



**Belmont House, 57 Belmont Road, Cambuslang, G72 8PG**  
**www.wwhc.org.uk E: enquiries@wwhc.org.uk T: 0141 641 8628**

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<b>Policy Author</b>	<b>Director, Deputy Director, Finance Officer</b>
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**Registered with the Scottish Housing Regulator No. 203**  
**Registered Charity No. SCO38737, VAT Registration No. 180223636**  
**Registered society under the Co-operative and Community Benefit Societies Act 2014**



**HAPPY TO TRANSLATE**

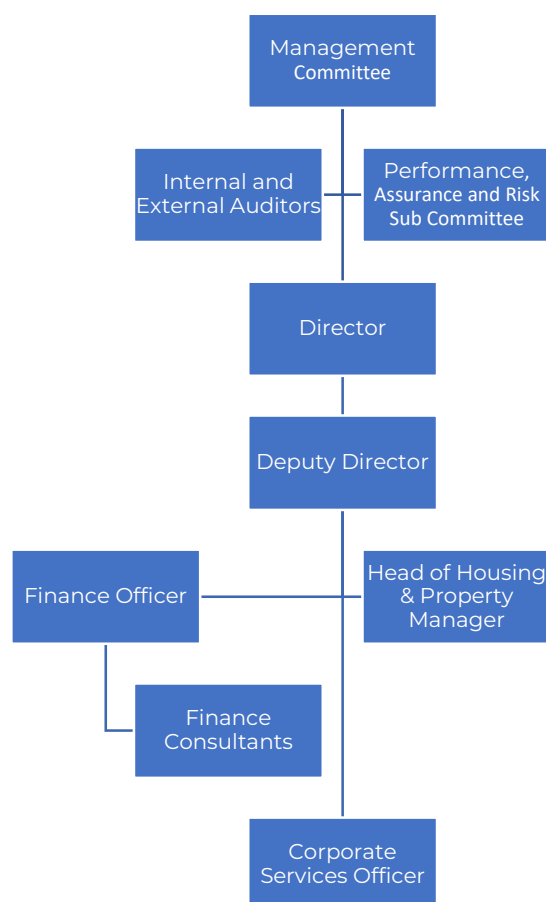
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## 1. Introduction

- 1.1 West Whitlawburn Housing Co-operative operates under Fully Mutual and Charitable Co-operative Model Rules based upon the SFHA Charitable Model Rules (Scotland) 2020. It is a Registered Social Landlord registered with the Scottish Housing Regulator and the Financial Conduct Authority. It is also a Scottish Charity, registered with the Office of the Scottish Charity Regulator and is registered under the Co-operative and Community Benefit Societies Act 2014 and the Housing (Scotland) Act 2010.
- 1.2 The Co-operative 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.

The Co-operative's financial regulations are based on the current management structure:



- 1.4 The Standing Orders of the Co-operative detail how the organisation will be controlled and run and include delegated responsibilities, powers and remits of each committee or sub-committee.

1.5 The Financial Regulations detail committee 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.

1.6 Compliance with the financial regulations is compulsory for all staff and Committee members. It is the responsibility of section heads to ensure that all staff are aware of the existence and content of these regulations.

The Financial Procedures set out how these regulations shall be implemented.

1.8 Training and / or refresher sessions on these regulations should be carried out with all staff and committee 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 and any other appropriate statutory organisation or any relevant current legislation. Nothing in the supporting financial procedures or policies will override the principles embodied in the regulations.

1.10 A review of the regulations shall take place at least every 3 years, or earlier if deemed appropriate by the Director or the Management Committee.

1.11 A mini audit of adherence to the Financial Regulations shall be undertaken by the external auditor as part of annual transaction testing. Findings shall be reported to the Management Committee for information and action.

## **2. Internal Financial Control**

2.1 Effective internal financial control provides reasonable assurance:

- of the safeguarding of assets against unauthorised use or disposition;
- and of the maintenance of proper accounting records and the reliability of financial information used in and published by the Co-operative.

2.2 SHR's Regulatory Advice Note: Internal Financial Controls & the Regulatory Standards September 2014 sets out what is expected of internal financial controls and audit to comply with the

regulatory standards and what information about internal financial controls should be included in the annual audited accounts which:

- Confirms that Committee acknowledges its responsibility for internal financial control.
- Includes a description of the key procedures for internal financial control.
- Confirms that Committee has reviewed the effectiveness of the system of internal financial control and reports whether any weaknesses have resulted in any material losses, contingencies or uncertainties which require disclosure in the audited accounts.
- Explains that the system can only provide reasonable and not absolute assurance against material misstatement or loss
- Explains the reasons for any non-compliance.

2.3 The External Auditors are required to review this statement and to report any discrepancies between it and the results of the audit work.

### **3. Management Committee Responsibilities**

3.1 The Management Committee has ultimate responsibility for all aspects of the Co-operative's affairs. It is responsible for the leadership, strategic direction and control of the Co-operative and for ensuring it achieves good outcomes for tenants and service users.

3.2 Statute requires the Management Committee to prepare financial statements for each financial year. The Management Committee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Co-operative.

3.3 The Management Committee is responsible for safeguarding the assets of the organisation and for taking reasonable steps to prevent and detect fraud and other irregularities.

3.4 Management Committee members have a duty towards the Co-operative, its staff, tenants and the community and must therefore seek good quality information and advice to ensure their decisions are based on the same. This advice will be sought from external professional advisers where necessary. The Committee must also ensure they have the necessary skills and knowledge they need to be effective in their role. They must at all times seek to identify risks to the Co-operative and mitigate the same.

#### **4. Staff Responsibilities**

- 4.1 The Director is responsible to the Management Committee for the implementation of strategic, policy and procedural decisions taken by the Management Committee and the day-to-day management of the Co-operative. The Director is also responsible for co-ordinating the activities of other Senior Officers. The Director is responsible for ensuring the Management Committee receives all information and relevant guidance and training which it requires to meet its obligations.
- 4.2 All Senior Staff are responsible for ensuring staff members within their section understand their respective roles and responsibilities and for monitoring their performance against the same. They must ensure they and their staff are open about and accountable for, all they do. They are 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.
- 4.3 The responsibilities and duties of staff members are contained within suitable job descriptions. The responsibilities of service providers are contained within relevant Committee minutes and agreements

#### **5. Accounting**

- 5.1 All accounting procedures and records of the Co-operative shall be determined by the Director, Deputy and Finance officer in accordance with statute, audit requirements, good practice and current guidance.
- 5.2 The allocation of accounting duties should where possible take account of segregation of duties and records should be updated regularly.

#### **6. Audit Requirements**

##### **External Audit**

- 6.1 The external auditor will be appointed at each Annual General Meeting, following a recommendation by the Management Committee and in line with the Co-operative's Rules and current statutory requirements.
- 6.2 The External Auditor will be appointed following a tendering process and in accordance with good practice the Co-operative shall review

its external auditors every 5 years unless the service level dictates otherwise.

- 6.3 The role of the external auditor must be clearly detailed in an Engagement Letter provided by the external auditor that shall be reviewed every three years.
- 6.4 Preparation of the financial statements shall be undertaken by the Co-operative's Finance Officer in conjunction with the external auditor. A year end timetable will 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 Management Committee, to include comment on past and future developments, together with a separate Management Committee report on the systems of internal financial control.
- 6.5 The audited financial statements will be presented to the Management Committee for approval at an appropriate meeting. Final audited accounts and the auditor's report will be presented at the Annual General Meeting to be held no later than 6 months after the end of the financial year.
- 6.6 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.
- 6.7 A copy of the auditor's Management Letter and the Management Committees' response to the Management Letter will also be submitted to the Scottish Housing Regulator within required timescales.
- 6.8 The external audit function shall be overseen by the Management Committee and in line with good practice the Management Committee shall, on request, have a closed door session, with no staff present, with the external auditor.

### **Internal Audit**

- 6.9 The internal auditor will be appointed to carry out a rolling programme of reviews of the effectiveness and application of internal controls and procedures, including a regular review of adherence to the Financial Regulations and Financial Procedures.

- 6.10 The internal auditor will be appointed following a tendering process and will be appointed for a maximum of three years with a 2 year extension possible (subject to an annual renewal of the appointment) by the Performance, Assurance and Risk Sub-committee (PA&R) which has delegated authority from the Management Committee.
- 6.11 A rolling programme for internal audit shall be set out and agreed by the PA&R Sub-committee based on current risk assessments. The setting of the internal audit programme shall take account of concerns or recommendations from the senior staff team.
- 6.12 The PA&R Sub-committee will review all internal audit reports and progress reports and will monitor the implementation of all agreed actions within set timescales.
- 6.13 The internal auditor will have access to all 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 attempt to impose limitations will be reported to the Management Committee as soon as is practical.
- 6.14 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 Management Committee.
- 6.15 The internal auditor may assist in the protection of the assets of the Co-operative 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 Management Committee.
- 6.16 The internal auditor will also monitor compliance with the Co-operative's Financial Regulations and Procedures as part of their internal audit reviews. Final responsibility for such matters lies with the Management Committee.
- 6.17 The Internal audit function shall be overseen by the PA&R Sub-committee and in line with good practice the Management Committee shall, on request, have a closed door session, with no staff present, with the internal auditor.



## **7. Fraud and other Financial Irregularities**

- 7.1 The primary responsibility for the prevention and detection of fraud and errors rests with the Management Committee. The Directors, senior staff and finance staff have a responsibility to ensure that all internal procedures are such that the likelihood of fraud is minimised through robust controls and procedures and regular monitoring of these controls.
- 7.2 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.
- 7.3 To assist in discharging its responsibilities in this area the Management Committee 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.
- 7.4 All matters in relation to fraud prevention, reporting, recording and associated matters are outlined in the Co-operative's Fraud and Anti-bribery Policy.

## **8. Business Planning**

- 8.1 The Co-operative shall have in place a business plan document which sets out the strategic direction of the Co-operative. The Management Committee is ultimately responsible for the governance and direction of the Co-operative and it is recognised that the business plan should represent a joint understanding by staff and Committee of what the Co-operative wants to achieve, the choices available and the key risks. The business plan shall therefore be produced by the Management Committee and senior staff in consultation with staff, tenants and other stakeholders as necessary.
- 8.2 The Co-operative shall take account of the SHR document on Recommended Practice-Business Planning produced in December 2015 in its business planning process. The content of the business plan should recognise and reflect the recommended practice and will include:
- Vision, values, objectives and business direction
  - Profile and achievements (including analysis of our customer profile, stock, rents, performance and asset management)
  - Analysis of the Operating Environment (using PEST, SWOT and risk management and mitigation)
  - Strategic Objectives

- Annual Delivery plan
  - Financial planning and analysis (including scenario planning and sensitivity testing)
- 8.3 On an annual basis, the Director has delegated authority for the preparation of a detailed operational plan for the Co-operative on behalf of the Management Committee, within the framework of the business plan.
- 8.4 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.
- 8.5 The operational plan will set departmental performance targets and KPIs, and shall feed into the annual budget setting process and the Co-operative's risk management procedures.
- 8.6 On a quarterly basis progress against operational delivery plan shall be reported to the Management Committee via the PA&R Sub Committee. 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.
- 8.7 On at least an annual basis the achievement of strategic objectives will be considered and reported to the Management Committee.

## **9. Approach to Financial Forecasting**

- 9.1 The Finance Consultant will assist with the preparation of long term financial planning. Senior staff, finance staff and Management Committee will be involved in the process with the forecasts requiring approval by the Management Committee.
- 9.2 Long term financial forecasts shall be prepared in accordance with agreed timescales and shall, on request, be forwarded to all lenders and external and internal auditors for information and consideration.
- 9.3 The Co-operative 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 Management Committee, all in accordance with existing guidance from the SHR. A copy of this information shall, on request, be submitted to lenders and the external auditor.
- 9.4 The Co-operative shall undertake a review of its long-term projections on at least 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.

9.5 The content of the 30 year financial forecasts shall include the following information:

- 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.

9.6 While the overall responsibility for this information lies with the finance consultant and finance staff, there will be an appropriate level of input from all senior staff. In particular, the areas of rent levels, rent increases, maintenance costs, staffing levels and costs and future development activity require agreed input.

9.7 Given the impact that inflation and interest rates may have on the expected financial position, the Finance Consultant 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 Management Committee.

9.8 The annual timetable to accompany the financial forecasting process shall take account of:

- Provision of, review and agreement on future maintenance plans;
- Provision of, review and agreement on rental, staffing and development assumptions;
- Production of draft projections;
- Senior staff discussion, review and agreement of draft projections;
- Reporting to Management Committee;
- Provision of information to external parties; and

- Feedback to Management Committee from external parties.

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

## **10. Annual Budget**

### **Preparation, Review and Approval**

10.1 An annual budget must be approved by the Management Committee 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 Co-operative's current business plan, operational plans and longer term financial forecasts.

10.2 The annual budget will comprise:

- 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;
- Monthly cash flow projections;
- Monthly 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

10.3 The budget will be prepared by the Co-operative's senior staff and Finance Officer taking into account the prior year budget, year to date variances and any known changes linking to the Business Plan.

10.4 Senior staff 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 Management Committee 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 Management Committee review;
- Tenant consultation and amendments as a result of further Management Committee review and;
- Final approval of the budget by the Management Committee.

## **Budgetary Control**

- 10.5 Once approved, the budget shall be regarded as the basis for authority to incur expenditure, subject to Standing Orders, the Scheme of Delegation and any specific exemptions agreed with the Management Committee. It should be recognised that changes in circumstances may result in changes to budgeted expenditure. Such changes must be approved by the Management Committee.
- 10.6 It is the responsibility of all budgets holders to control relevant budgets. Budgetary control will be assisted by production of quarterly management accounts and accompanying narrative reports comparing actual income and expenditure with budget estimates. The Deputy Director / Finance Officer will report on actual income and expenditure against budget on a quarterly basis to senior staff and the Management Committee.
- 10.7 The Deputy Director / Finance Officer will clearly explain material variances (defined as variances exceeding 0.5% of turnover) within the narrative supporting the quarterly management accounts. Explanations of material variances will be sought from budget holders during the preparation of the quarterly management accounts where necessary. The Finance Officer shall, using their judgement, also highlight any other variances where this is considered appropriate.
- 10.8 Cash flow monitoring and covenant compliance will form a part of the management accounts.
- 10.9 A copy of the approved budget and quarterly management accounts will, on request, be sent to the Co-operative's lender(s) and external auditor as required.
- 10.10 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 (or Office Bearer in the absence of the Chairperson), who will consult the Director/Deputy/Finance consultant if possible, before agreeing to

any request. Any such expenditure must be reported by the Director to the next meeting of the Management Committee for retrospective approval.

- 10.11 Senior Staff should ensure that when reports are issued to the Management Committee, the financial implications of any course of action should be fully detailed. The Director / Deputy / Finance Officer should be consulted prior to any report that has material financial implications going to the Management Committee.
- 10.12 The Finance Officer shall undertake a quarterly review of the trial balance income and expenditure for the purposes of budget monitoring as part of the budget monitoring process noted at 10.7 above. Budget figures and commentary are updated on a quarterly basis as part of the management accounts process and compared to cumulative figures for the year to date, with projected outturns at the year-end as required.
- 10.13 The Director / Deputy will have authority to recommend to the Management Committee the reallocation of items from one budget to another if required following review of budgeted expenditure.

## **11. Cash Controls**

- 11.1 Bank accounts held by the Co-operative, details of authorised signatories and cheque signing details are contained within the Co-operative's detailed financial procedures.
- 11.2 Procedures for the receipt of funds are detailed the financial procedures.
- 11.3 A petty cash float not exceeding £500 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, the Corporate Services Officer or Finance Officer will assume responsibility for petty cash payments. Petty cash procedures are detailed in the financial procedures.
- 11.4 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 Deputy Director.

- 11.5 The Finance Officer (or in their absence the Corporate Services Officer or Finance Assistant) shall make arrangements for the safe custody of all banking documents.
- 11.6 In the event of any supplier bank account being notified by e-mail the Finance Officer / Assistant shall contact the payee directly and request written confirmation of the change. No verbal notifications of changes will be accepted.
- 11.7 All incoming post must be opened by one member of staff. Any cheques or cash received should be recorded on an incoming mail register and passed to the Finance Officer (or in their absence the Corporate Services Officer or Finance Assistant), to review and verify.
- 11.8 All cash received must be immediately passed directly to the Finance Officer / Assistant with the appropriate paperwork. Cash payments in the office are accepted in exceptional circumstances with approval by the Head of Housing Services. The Co-operative's policy on Rent Collection and Accounting sets out the procedures for the receipt of rent payments.
- 11.9 The Co-operative will from time to time recoup repair charges from tenants. An arrangement may be put in place for small instalments of cash to be paid at the office if this is seen as the only reasonable way of receiving such payments.
- 11.10 The Co-operative supplies replacement controlled entry key fobs at a charge to the tenant. The Co-operative will receive cash payments in this respect and issue tenant with receipt accordingly.
- 11.11 The appropriate Housing Officer will be responsible for receiving £1 Share Receipts. This membership fee must be passed as soon as possible to the Corporate Services Section for recording and banking.

## **12. Debtors Controls**

- 12.1 The Co-operative acknowledges the requirement to generate as much income as possible via interest receipts.
- 12.2 Where external funding for projects is made available to the Co-operative, 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.

- 12.3 Rental income payments are the main source of revenue income for the Co-operative and operational procedures shall be reviewed regularly in order to monitor their effectiveness. A quarterly report on rent arrears shall be prepared by the Head of Housing Services, to be circulated to senior staff and reported to the PA&R Sub Committee.
- 12.4 All other sums due and outstanding to the Co-operative shall be summarised within the quarterly management accounts.
- 12.5 Procedures relating to rents and other income generating areas shall incorporate information on debtor control including the basis for monitoring and reporting sums due.
- 12.6 All amounts written off as irrecoverable must be formally reported on and approved by Management Committee prior to the balances being written off.
- 12.7 Responsibility for Debtors control is as follows:
- Rent Arrears – Head of Housing Services
  - Rechargeable Repairs – Property Manager
  - Insurance Claims outstanding – Deputy Director / Property Manager
  - Wider Action Claims outstanding – Community Development Co-ordinator
  - All other sums due – Director / Deputy

### **13. Asset Controls**

- 13.1 The title deeds shall be held in the Co-operative's fire proof safe. The Deputy Director, Property and Corporate Services team will maintain a register of all title deeds.
- 13.2 The Co-operative shall maintain a fixed asset register detailing all 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.
- 13.3 The Co-operative shall undertake an annual review of the register to verify continued ownership and existence of these fixed assets. This task shall be undertaken by the Deputy Director / Finance Officer.



- 13.4 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 Co-operative. 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 6 monthly basis by the Finance Officer and held in an electronic format.
- 13.5 Details of any asset/equipment disposals, including details of sums received (if applicable), shall be reported to and authorised by the Management Committee.
- 13.6 The Head of Housing Services will ensure a register of all properties owned by the Co-operative is maintained and kept up to date. All properties are recorded within the Co-operative's property management system.
- 13.7 The Co-operative holds an additional register that complies with the requirements of component accounting 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. This task is undertaken by the finance team on an annual basis. Invoices for all replacements will be held electronically along with all other purchase invoices. These updates and the resultant journals shall be reviewed by the external auditor.
- 13.8 The depreciation policy for fixed and other assets will be defined by the Deputy Director in consultation with the external auditors, and will not be contrary to any general accepted accounting principles.

#### **14. Procurement, Contracts and Tendering**

- 14.1 All works, goods and services will be procured in accordance with the terms of the Co-operative's Procurement Policy.
- 14.2 Where necessary, quotations or tenders for goods or services will be obtained, according to the financial limits as detailed in the Procurement Policy.
- 14.3 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.

- 14.4 All contracts entered into by the Co-operative require the authorisation of the Management Committee.
- 14.5 Where contracts for new-build or maintenance projects, or for annual services, provide for payment to be made by instalments, the Finance Officer and Deputy Director shall keep records detailing the position of accounts on each contract, together with any other payments and the related professional fees.
- 14.6 Payment to contractors, whether on account or the final account, shall be made in accordance with current procedures.
- 14.7 The Management Committee shall be provided with quarterly updates on the progress of all contracts, including a summary of the finance position.
- 14.8 The Co-operative shall take account of Procurement thresholds as appropriate. When required and following approval by the Management Committee a procurement consultant may be used to ensure the Co-operative complies with all applicable Procurement legislation and requirements.

**15. New Projects**

- 15.1 Prior to committing the Co-operative to any new projects or activities a full options appraisal and financial assessment shall be carried out and reported to the Management Committee for consideration and approval.
- 15.2 In the event that the new project or activity results in a net financial cost to the Co-operative, the overall impact on the long term financial projections requires to be considered and reported on as part of the overall assessment report.
- 15.3 The Deputy Director shall be responsible for ensuring that adequate accounting systems are in place to enable the Co-operative to comply with The Scottish Government’s procedural conditions in connection with the receipt of Social Housing Grant and Allowances.
- 15.4 External specialist and legal advice shall be taken where appropriate.

**16. Books, Registers and Computer Data**

- 16.1 The following books and registers must be maintained by the Co-operative:

<b>Books and registers</b>	<b>Staff Member Responsible</b>
Petty Cash Record	Finance Assistant

<b>Books and registers</b>	<b>Staff Member Responsible</b>
Nominal ledger	Finance Assistant / Finance Officer
Purchase Ledger	Finance Assistant
Fixed Asset Register – Housing	Finance officer
Fixed Asset Register - Other	Finance officer
Property Register / Title Deeds Component Accounting	Deputy Director / Property Manager
Rent Ledger	Head of Housing Services
Register of Disposals	Director
Register of Fraud	Director
Register of Payments and Benefits	Director
Register of Interests	Director
Complaints Register	Director
Register of Gifts and Hospitality	Corporate Services Officer
Register of Members	Corporate Services Officer
Housing List – Prospective Members	Head of Housing Services
Phil Welsh Welfare Fund	Finance Assistant
Loans	Finance officer
Contracts	Senior Staff
Use of the Seal	Head of Housing Services Corporate Services Officer
Accidents	Corporate Services Officer

- 16.2 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.
- 16.3 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.
- 16.4 In conducting its operations the Co-operative must comply with all aspects of Data Protection Legislation and Regulations. All such matters are the responsibility of the Director.
- 16.5 The Co-operative's IT co-ordinator is the Deputy Director / Corporate Services Officer. They are systems administrators and user rights are noted within the Co-operative's IT policy.

## **17. Security**

- 17.1 Each Senior Officer is responsible for maintaining proper and adequate security at all times for buildings, furniture, equipment,

cash and other assets under their control. The Director is responsible for overall security and any risks to the Co-operative must be notified to the Director immediately.

- 17.2 The Deputy Director / Corporate Services Officer is responsible for ensuring that daily back-ups of computer data are made and that these are stored in a safe, remote location. Delegated authority may be passed to other members of the Corporate Services team when appropriate and agreed in advance.
- 17.3 Access to computer systems must be restricted by the appropriate use of passwords. Robust IT policies and procedures will be in place and adhered to by all staff and committee to prevent accidental or fraudulent misuse of our IT systems.
- 17.4 The Director shall 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 (2018) and the General Data Protection Regulations.
- 17.5 All current staff members are office key holders. The concierge station holds a set of office keys for emergency call out circumstances (e.g. alarm activations). All committee members have a single Yale key to enable access within normal working hours and to attend evening meetings when there is a staff member in attendance. All personnel holding keys are responsible for their safe keeping. The Co-operative has CCTV coverage of the office building.
- 17.6 Petty cash will be held in the office safe at all times unless in use. The Petty Cash float shall be checked on a monthly basis. The Phil Welsh Fund shall be held in the bank account and any monies will be paid either electronically or via petty cash with appropriate reconciliation.
- 17.7 The responsibility for the maintenance of the petty cash system on a day to day basis will be with the Finance Assistant, followed by the Finance Officer / Corporate Services Officer.
- 17.8 The safe is accessed via a key lock. Safe key holders are the Finance Officer and the Corporate Services Officer. At times of leave of either of these two employees, any other senior member of staff may hold a set of safe keys. The Finance Assistant may have access to the safe keys throughout the day to enable them to assist with routine financial duties.

17.9 Access to the safe is restricted to the:

- Finance Officer
- Corporate Services Officer
- Finance Assistant
- Director
- Deputy Director
- Head of Housing Services
- Property Manager

17.10 Other staff members will not be given access to the safe or retain possession of the petty cash tin keys. In all cases petty cash keys must be retained in the possession of the authorised staff member who, under no circumstances, should leave keys unattended.

17.11 A register shall be maintained by the Corporate Services Officer, of all items held within the safe. A regular check should be made to ensure all items are present in the safe.

17.12 The loss of office, property or petty cash/safe keys must be notified to the Director immediately.

## **18. Insurances**

18.1 The Director / Deputy Director / Corporate Services Officer will arrange all required insurance cover for all risks on behalf of the Co-operative. A specialist insurance broker will be used subject to Management Committee approval.

18.2 Where insurance premiums alone or combined exceed the thresholds for public procurement, the Co-operative will tender for insurance cover with the support of the broker. The Deputy Director is responsible for tendering, negotiating claims, maintaining records, and liaising with insurers and advisors.

18.3 Senior staff shall advise the Deputy Director in writing of events likely to result in a change to the Co-operative's insurance requirements including any potential new risks, any additional property and equipment. The Deputy Director will ensure that prompt notification, in writing, is given to the insurance company of all new risks, properties or equipment which require to be insured and of any alterations affecting existing insurance policies.

18.4 The Deputy Director, in consultation with senior staff, shall review all insurances during the year and report to the Management

Committee. This review will include details of future requirements and a report on insurance claims in the preceding year.

- 18.5 For insurance renewals, the proposal form will be completed and submitted to the insurance broker annually as required. The insurance premium will be incorporated into the annual budget. Property valuations will be carried out as required to ensure the correct level of cover is in place.
- 18.6 Staff will advise the Deputy Director of any event which may result in an insurance claim.
- 18.7 The submission of all property insurance claims is the responsibility of the Deputy Director / Property Manager. All other claims shall be dealt with by the Deputy Director. The Deputy Director will ensure that prompt notification, in writing, is given to the insurance company of any loss, liability or damage or any event likely to lead to a claim.
- 18.8 Prior to contracts commencing the Co-operative will ensure 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 Co-operative in advance of works commencing. The Property Manager will be responsible for ensuring that up to date details of contractor's public liability insurance and tax documentation are maintained through a series of monthly checks, obtaining new details as required. Senior staff will ensure any agreements negotiated with external bodies include legal liabilities to the Co-operative.
- 18.9 All staff will maintain appropriate insurance cover when using their own vehicles for business.
- 18.10 The Employer's Liability Insurance Certificate will be displayed in the public reception area for each place of business.

## **19. Risk Management**

- 19.1 The Co-operative's approach to managing risk is detailed within the Risk Management Policy.
- 19.2 All current activities, and proposals for new activities, will be subject to a risk assessment as specified in the Risk Management Policy and Strategy.
- 19.3 Where potential risks are identified the activity will be included in the current Risk Strategy together with measures to eliminate or minimise the risk.

19.4 The Deputy Director will provide the current risk strategy and a report to the Performance Assurance and Risk Sub Committee at least every six months, providing an update regarding progress to mitigate the key strategic risks to the Co-operative.

## **20. Value for Money**

20.1 The Co-operative 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.

20.2 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 Co-operative in its decision making process.

## **21. Treasury Management**

21.1 The Co-operative will comply with the Code of Practice on Treasury in the Public Services issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) (2017 Edition).

21.2 The Co-operative will maintain a treasury management policy statement stating the objectives and approach to risk management of its treasury management activities. The Co-operative will have suitable treasury management practices (TMP's), setting out the manner in which the Co-operative will seek to achieve those policies and objectives and prescribing how it will manage and control those activities

21.3 The Management Committee 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.

21.4 The Co-operative delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to the Director / Deputy / Finance Officer for the execution and administration of treasury management decisions.

## **22. Travel, Subsistence & Other Allowances**

22.1 All claims for payment of car allowances, subsistence allowances, travelling and incidental expenses shall be authorised and paid in

accordance with the Co-operative's policies and procedures on Committee Members' and Staff Expenses.

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

### **23. Gifts, Hospitality & Interests**

- 23.1 The giving and receiving of gifts and hospitality shall be in accordance with the Co-operative's Entitlements, Payments and Benefits Policy.
- 23.2 All Committee members and staff shall ensure that they declare any interest with regards to any aspect of the Co-operative's activities as required by the rules and regulatory requirements. The Director shall maintain a register of interests in accordance with the Co-operative's Entitlements, Payments and Benefits Policy.

### **24. Donations**

- 24.1 The Co-operative's approach to donations is detailed within the Donations Policy. All donations must be approved by the Management Committee.

### **25. Benchmarking and Performance Analysis**

- 25.1 The Director shall ensure that reports will be submitted to the Management Committee on the following areas:
- Analysis of Business Plan targets achieved
  - Comparison of results with the SHR published ratios and statistics
  - Comparison of results with the annual budget
  - Comparison of actual and estimated loan covenant results
  - Annual Return on the Charter (ARC)

The Management Committee may consider issues arising from the above in greater detail.

- 25.2 Senior staff are responsible for the provision of information relating to their department in line with an agreed timetable confirmed by the Director and included within the operational plan. When providing relevant data or statistics summaries, senior staff will save the detailed calculations or file attachments that represent the source of the summary data or statistics provided. The Director or a delegated representative shall audit relevant information provided in order to ensure accuracy and consistency of reporting.



## 26. Incurring and Authorising Expenditure

26.1 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.

26.2 The Management Committee 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 Scheme of Delegated Authority. No expenditure, capital or revenue, shall be incurred without adequate provision in the budget. Approval must be given by the Management Committee for any significant overspend in budget.

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

26.4 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.

26.4 Approval of Commitment to Spend

### Capital and Revenue Expenditure

a)	Under £20,000	Director or Deputy Director
b)	Over £20,000	Management Committee

### Capital Expenditure

d)	Purchase of a property	Management Committee
e)	Consultants Fees / Works Costs payments within approved contract sums	Director, Deputy Director, Property Manager
f)	Component replacement costs within approved contract sums	Director, Deputy Director, Property Manager

## Staff Appointments, Salaries & Staff Costs

g)	Staff structure and permanent appointments	Management Committee
h)	Temporary Staff	Director
i)	Salary Reviews	Management Committee
j)	Staff Expenses	Deputy Director / Corporate Services Officer / Finance Officer
k)	Committee Expenses	Director / Deputy Director / Finance Officer
l)	Director Expenses	Chairperson or other Office Bearer
m)	Overtime	Director, Deputy Director, Head of Housing Services and Concierge Manager within approved budget
n)	Redundancies / settlements	Management Committee

## Property Management Costs

o)	up to £1,000	Property Assistant
p)	Up to £5,000	Property Officer
q)	Up to £10,000	Property Manager
r)	Up to £20,000	Director, Deputy Director
s)	Over £20,000	Management Committee

## Office Administration and Other General Expenses

t)	Up to £500	Reception / Admin / Finance Assistant
u)	Up to £2,500	Corporate Services Officer / Finance Officer
v)	Up to £20,000	Director or Deputy Director
w)	Over £20,000	Management Committee

## Housing Management

x)	Legal fees up to £500	All Senior Staff
y)	Up to £20,000	Director or Deputy Director
z)	Over £20,000	Management Committee

The above noted have the same authority levels for authorising invoices for payment.

## 26.5 Budget Holders

Director / Deputy Director	Employee costs Insurance General legal fees Community development
Deputy Director / Property Manager	Reactive maintenance Cyclical maintenance Voids Lift maintenance Water Pumps & Ventilation Environmental Maintenance Concierge system maintenance Fibre network Landlord supplies Window cleaning Panel maintenance Heating servicing and maintenance Electrical testing Laundry maintenance Office maintenance
Head of Housing Services	Concierge running costs Rent collection fees Housing management legal fees Welfare benefit advice Phil Welsh fund Housing Officer budget
Finance Officer Corporate Services Officer	Donations Auditing fees Expenses Office power and running costs Payroll Agency Fees Other agency fees Office cleaning Computer maintenance Office equipment Printing, stationary and postage Water rates Training Recruitment Affiliation fees Telephones Health and safety

## 26.7 Authorised Signatories

<b>BACS Payment List</b>	
Prepared by	Finance Assistant / Admin Assistant
Authorised by	Finance Officer (or Corporate Services Officer in their absence)
<b>BACS Payment (online banking)</b>	
Prepared by	Finance Assistant / Admin Assistant
Authorised by	Finance Officer (or Corporate Services Officer)
<b>Grant Offers</b>	
Authorised by	Director / Deputy Director
<b>Grant Claims</b>	
Prepared by	Deputy Director
Authorised by	Director
<b>Loan Finance Draw Down</b>	
Prepared by	Deputy Director
Authorised by	Director

## 27. Equalities

27.1 We are committed to ensuring equal opportunities and fair treatment for all people in our work. In implementing this Policy, we will provide a fair and equal service to all people, irrespective of factors such as gender, race, disability, age, sexual orientation, language or social origin, or other personal attributes.

## 28. Policy Review

28.1 The financial regulations will be reviewed every 3 years unless required by:

- Changes in statute, regulatory guidance, rules, standing orders, staff structure or delegated authorities.
- Recommendation by Internal or External Auditors
- Operational experience

28.2 Only the Management Committee has the authority to make changes to the Financial Regulations.