

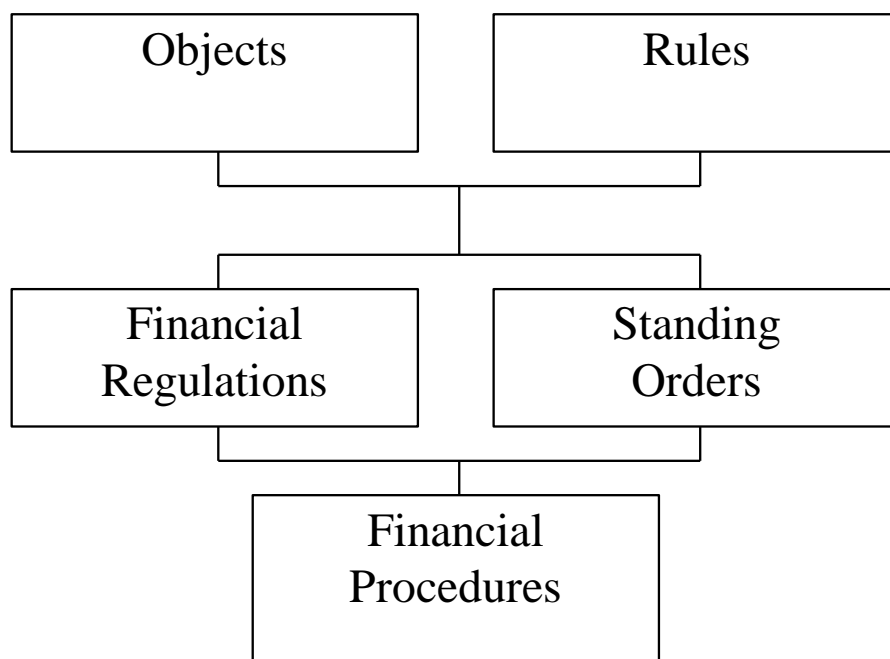
## Financial Regulations

### 1. Introduction

- 1.1. Abertay Housing Association Ltd (the Association) has adopted the following Financial Regulations. These form part of the Standing Orders of the Association. The purpose of these Financial Regulations is to define the principal policies and procedures that must be followed by all staff when dealing with the Association’s financial affairs.
- 1.2. These Financial Regulations comply with current good practice, legislation and the Scottish Housing Regulator’s (SHR) “Regulatory Standards on Governance and Financial Management”. Particularly relevant is Regulatory Standard 3, which states that “The RSL manages its resources to ensure its financial well-being, while maintaining rents at a level that tenants can afford to pay”.
- 1.3. The Association recognises that the SHR has a duty to set standards for how Registered Social Landlords (RSLs) manage their finances. They do this both through monitoring by its own staff and by encouraging self-monitoring by RSLs. The SHR has the power to take certain actions if it should identify significant weaknesses within the Association.

### 2. Relationship with Standing Orders

- 2.1. The Constitution of the Association is contained within its Rules. The Standing Orders of the Association detail how the Association will be run.
- 2.2. These Financial Regulations form part of the Standing Orders and detail the Financial Policies of the Association.
- 2.3. Separate Financial Procedures for various tasks are more specific than the Financial Regulations and set out precisely how the regulations will be implemented.
- 2.4. The relationship between these parts of the constitution may be illustrated as follows:



- 2.5. All members of staff will be issued with job descriptions and operating procedures relating to their department or area. These procedures should be read in the light of these regulations.

- 2.6. The Board and all staff are responsible for the observance of the Association's Standing Orders, Financial Regulations and detailed financial procedures in all aspects of their responsibilities.
- 2.7. Breaches of Standing Orders and Financial Regulations or Procedures, could lead to disciplinary action being taken against the staff member concerned. Each staff member is responsible for the security, custody and control of all resources within their sphere of responsibility.

### **3. The Board**

- 3.1. The Board acts for, and in the name of, the Association. It retains ultimate control and responsibility for all aspects of the Association's work and must ensure that its financial and legal responsibilities are properly fulfilled. It is ultimately responsible for regulating and controlling the finances of the Association.

#### **3.2. *The Chair***

The Chair is elected by the Board and will chair Board Meetings. Occasionally, action which would normally require the approval of the Board may be needed between meetings. In this situation, the Chief Executive can request that the Chair approve a course of action. This is known as a "Chair's Action" and will be reported to the Board at the next meeting.

#### **3.3. *The Board Member***

The duty of the Board Member is to the Association, its tenants, its staff and, more generally, where it is in receipt of public funds, to the community at large. All Board Members should therefore satisfy themselves that they have sufficient knowledge of the affairs of the Association and its background to be able to make properly informed decisions on matters affecting the Association. Board Members have a responsibility to advise the Chair if this is not the case.

#### **3.4. *Financial Control***

The Board must at all times:

- be in control of the Association's finances and ensure that, on a long term basis, it is likely to continue to be able to meet its liabilities as they become due;
- ensure that the Association operates as economically, efficiently and effectively as possible within the Association's overall objectives;
- ensure that its financial functions adequately match the scale of its activities;
- ensure that the annual audited accounts are prepared in accordance with current legal and accounting requirements, and the Association's Rules and that all statutory returns are completed within the required time period.

- 3.5. The Board is responsible for making, and maintaining, such Financial Regulations as it considers necessary and desirable for the supervision and control of the finances of the Association, in conformity with the Standing Orders.

- 3.6. The Board may give delegated authority to the Audit Finance and Risk Management Committee (AF&RMC) to deal with such matters as it deems appropriate.

### **4. Responsible Officers**

#### **4.1. *The Chief Executive***

The Chief Executive is responsible for managing the day to day operation of the Association within the overall approved budget as set out in the Scheme of Delegated Authorities.

#### **4.2. *The Corporate Services Director***

- 4.2.1. The Corporate Services Director is responsible to the Chief Executive for the overall administration and control of the Corporate Services Department and ensuring that procedures

are in place to monitor and control the Association's financial affairs. If circumstances arise where the Corporate Services Director has concerns with regard to the Chief Executive these should be reported to the AF&RMC in the first instance or directly to the Chair of the AF&RMC if urgent action is required.

#### 4.2.2. Responsibilities include:

- ensuring that proper books and records are maintained to meet the requirements of the appropriate constituting authorities;
- safeguarding the assets of the Association;
- maintaining efficient systems of financial control and reporting;
- assisting in long term planning;
- assisting in the preparation of the annual business plan;
- assisting in rent setting;
- co-ordinating the preparation of the annual budget;
- presenting management accounting reports to the AF&RMC on a timely basis;
- preparing the annual statutory accounts, liaising with the Association's external auditors and presenting the accounts to the Annual General Meeting;
- preparing financial returns required by regulators and other external parties;
- liaising with the Association's internal auditors and AF&RMC to agree and deliver the annual internal audit programme
- ensuring the Association has adequate insurance cover;
- ensuring that development projects at all times have the required level of funding, that all possible grants have been claimed and that adequate loan finance has been arranged;
- implementing and operating the Treasury Management Policy of the Association with regard to the loan portfolio and ensuring that surplus funds are invested to the benefit of the Association but with the minimum of risk and without contravening statutory restrictions and the Association's Rules; and
- ensuring that at all times the Board is kept informed on the Association's finances and financial performance.

## 5. Budget Preparation

- 5.1. The budget is to be prepared in a form agreed by the Board and must be in line with the objectives of the Association and its Business Plan.
- 5.2. It should clearly separate the revenue and capital programmes.
- 5.3. The budget for each financial year must be prepared and presented to the Board sufficiently far in advance of the start of the year to enable them to make informed decisions. This should normally mean the first draft of the budget being presented to the Board not less than four months before the start of the year.
- 5.4. Input to the budget should be provided by each manager on the revenue and costs for which they are responsible.
- 5.5. The budget should reflect all activities set out in the Association's Internal Management Plan for the relevant year.
- 5.6. The budget setting process will run concurrently with the annual rent setting process.

- 5.7. The budget will be discussed and approved by the Board before the start of the year to which it relates.
- 5.8. Once approved, the budget will be used as the basis for authority to incur expenditure, subject to income streams being realised, and for comparison with actual quarterly results.
- 5.9. The Board has power to delegate authority to spend up to the approved budget limit.
- 5.10. Financial forecasts should be submitted to the Scottish Housing Regulator and lenders in accordance with their requirements.

## **6. Budgetary Control**

- 6.1. Management Accounts, highlighting differences / variances between projected and budgeted income and expenditure will be reported to the AF&RMC by the Corporate Services Director every quarter, or as otherwise agreed by the Board. A projected final outturn will also be reported.
- 6.2. Where expenditure which is additional to that budgeted is identified, authorisation is to be sought from the Board for the overspend. The Chief Executive shall have authority to authorise overspend of up to an agreed amount per item as specified in the Scheme of Delegated Authorities of the Association in between meetings of the Board subject to a subsequent report to them.
- 6.3. The staff member who is responsible for each individual budget heading shall be clearly set out. Responsibility for ensuring that the Association operates within the overall budget set by Board lies with the Chief Executive.
- 6.4. The inclusion of items in approved revenue budgets or capital programmes shall constitute authority to incur such expenditure, unless the Board gives specific instructions otherwise.
- 6.5. Nothing in these Financial Regulations shall prevent a member of staff from incurring expenditure that is essential to meet any immediate needs created by a sudden emergency, subject to their action being reported forthwith to the Chief Executive and Board.
- 6.6. The Chief Executive and / or Corporate Services Director shall have authority to approve variations between budget headings (so that overruns of expenditure in one heading may be set against under spends in another) subject to approval of the Board.

## **7. Accounting**

- 7.1. All accounting procedures and records of the Association shall be determined by the Corporate Services Director in accordance with requirements of statutory agencies and authorities, and best practice.
- 7.2. The proper compiling of the Association's accounts and accounting records shall be the responsibility of the Corporate Services Director.
- 7.3. The following principles shall be observed as far as reasonably possible, in the allocation of accounting duties in order to ensure that proper segregation of duties exist:
  - the duties of providing information about money due to or from the Association and of calculating, checking and recording these sums shall be separated from the duty of collecting or paying them; and
  - members of staff charged with the duties of examining and checking the accounts of cash transactions shall not themselves be engaged in any of these transactions.

7.4. Intervals at which the books / records are updated are specified in the detailed financial procedures of the Association.

7.5. A chart of accounts will be maintained incorporating coding structures for the Association's books. Only the Corporate Services Director or the Finance Manager may authorise the insertion or deletion of codes in the chart of accounts.

## **8. Statutory Audit and Financial Statements**

8.1. The Association will comply with statutory and regulatory audit requirements.

8.2. The Association's financial year will be from 1 April to 31 March.

8.3. Draft accounts (together with audit schedules) will be prepared for the auditors by the time the audit commences at a date to be agreed with the External Auditor.

8.4. Draft accounts will be submitted to the Board at a meeting after the financial year-end and prior to the Annual General Meeting.

8.5. Final audited and signed accounts are to be completed within six months of the financial year end.

## **9. Internal Audit**

9.1. Under the independent control and direction of the internal auditor, an internal audit programme shall be arranged to review the soundness, adequacy and application of the financial and other internal controls established by the Board to:

- Achieve the Association's aims and objectives;
- Ensure the adequacy of internal controls;
- Ensure economical, efficient and effective use of resources;
- Ensure compliance with the Association's plans, policies and procedures;
- Ensure compliance with financial and tendering systems;
- Safeguard the Association from losses of all kinds including those arising from fraud, irregularity or corruption;
- Ensure the integrity and reliability of data and information; and
- Ensure the adequacy of follow up action to internal and external audit reports.

9.2. The Internal Auditor or his / her authorised representative shall have authority to:

- Enter at all reasonable times any Association premises or land;
- Access all records, documents and correspondence relating to any financial and other transactions of the Association;
- Require and receive such explanations as are necessary concerning any matter under examination; and
- Require any employee of the Association to produce cash, stores or any other Association property under his / her control.

9.3. Whenever any matter arises which involves, or is thought to involve, irregularities concerning cash, stores or other property of the Association or any suspected irregularity in the exercise of the functions of the Association, the staff member concerned should notify the Chief Executive and the Corporate Services Director without delay, who shall then take such steps as he / she considers necessary by way of investigation and report, such steps may involve notifying Internal Audit.

9.4. The Internal Auditor will report to the Association through the AF&RMC, who have delegated authority to agree the Internal Audit Plan, audit fees and make recommendations based on the Internal Auditors reports to the Board.

9.5. Nothing in the foregoing shall prevent the Internal Auditor from making direct contact with the Board through the Chairperson at any time.

## 10. **Banking**

10.1. Bank accounts held by the Association are specified in the detailed financial procedures of the Association.

10.2. All bank accounts will be reconciled on a monthly basis. These reconciliations are to be checked and signed by the Finance Manager.

10.3. All arrangements with the Association's bankers shall be made by or under arrangements approved by the Corporate Services Director who shall be authorised to operate such bank accounts, as they may consider necessary.

10.4. All cheques shall be ordered only on the authority of the Corporate Services Director or the Finance Manager, who shall make proper arrangements for their safe custody.

### 10.5. *Bank Mandates*

Payments must only be made in accordance with the Bank Mandates currently in force. A register of all persons authorised to make bank payments, and all authorised users of the electronic banking systems shall be maintained.

### 10.6. *Electronic Banking*

Access to any electronic banking systems will be available only to those users approved by the Board.

10.7. All income should, normally, be banked on the day of receipt. All income not banked on the day of receipt must be banked as soon as reasonably possible.

## 11. **Contracts**

11.1. The Association will follow good practice in tendering as set out in the Procurement Policy and Strategy and the Procurement Toolkit.

11.2. Further guidance on procuring goods, supplies and services is contained in the Association's Procurement Policy and Strategy, the Procurement Toolkit and in the Association's Scheme of Delegated Authorities.

11.3. Where contracts provide for payment to be made by instalments, the Finance and Admin Officer shall arrange for the keeping of a contract register or registers to show the state of accounts on each contract between the Association and the contractor, together with any other payments, retentions and the related professional fees.

11.4. Payments to contractors on account of contracts shall be made only on a certificate issued by the Property Services Manager (or architect, engineer or consultant where engaged by the Association) as appropriate, or by his / her deputy or other staff member nominated by him / her in writing for the purpose.

- 11.5. Subject to the provisions of the contract, in each case every variation shall, at his / her discretion, be authorised in writing by:
- the Property Services Manager, or other member of staff nominated by them in writing for the purpose; or
  - the consultant engaged by the Association when an outside consultant is appointed.
- 11.6. Any variation, where funding is not available, shall be reported to the Board as soon as practicable and, where practicable, work or expenditure shall be postponed until authorised by the Board.
- 11.7. The final certificates of completion of any contract shall not be issued until the appropriate identified staff member or external consultant has produced a detailed statement of account and all relevant documents, if required.
- 11.8. The Property Services Manager / Corporate Services Director shall, to the extent they consider necessary, examine final accounts for contracts and they shall be entitled to make all such enquiries and receive such information and explanations as they may require in order to satisfy themselves as to the accuracy of the accounts.
- 11.9. Claims from contractors in respect of matters not clearly within the terms of any existing contract shall be referred to the solicitor for consideration of the Association's legal liability and, where necessary, to the Corporate Services Director for financial consideration before a settlement is reached or before any offer of settlement is made.
- 11.10. Where completion of a contract is delayed beyond the contract period, it shall be the duty of the identified staff member concerned to consider and, where appropriate, to take action in respect of any claim for liquidated damages.
- 11.11. All staff members and consultants shall have regard to the requirements of the SHR in respect of matters relating to contracts.
- 11.12. The Property Services Manager will maintain a list of approved contractors / consultants which should be reviewed and updated regularly.

## **12. Depreciation**

- 12.1. All fixed assets owned by the Association will be depreciated over their expected useful lives.
- 12.2. Rates of depreciation for the different categories of fixed assets are set out in the Association's Statutory Accounts and authorised by the Corporate Services Director.
- 12.3. Small items of expenditure, such as office equipment costing below £750, are treated as repairs and replacements and written off in the year of purchase.

### **13. Housing Property Register**

- 13.1. A property register will be maintained, in a form to be determined by the Corporate Services Director, recording an adequate description for each house owned.
- 13.2. For each house owned, the property register, or an appropriate database will include the following where applicable:
  - purchase price and related costs, or construction cost;
  - date acquired;
  - current book value;
  - the value of any improvements which have been capitalised;
  - the amount of any depreciation charged on capitalised improvements each year;
  - any shared ownership houses will also state the current tranching position, and accordingly, items listed above will be adjusted in proportion to tranche levels; and
  - whether the property is held as bank security.

### **14. Fixed Asset Register**

- 14.1. A register of all furniture, fittings and equipment, plant and machinery and other capital equipment owned by the Association, shall be maintained in a form to be determined by the Corporate Services Director. This shall record for each item, its cost, date of purchase, annual depreciation and current book value.
- 14.2. Each identified staff member shall be responsible to the Corporate Services Director for maintaining an annual check of all items on the fixed asset register, and noting in the fixed asset register accordingly.
- 14.3. The Association's property shall not be removed other than in the ordinary course of the Association's business, or used other than for the Association's purposes except in accordance with specific directions issued by the identified staff member concerned.
- 14.4. General Housing scheme, Retirement Housing and Supported Accommodation equipment shall be separately identified and recorded.
- 14.5. Each identified staff member shall ensure that property and equipment is maintained in good working order.

### **15. Income**

- 15.1. The collection of all money due to the Association shall be under the supervision of the Corporate Services Director.
- 15.2. All staff members shall furnish the Corporate Services Director with details of work done, goods supplied or services rendered to third parties by the Association. The Corporate Services Director will ensure that accounts are then raised promptly for the recovery of income due.
- 15.3. The Corporate Services Director shall be notified promptly of all money due to the Association and of contracts, leases and other agreements entered into which involve the receipt of money by the Association. The Corporate Services Director shall have the right to inspect any documents or other evidence in this connection as they may decide.
- 15.4. All receipt forms, books, tickets and other such items shall be ordered and supplied on the authority of the Corporate Services Director who shall satisfy themselves as to the arrangements for their control.



- 15.5. All money received by a staff member on behalf of the Association shall, without delay, be paid to the Corporate Services Director or, as they may direct, to a bank account in the Association's name. No deduction may be made from such money except to the extent that the Corporate Services Director may specifically authorise. Each staff member who banks money shall enter on the paying-in slip a reference to the related debt.
- 15.6. Every transfer of money from one member of staff to another will be evidenced in the records by the signature of the receiving member of staff.
- 15.7. No income or amount due over the amount of £1,300 may be written-off as a bad debt without the authorisation of the Board. Amounts below this level may be written-off with the authority of the Chief Executive.
- 15.8. Donations of cash or other items shall be recorded. Donations should only be accepted in line with the Gifts and Hospitality Policy.
- 15.9. Income from the sale of properties will be received from our solicitors net of costs. The full income will be posted in the nominal ledger against sale of other housing stock, with the costs coded to the appropriate expenditure code.
- 16. Insurance**
- 16.1. The Corporate Services Director or other nominated responsible staff member shall effect all insurance cover and negotiate all claims in consultation with other staff members where necessary.
- 16.2. Staff members shall give prompt notification to the Corporate Services Director or other nominated responsible staff member of all new risks, properties, or vehicles which require to be insured and of any alterations affecting existing insurance policies.
- 16.3. All staff members shall notify the Corporate Services Director or other nominated responsible staff member as a matter of urgency, of any loss, liability or damage or any event likely to lead to a claim and inform the police if appropriate.
- 16.4. All appropriate employees of the Association shall be included in a suitable fidelity guarantee (crime) insurance policy.
- 16.5. The Corporate Services Director shall be responsible for reviewing all insurances at least annually.
- 16.6. The Corporate Services Director must be consulted at an early stage should the Association be asked to give any form of indemnity, for whatever reason.
- 17. Treasury Management**
- 17.1. The Association's rules regarding the management of its borrowing and cash reserves shall be set out in its Treasury Management Policy.
- 17.2. If appropriate, the Association may consider employing the services of investment managers or treasury advisers with appropriate qualifications.

- 17.3. The Corporate Services Director will monitor the performance of the above and be responsible for the investment of short-term cash deposits on the best possible terms. Regard should always be had for the security of any investment as well as the yield.
- 17.4. All investments of money under its control shall be made in the name of the Association or in the name of nominees approved by the Board.
- 17.5. All securities which are the property of (or in the name of) the Association or its nominees shall be held in the custody of the Association's bankers except where held by a lending authority.
- 17.6. All borrowings shall be in the name of the Association.
- 17.7. The Corporate Services Director shall maintain records of all borrowings of money by the Association.

## **18. Orders for the Supply of Goods or Services**

- 18.1. Official orders shall be issued for work, goods or services to be supplied to the Association where required by the supplier. Before placing any orders, the employee should ensure that the Association's policies on tender matters as detailed in the Procurement Policy have been properly applied.
- 18.2. Where an order relates to goods or services required to maintain the housing assets, a works order will be issued via the SDM system. These orders shall be controlled by the Property Services Manager, under procedures to be issued by them.
- 18.3. For all goods and services other than those covered above, an order from the official purchase order listing shall be completed where required. All orders will be placed in accordance with the Association's approved Delegated Authorities. All orders must be signed in accordance with the Delegated Authorities, before being placed with the supplier.

## **19. Expenditure**

- 19.1. Only employees designated in the Scheme of Delegated Authorities have authority to incur expenditure.
- 19.2. Designated budget holders are as set out below and may only incur expenditure for which they are responsible in line with the expenditure limits in the Association's Scheme of Delegated Authorities.
- |   |  |
|---|--|
| • Development Expenditure                   | Property Services Manager  |
| • Planned Maintenance Expenditure           | Property Services Manager  |
| • Reactive and Void Maintenance Expenditure | Property Services Manager  |
| • Other Expenditure                         | Corporate Services Director / Housing Services Manager / Property Services Manager / Senior Housing Officer as set out in the detailed budget. |
- 19.3. No expenditure, capital or revenue, shall be incurred without adequate provision in the budget, unless prior authority has been sought from the Board. Decisions to incur expenditure must also take into account the actual and anticipated level of income.
- 19.4. Apart from petty cash and other payments from advance accounts, the normal method of payment of money due from the Association shall be by cheque drawn on the Association's bank account or by electronic transfer through the Bankline system by signatories duly authorised by the Board.

19.5. All invoices received shall be date stamped on the date of receipt. A grid stamp shall be applied to record the checking of additions, verification and authorisation.

19.6. *Invoice Checking Procedures*

- Additions - must be checked to ensure numerical accuracy, and initialled to confirm this is so, by the person who carried out this check.
- Verification – all invoices must be signed as set out in the Scheme of Delegated Authorities to indicate that:
  - they have checked that the goods or service received was in accordance with what was ordered and was of an acceptable standard; and
  - the invoiced amount and details are in accordance with our order, and all discounts which we are entitled to have been applied.
- Authorisation- All invoices must be signed as set out in the Scheme of Delegated Authorities, to confirm that the cost is within the budget for the year approved by the Board.

19.7. *Trade Creditor Payments*

Invoices are paid within a month of their date, unless other trade terms have been specifically agreed with a supplier or the invoice is received too late to be processed before the next payment run.

19.8. *Override Procedure*

If a payment has to be made more quickly than the general rule and is not covered by the exceptions, then the date of payment should be marked on the authorised invoice and addressed to the Finance Department marked for special treatment.

19.9. Standing orders and direct debit instructions must be authorised by two signatories duly authorised by the Board. For the purposes of calculating the amount, the limit of authority will be determined by reference to the annual amount payable.

**20. Petty Cash and Postage**

20.1. Petty cash floats may be held at any of the Association's offices at the discretion of the Corporate Services Director. The level of floats will be determined by expenses flow and security considerations in accordance with the detailed financial procedures.

20.2. Employees authorised to approve petty cash vouchers are specified in the Association's Scheme of Delegated Authorities.

20.3. Reimbursement of a petty cash float will be made by restoring the float to its original level on completion of a cheque request for expenditure to date which will be approved by the Corporate Services Director or Finance Manager.

**21. Business Credit Cards**

21.1. The issue of credit cards to employees must be approved by the Board in advance.

21.2. Only valid business expenditure may be charged to the card. All expenditure must be authorised in the same way as other payments using the appropriate form.

21.3. It is the responsibility of the card holder to ensure that all expenditure is fully supported by invoices.

- 21.4. Any increases in the credit limits must be approved by the Board.
- 21.5. A list of current holders of business credit cards, and the credit limits on their cards will be maintained.

## **22. Salaries and Pensions**

- 22.1. Personnel records, including each employee's rate of pay, terms and conditions and job description, shall be maintained by the Corporate Services Officer.
- 22.2. Processing of the payroll each month will be carried out by the Finance & IT Officer, under the responsibility of the Corporate Services Director.
- 22.3. All changes to employee rates of pay will be prepared by the Finance & IT Officer, passed to the Corporate Services Officer and authorised by the Chief Executive, before being actioned by the Finance & IT Officer.
- 22.4. The Chief Executive will provide the Board with relevant information to enable Members to make a decision on the annual cost of living increase.
- 22.5. Salaries are paid on the 28<sup>th</sup> day each month (or on the nearest preceding working day if the 28<sup>th</sup> falls on a weekend or bank holiday).
- 22.6. All salary payments shall be made by the Corporate Services Director or under arrangements approved and controlled by them.
- 22.7. For new posts, the salary level will be recommended by the Chief Executive and approved by the Board.
- 22.8. All time records and other pay documents shall be in a form prescribed or approved by the Corporate Services Director.
- 22.9. Any overtime or extra pay, and the hours of staff on flexible hours contracts, must be authorised in writing by the Chief Executive. This authority cannot be delegated.
- 22.10. Each Manager shall be responsible for ensuring that the Corporate Services Officer is notified as soon as possible of all matters relating to personnel, such as:
- appointments, resignations, dismissals, suspensions, secondments and transfers; and
  - absences from duty for sickness or other reason, apart from approved leave.
- 22.11. The Corporate Services Officer is then responsible for passing the information relevant to the payroll and pension scheme on to the Finance & IT Officer.
- 22.12. Any advances of salary to employees must be authorised by the Chief Executive.

## **23. Security Procedures**

- 23.1. Each staff member of the Association, including Retirement Housing Co-ordinators and Caretakers, is responsible for maintaining proper security at all times for all buildings, stock, stores, furniture, equipment, cash, etc., under their control. They will consult their line manager in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.

- 23.2. Maximum limits for cash holdings shall be agreed with the Corporate Services Director and shall not be exceeded without their express permission.
- 23.3. Keys to safes or other similar containers are to be safeguarded by those responsible at all times; the loss of any such keys must be reported to the Corporate Services Director.
- 23.4. A register of key holders will be maintained at all times.
- 23.5. Access to the main office security alarm system will be controlled at all times.
- 23.6. A designated staff member shall be responsible for maintaining proper security and privacy of information held in a computer installation or for its use. The restriction of access to computer areas to authorised persons only and the use of passwords are the types of security control that will be instituted in accordance with the Association's Privacy and Data Protection Policy. Information relating to individuals held on computer will be subject to the provisions of the Data Protection Act and GDPR regulations. The Data Protection Officer will be specified by the Chief Executive.

#### **24. Travel and Subsistence**

- 24.1. All claims for payment of mileage and subsistence allowances, travelling and incidental expenses shall be submitted on a monthly claim form. These must be signed by the claimant and counter signed by the claimant's line manager or Director. The counter signature shall be taken to mean that the person certifying is satisfied that the journeys were authorised, and the expenses were properly and necessarily incurred for the purposes of the organisation, and that the allowances are properly payable by the Association.
- 24.2. Monthly expense claims shall be paid with the employee's salary, unless agreed otherwise by the Corporate Services Director.
- 24.3. Employees' claims submitted more than six months after the expenses were incurred will be paid only with the express approval of the Chief Executive.
- 24.4. The Chief Executive's claims must be approved by the Chair or Vice Chair. Payments to Board Members, including co-opted members of the Association or its Board, who are entitled to claim travelling or other allowances, will be made by the Corporate Services Director upon receipt of the prescribed form duly completed, and authorised by the Chair, Vice Chair, or Secretary of the Board.

#### **25. Writing-Off Irrecoverable Items of Income**

- 25.1. The Association will seek to recover outstanding balances from debtors in accordance with the Rent Arrears Policy and detailed financial procedures for debt recovery of other overdue accounts including factoring charges.
- 25.2. The Association will write off all established bad debts as soon as possible after it has been clearly established that it would not be commercially advantageous to pursue the debt further. The decision on whether a debt should be pursued further will depend on various factors including, whether the debtors address can be traced, whether the debtor is employed, the size of the debt, and the importance of being seen to be taking vigorous action.
- 25.3. Before any income is written off in the financial records of the Association, the approval of the Chief Executive must be obtained for write-offs of debts of up to the amount specified in the

Association's Scheme of Delegated Authorities (currently £1,300). The approval of the Chief Executive and the Board is required for all write-offs above the agreed amount.

- 25.4. No current tenant arrears shall be written-off and write-off does not prejudice the Association's right of recovery.

**26. Taxation**

- 26.1. The Association is recognised by HMRC as a charity for tax purposes and therefore benefits from the tax reliefs available to charities. This includes exemption from income and corporation tax, exemption from capital gains tax and business rates relief.

- 26.2. The Association does not under current legislation require to be VAT registered.

**27. Risk Management**

- 27.1. The Financial Regulations aim to put in place policies which reduce the risks to the Association's finances.

- 27.2. Financial Risks are comprehensively incorporated within the Association's Risk Management Framework.

**28. Equal Opportunities**

- 28.1. The protected characteristics enshrined in the Equality Act 2010 are respected when ensuring compliance with the Association's obligations in relation to the Financial Regulations.

**29. Policy Monitoring and Review**

- 29.1. The Corporate Services Director will monitor the implementation and operational effectiveness of the Financial Regulations.

- 29.2. The Financial Regulations will be reviewed every three years or as and when deemed necessary.