Community Counts
Milnbank
Housing Association
53 Ballindalloch Drive, Glasgow G31 3DQ

FINANCIAL REGULATIONS

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0141 551 8131 0141 550 2060 admin@milnbank.org.uk www.milnbank.org.uk

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The financial regulations of Milnbank Housing Association form part of its overall system of financial and management control. The rules of the Association and the terms of reference of the Board and its sub-committees outline how the Association will be controlled and run. This document sets out the Association's financial regulations which form part of the overall rules of the Association. It translates the Association's broad policies relating to financial control into practical guidance. It applies to the Association and all its subsidiary undertakings. Compliance with the financial regulations is compulsory for all staff connected with the Association. It is the responsibility of heads of departments to ensure that their staff are made aware of the existence and content of the Association's financial regulations and that an adequate number of copies are available for reference within their department

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1. INTRODUCTION

1.1 The Association must demonstrate effective governance and sound financial management and must have a robust policy and procedural framework that complies with legislation, guidance and good practice. To conduct its business effectively a Housing Association needs to ensure that it has sound financial management systems in place and that they are strictly adhered to. Part of this process is the establishment of regulations which set out the financial policies of The Association.

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



1.3 The Association currently operates under the Charitable Model Rules (Scotland) 2020 which are the constitution of the organisation.

1.4 The Milnbank Group consists of Milnbank Housing Association Limited and Milnbank Property Services Limited.

1.5 The standing orders of the Association detail how the business of the organisation shall be run and include delegated responsibilities, powers and remits of each Committee or Sub-Committee.

1.6 The financial regulations detail Board and staff responsibilities together with details of generally accepted best practice. They form a part of the overall system of financial and management control and take account of the Scottish Housing Regulator's (SHR) Standards of Governance and Financial Management.

1.7 Compliance with the financial regulations is compulsory for all staff. It is the responsibility of Leadership Team to ensure that all staff are aware of the existence and content of these regulations.

1.8 Training, periodic refreshers/updates for staff should be performed as and when required.

1.9 Nothing in these Financial Regulations shall override instructions from or conditions imposed by the Scottish Government, the Scottish Housing Regulator, the Financial Conduct Authority and the Financial Reporting Council Authority and any other appropriate statutory organisation or any current legislation. Nothing in the supporting financial procedures or policies will override the principles embodied in the regulations.

1.10 The financial procedures set out how these regulations shall be implemented.

1.11 A review of the regulations shall take place at least every 3 years, or earlier if deemed appropriate by the Chief Executive, Director of Finance or the Board.

1.1 A mini audit of adherence to the Financial Regulations shall be undertaken by the Director of Finance. Findings shall be reported to the Board for information and action.

2. BOARD RESPONSIBILITIES

2.1 The Board has ultimate responsibility for all aspects of the Association's affairs. It is responsible for the leadership, strategic direction and control of the Association and for ensuring it secures good outcomes for its tenants and service users.

2.2 Statute requires the Board to prepare financial statements for each financial year and it is the Board which is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association.

2.3 The Board is also responsible for safeguarding the assets of the organisation and for taking reasonable steps to prevent and detect fraud and other irregularities.

2.4 Board have a duty towards the Association, its staff, tenants, other service users and the community in which it operates. They must therefore seek good quality information and advice at all times and ensure their decisions are based on the same. This advice may need to be sought from external professional advisors where necessary. They must also ensure they have the skills and knowledge they need to be effective in their role. They must at all times seek to identify risks to the Association and mitigate the same.

2.5 The financial responsibilities of the Board are: -

- to ensure the solvency of the Association
- to safeguard the Association’s assets
- to ensure the effective and efficient use of resources
- to ensure compliance with regulatory standards produced by Scottish Housing Regulator and the SFHA
- to ensure that financial control systems are in place and are working effectively

- to ensure that the Association complies with the code of audit practice

- to approve the Association's strategic plan
- to approve annual estimates of income and expenditure and to approve the annual financial statements
- to recommend to the Annual General Meeting (AGM) the appointment of the Association's external auditors.

The Board can delegate most of these responsibilities to the Audit & Risk Sub Committee. The Audit & Risk Sub-Committee is accountable to the Board.

2.6 The Audit & Risk Sub-Committee is independent and reports to the Board. It has right of access to obtain all the information it considers necessary and to consult directly with the internal and external auditors. The Committee is responsible for identifying and approving appropriate performance measures for internal and external audit and for monitoring their performance. It must also satisfy itself that satisfactory arrangements are in place to promote economy, efficiency and effectiveness and that the Board is able to give an annual statement of assurance in respect of financial control systems. The Committee is charged with monitoring the risks facing the Association, to take reports on such and to make recommendations on reducing the risks from such.

2.7 The audit requirements of the Association are set out in the code of audit practice produced by Scottish Housing Regulator. Every registered social landlord is required, under the Housing (Scotland) Act 2010 to have an annual independent external audit.

3. STAFF RESPONSIBILITIES

3.1 The Chief Executive is responsible to the Board for the implementation of strategic, policy and procedural decisions taken by the Board and the day to day management of the Association. The Chief Executive is also responsible for the promotion of the Association and for co-ordinating the activities of other members of the leadership Team. The Chief executive is responsible for ensuring the Board receives all information and relevant guidance and training which it requires to meet its obligations.

3.2 All Leadership Team are responsible for ensuring staff members within their function understand their respective roles and responsibilities and for monitoring their performance against the same. They must ensure they and their staff are open about, and accountable for, all they do. They are responsible for the security and control of all assets, cash and materials relating to their section. They are also responsible for managing the financial budgets allocated to their area of responsibility.

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

3.4 Day to day financial administration is the responsibility of the Director of Finance, the Director of Finance is responsible to the Chief Executive for ensuring the finance team does the following:

- financial and business planning
- preparing annual capital and revenue budgets
- preparing management accounts and information, monitoring and control of income and expenditure against budgets and all financial operations
- preparing the Association's annual accounts and other financial statements and accounts which the Association is required to submit to other authorities
- preparing appraisals for major investment decisions
- ensuring that the Association maintains satisfactory financial systems
- providing professional advice to the Board on all matters relating to financial policies and procedures including treasury management.

Ensuring the effective running of Milnbank Property Services Limited

3.5 Directors of Function are responsible for their financial performance and maintaining clear lines of responsibility within their function for all financial matters. Directors must work to and not exceed budgeted spend unless authorised by the Board. This authority will only be given once covenant compliance is established and financial viability confirmed.

4. ACCOUNTING

4.1 All accounting procedures of the Association shall be determined by the Association's Director of finance in consultation with the Chief executive. These procedures must take account of statute, good practice and current guidance.

4.2 The format of the Association's financial records shall be determined by the Association's Director of Finance in consultation with the Chief executive and must take account of audit requirements, good practice and current guidance.

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

4.4 All accounting policies of the Association shall be contained within the annual financial statements and shall be reviewed annually as part of the approval of the financial statements. Accounting policies shall be presented to the Board for approval out with this cycle when changes are made.

4.5 The accounts are prepared for the financial year ending 31 March, in the format required by FRS102, the Statement of Recommended Practice (SORP) on Accounting for Registered Social Landlords, and the Determination of Accounting Requirements 2024.

4.6 The Director of Finance is responsible for dispatching financial returns and other periodic financial reports to the Scottish Housing Regulator, Financial Conduct Authority, HMRC and any other body as required.

4.7 The Director of Finance 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 to retain prime documents for a minimum statutory period in excess of the current financial year. These include:

- accounts raised (six years)
- copies of receipts and invoices (six years)
- payroll records (six years)
- VAT records (six years).
- For auditing and other purposes, the Association should retain other financial documents for six years.

5. AUDIT REQUIREMENTS

External Audit

5.1 The external auditor will be appointed at each Annual General Meeting, following a recommendation by the Board and in line with the Association's Rules and current statutory requirements.

5.2 The External Auditor will be appointed following a tendering process and in accordance with good practice the Association shall review its external auditors every 5 years unless the service level dictates otherwise.

5.3 The role of the external auditor must be clearly detailed in an Engagement Letter provided by the external auditor that shall be reviewed annually in accordance with good practice.

5.4 Preparation of the financial statements shall be undertaken by the Director of Finance. A year end timetable should be completed by the Director of Finance and be agreed with the external auditor prior to commencement of the year end statutory audit. The financial statements must be in the required format and contain the report of the external auditor. In addition, the financial statements must contain a report from the Board to include comment on past and future developments, together with a separate Board report on the systems of internal financial control.

5.5 Draft audited financial statements will be presented to the Board for approval at an appropriate meeting. Final audited accounts will be adopted at the Annual General Meeting which will be held well before the end of September to allow for submission to the Regulator.

5.6 Final audited and signed accounts will be submitted to the Scottish Housing Regulator (SHR), lenders, OSCR and to the Financial Conduct Authority within the required timescales following the financial year end.

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

5.8 The external audit function shall be overseen by the Board and in line with good practice the Board shall have a closed-door session, with no staff present, with the external and internal auditor at least once a year.

Internal Audit

5.9 A panel of internal auditors will be used to carry out a rolling programme of reviews of the effectiveness and application of internal controls and procedures, including an annual review of adherence to the Financial Regulations and Financial Procedures.

5.10 The internal auditors will be appointed following a tendering process and will be appointed for a maximum of three years (subject to an annual renewal of the appointment) by the Board.

5.11 A rolling programme for internal audit shall be set out and agreed by the Board based on current risk assessments. The setting of the internal audit programme shall take account of areas the Board deem appropriate after discussion with the Leadership team and a audit needs assessment undertaken by the internal auditor, who will review our risk register as part of the process.

5.12 The Board will review all internal audit reports and progress reports and will monitor the implementation of all agreed actions within set timescales.

5.13 The internal auditor will have access to all locations, staff, records and physical assets necessary for the performance of their role. Staff will provide the internal auditor with any explanations necessary as part of their review. No limitations will be placed on the scope of their review. Any such limitations will be reported to the Board as soon as is practical.

5.14 The internal auditor may be asked to participate or advise in discussions relating to the formulation and installation of new systems, controls and procedures. Final responsibility for such matters lies with the Board.

5.15 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. Final responsibility for such matters lies with the Board.

5.16 The internal auditor will also monitor compliance with the Association's Financial Regulations and Procedures as part of their internal audit reviews. Final responsibility for such matters lies with the Board.

6. FRAUD AND OTHER FINANCIAL IRREGULARITIES

6.1 The primary responsibility for the prevention and detection of fraud and errors rest with the Board. The external auditor may plan the external audit in order to have a reasonable expectation of detecting material misstatements in the financial statements, whether caused by fraud or errors.

6.2 To assist in discharging its responsibilities in this area the Board should receive reports from the internal auditor on all cases of actual or attempted fraud or bribery and consider whether internal controls require to be reviewed.

6.3 All matters in relation to fraud prevention, reporting, recording and associated matters are outlined in the Association's Prevention of Fraud Policy.

7. BUSINESS PLANNING

7.1 The Association shall have in place a three-year business plan document which sets out the strategic direction of the Association. The Board is ultimately responsible for the governance and direction of the Association, and it is recognised that the business plan should represent a joint understanding by staff and Board of what the Association wants to achieve, the choices available and the key risks faced by the Association. The business plan shall therefore be produced by the Board and the Leadership Team in consultation with staff, tenants and other stakeholders as necessary and in line with the Business Planning Protocol.

7.2 The content of the business plan should recognise and reflect the current SHR's Business Planning Recommended Practice for RSL's. It should include:

- Vision and Values
- Profile of Association and achievements (including analysis of our customer profile, stock, rents, performance and asset management)
- Analysis of the Operating Environment (using PEST, SWOT and Risk Analysis)
- Strategic Objectives
- Annual Delivery plan
- Financial analysis (including scenario planning and sensitivity testing)

7.3 On an annual basis, the Chief Executive has delegated authority for the preparation of a detailed operational plan for the Association on behalf of the Board, within the framework of the business plan.

7.4 The Director shall produce an annual timetable to accompany the business planning process detailing the stages, processes and responsibilities in order to achieve the timetable.

7.5 The operational plan will set departmental performance targets and KPIs, and shall feed into the annual budget setting process and the Association's risk management procedures.

7.6 On at least a quarterly basis, progress against operational targets shall be reported to the Board. These reports shall be supported by the management accounts, other section reports and the risk register to ensure all aspects of the business plan are linked together and operating effectively.

7.7 On at least an annual basis the achievement of strategic objectives will be considered and reported to the Board.

7.8 The Association shall take account of the SHR document on Business Planning advisory guidance produced in June 2024 in its business planning process.

8. APPROACH TO FINANCIAL FORECASTING

8.1 The Director of Finance will assist with the preparation of long-term financial planning on behalf of the Association. The Leadership Team and Board will be involved in the process with the forecasts requiring approval by the Board.

8.2 Long term financial forecasts shall be prepared in accordance with timescales noted at clause 8.4 and shall be forwarded to all lenders (in line with loan agreements requirements) as well as external and internal auditors for information and consideration. Formal feedback shall be sought from all parties reading the assumptions employed and the financial outturns.

8.3 The Association prepares and submits 5-year financial projections to SHR in the prescribed format and within the relevant timescales, which have been presented to and approved by the Board, all in accordance with existing guidance from the SHR. A copy of this information shall be submitted to lenders and the external auditor.

8.4 The Association shall undertake a review of its long-term projections on an annual basis in order to ensure that the projected annual position remains on target with the 30-year statement of comprehensive income, statement of financial position and cash-flow projections. A full and detailed business plan review shall be undertaken annually. Appropriate sensitivity analysis must be applied to the long-term projections with details being incorporated into the business plan document.

8.5 The content of the 30-year financial forecasts shall include the following information as a minimum:

- Details of main assumptions employed and source;
- Statement of Comprehensive Income for 30 years;
- Statement of Financial Position projections for 30 years;
- Cash flow projections for 30 years;
- Key performance indicators data and peer comparisons;
- Covenant compliance schedules;
- Appropriate sensitivity analysis;
- Schedules for all income and cost information and assumptions; and

- Supporting narrative to confirm an overview of the projected outturns, any areas for further consideration, any areas of concern and any actions required that flow from production of the final information.

8.6 While the overall responsibility for this information lies with the finance staff it is essential that an appropriate level of input from the Leadership Team is sought when preparing the long-term financial plans. In particular, the areas of rent levels, rent increases, maintenance costs, staffing levels and costs and future development activity require agreed input.

8.7 Given the impact that inflation and interest rates may have on the expected financial position, the Director of Finance shall seek information from lenders regarding future expected rates for these areas. In addition, any real cost increase assumptions should take account of lender and valuer advice. All assumptions made in the forecasts should be reviewed and agreed with the Board.

8.8 The Director of Finance shall produce an annual timetable to accompany the financial forecasting process, and this shall take account of

- Provision of, review and agreement on future maintenance plans including the results from a stock condition survey;
- Provision of, review and agreement on rental, staffing and development assumptions;
- Production of draft projections;
- Executive team discussion, review and agreement of draft projections;
- Reporting to Board;
- Provision of information to external parties; and
- Feedback to Board from external parties.

8.9 The importance of financial forecasting in relation to the Association's overall business planning process is recognised and timetables applicable to both processes require to be carefully aligned.

9. ANNUAL BUDGET

Preparation, Review and Approval

9.1 An annual budget must be approved by the Board of the Association prior to the start of the financial year to which it relates. The setting of the annual budget forms part of the annual business planning cycle and will reflect the Association's current business plan, operational plans and longer-term financial forecasts.

9.2 This annual budget will comprise of:

- A clear statement of main assumptions and sources of information underlying the budget;
- Projected Statement of Comprehensive Income
- Projected Statement of Financial Position
- Projected Cash Flow Statement;
- Detailed capital budgets for all projects;
- cash flow projections;
- income and expenditure details;
- Cost allocation information;
- Appropriate ratio analysis;
- Loan covenant compliance performance; and
- Any summary narrative commentary necessary for a clear understanding of the budget.

9.3 The budget will be prepared by the Association's Director of Finance on a roll over basis each year, taking into account the prior year budget, year to date variances and any known changes linking to the Business Plan. The Director of Finance will put in place a timetable which will take account of:

- Provision of budget planning information from budget holders;
- Review of planned, cyclical and major repairs to be undertaken in line with the 30-year plan;
- Submission of draft budget to Senior staff and budget holders for review and approval;
- Submission of draft budget to Board for review and discussion including the impact of any options or sensitivities where there is a potential material financial effect over the 12-month period;
- Amendments as a result of Board review; and
- Final approval of the budget by the Board.

Budgetary Control

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

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

9.6 The Director of Finance will ensure that material variances (defined as variances exceeding 10% of budgeted figures) are clearly explained within the narrative supporting the monthly management accounts. Explanations of material variances will be sought from budget holders during the preparation of the monthly management accounts where necessary. The Director of Finance shall, using their judgement, also highlight any other variances where this is considered appropriate.

9.7 The monthly management accounts should include the effect of likely future events on the financial position together with details of the currently projected financial position of the Association at the year-end. Cash flow monitoring and covenant compliance will form a part of the management accounts. A copy of the approved budget and monthly management accounts will be sent to the Association's lender(s) and external auditor as required.

9.8 In circumstances of emergency, expenditure may be incurred beyond authorisation levels by obtaining the prior approval of the most senior member of staff on duty and the Chairperson of the Association (or Office Bearer in the absence of the Chairperson), who will consult the Director of Finance, if possible, before agreeing to any request. Any such expenditure must be reported by the Chief Executive to the next meeting of the Board for retrospective approval.

9.9 the Leadership Team should ensure that when reports are issued to the Board, the financial implications of any course of action should be fully detailed. The Director of Finance should be consulted prior to any report that has material financial implications going to the Board.

9.10

9.11 The Director of Finance has authority to reallocate budgets between cost headings within approved budget.

10. CASH CONTROLS

10.1 Bank accounts held by the Association, details of authorised online signatories are contained within the Association's detailed financial procedures.

10.2 Procedures for the receipt of funds are detailed in Section 5 of the financial procedures.

10.3 A petty cash float not exceeding £1,000 shall be held for the purpose of making small payments and properly authorised expenses. The Finance Assistant has day to day responsibility for petty cash payments. In the absence of the Finance Assistant, another member of the Finance Function will assume responsibility for petty cash payments. Petty cash procedures are detailed in the Association's financial procedures.

10.4 All bank accounts and petty cash accounts must be reconciled to the relevant books of account by the Finance Officer on a monthly basis. These reconciliations shall be reviewed and certified as accurate by the Association's Director of Finance on a random basis.

10.5 The Finance Officer shall make arrangements for the safe custody of all banking documents.

10.6 In the event of any request for a change of supplier bank account being notified by e-mail the finance team shall contact the payee directly and request written confirmation of the change. Such changes must be highlighted on the next available BACS payment list and be checked by the Director of Finance.

11. DEBTORS CONTROLS

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

11.2 Where external funding for projects is made available to the Association all grant claims must be submitted timeously in order to ensure receipt of funds prior to payment (where allowed) or as soon as possible (in line with grant offer conditions) after payment has been made.

11.3 Rental income payments are the main source of revenue income for the Association and operational procedures shall be reviewed regularly in order to monitor their effectiveness. A monthly report on rent arrears shall be prepared by the Senior Housing Officer/Finance Officer, be circulated to the management team (who should review and instruct any further action as necessary) and be reported quarterly to the Board.

11.4 All other sums due and outstanding to the Association shall be summarised within the monthly management accounts. Such sums shall include; insurance claims outstanding, rechargeable repairs and improvement works for owners.

11.6 Procedures relating to rents and other income generating areas shall incorporate information on debtor control including the basis for monitoring and reporting sums due.

11.7 All amounts written off as irrecoverable must be formally reported on and approved by Board prior to the balances being written off.

11.8 Responsibility for Debtors control within the Association is as follows: -

(i) Rent Arrears – Housing Services Manager
(ii) Insurance Claims outstanding – Director of Finance
(iii) Grants outstanding – Director of Finance
(iv) All other sums due – Director of Finance. Who may delegate to Director of Housing Services and Community Engagement or Factoring officer – depending on nature of debt.

12. ASSET CONTROLS

12.1 The originals of all title deeds shall be held in secure storage by the Association's solicitors or bankers. The Asset Management function will maintain a register of all title deeds and will confirm to the Board on an annual basis that all title deeds are properly held.

12.2 The Association shall maintain a fixed asset register detailing all properties split by component, in addition, a separate register should be held for other fixed assets, including furniture, fittings and equipment and other items classed as capital assets, owned by the organisation. The register should detail acquisition date, disposal date, estimated useful life for depreciation purposes and cost. In addition, copies of invoices relating to each asset purchased shall be contained within the register, which may be held in electronic format. The Association should also note the value of encumbered properties as this is a disclosure requirement in the annual accounts.

12.3 The Association shall undertake six monthly reviews of the register to verify continued ownership and existence of these fixed assets. This task shall be undertaken by the Finance team.

12.4 Equipment Maintenance contracts and leasing contracts shall be entered into for such fixed assets as appropriate and a separate register shall be held by the Association. Details to be inserted on these registers include; service provider, start date, termination date, and asset being maintained/leased and cost. This register shall be updated on a quarterly basis by the finance team and held in an electronic format.

12.5 Details of any asset/equipment disposals, including details of sums received (if applicable), shall be reported to and authorised by the Board.

12.6 The Director of Finance will ensure a register of all properties owned by the Association is maintained and kept up to date. The housing properties register shall ensure the Association complies with the requirements of

component accounting. The current housing register used by the Association is known as the component accounting spreadsheet.

This holds records of all housing assets by phase, split into relevant components. Component and property replacements and disposals, along with depreciation charges of housing property assets shall be updated on the component accounting spreadsheet in a timely manner. Invoices for all replacements are scanned and held on the Homemaster system. This task is undertaken by the finance team on a quarterly basis. These updates and the resultant monthly journal shall be reviewed by the Director of Finance.

13. PROCUREMENT, CONTRACTS AND TENDERING

13.1 All works, goods and services will be procured in accordance with the terms of the Association's Procurement Policy.

13.2 Where necessary, quotations or tenders for goods or services will be obtained, according to the financial limits as detailed in the Procurement Policy.

13.3 Orders for works, goods and services will be in accordance with current procedures, in particular the budget limits and the regulations on Incurring and Authorising Expenditure.

13.4 All contracts entered into by the Association require the authorisation of the Board. The signing of contracts shall be undertaken by those granted delegated authority by the Board after the contracts have been authorised by the Board.

13.5 Where contracts for new-build or maintenance projects, or for annual services, provide for payment to be made by instalments, the finance team and relevant officer shall keep records detailing the position of accounts on each contract, together with any other payments and the related professional fees.

13.6 Payment to contractors, whether on account or the final account, shall be made in accordance with current procedures. The Director of Finance shall meet regularly with the appropriate officer to monitor expenditure on contracts.

13.7 The Board shall be provided with quarterly updates on the progress of all contracts, including a summary of the position of accounts on each contract.

13.8 The Association shall take account of EU Procurement and Scottish Government thresholds as appropriate. When required and following approval by the Board, a procurement consultant may be used to ensure the Association complies with all applicable Procurement legislation and requirements.

14. NEW PROJECTS

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

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

14.3 External specialist and legal advice shall be taken where appropriate.

15. BOOKS, REGISTERS AND COMPUTER DATA

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

Books and Registers	Staff Member Responsible
Cashbook	Finance Officer
Petty Cash Book	Finance Officer
Nominal Ledger	Finance Officer
Purchase Ledger	Finance Officer
Sales Ledger	Finance Officer
Rent Ledger	Director of Housing and Community Engagement/Senior Housing Officer
Fixed Asset Register – Housing	Finance officer
Fixed Asset Register - Other	Finance officer
Register of Disposals	Chief executive
Register of Frauds	Director of Finance
Register of Payments and Benefits	Governance and compliance manager
Register of Interests	Governance and compliance manager
Register of Members	Governance and compliance manager
Register of Gifts and Hospitality	Governance and compliance manager
Tender Register	Director of Asset management
Complaints Register	Governance and compliance manager
Register of Title Deeds	Director of Asset management

15.2 Responsible staff member refers to individual having responsibility for maintenance of and administration relating to each register. This

responsibility may be delegated to another staff member by the responsible staff member.

15.3 All such books and registers together with other relevant papers or information may, where appropriate, be kept in an electronic format and must be securely stored when not in use.

15.4 In conducting its operations, the Association must comply with all aspects of GDPR. All such matters are the responsibility of the Executive Officer.

15.5 The Association's Director of Finance is the systems administrator and user rights are noted within the Association's IT policy.

16. SECURITY

16.1 All Senior Staff are responsible for maintaining proper and adequate security at all times for buildings, furniture, equipment, and other assets, and any cash under their direct control. The Chief executive is responsible for overall security and any risks to the Association must be notified to the Chief executive immediately.

16.2 All information held on computer must be backed up on a daily basis and stored securely. It is the responsibility of the IT support team to ensure this task is undertaken.

16.3 Access to computer systems must be restricted by the appropriate use of passwords which is changed on an annual basis for all pc's. A formal password policy should be in place and enforced and be contained within the Association's IT policy.

16.4 The Executive Officer 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 and other appropriate legislation.

16.5 All current staff members are office key holders. The Association's cleaning company will also have a set of office keys. All personnel holding keys are responsible for their safe keeping.

16.6 The petty cash tin will be held in the office safe or locked cupboard at all times unless in use. The keys to the petty cash tin are held by the finance team in a secure place.

16.7 Access to the safe is restricted to

- Customer Service Assistants
- Finance Officer; and
- Finance Assistant.

16.8 The safe is accessed by 2 separate keys.

16.9 Under no circumstances should other staff members be given access to the safe or retain possession of the petty cash tin keys. In all cases petty cash and rent box keys must be retained in the possession of the authorised staff member who, under no circumstances, should leave keys unattended.

15.10 A register shall be maintained of all items held within the safe. Documents should be signed out when removed by an authorised member of staff and signed back in when returned. A regular check should be made by the finance team to ensure all items are present in the safe.

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

17. INSURANCES

17.1 The Association's Director of Finance shall arrange all insurance cover on behalf of the Association subject to the management team confirming cover requirements. Due to EU and Scottish Government Procurement rules the use of a specialist consultant may be required. The appointment of this consultant will be approved by the Board.

17.2 All senior staff of the Association shall advise the Director of Finance in writing of events likely to result in a change to the Association's insurance requirements.

17.3 The Director of Finance, in consultation with the Leadership team, shall review all insurances during the year and report to the Board thereon.

17.4 The submission of all property insurance claims is the responsibility of the Asset management team. All other claims shall be dealt with the Director of Finance, and the finance team shall record, monitor and control all insurance claims.

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

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

17.7 The Director of Finance will keep a register of all insurances effected by the Association and the property and risks covered. For contractors and consultants registered on Homemaster the managers responsible for the relevant contracts should ensure the insurance details for the contractors and consultants are kept up to date on the system.

17.8 All staff using their own vehicles on behalf of The Association shall maintain appropriate insurance cover for business use.

18. RISK MANAGEMENT

18.1 The Association's approach to managing risk is detailed within the Risk Management Policy.

18.2 All current activities, and proposals for new activities, will be subject to a risk assessment as specified in the Risk Management Policy and Strategy.

18.3 Where potential risks are identified the activity will be included in the current Risk Matrix together with measures to eliminate or minimise the risk.

18.4 The Chief Executive will provide the current risk matrix and a report to the Board at least every six months, providing an update regarding progress to mitigate the key strategic risks to the Association.

19. VALUE FOR MONEY

19.1 The Association shall seek to obtain value for money in terms of any fixed asset investments, its contractual commitments and in its day-to-day operational activities. Returns on investments shall be managed in line with the Treasury Management Policy.

19.2 The selection of an appropriate method of procurement, the use of tendering procedures, the selection of appropriate financing options and a balancing of quality and cost or other appropriate cost benefit analysis shall be undertaken by the Association in its decision-making process.

19.3 The Group procurement policy states that procurement arrangements will be monitored and reviewed to ensure continuing high standards and value for money are achieved

20. TREASURY MANAGEMENT

20.1 The Association will comply with the Chartered Institute of Public Finance & Accountancy (CIPFA) Treasury Management in the Public Services: Code of Practice on Treasury in the Public Services (CIPFA) (2021Edition)

20.2 The Association will create and maintain as the cornerstone for effective treasury management:

- A treasury management policy statement stating the policies objectives and approach to risk management of its treasury management activities
- Suitable treasury management practices (TMP's), setting out the manner in which the Association will seek to achieve those policies and objectives and prescribing how it will manage and control those activities

The content of the policy statement and TMP's will follow the recommendations contained in the code, subject only to amendment where necessary to reflect the particular circumstances of the Association. Such

amendments will not result in the Association materially deviating from the Code's key principals.

20.3 The Association's Board will receive reports on its treasury management policies, practices and activities, including as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close in the form of prescribed in the Treasury Management Policy.

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

21. TRAVEL, SUBSISTENCE & OTHER ALLOWANCES

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

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

22. GIFTS, HOSPITALITY & INTERESTS

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

22.2 All Board members and staff shall ensure that they declare any interest with regards to any aspect of the Association's activities as required by the Association's rules and regulatory requirements. The Chief Executive shall maintain a register of interests in accordance with the Association's Entitlements, Payments and Benefits Policy.

22.3 Members of the Board and members of staff should refuse all material hospitality and gifts offered by an individual or company that does or could provide services to the Association where they are offered as an inducement to secure favour. All Board and staff will comply with the Association's Bribery Policy.

23. DONATIONS

23.1 The Association's approach to donations is detailed within the Gifts, Hospitality and Donations Policy.

23.2 All donations must be approved by the Board.

24. BENCHMARKING AND PERFORMANCE ANALYSIS

24.1 The Association's Chief Executive shall ensure that reports will be submitted to the Board on the following areas: -

(a) Analysis of Business Plan targets achieved
(b) Comparison of results with the SHR published ratios and statistics
(c) Comparison of results with the Association's annual budget;
(d) Comparison of actual and estimated loan covenant results; and
(e) Annual Return on the Charter (ARC).

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

24.2 All senior staff are responsible for the provision of information attaching to their department in line with an agreed timetable confirmed by the Chief Executive and included within the operational plan. Function Heads, when providing relevant data or statistics summaries, shall email the detailed calculations or file attachments that represent the source of the summary data or statistics provided. The Chief Executive or a delegated representative shall audit relevant information provided in order to ensure accuracy and consistency of reporting.

25. INCURRING AND AUTHORISING EXPENDITURE

25.1 Only those staff with the delegated authority to do so will incur an expenditure commitment or authorise a payment. No payments will be made unless the payment has been checked and signed off by those with the appropriate authority.

25.2 The Board approve budgets prior to the beginning of the financial year and staff have delegated authority to spend within these budgets subject to Standing Orders and the current Delegated Authority.

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

25.4 There are three levels of procedures involved in authorising expenditure.

a) taking on the commitment to spend;
b) certification that the expenditure is arithmetically correct; and
c) approving the invoice after goods or services received.

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

25.5 Approval of Commitment to Spend

i) Capital Expenditure (excluding properties, including IT, motor vehicles, copiers etc)

a)	Under £20,000	Director of Finance
b)	Over £20,000	Chief Executive

ii) Capital Expenditure (properties)

a)	Purchase of a property	Board
b)	Consultants Fees / Works Costs within approved contract sums	Chief Executive
c)	Component replacement costs within agreed contract sums	Director of Asset Management

iii) Staff Appointments, Salaries & Staff Costs

a)	Staff appointments	Board/CEO
b)	Temporary Staff	CEO/ Director of function
c)	Annual Salary Reviews	Board
d)	Staff Expenses	Line Managers
e)	Committee Expenses	Chief executive
f)	Director Expenses	Governance and compliance manager
g)	Overtime	Chief Executive
i)	Redundancies, settlements etc.	Board

iv) Property Maintenance Costs

a)	Repair & Maintenance up to £20,000	Director of Asset Management
b)	Repair & Maintenance between £20,000 - £50,000	Chief Executive and/or Director of Asset Management
c)	Repairs & Maintenance over £50,000	Board

v) Office Administration & Other General Expenses

b)	Up to £10,000 – subject to Budgetary Constraints	Chief Executive
c)	Office Credit Card Up to £4,000	Finance Officer/Director

vi) Housing Management

a)	Legal Fees up to £500	Housing Officers
b)	All costs up to £3,500	Senior Housing Officer
c)	All costs up to £4,000	Director of Housing Services

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

26. Taxation

26.1 The Director of Finance in conjunction with advice from the Association's auditors is responsible for advising heads of departments on taxation issues in the light of guidance issued by the appropriate bodies and the relevant legislation as it applies to The Association. The Director of Finances responsible for maintaining the Association's tax records, making all tax payments and submitting tax returns by their due date as appropriate.

Appendix 1

Authorised Signatories

BACS /online Payments	
Prepared by	Finance Assistant
Authorised by	Finance Officer/Director of Finance
Grant Offers-Stage 3	
Accepted by	Finance Officer
Grant Claims	Finance Officer

A copy of all sample signatory forms issued to third parties must be retained by the Finance Team.

Contracts requiring signature must be signed in line with delegated authority granted by the Board at the appropriate meeting.

Appendix 2

Budget Holders

Chief Executive	Consultants Advertising & Promotion Committee Expenses Committee Training General Legal fees Other Fixed Assets New Build Projects
Depute Chief Executive	Employee Costs Tenant Participation Wider Action/Community Benefits Staff Recruitment Staff Training Subscriptions Donations
Director of Asset	Reactive Maintenance Void Costs Major Repairs Cyclical Maintenance Estate Management Component Replacement Costs
Director of Finance	Audit Fee (Internal & External) Bank Charges General Expenses Heat, Light & Cleaning Insurance Office Repairs/Concierge Office Equipment Maintenance Printing & Stationery Postage Rent & Rates Service Costs Telephones Loan Payments Bad Debts

Appendix 3

Financial Regulations Register

Please sign below that you have read and understood the Financial Regulations Policy:

NAME	POSITION	SIGNATURE	DATE