that all expenses which have been claimed and approved have been processed and appear on the employee's payslip
- Ensure that any requests received to alter any voluntary payments e.g. an increase to employee pension contributions, have been actioned and appear on the employee's payslip.
- For starters and leavers, an arithmetic check on their initial/final salary amount as these payments may have been pro-rated depending on start/leave dates.
- Non-standard payment elements, such as maternity pay, or sick pay, should be checked for accuracy and to ensure that calculations are in with terms and conditions
- Any new voluntary deductions from pay must be supported by written authorisation given by the employee

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).

9.5 Payroll approval and payment dates

The Salaries payment requires approval by two of the Chief Executive, DFCS and the Finance Officer and they will electronically confirm that they approve the calculations and payment. In the event that only one signatory is available due to absence, the salary payment may be released on the basis of one of these approvals, provided that the salaries calculations and payment is approved on the return to work by one of the other two approvers.

Staff salaries are paid on the 25th day of the month for that calendar month. If the 25th 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.

A payslip will be emailed to all employees as soon as the salaries are processed.

9.6 Staff sickness process

For the purposes of statutory sick pay, the Finance team must be advised of all absences from work arising from sickness with relevant paperwork e.g. Fit note, letter from the Chief Executive advising the employee of their sick pay status

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.

9.7 Third party payroll related reporting and payments

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.

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 DFCS or the Chief Executive.

10.0 SUPPLIER INVOICE PROCESSING S & AUTHORISATION OF EXPENDITURE

Procedures for supplier invoices are as follows: -

10.1 New suppliers

For new suppliers, a New Supplier Request Form must be completed which should be signed off by the department head as well as the DFCS or Chief Executive. This ensures appropriate segregation of duties and a verification check is also undertaken at this point. Supplier detail amendment requests are not accepted directly from emails or letters, and a verification check must be undertaken such as a telephone call to a known contact to confirm that the request and details provided are genuine e.g. bank details changes as per the Fraud, Bribery and Corruption policy.

10.2 Approved suppliers

A list of all approved suppliers 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 Senior Management Team should be sought where a non-approved supplier is to be utilised.

10.3 Invoice processing

Upon receiving an invoice, the Assistant Finance Officer checks the details and additions and saves the invoice as a pdf.

The invoice is automatically given an invoice number when it is uploaded to Homemaster. For invoices which are matched to works orders, the account code used on the works order is then used on the invoice. The Assistant Finance Officer can change this account code for the invoice if is aware the coding is not correct.

10.4 Invoice approval

Two-person approval is set up on Homemaster and the AFO will assign two people to approve the invoice (these will not be two people of the same grade). Homemaster will only allow invoices to be assigned to approvers who have sufficient authority.

The first approver (who will be familiar with the detail of the invoice) 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 goods or services have not previously been passed for payment.

If satisfied, they will authorise the invoice on Homemaster, subject to their approval limit. The two-person approval ensures segregation of duties for supplier invoice approval.

The invoice is then authorised by the second approver, who is likely to be less familiar with the detail, but who is checking that the first approver has authorised the invoice appropriately, that the invoice amount appears reasonable, and that there is nothing out of the ordinary about the invoice or the supplier that would require further scrutiny. A list of approval limits applicable to each role/grade is attached at **Appendix 2.**

Payment will be made once the invoice has been approved and within the appropriate payment timescales as per section 5 of these regulations.

10.5 Miscellaneous

All payment information is stored on the shared drive by payment run date.

All delivery notes and statements are filed on the server. Statements are checked to the purchase ledger within one week of being received. The aged creditors listing from Homemaster 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 any expenditure.

Works/goods will be procured in accordance with the Corporate Procurement Policy.

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.

11.0 AUTHORISATION LEVELS TO ACCEPT QUOTATIONS AND TENDERS

11.1 Budgeted approval

The Chief Executive and the senior management team 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, suppliers and consultants

The authorised procurement levels for each staff member are set out in the Corporate Procurement Policy.

11.2 Budget monitoring and reporting

The DFCS 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 Director of Housing Services, the Director of Property Services and the DFCS to review spend to date and discuss future spend and funding requirements.

The DFCS 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 to allow incorporation of the financial effects into the rolling 12 monthly cashflow and year end forecasts.

12.0 BOARD EXPENSES – AUTHORISATION, PAYMENT AND RECORDING

12.1 Board expenses claims

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 other member of the senior management team then authorises the Claim Form.

The Claim Form is recorded as an invoice in the Purchase Ledger and payment will then be made by bank transfer as part of the weekly payment run.

12.2 Board expenses approvals and monitoring

No banking signatory may authorise payment to themselves, except for payroll approvals which require two separate approvals by the Chief Executive and DFCS or Finance Officer.

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.

13.0 BAD DEBT PROCEDURES

13.1 Delegated authority to write off tenant and owner debts

The Board of Management give delegated authority to the Director of Housing Services and DFCS to write off unrecoverable debts for former tenants, former factored owners (both of which includes deceased persons) or current tenants or factored owners who are subject to a Trust Deed or sequestration.

The Director of Housing Services will decide which, if any, of the outstanding debts are to be deemed irrecoverable. Such amounts will be written off throughout the financial year and reported annually to the Board in April each year. The report will detail write offs of more than £3,000 individually, and aggregate totals of debts written off that were less than this amount. It will also detail yearly comparisons.

13.2 Tenant credit balances – write backs

In all cases where there are no contact details for a former tenant / customer, the Board of Management gives delegated authority to the Director of Housing Services to write back any credit balance held for more than one year.

13.3 Debt collection agency

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.

The performance of the debt collection agency will be reported to the Board in April within the bad debt write off report. This will compare the cash recovered by the agency to the agency fees paid to ensure value for money is being achieved.

13.4 Finance team records and Bad debt provision

A spreadsheet of all debts written off will be maintained by the Assistant Finance Officers.

Each quarter the Director of Finance & Corporate Services will review the bad debt provision in the accounts and budget for the year, and a decision will be taken as to whether or not the provision will be altered. This will be reported through the Management Accounts.

13.5 Other debts (Non tenant and owner debts)

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

14.0 INSURANCE CLAIMS

14.1 Property Services team responsibilities

Insurance claims relating to day-to-day maintenance are dealt with by the Property Services Officers.

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.

14.2 Finance team responsibilities

Within two weeks of receiving the invoices the Assistant Finance Officer will prepare and submit the final claim form to the insurers. A copy of the claim email 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.

On a monthly basis the Assistant Finance Officer will ask the Property Services Officer 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.

15.0 RECHARGEABLE REPAIRS

The Rechargeable Repairs Policy provides more details on this full process which is summarised below with emphasis on the finance team responsibilities.

15.1 Property services team responsibilities

On issuing works orders the Property 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.

15.2 Finance team responsibilities

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 are scanned onto the system and 28 days later a 7-day reminder letter will be issued by the Assistant Finance Officer. If no contact is made or the account remains unpaid by the tenant/former tenant, the Assistant Finance Officer will pass the debt to the Debt Collection Agency.

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 monthly.

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.

16.0 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:

Position	Sum
Director of Property Services/Director of Housing Services	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.

17.0 GENERAL LEDGER

17.1 Journal postings

Journals can only be posted in Homemaster by the finance team. On a quarterly basis, when the management accounts are being reviewed the DFCS should review a report of journals posted for the quarter. The DFCS will review each journal to check that there are no entries which require further scrutiny or for any errors requiring correction e.g. for account coding.

17.2 Cash book postings and reconciliations

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 as per section 8.2. 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.

18.0 FACTORING

All factoring information is detailed in our Factoring Statement of Service and Property Factoring Policy. The Finance Team has the responsibility for the invoicing and arrears management of the Factoring Service and the issue of timeous factoring accounts where applicable.

18.1 Factoring invoicing

On a six-monthly basis, the Assistant Finance Officer will invoice each owner for;

- ✓ The Association's Management Fee
- ✓ The annual Insurance premium
- ✓ Repairs and Maintenance costs including applicable Service Charges e.g. Lighting, Landscape Maintenance, Close Cleaning
- ✓ Contributions to the Renewals fund (for owners who have agreed to contribute)
- ✓ Sums due in respect of additional services and not paid for in advance

Where owners are invoiced for repairs and maintenance and service charges costs, a schedule and copy invoices detailing costs incurred during the period will be provided.

Procedures relating to the recording and receipt of funds for factoring activity are noted within the receipt of monies financial procedure in Section 8.

18.2 Factoring arrears balances management

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. Any unpaid amounts will then be referred to the debt collection agency, with any further action being taken based on the best possibility of securing a successful outcome.

19.0 COMPONENT ACCOUNTING

19.1 Capitalised programmes of work

Programmes of work that will be capitalised will be determined 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.

19.2 Component accounting process

Component accounting is processed on the Homemaster system. On a regular basis and quarterly at the least, the draft fixed assets and fixed assets awaiting disposal tiles must be reviewed and approved before the component accounting process to calculate depreciation is run on Homemaster. This involves entering the cost (from the purchase invoice) and depreciation details for each new fixed asset. For housing assets, the depreciation start date is the following 1 April and for non housing assets, this is the date of purchase (as this has been the policy treatment for each class of asset).

APPENDIX 2

FINANCIAL REGULATIONS & PROCEDURES

LIST OF APPROVAL LIMITS BY ROLE

POST	AUTHORISATION LEVEL (including VAT)
Chief Executive	**Up to £1,000,000**
Director of Finance and Corporate Services	**Up to £1,000,000**
Director of Property Services	**Up to £1,000,000**
Director of Housing Services	**Up to £1,000,000**
Senior Housing Services Officer	**Up to £36,000**
Property Services Officer (Compliance / Planned)	**Up to £12,000**
Property Services Officer (Reactive / Voids)	**Up to £12,000**
Housing Services Officer	**Up to £12,000**
Tenancy Sustainment Officer	**Up to £12,000**
Tenant Communication and Engagement Officer	**Up to £12,000**
Finance Officer	**Up to £12,000**
Assistant Property Services Officer (Reactive/Voids)	**Up to £6,000**
Assistant Property Services Officer (Compliance / Planned)	**Up to £6,000**
Assistant Housing Services Officer	**Up to £6,000**
Assistant Housing Services Officer (Arrears and Admin	**Up to £6,000**
Assistant Finance Officer	**N/A**
Property Services Assistant (Compliance/Planned)	**Up to £3,000**
Corporate Services Administrator	**Up to £3,000**
Housing Services Assistant (Housing Options)	**Up to £3,000**
Property Services Assistant (Repairs)	**Up to £3,000**
Senior Customer Services Assistant	**Up to £3,000**
Customer Services Assistant	**Up to £3,000**