



## GROUP POLICY ON FINANCIAL REGULATIONS

<b>POLICY IMPLEMENTATION CHECKLIST</b>	
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Version number:	3.0
Approved by Chief Executive on:	August 2019
Approved by Caledonia Management Board:	20 August 2019
Approved by Cordale Management Committee of Management:	12 September 2019
Approved by Bellsmyre Management Committee of:	10 September 2019
Effective from:	August 2019
Due for review on:	August 2022
Diversity compliant:	Yes
Equality Impact Assessment required:	No
Data Protection compliant:	Yes
Health & Safety compliant:	Yes
Procedure implemented:	Yes
QL system changes made:	Yes
KPIs / reporting arrangements implemented:	Yes
Training Completed:	
Posted on intranet:	Yes
Posted on website:	Yes
Publicity material issued:	

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## **1 INTRODUCTION**

- 1.1 Caledonia Housing Group (referred to as the 'Group' in this document) comprises Caledonia Housing Association, Cordale Housing Association, Bellsmyre Housing Association and their subsidiaries.
- 1.2 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 Group's financial affairs.
- 1.3 These Regulations have been approved by the governing bodies of Caledonia, Cordale and Bellsmyre Housing Associations. They will be reviewed every three years as a minimum. The absence of such a formal review will not, however, cause these Regulations to lapse. These Regulations form part of the Standing Orders of the organisations.
- 1.4 It is the responsibility of the Group's Director of Finance & Governance to make arrangements to ensure that these Regulations are adhered to. The Group's Director of Finance & Governance may delegate such tasks as may appear appropriate from time to time. Such delegation may be explicit or may be implicit in the nature of an employee's title or job description. Failure to comply with these Regulations may lead to disciplinary action being taken against the employee or employees concerned.
- 1.5 The Group's Director of Finance & Governance is also responsible for the production of detailed financial procedures in relation to the matters covered by these Regulations.
- 1.6 A copy of these regulations will be placed on the Group's intranet. It is the responsibility of the Director of Finance & Governance to advise all other Directors that the Regulations have been updated and are available. It is the responsibility of Directors and Managers to ensure that their staff are furnished with access to the latest version of these Regulations and that they are aware of the implications for their work.

### **Abbreviations/Definitions**

- 1.7 "EMT" means Caledonia's Executive Management Team consisting of the Chief Executive, Director of Finance & Governance, Director of Customer Services, Director of Assets, Director of Strategy & Innovation, and Director of People. Where these Regulations require a decision from EMT, it must be recorded in the minutes of the meeting.
- 1.8 "Director" means Caledonia's Chief Executive, Director of Finance & Governance, Director of Customer Services, Director of Assets, Director of Strategy & Innovation, and Director of People. "Directors" should be construed accordingly.
- 1.9 "Managers" means Head of Frontline Services, Finance Manager, Governance Manager, Systems Team Manager, Strategy & Innovation Manager, Asset Manager, Development Manager, Customer Services Manager, Regional Managers and HR Manager. "Managers" should be construed accordingly.
- 1.10 "MTF" means the Group's Management Team Forum consisting of the Chief Executive, Director of Finance & Governance, Director of Customer Services, Director of Assets, Director of Strategy & Innovation, and Director of People, Head of Frontline Services, Finance Manager, Governance Manager, Systems Team Manager, Strategy & Innovation Manager, Asset Manager, Development Manager, Customer Services Manager, Regional Managers and HR Manager. Where these Regulations require a decision from MTF, it must be recorded in the minutes of the meeting.

- 1.11 “OMT” means Caledonia’s Operational Management Team consisting of the Head of Frontline Services, Finance Manager, Governance Manager, Systems Team Manager, Strategy & Innovation Manager, Asset Manager, Development Manager, Customer Services Manager, Regional Managers and HR Manager. Where these Regulations require a decision from OMT, it must be recorded in the minutes of the meeting.

#### **Non Charitable Subsidiaries**

- 1.13 The Group has a number of subsidiaries, namely Caledonia Ventures, Servite Solutions and Cordale Property Services. As part of ongoing Group business improvements, their Terms of Reference and Delegated Authorities will be reviewed and incorporated into these Group Standing Orders as appropriate

#### **General**

- 1.14 All references to financial limits are to figures that are inclusive of any applicable Value Added Tax.
- 1.15 These financial regulations will be reviewed in conjunction with Group Standing Orders and the Group Policy on Delegated Authority to avoid inconsistency.

## **2 FINANCIAL PLANNING, BUDGETARY CONTROL AND MANAGEMENT ACCOUNTING**

- 2.1 It is the responsibility of the Group Chief Executive to ensure that a business plan is prepared for the Caledonia Group. The Business Plan will include detailed financial forecasts for the organisation's operations for at least the next five years and summarised projections for the next thirty years. These forecasts must include summaries of the Group and Individual Statements of Comprehensive Income, Statements of Financial Position, and Cash Flows for the period of the plan, as well as key financial ratios, particularly those monitored by the organisation's funders and the Scottish Housing Regulator. In addition comprehensive sensitivity analyses will be carried out on the business plan base financial forecasts. The business plan is to be updated annually and the revised business plan should be presented to the Governing Body at or about the same time as the five year rolling budget.
- 2.2 It is the responsibility of the Director of Finance & Governance to ensure that financial forecasts, consistent with those approved by the Governing Body, are submitted to the Scottish Housing Regulator from time to time in accordance with the Scottish Housing Regulator's requirements. Financial forecasts will also be prepared in such a manner as to give useful information to the Directors.
- 2.3 It is the responsibility of the Director of Finance & Governance to ensure that a five year rolling budget is prepared for each organisation in the Caledonia Group. This budget must be prepared in sufficient time to present it to the Governing Body for its formal approval before the commencement of the financial year to which the budget relates. The budget will be consistent with the business plan priorities for each organisation in the Group.
- 2.4 In preparing the budget the Director of Finance & Governance will consult with and issue budget templates to the Executive Management Team (EMT) and such other staff as may from time to time be agreed by EMT. A draft budget will then be prepared which best meets the needs of each of the Group organisations, given the resources available
- 2.5 Before draft budgets are presented to each of the Governing Bodies, they will be considered by the Executive Management Team who will agree final drafts for presentation.
- 2.6 The format of the budget will be broadly in line with management accounts that are prepared for each of the Governing Bodies, unless any Governing Body has asked for specific additional information to be provided or for its format to be changed. Papers for each of the Governing Bodies will also provide a written commentary.
- 2.7 Each Director will be responsible for the budget for their Directorate. Accordingly, the Director of Finance & Governance will ensure that each Director is furnished with a budget setting out the amounts they are responsible for by 1 April each year.
- 2.8 The exercising of financial actions delegated to all officers of the Group is only permitted where the expenditure that would be committed is within budget, and is consistent with appropriate policies.
- 2.9 In the event that it is anticipated that the final outturn for an element of income or expenditure in the financial year will be materially different to the approved Budget, the variance and remedial action must be reported to the Governing Body via the quarterly management accounts.

- 2.10 Changes to the structure or number of senior staff (Directors) will require the Caledonia Governing Body's approval. Changes in the establishment of all other staff must be agreed by the EMT. All proposed changes must be contained within the budgetary parameters.
- 2.11 Committing any of the organisations in the Group to contracts which will need additional resources in future years will require the appropriate Governing Body's approval. Any proposal to lease assets, rather than commit to capital expenditure financed from capital budgets must be referred to the Director of Finance & Governance (together with reasons why leasing is the preferred means of acquiring the asset concerned) before commitment, for a review of the financial effects of leasing. Caledonia will capitalise the cost of assets acquired under most leasing arrangements. The authority to order leased assets will be based on the total payments under the lease. For example, if an asset is to be leased at a payment of £5,000 pa for six years, the person signing the lease must have authority to sign for expenditure of £30,000
- 2.12 The Director of Finance & Governance will ensure that each of the Governing Bodies is presented with management accounting information in line with the approved schedule of Governing Body meetings. The Finance Manager will also present monthly budget monitoring information to the OMT and EMT. In addition, the Finance Manager will provide such other management information to Directors as requested by the EMT
- 2.13 In all reports to each of the Governing Bodies, other than those for information only, where the paper identifies that there will be an implication for the finances of the organisation, the Director of Finance & Governance will be required to provide comments for inclusion in the report. These comments will include the anticipated financial risk in the financial year under review and the anticipated cost for a full five year planning cycle. Where there will be a substantial long-term commitment, and in particular when reviewing the financial consequences of bids to the Scottish Government, the effect on the organisation's longer term forecasts will also be identified.
- 2.14 It is the Group's policy to prepare its annual statutory accounts on an accruals basis. Given this, expenditure is incurred when the goods in question are delivered or the services in question are provided. In order for funds to be allocated to a particular year's budget, it will not be sufficient to merely order the goods, or to arrange for a supplier to supply an invoice dated within the financial year. Invoices should only be submitted by suppliers once the related goods or services have been received.
- 2.15 Monthly budget monitoring and quarterly management accounts will be prepared on the basis of commitment accounting where actual expenditure in the period plus all committed expenditure is included. In practice this means that if a contract is entered into or order placed for goods or services to be delivered at a future date this expenditure will be accounted for in the first available reporting period after the commitment.
- 2.16 For planned and cyclical maintenance budgets no more than one quarter of the annual budget can be committed in each quarterly reporting period.

### **3 INCOME AND WRITE OFFS**

- 3.1 Wherever practicable, all income received by post must be opened in the presence of two members of staff who should not be otherwise responsible for cash. All remittances received must be recorded in a register. This register is to be periodically and independently checked against bank statements.
- 3.2 All income (whether received through the post or not) of more than £1,500 must be banked on the day of receipt. All income not banked on the day of receipt must be banked by the end of the following working day.
- 3.3 The Finance Manager will issue guidance in relation to the handling of cash at housing developments with staffed offices.
- 3.4 Each organisation in the Group is to be safeguarded against loss of income by:
- prompt claiming of all Local Authority, Scottish Government, and other public body grants, subsidies and allowances
  - prompt registration of fair rents and service charges. Any decision not to re-register rents and service charges promptly must be approved by the Governing Body
  - prompt claiming of all charges payable by residents, local authorities, the Department for Work and Pensions and others for accommodation and care provided at each organisation in the Group
  - prompt notification to all tenants, shared owners, factored owners and other occupiers of any increases in charges due. This notification is to include advice that the resident concerned may need to re-apply for Housing Benefit
  - prompt action against all debtors and the institution of recovery proceedings
  - comprehensive accounting procedures and internal controls for all income sources.
  - All income must be banked gross and no expenses deducted from income
- 3.5 Changes to the rental debit equal to or less than one weeks rental income must be authorised by the Regional Manager all other changes must be authorised by the Director of Customer Services.
- 3.6 Outstanding rent arrears for former tenants and residents of less than one week's rental income may be written off on the authority of an appropriate Neighbourhood Officer. Outstanding rent arrears for former tenants and residents where these are for one month's rental income or less may be written off by the Area Team Leader. Outstanding rent arrears for former tenants and residents where these are for two months rental income or less may be written off by the Regional Manager. Outstanding amounts in excess of two months rental income shall only be written off on the authority of the Governing Body. It is the responsibility of the Director of Customer Services to ensure that irrecoverable amounts are written off promptly and to ensure that a review is carried out immediately prior to the year end. A summary of the amounts written off by staff should be presented to the Governing Body. In addition the Director of Finance & Governance will ensure that a provision is maintained equal to 100% of all former tenant and resident's debts plus selected current tenant and resident debts deemed to be at risk of default.
- 3.7 Non-recoverable other owner's costs and tenant's re-chargeable repairs up to £1,000 may be written off on the authority of the Regional Manager. Other outstanding amounts shall only be written off on the authority of the Governing Body. A summary of amounts written off by staff should be presented to the Governing Body annually.

- 3.8 Personal cheques will not be cashed, nor will IOU's be accepted out of money held on behalf of each organisation in the Group.
- 3.9 Any refund of rent to an existing or former tenant must be approved by a Team Leader or Regional Manager. In all cases refunds must be independently checked. The check must be evidenced on the requisition form.
- 3.10 The Group's Director of Customer Services or the Head of Frontline Services will be responsible for the negotiation and subsequent approval of all Supporting People Contracts issued by Local Authorities.
- 3.11 The Finance Manager will maintain a register of Supporting People Contracts and be responsible for the prompt claiming of all amounts due to be received.
- 3.12 The Director of Customer Services will issue formal instructions to staff detailing how rent arrears should be collected under the Group Arrears Management Policy. All rent and service charges and any other monies collected by staff based at housing developments must be dealt with in accordance with current procedures as directed by the Director of Finance & Governance. All monies must be banked according to the instructions in paragraph 3.2.
- 3.13 Contracts other than tenancy agreements which relate to income must be signed by a Manager or a Director, unless they are for an annual sum of more than £20,000, when they must be signed by a Director. Tenancy agreements may be signed by a Neighbourhood Officer.
- 3.14 Where any organisation in the Group invoices customers for work or services carried out, it is Group policy to require payment in 30 days, unless special circumstances exist. Special circumstances might include rental payments under a lease, where payment would be expected on the due date.

## **4 ORDERS**

- 4.1 Each Director will be responsible for all orders issued from his or her Directorate for goods to be supplied, work to be done or services rendered.
- 4.2 Purchase orders including maintenance orders will be on an official order form and must be authorised by the relevant member of staff as per the schedule of delegated authorities detailed below.
- 4.3 Staff authorising any order must ensure that the expenditure to be incurred is covered by one of the following sources:
- Funding authorities  
Approved budgetary provision
- 4.4 If it proves necessary to issue a verbal order, this must be confirmed by an official order within one working day.
- 4.5 Before placing any order, the member of staff concerned must ensure that the organisation's policies on tendering and quotation detailed below have been properly applied.
- 4.6 Official orders must be used for all work, goods or services to be supplied to the Group except for supplies of public utility services, or periodic payments such as rent or rates, for petty cash purchases or for any other exceptions that the Director of Finance & Governance or Caledonia's Finance Manager may approve from time to time. Special arrangements will be made for capital works (see section 7.15).
- 4.7 All orders will show the agreed price, or in cases where this is not practical, the estimated price. In the event that the subsequent invoice does not accord with the agreed price or exceeds an estimate by more than 10% or £50 whichever is the higher, the reason for this must be identified.
- 4.8 No order will be issued to any firm which has made an offer of hospitality outwith the Group's policy on Entitlements, Payments and Benefits to Governing Body Members or employees.
- 4.9 Orders may not be split or otherwise placed in a manner devised to avoid the financial thresholds.
- 4.10 Goods may not be taken on trial or loan in circumstances that could commit the Group to a future uncompetitive purchase.

## 5 ORDER AUTHORISATION

5.1 Limits (all limits include VAT and subject to available budget):

### **Caledonia Group**

#### **Level 1 – No limit**

Directors – Within Budget

#### **Level 2 – Limit of £10,000**

Head of Frontline Services

Managers

#### **Level 3 – Limit of £5,000**

Regional and Team Leaders

Management Accountant

#### **Level 4 – Limit of £1,000**

Officers

Home Help Co-ordinator

Housing Support Co-ordinator

Registered Managers

#### **Level 5 – Limit of £500**

Business Support Assistants

Customer Services Advisors

Cooks

Scheme Managers

5.2 Orders may only be authorised by post holders specifically identified on the above list.

5.3 No person should authorise an order or invoice until a copy of their signature has been lodged with Caledonia's Finance Team for control purposes.

5.4 The signatory list may only be amended on the authority of the Governing Body.

### **Notes to signatory limits**

5.5 Scheme Funds relate to specific schemes and may be expended on appropriate matters, subject to sufficient funds being available, upon the request of the relevant Neighbourhood Officer/Scheme Manager and authorisation in accordance with section 5 above.

## 6 TENDER AND QUOTATION MATTERS

### General Policy

- 6.1 Each organisation in the Group will follow good practice in selective tendering including references to published guidance by the European Union, the Scottish Government, The Scottish Housing Regulator and the Joint Contracts Tribunal.
- 6.2 Further guidance on procuring goods, supplies and services are contained in the Group's Procurement Policy.

### Placing of Orders or Contracts

- 6.3 The following procedures for placing orders or contracts shall be followed where the anticipated amount of the order or contract is:

Below £30,000	The EMT have discretion to decide whether competitive quotations are obtained, subject to agreed costs being reasonable in comparison to other providers
Between £30,000 and £50,000	At least three competitive quotations must be obtained and a record of the quotations kept.
Above £50,000	The Group's tendering procedures must be followed.

- 6.4 The only exceptions to the above are as follows. The use of any of the following will require the consent of the appropriate Director or Manager in accordance with the authorisation levels detailed in section 5

In relation to building works and development proposals:

where a developer or other party brings an opportunity to any of the organisations in the Group and the terms of the proposed arrangements will require the organisation to contract with a named building company

where consultants are being used and there is a reason to offer a particular firm the work (for example if they have unique skills or have carried out work at risk)

where works have been included as part of a schedule of rates contract which has been tendered in the usual way and the cost of the repairs does not exceed £50,000

where goods and services are sold at a fixed price and no satisfactory alternative is available

where goods and services are only available from a limited number of suppliers – in which case, a reasonable number should be invited to quote

where goods and materials are of a proprietary nature and no satisfactory alternative is available;

that for other definable reasons open competition would not be appropriate e.g. in the case of long-term agreements negotiated tenders or monopolies.

In relation to other business activities:

where external organisations are being used and there is a reason to offer a particular firm the work (for example if they have unique skills or have carried out work at risk)

where services are provided at a fixed price and no satisfactory alternative is available

where services are only available from a limited number of external organisations – in which case, a reasonable number should be invited to quote

### **Tender Openings**

6.5 Tenders will be opened in accordance with the Group Procurement Policy.

### **Other Matters**

6.6 Nothing in these arrangements shall prevent staff from instituting more formal arrangements than those detailed above, should they so decide in order to promote a spirit of competition.

6.7 All schedule of rates contracts, tenders, etc. must be approved by the appropriate Governing Body

## 7 PAYMENTS

- 7.1 Apart from petty cash expenditure, the normal method of payment of money due from each of the organisations in the Group will be by on-line transactions, or by BACS payment or by exception a cheque drawn on the organisation's bank account.
- 7.2 In the majority of cases all requests for payment will be subject to a matching process with the relevant order. Subject to pre-determined tolerance limits all invoices matching order values and/or quantities will be submitted for payment without further authorisation. Requests for payment falling out-with the pre-authorised order system will be subject to the undernoted controls
- 7.3 Staff authorised to approve payments are listed at section 5. The authoriser must be aligned to the Directorate where the expenditure will be charged.
- 7.4 Invoices must be authorised for payment by a staff member other than the one who originally placed the order. If an order is of such a size that both the order and invoice need to be signed by a Director, then the Director may do so, provided that the invoice is also signed by another member of staff. .
- 7.5 The approval of accounts for payment unless automatically matched to an order will be evidenced by the relevant member of staff signing and dating the original document. The signing off of an invoice for payment means that:
- the goods have been duly received, examined and approved in accordance with the specification, are satisfactory, and are in accordance with the contract or order;
  - the work done or services rendered have been satisfactorily carried out and where applicable the materials used were of the requisite standard.
  - the account is arithmetically correct and prices are in accordance with the original order
  - no other account has been paid in respect of the goods received or work done;
  - the relevant expenditure has been properly incurred on the organisation's legitimate business; and
  - the relevant expenditure has been properly coded.
- 7.6 Where invoices are paid against an order and goods received the person signing for the goods must ensure compliance with sections 7.4 and 7.5 above. Photocopies (including fax copies) of invoices will not be accepted unless certified by the supplier. The person signing off a copy of the original invoice will be required to confirm that the original has not been received or that it has (after enquiry) been lost.
- 7.7 Invoices for ordinary trade accounts must not be made out by employees of the organisation.
- 7.8 All statements sent by suppliers should be processed in accordance with financial procedures operating in the Group.
- 7.9 It is the Group's policy to make payments to suppliers within 30 days of the date on the invoice. The date on the invoice should be the date that the goods are supplied or the service rendered. In the event that such date has been pre-dated by the supplier, the correct date of the receipt should be shown on the invoice by the person approving it. The principal exceptions to this rule are as follows:-

**Works under JCT contracts or equivalent.** These will be paid by their contractual date which will generally be 14 or 21 days after the issue date of an architect's certificate, unless otherwise stated.

**Utilities (gas/telephone/electricity).** These will be paid on the next cheque run after their receipt in accordance with agreed financial procedures operating in and between each of the organisations in the Group.

**Business Rates and Water Rates.** These will be paid by their due date or by their last date for which discount can be claimed. Agreed financial procedures operating in and between each of the organisations in the Group, will ensure sufficient time for a cheque run to be carried out between the time of receipt and the time that they are due for payment.

**Loan interest and Capital Repayments.** These will be paid in accordance with the individual lenders terms as detailed in the facilities agreements

**Others.** Any other exception that may be agreed by the Finance Manager.

- 7.10 The cheque and BACS runs will be carried out once per week but additional payment runs can be made to ensure that payment to suppliers is made within 30 days, in order to meet Group policy or for urgent rent refunds to tenants. The Finance Team will consult with and issue advice to other Directorates as to payment arrangements on recognised public and Bank holidays.
- 7.11 Urgent payments will be made as far as possible by on-line transactions but exceptionally may be made by manual cheque
- 7.12 The Finance Manager may make other arrangements for payment of particular invoices e.g. CHAPS payments to speed up payments if deemed necessary.
- 7.13 Standing orders or direct debit instructions must be authorised by a member of staff in the relevant Directorate. For the purpose of calculating the amount, the limit of authority will be determined by reference to the annual amount payable. The use of standing orders or direct debits should be kept to a minimum.
- 7.14 Where an order is placed, then the receipt of goods may be signed for by anyone identified in the procedures detailed in paragraph 5
- 7.15 The Director of Assets, Director of Finance & Governance, Finance Manager, Asset Manager, and Development Manager are authorised to confirm payment for JCT building contract payments without limits which are certified by an appropriate external professional adviser and within budget. They may also approve payments without limit to solicitors for land purchase, provided the purchase has been approved by the Governing Body and the figure has been confirmed by the solicitor in writing.
- 7.16 Internal transfers between bank accounts held within Caledonia HA, Cordale HA or Bellsmyre HA may be authorised without limit by the Director of Finance & Governance or Finance Manager provided they fall within parameters laid down in the Group Treasury Management Policy. Under no circumstances can funds be transferred between Group entities unless subject to an inter-company lending agreement approved by each Association's Governing Body.
- 7.17 The payment of accounts is under the control of the Finance Manager and the right is reserved to scrutinise accounts and to ask such questions as are deemed necessary to ensure correct payment and safeguard the assets of the organisations in the Group.

## **8 PETTY CASH**

- 8.1 The Finance Team will provide certain locations in the Group with a petty cash float. All such floats shall be maintained on the imprest system.
- 8.2 Payments from petty cash will exclude the following:
  - staff expenses as defined in this policy
- 8.3 Petty cash should only be used for smaller items less than £100. Where a payment of more than £50 needs to be made, approval must be obtained from the Finance Manager. This approval should be obtained before the cash is expended or, if outside normal working hours, on the next working day.
- 8.4 Employees responsible for petty cash must obtain vouchers as evidence of disbursement by claimants wherever possible and in all cases where Value Added Tax is charged.
- 8.5 IOUs must not be used. No personal cheques will be cashed.
- 8.6 All claims for reimbursement of petty cash must be signed off by the manager in the location and team concerned. Agreed financial procedures operating in and between each of the organisations in the Group, will ensure claims will be treated as an invoice and be processed in the next cheque run in accordance with the timetables set out in section 7.10.
- 8.7 The Manager at the relevant location will be responsible for ensuring that all cash balances are kept in a locked cash box or safe. The Finance Manager must approve the key holding arrangements.
- 8.8 Imprest amounts are determined by expenditure levels and security considerations. The amounts may be varied from time to time on the authority of the Finance Manager upon the request of the relevant Manager

## **9 SALARIES AND WAGES**

- 9.1 Payment of all salaries and placement on a scale for new employees (subject to authorisation by a Director) will be made by the Finance Team under arrangements made by or agreed with the Finance Manager. Salaries will be paid on the third last working day of the month.
- 9.2 All amendments to pay and all information regarding appointments, terminations, resignations and other circumstances permanently affecting the remuneration of employees shall be authorised by the relevant Manager or Director, or in the case of scheme based staff, the Head of Frontline Services and sent to the Human Resources Team. Once authorised, the Human Resources Team will pass the details to the Finance Team who will ensure implementation and confirm the action taken back to the originator. All forms used for the purpose of communicating pay information must be in the format agreed by the Finance Manager and Human Resources Manager.
- 9.3 All changes to monthly salary must be notified to the Finance Team by the relevant staff by the 17th of the month in which the payment is to be made.
- 9.4 Directors have authority to authorise overtime payments within the budgetary limits. No one may authorise their own overtime.
- 9.5 All appointments of employees will be consistent with the Group conditions of service and employment policies. All payments to employees will be consistent with employees' contracts of employment.
- 9.6 All salaries will be paid through the payroll system and not through petty cash, regardless of how small the amount or how short the period of employment.
- 9.7 Any overpayments of salaries or wages will be recovered from the recipient as agreed by the Director of Finance & Governance who will have authority to write off overpayments of up to £250. Larger write offs will require the authority of the Chief Executive.
- 9.8 The HR Manager is responsible for ensuring that details of staff sickness are communicated to the Finance Team
- 9.9 The final payroll listing will be reviewed by the Finance Manager, Director of Finance & Governance, or Chief Executive before being released for payment. The person who prepared the payroll listing must not carry out the review.
- 9.10 All changes to fixed point salaries and/or salary scales including cost of living awards must be approved by the appropriate Governing Body

## 10 EXPENSES

- 10.1 The following items are regarded as expenses for the purposes of these Regulations:-  
travel and motor costs, subsistence, entertainment
- 10.2 Expense claims must be submitted on a regular basis, but no more frequently than monthly. All claims by employees for payment of travelling expenses, subsistence allowances or any other incidental expenses shall be submitted on the form required by the Finance Manager and comply with the regulations laid down from time to time. Certification of a claim will be taken to mean that all journeys are authorised and expenses are properly incurred on the business of the organisation.
- 10.3 All expenses will be paid through payroll. Expenses will be processed in accordance with the timetable set out in section 9.1 and 9.3 above.
- 10.4 Staff permitted to authorise expenses claims are set out at the end of this section. No person may authorise their own expenses.
- 10.5 The level of expenses to be paid is issued from time to time by the Finance Directorate. The circumstances under which they can be claimed are set out in staff terms and conditions of service.
- 10.6 Where a staff member regularly incurs significant expenses in the course of an organisation's business, the Finance Manager is authorised to issue an advance upon request by the relevant Manager. The advance will not exceed the normal monthly claim for the relevant employee. Similar arrangements will also be applied where an employee will incur significant expenses on a one off basis - e.g. when attending a conference. In these cases an advance may be made towards the expenses expected.
- 10.7 Staff permitted to authorise expenses claims are as follows:

<b>Expenses Incurred by:</b>	<b>Authorised by:</b>
Scheme Assistants / Home Helps	Scheme Manager and Home Help Co-ordinator
Scheme Managers	Area Team Leaders or Registered Manager
Other scheme based staff	Scheme Manager
Officers / Assistants	Team Leaders or Managers
Team Leader / Management Accountant	Manager
Regional Manager	Head of Frontline Services
Managers	Director
Head of Frontline Services	Director
Director	Chief Executive
Chief Executive (see 10.8 below)	Director of Finance & Governance
Caledonia Governing Body Board (excluding Chair) (see 10.8 below)	Chief Executive Director of Finance & Governance
Chair	Chief Executive

10.8 Caledonia's Chair should review expenses submitted by the Group Chief Executive and Governing Body Members from time to time and not less often than once in each financial year. For Cordale or Bellsmyre, the Director of Finance & Governance will assist the Chairs of Cordale and Bellsmyre in managing the equivalent task

## **11 BANKING**

11.1 In each of the organisations in the Group, all arrangements with the organisation's bankers will be made by the Director of Finance & Governance with the approval of the Governing Body. Banking services will be reviewed at intervals of no more than seven years.

11.2 In each of the organisations in Caledonia's Group, all cheques will be ordered only on the authority of the Director of Finance & Governance or the Finance Manager. The Finance Manager will be responsible for ensuring that proper arrangements are made for their safe custody.

11.3 The organisation will maintain an account or accounts with Allpay for the purposes of receiving tenants' and residents' rent.

11.4 Authority to sign cheques is delegated to:-

### **List A**

Chief Executive

Director of Finance & Governance

Director of Customer Services

Director of Assets

Director of Strategy & Innovation

Director of People

### **List B**

Finance Manager

Systems Team Manager

Area Managers

Asset Manager

Governance Manager

HR Manager

Development Manager

Customer Services Manager

Head of Frontline Services

Strategy & Innovation Manager

11.5 Authority to approve BACS Transfers is delegated to:-

**List A**

Chief Executive

Director of Finance & Governance

Director of Customer Services

Director of Assets

Director of Strategy & Innovation

Director of People

**List B**

Finance Manager

HR Manager

Customer Services Manager

Head of Frontline Services

Strategy & Innovation Manager

11.6 All cheques and automated payments for a sum of up to £5,000 must carry two signatures, from List A or List B. Where the cheque or automated payment is for more than £5,000, then the cheque or automated payment must carry two signatures at least one of which is from list A and the other from either List A or List B.

11.7 All bank standing orders or direct debit mandates must be signed by two of the authorised signatories indicated above. For the purpose of deciding the value of the standing order or direct debit, the annual amount payable should be used.

11.8 All bank accounts will be reconciled at intervals of not more than one month.

## 12 INSURANCES

- 12.1 The Director of Finance & Governance will be responsible for ensuring that each of the organisations in the Group is properly insured.
- 12.2 The Director of Finance & Governance will ensure that all risks are underwritten by well-established reputable offices with a minimum B++ rating.
- 12.3 The Director of Finance & Governance will ensure that all of the Group's properties are insured under a comprehensive housing stock and combined commercial insurance policy which meets the requirements of lenders who have secured their loans on specific properties
- 12.4 Insurances will also be maintained against the following risks / categories:-
- Public / Products liability
  - Employer's liability
  - Property owners liability
  - Governing Body member's liability
  - Fidelity guarantee
  - Building contents, including cash
  - Professional indemnity insurance
  - Medical malpractice (extra care facility)
  - Contractors all risks
  - Legal expenses
  - Computer
  - Engineering
  - Crime
  - Cyber Liability
- 12.5 All vehicles owned by each of the organisations in Caledonia's Group will be comprehensively insured with a reputable office.
- 12.6 The Director of Finance & Governance will also maintain personal accident insurance so that any employee suffering serious permanent disability or death as a result of an accident during and out with working hours will receive compensation of up to three years' salary or wages. Similar arrangements apply to Governing Body members where compensation will be a fixed sum. Payment will only be made to a member of Staff or Governing Body Member if payment is made by the insurance company.
- 12.7 It is the responsibility of Managers to ensure that the Director of Finance & Governance is notified of any new risks, properties or vehicles which require insurance and of alterations affecting existing insurances.
- 12.8 The Director of Finance & Governance / relevant Manager will make appropriate arrangements to ensure that claims can be promptly made and that records are maintained of the overall number of claims made against each policy.
- 12.9 The Director of Finance & Governance will review the organisations' insurances annually or more frequently and report on the results to the Governing Body.
- 12.10 Insurance arrangements for each of the organisations in Caledonia's Group will be retendered every fifth year (subject to long term agreements)

### **13 ACCOUNTING RECORDS AND AUDIT**

- 13.1 The Director of Finance & Governance will arrange to maintain accounting records of all the transactions entered into by each of the organisations in the Group.
- 13.2 The Director of Finance & Governance and anyone acting on the authority of the Director of Finance & Governance will have the right to access any information held in any part of the organisation for the purposes of ensuring that the organisation's funds have been properly accounted for. This right will also apply to Caledonia's Chief Executive and the Group's internal and external auditors.
- 13.3 The financial year of each of the organisations in the Group will be from the 1 April to 31 March. The Director of Finance & Governance will ensure that financial statements are prepared and audited in time to be approved by the Governing Body prior to its Annual General Meeting. After the Annual General Meeting, the Director of Finance & Governance will ensure that the accounts are filed with the Scottish Housing Regulator, Charities Regulator, and the Financial Conduct Authority within the timescales set by each body.
- 13.4 The financial statements of each of the organisations in the Group will be audited by a firm of auditors, qualified to carry out the audit in accordance with legislation and the Scottish Housing Regulator guidance, as approved in accordance with the organisation's Rules.
- 13.5 The Group Chief Executive will ensure that internal audit is carried out and that the Group Internal Auditor reports to the Audit & Risk Management Committee at least four times per annum.
- 13.6 The Director of Finance & Governance will ensure that an annual audit needs assessment is carried out by the Internal Auditors each year and submitted to the Audit & Risk Management Committee for approval prior to the commencement of internal audits.
- 13.7 The Director of Finance & Governance will ensure that all financial and general lending covenants are complied with and that submissions relating to annual and management accounts are completed within the timescales indicated in individual facility agreements.

## **14 AUTHORISED SIGNATORIES**

### **The Scottish Government scheme work forms**

14.1 The following signatories are authorised to make certification within scheme administration for development and finance purposes within the Group

14.2 For all Scottish Government and Local Authority documentation the following officers:-

Director of Assets  
Development Manager  
Director of Finance & Governance  
Finance Manager

14.3 All authorised signatories for the Scottish Government and equivalent Local Authority forms must be approved by Caledonia HA's Governing Body.

### **Other**

14.4 Directors have authority to sign returns to the Scottish Government, the National Statistical Office and other similar statutory bodies unless that body requires otherwise.

## **15 DISPOSALS - LAND**

- 15.1 All disposals of interests in land must be made in accordance with the Group disposals strategy, comply with procedures laid down by the Scottish Housing Regulator and be authorised by the Governing Body except as set out in this section.

Minor disposals of land up to £20,000 can be authorised by the EMT

Disposals between £20,000 and £120,000 must be authorised by the Governing Body.

Disposals of land in excess of £120,000 must be authorised by the Governing Body and the Scottish Housing Regulator must be notified as soon as reasonably practicable. Governing Body minutes, reports and valuations to be included in the notification

Granting Standard Security over social housing assets for any amount must be authorised by the Governing Body and the Scottish Housing Regulator must be notified as soon as reasonably practicable. Governing Body minutes, reports and valuations to be included in the notification.

### **Disposals - Other than Land or Property**

- 15.2 Other assets should be disposed of as follows:

Where an asset is estimated as being worth £2,000 or more it should be disposed of at market value on the authority of the Governing Body and in a way that secures the maximum proceeds for the organisation. If an asset is likely to be of interest to staff, and it is reasonable to do so, they should be given the opportunity of matching the best price in the market.

Where an asset is likely to be worth less than £2,000 the means of disposal should be at the discretion of the Director responsible for the asset or, in the absence of such a Director, the Chief Executive.

- 15.3 Under no circumstances may a Director approve the disposal of an asset to themselves. If the disposal is to the Chief Executive, this should be approved by the Director of Finance & Governance. If the disposal is to any Director this should be approved by the Chief Executive
- 15.4 In all circumstances, where assets are disposed of to staff or governing body members, the staff/governing body member concerned must pay a fair estimate of the market price to the organisation.