

Standing Orders and Delegated Authority Policy

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1. Introduction

- 1.1 These Standing Orders apply to Clyde Valley Group (CVG), incorporating Clyde Valley Housing Association (CVHA) as the parent organisation and Clyde Valley Property Services (CVPS) as subsidiaries.
- 1.2 They provide a framework within which staff should undertake their day-to-day duties and should be read in conjunction with the manuals and instructions issued from time to time covering the detailed procedures to be adopted.
- 1.3 All staff should be aware of, and be familiar with, Standing Orders, especially in so far as they affect their own role and the extent of their own authority.
- 1.4 Compliance with Standing Orders is an implied term of an employee's contract of employment for all entities within CVG. Staff are obliged to observe and fully comply with the provisions of Standing Orders and disregard for them may result in disciplinary action being taken.
- 1.5 The Standing Orders are reviewed every two years by the CVHA Board. Minor amendments may be agreed by the Leadership Team (LT), with any changes of substance being agreed by the CVHA Board.
- 1.6 As part of CVG's financial and governance controls this document outlines the levels of delegated authority which are required for decision making and for the committal of the Group's resources.
- 1.7 Appendix 1 details the financial authorities in place and Appendix 2 details the list of authorised signatories for the Group.

2. Clyde Valley Group Structure

- 2.1 Clyde Valley Group (CVG) is a dormant company which currently only exists as a named entity. It is the overarching brand for the various strands of the business.
- 2.2 There are currently 2 principal companies in the Group, namely CVHA and CVPS (for the purposes of this document we will refer to them as Group Members).
- 2.3 Clyde Valley Housing Association

Established in 1996, Clyde Valley Housing Association is the Group's parent company and also main operating company. It sets the Group's overall strategic direction and growth strategy and oversees Group performance. It delivers housing management services to all residents, as well asset management and responsive repairs services. It also delivers central support services.

- 2.4 Clyde Valley Property Services

Established in 2006, Clyde Valley Property Services is the Group's subsidiary property company. It provides homeowner services and delivers services under the three distinct brands below.

The sub brands are not legal entities and exist for the purposes of named entities.

2.5 Structure



- 2.6 Each Group Member has a constitution (through a set of Rules or Articles) which describes its objects, fundamental principles and how it will be governed. The legal status of each of the companies is as follows:
- 2.6.1 **Clyde Valley Group Limited (CVG)** is a company registered under the Companies Act 1985 as a dormant private limited company. It has no current legal activity or status. Its registration number with Companies House is 336233.
- 2.6.2 **Clyde Valley Housing Association Limited (CVHA)** is a registered Scottish Charity (Company No. SC037244). It is also a registered society with the FCA under the Co-operative and Community Benefit Societies Act 2014 (No. 2489RS). The Association abides by Model Rules (Scotland) 2013.
- 2.6.3 **Clyde Valley Property Services Limited (CVPS)** is a limited company registered at Companies House (Company No. 296739). CVPS is a wholly owned subsidiary of CVHA and as such, CVHA is the sole shareholder.

2.7 **Definitions**

2.7.1 A Registered Society is an organisation conducting an industry, business or trade, either as a co-operative or for the benefit of the community, and is registered under the Co-operative and Community Benefit Societies Act 2014. Societies are run for the benefit of the community and provide services for people other than their members.

2.7.2 A Charity is any institution established for charitable purposes. Certain charities are exempt from supervision by the Charity Commission because they are considered to be adequately supervised by, or accountable to, some other body or authority (FCA as a Registered Society). Exempt charities are entitled to exactly the same financial benefits as registered charities. They are entitled to claim:

- Relief from income tax, corporation tax and capital gains tax
- Exemption from inheritance tax; and
- Relief from business or non-domestic rates

2.8 **Boards**

2.8.1 Both CVHA and CVPS have a Board which is responsible for overall strategic direction, ensuring that it is properly governed and that it meets the legal and regulatory requirements of FCA, Companies House and the Scottish Housing Regulator. The Board's key role is to lead, direct, control, scrutinise and evaluate the work of the company and ensure that it achieves its aims and objectives.

2.8.2 CVHA has an Independence Agreement with CVPS. The purpose of this this Agreement is to record the relationship between the Parent and the Subsidiary Company, the responsibility of the Parent for setting policies and strategies for the Group and controlling its operation, and the framework within which the Subsidiary Company is to operate. This framework is to include policies and standards in key areas, including equalities and health and safety and an internal audit function in which the Subsidiary Company is to participate.

2.8.3 The Boards are made up of non-executive directors and individuals who together have a diverse range of skills, competencies and experience which enable the Boards to be effective in fulfilling their roles.

2.8.4 All matters relating to the composition, roles and functions of the Boards and the membership, recruitment, training, appraisal, terms of office etc. of Board Members are set out in the Group's Governance Manual.

2.9 **Committees**

2.9.1 Clyde Valley Housing Association has two standing committees which have their own remit and reporting structure:

- Finance Committee
- Audit and Risk Committee

2.9.2 Remits of both Committees are detailed at Appendices 3 and 4.

2.10 **Group Chief Executive and Directors**

- 2.10.1 The Clyde Valley Housing Association Board delegates the day-to-day running of the Group through the Group Chief Executive and the Directors, who have specific responsibility for recommending, advising on, implementing and reviewing Board policy and to whom individually and collectively the Clyde Valley Housing Association Board and Clyde Valley Property Services Board has delegated various powers.
- 2.10.2 The Group Chief Executive shall be appointed by a 'Selection Panel' of three Board Members including the Group Chair, in line with requirements of the Scottish Housing Regulator.
- 2.10.3 The Group Chief Executive may be dismissed by the Group Chair (acting with the Vice Chair) who may also invoke any appropriate disciplinary action as set out in the Group's Terms and Conditions of Employment for staff.
- 2.10.4 The Group Chief Executive may appeal against any disciplinary action invoked by the Group Chair to a Panel of three Group Board Members (which shall exclude the Group Chair).
- 2.10.5 In the absence of the Group Chief Executive, the Finance and Corporate Services Director will undertake the functions and roles of the Group Chief Executive as detailed.

2.11 **Group Chief Executive's Role and Functions**

The role and functions of the Group Chief Executive are as follows:

- i) To manage the affairs of the Group in accordance with the values, strategic objectives, Business Plan and the general policies and specific decisions of the Clyde Valley Housing Association Board. This includes ensuring that the cultural integrity of the Group is understood and adhered to and that diversity and good employment practices are achieved.
- ii) To help the Clyde Valley Housing Association Board determine the Group's policies and strategy.
- iii) To draw the Clyde Valley Housing Association Board's attention to matters that it should consider and decide.
- iv) To advise the Clyde Valley Housing Association Board on matters relating to the governance of the Group.
- v) To ensure that the Clyde Valley Housing Association Board is given the information necessary to perform its duties and in particular that the Clyde Valley Housing Association Board receives advice on matters concerning compliance with its Registered Rules, the law and the need to remain solvent.
- vi) To ensure that proper systems of control are established and maintained.
- vii) To supervise and pre-consider with the Leadership Team the preparation of reports and documentation for consideration by the Clyde Valley Housing Association Board.

- viii) To lead and to manage the Group's staff and ensure their performance is appraised.
- ix) To represent the Group at the highest levels and through membership of appropriate professional and housing bodies and organisations.
- x) To approve non material changes to Group Standing Orders.

2.12 Delegation

2.12.1 The Group Chief Executive and Directors shall have delegated authority for the following, for all Group Members. Specific provisions outlined for CVPS at (vi), however, also includes all other detailed provisions for CVPS from (i) to (v):

- i) Fully implementing the Group's risk management strategy.
- ii) Finance and Administration:
 - Making payments for revenue expenditure within the limits approved in the Annual Budget and subject to delegated authority.
 - Investing surplus cash balances and administering the Group's borrowings in accordance with the Treasury Management Policy of the Group.
 - Ensuring adequate security and insurance cover for all the Group's assets.
 - Appointing staff within the approved budget limits for posts up to Manager level. Appointments at Leadership Team level shall be made in conjunction with the Group Chief Executive and the appropriate Chair.
 - Carrying out the Group's statutory functions as an employer and ensuring a proper level of training for staff.
 - Convening meetings of the Clyde Valley Housing Association Board.
 - Complying with all the requirements of Companies House, the Financial Conduct Authority (FCA) and the Scottish Housing Regulator (SHR) in relation to the Rules of the Members of the Group and the conduct of its affairs.
 - Preparing, issuing and updating Standing Orders, Health & Safety, Financial, IT, Development, Operations, Audit etc. policies and procedural manuals and Human Resources procedures and guidance, covering all areas of the Group's work, to which staff should adhere in the performance of their duties.
 - Ensuring an effective internal audit of all the Group's systems and taking steps to remedy weaknesses identified.
- iii) Development
 - Signing all contracts for the purchase of land or related assets and executing building contracts not required under seal in accordance with delegated authorities.

- Proposing projects in accordance with the policies of the Clyde Valley Housing Association Board.
- Appointing consultants in accordance with the Group's Procurement Strategy.
- Appointing contractors in accordance with the Group's Procurement Strategy.
- Fulfilling the requirements of the SHR in relation to new developments.
- Delivering projects in line with Group Procedures
- Periodically updating the Development manuals.
- It shall be the responsibility of the Group Member Directors at all times to ensure that the requirements of the Group in respect of capacity, financial standing, insurance cover and taxation are complied with by the firms involved.

iv) Housing Management and Maintenance

- Allocation of tenancies in accordance with the Group Member's published policies and statutory requirements.
- Ensuring compliance with landlord and tenant responsibilities set out with tenancy agreements and all relevant statutory requirements, including repairs responsibilities.
- Setting and collecting rents and service charges.
- Pursuing arrears and credit balances and initiating write-offs within the limits specified in Group Standing Orders.
- Appointing contractors and consultants in accordance with the Group's Procurement Strategy.
- Consulting tenants and representative groups in accordance with statutory requirements, policies on customer engagement and the Scottish Social Housing Charter.

v) Asset Management

- Proposing planned maintenance programmes in accordance with the Group's asset management strategy and plans.
- Appointing consultants in accordance with the Group's Procurement Strategy.
- Appointing contractors in accordance with the Group's Procurement Strategy.
- It shall be the responsibility of the Group Member Directors at all times to ensure that the requirements of the Group in respect of capacity, financial

standing, insurance cover and taxation are complied with by the firms involved.

vi) CVPS

- Management of tenancies in accordance with the Group Member's published policies and statutory requirements.
- Ensuring compliance with landlord and tenant responsibilities set out with tenancy agreements and all relevant statutory requirements, including repairs responsibilities.
- Setting and collecting rents and service charges.
- Setting and collecting management fee for factoring service.
- Pursuing arrears and credit balances and initiating write-offs within the limits specified in Group Standing Orders.
- Appointing consultants in accordance with the Group's Procurement Strategy.
- Appointing contractors in accordance with the Group's Procurement Strategy.
- Consulting owners and representative groups in accordance with statutory requirements, policies on customer engagement and the Scottish Social Housing Charter.

2.13 **Company Secretarial**

2.13.1 Both CVHA and CVPS are required by Rules and Articles (constitution) to have a Company Secretary. The role of the Company Secretary is laid down in the respective constitutions and includes:

- Summoning and attending all meetings of the Group member and its Board and keeping minutes of those meetings
- keeping registers and other books as determined by the Board
- making any regulatory returns on behalf of the Legal Entity
- having charge of the seal (if any)
- being responsible for ensuring the compliance of the Legal Entity member with its Constitution

2.13.2 The Clyde Valley Housing Association Board, together with senior management, will ensure that all Group members are operating within the permitted boundaries as laid down in their Constitutions, Rules and/or Articles.

2.13.3 All Group Members are required to provide all information requested by the relevant Company Secretary within the required timescales.

2.14 **Signing and/or Sealing of Documents**

2.14.1 The Group Company Secretary will periodically review the Authorised Signatory Lists for signing and sealing documents on behalf of the Boards of the Group members. Any

changes will be agreed by the Leadership Team and the relevant Board.

2.15 **Probity**

2.15.1 Clyde Valley Group has a Payments and Benefits for staff and Board members. The key principle of the Policy is to ensure that all of the Group's staff and Board Members exhibit the highest standards of conduct in everything that they do, maintaining the reputation of the sector and of CVG.

2.15.2 Each year all staff and Board members will complete a Declaration of Interest Form and a summary of any potential conflicts will be reported to the Board and recorded in the relevant register.

3. **Financial Regulations**

3.1 **Introduction**

3.1.1 The Group will operate to high business standards and best practices. Exemplary standards of probity and conduct are expected of all Board Members and staff.

3.1.2 Clyde Valley Housing Association Board is responsible for regulating and controlling the overall finances of the Group. The relevant General Member Boards are responsible for controlling the finances of the relevant company and for finances delegated by the Parent member.

3.1.3 The Group Chief Executive will co-ordinate the financial activities through the Finance Director and identified staff to ensure that the Financial Regulations and detailed financial procedures are observed at all times.

3.1.4 All members of staff are required to be familiar with the Financial Regulations and Standing Orders and comply with them.

3.2 **Accounting Policies and Procedures**

3.2.1 The Finance Director will ensure that all financial and management accounts are produced and are prepared in accordance with Group accounting policies.

3.2.2 Group accounting policies are determined and set by the Finance Director subject to approval by CVHA Board. Any accounting treatment required but not specified in Group accounting policies should be discussed with the Finance Director.

3.2.3 Accounts and accounting practices will comply with the relevant accounting requirements of the Regulator, accounting standards and other relevant statutory authorities or legislation.

3.2.4 All accounting procedures and records of the Group shall be determined by the Finance Director who will be responsible for ensuring that accounting records are kept up to date and in accordance with approved Standing Orders, regulations and procedures and in accordance with accepted accounting practices.

3.2.5 Each Group Member will approve its audited annual financial statements, prepared in accordance with relevant legislation and best accounting practice, as soon as possible after the financial year end.

3.2.6 The Finance Director will submit the Group's audited annual financial statements, to the Board for recommendation to members at the Annual General Meeting. The Finance Director will make arrangements to ensure that such financial statements are lodged with the relevant Regulatory Bodies.

3.3 **Business Planning**

3.3.1 The Group Chief Executive is responsible for ensuring that the annual Business Planning process is executed each year. CVHA Board is responsible for setting financial targets which must be achieved by the Group and/or other Group members.

3.3.2 Each Group Member will consider its own five-year Financial Plan each year which will be extended to a thirty year forecast where necessary to comply with funding and SHR requirements. This will then be recommended to CVHA Board for approval. This will include identification of the implications of key sensitivities.

3.3.3 Financial Plans and budgets for each Group Member will be prepared in line with annual Budget Setting Process. These will be considered by the Boards of all General Members and approved by the CVHA Board. Quarterly management accounts in respect of the Group will be reviewed by Finance Committee of CVHA and in respect of the subsidiary by Board of CVPS.

3.3.4 The Finance Director will be responsible for the production each year of a five-year Viability Statement as required by SHR which will be presented to CVHA Board.

3.3.5 In order to ensure that all relevant risks are addressed by Business Plans, the Business Plan process will take account of the quarterly updated Group and relevant Group Members risk registers.

3.3.6 The Financial Plan will generally only be updated during the year for any known *material* variations to the current year budget. The Group Chief Executive and Finance Director will determine whether such updates are required. Any updates must be submitted to the Boards of the relevant Group Member, as part of the request for approval of any revised budget.

3.3.7 Staff shall consult with the Finance Director on any matter which is liable to materially affect the finances of the Group before any commitment is incurred or before reporting the matter to any Committee or the Board.

3.4 **Budget Setting, Reporting and Control**

3.4.1 The CVHA Board will consider the overall Group budget before the start of each financial year. This budget will detail for the year ahead financial consequences of projected activity and highlight sources of income to meet both revenue and capital expenditure. Quarterly management accounts will be reviewed by Finance Committee of CVHA and Board of CVPS.

3.4.2 The financial provisions of the budget will be within the financial parameters set down in the Business Plan and will comply with financial covenants set down by Funders in long-term loan agreements entered into by the Association and any budget assumptions and financial targets set by the Leadership Team and CVHA Board.

3.4.3 The financial provisions of the budget will be prepared, taking into account accepted accounting practices and guidelines issued by the regulator as appropriate.

- 3.4.4 The Finance Director will present the consolidated budget to CVHA Board.
- 3.4.5 Directors and staff are responsible for providing such information as is required by the Finance Director for compilation of the annual budgets.
- 3.4.6 The Finance Director must ensure that adequate budgetary control and monitoring mechanisms are in place across all areas of the Group's business. This will include a secure framework for budget delegation and regular variance reporting to the relevant staff, management and Board.
- 3.4.7 Budget holders must be approved and identified by a member of the relevant Leadership Team for each budget head and are responsible for the financial control of that revenue or capital budget. Although the budget holder has overall authority, they may delegate this responsibility to other officers who must be made fully aware of their authority levels and limits. No expenditure should be committed unless:
- The individual concerned has authority to incur such expenditure, and
 - Any other regulation (e.g. Procurement Strategy and Manual) concerning the type of expenditure involved has been complied with.
- 3.4.8 The inclusion of any item in the approved budget confers authority to the approved budget holder to raise income and incur such expenditure, subject to compliance with relevant standing orders and financial procedures and following approved procedures.
- 3.4.9 CVHA Finance Committee and all relevant Boards will receive a Management Account report including comparisons against budget each quarter.
- 3.4.10 Provided that the overall Business Plan and annual budget for the Group Members for the year or subsequent years will not be exceeded, the process for approval for variations to the budget is as follows:
- (1) The Group Chief Executive or each relevant Group Member Director may approve the virement of expenditure between budget headings.
 - (2) Any Director may approve any action which incurs additional expenditure if specific additional income or reduction in other expenditure of at least equal value has become available.
 - (3) Virement from certain budget headings may be prohibited as notified by the Leadership Team.
- 3.4.11 If at any time during the financial year it becomes apparent that there will be a material adverse variance on the overall Group Member budget (i.e. compensatory savings cannot be found elsewhere), the matter must be reported to the relevant Group Member Director and highlighted to the Finance Director who must establish the impact on covenant compliance for immediate approval and highlighted at the next available Board meeting for retrospective approval. Where the adverse variance identified exceeds 1% of the Group Member turnover, the matter must be reported to the relevant Group Member Chair and the Group Member Director or Group Chief Executive for approval and highlighted at the next available Board meeting.
- 3.4.12 Where one Group Member within the Group manages stock for another Group Member, all budgetary, monitoring and control responsibilities for the stock in management will pass to the managing association. The managing Group Board will receive quarterly financial reports for the stock in management although the owning Group Member will continue to receive reports on their overall position.

3.5 **Orders for Work, Goods and Services**

This section should be read in conjunction with the Procurement Strategy and Manual.

Orders should only be placed after relevant quotations/tenders have been sought in accordance with the regulations set out in this document.

- 3.5.1 Official orders shall be issued for all work, goods or services to be supplied except where an annual contract or agreement overrides the requirement for an individual order to be placed, or for expenditure that the Finance Director may approve otherwise (see Finance Regulations). Such orders must be authorised by officers approved on the Group's list of authorised signatories.
- 3.5.2 Orders shall not be given for work, goods or services unless the cost is covered in the approved budget or by any special financial provision in accordance with these regulations.
- 3.5.3 If relevant, each order shall conform with the Group's policies with respect to central purchasing and the standardisation of supplies and materials.
- 3.5.4 Telephone or verbal orders should only be used in exceptional circumstances and must be confirmed within 48 hours using an official order form.

3.6 **Payments for Goods and Services**

- 3.6.1 The normal method of payment of money due is by BACS/electronic transfer/cheque drawn on one of the Group's bank accounts and signed or approved by signatories authorised by CVHA Board. Standing Orders or Direct Debits can also be used where required, e.g. utilities etc.
- 3.6.2 The Finance Director can also authorise the use of procurement cards where deemed appropriate. The limits on these will be set by the Finance Director and use of these cards must always comply with the procurement card procedures/guidelines.
- 3.6.3 Automated payments must conform to the requirements of the Group's Financial Procedures.
- 3.6.4 Under no circumstances must any payment request be authorised by the payee or by an officer not on the authorisation list.
- 3.6.5 Levels of authority are listed on each Group's authorised signatories list which is periodically reviewed and approved by the Finance Director.
- 3.6.6 Invoices and Cheque requisitions:
 - Finance will maintain a list of authorised signatories and must be notified immediately of any changes.
 - Payments for goods and services shall only be made where a purchase order, invoice or payment requisition has been approved by one of the authorised officers of the Group. In the absence of the "authorised officer", their nominated deputy or immediate superior/manager as appropriate is empowered to certify orders and invoices for payment.

- The Finance Director will maintain a schedule of invoice and payments authorisation limits which will be reviewed annually.
- All computer cheques and chequebooks should be stored in a safe, cupboard or desk as appropriate, which should be kept locked when unattended.

3.7 **Fixed Assets Including Acquisition and Disposal**

- 3.7.1 This section covers capital expenditure which is defined as any single asset with a useful life of more than one year above a limit set by the Finance Director. The Finance directorate will maintain formal asset registers for these items for each Group member.
- 3.7.2 In all cases authority to incur capital expenditure is subject to the associated annual revenue costs being contained within the approved budget.
- 3.7.3 Where the transaction comprises a number of individual components or is part of a planned programme of work, any value limits should be construed as applying to the total cost. (For example, reactive repairs would include several items of expenditure, but the authority level should be based on the total cost).
- 3.7.4 All acquisition of assets must be in accordance with the Group procurement protocols, the development scheme appraisal procedure, the system of delegated authority and the annual budget provision.
- 3.7.5 The Finance Director will ensure that a property register of all assets held or managed by the Group is maintained.
- 3.7.6 Company Secretaries will ensure that all disposals of land comply with regulators guidance.
- 3.7.7 The CVHA Board must approve all major disposals and any disposals that require the regulators individual sealed consent and for, prior to contracts being exchanged.

3.8 **Scheme Approvals and Delegated Authorities**

- 3.8.1 To ensure the financial viability of the Group and to demonstrate excellent risk management and governance there must be a clear and transparent audit trail for capital investment decisions made by each Group member.
- 3.8.2 The annual Business Plan and Budget will contain a list of capital investments for consideration for both CVHA and CVPS. Any social housing investments will be subject to core criteria including:
- Comply with Group's viability model,
 - That it's meets CVG's Corporate Strategy and overall growth strategy;
 - That it fits within the local authority Local Housing Strategies and Strategy Housing Investment Plans (SHIP).
- 3.8.3 If during the year sites are not progressed for a number of factors then the Investment Director can substitute these for alternative sites, which meet the above criteria and fall within previously approved overall budget figures for the year.
- 3.8.4 CVPS Board will consider ad-hoc business cases for any capital investment; however, they should also be able to demonstrate compliance with the Group's viability model.

3.8.5 Any projects outside approved Budget must be submitted to the Clyde Valley Housing Association Board for consideration.

3.9 **Bad Debts and Write Offs**

3.9.1 The review, and where necessary, writing-off of arrears, credit balances and sundry debts shall be undertaken on a quarterly basis in line with the Bad Debt Policy.

3.9.2 CVHA Finance Committee and CVPS Board will receive a regular report summarising those bad debts write-offs made under delegated authority and requesting approval to those write-offs over the agreed limit. Each Board have authority for write-offs for their respective bad debts, in line with the Bad Debt Policy.

3.10 **Income**

3.10.1 The Finance Director will ensure that suitable controls are in place for the proper recording and accounting for all income receivable, and its collection and banking. Examples of these include contracts, leases and other arrangements and agreements entered into which involve the receipt of money to the Group

3.10.2 No employee or Member of the Group shall cause charges to be made or receive income on behalf of the Group unless:

- It has been approved by CVHA Board.
- It is charged or received in the name of the Group or solicitors or other person specifically appointed to act in that capacity on the Group's behalf.
- The individual concerned has specific authority to raise such charges or receive such income.

3.10.3 All cash and cheques received by employees of the Group must be banked in accordance with procedures within the Finance Regulations, which will be the responsibility of the Finance Director.

3.10.4 Only official receipts should be used.

3.11 **Stock**

3.11.1 Records shall be maintained of housing property stock and work in progress, banked land, and other goods and materials (if appropriate depending on value).

3.11.2 Each Director will be responsible for the care and custody of other stock and stores in their directorates. Stock shall not be in excess of reasonable requirements except in special circumstances approved by the Directors.

3.12 **Insurance**

3.12.1 Directors have the responsibility for identifying and ensuring that the assets of the Group are adequately insured and for ensuring that there is appropriate indemnity cover against the risks arising from the business of the Group. Where elements of self-insurance are in place these will be reviewed regularly to ensure they are still appropriate.

3.12.2 The Customer Services Director will ensure that all insurance policies are in force and risk measures are in place.

3.12.3 Directors should give prompt notification, in writing, to the Customer Services Director of:

- The extent and nature of any new potential risk or any alteration to property or services which may affect existing or necessitate additional covers.
- Any incident which may subsequently be the subject of a liability claim against the Group.

3.13 **Banking Arrangements**

3.13.1 Accounts will be maintained with institutions as contained within the Treasury Management Policy as authorised by the CVHA Board. The Chief Executive and Finance Director will be responsible for arrangements made with financial institutions, and these will be reviewed annually.

3.13.2 Any substantive changes proposed must be approved by CVHA Board.

3.13.3 All cheques shall be ordered on the authority of the Finance Director who shall make arrangements for their safe custody. The Finance Director will also make arrangements for the security of BACS passwords and BACS security devices.

3.13.4 Bank accounts must not become overdrawn unless pre-arranged overdraft facilities agreed by the Finance Director, are in place.

3.13.5 The Finance Director will be responsible for a central treasury function which will ensure the effective management of cash and loan resources across the Group.

3.13.6 No payment is to be made from a bank account unless in accordance with the system of delegated authority.

3.13.7 The Group's Bank is appointed to honour cheques, telegraphic transfers, drawn, signed, accepted or made on behalf of the Group and instructions given in accordance with the authorised payments schedule. This Standing Order also applies to any of the Group's accounts and other investments.

3.13.8 The BACS facility covering the purchase ledger looks at the total payments being processed rather than individual supplier amounts. The Finance Director is responsible for authorisation procedures and limits which will be reviewed annually.

3.13.9 Procedures laid down by the Finance Director for the operation and control of bank accounts are published in the Treasury Management Policy as approved by the Group Board.

3.14 **Treasury Management**

3.14.1 The Finance Director will prepare a treasury strategy for approval annually by the CVHA Board. The Finance Director will review statutory and regulatory requirements, together with those imposed by specific loan and treasury instruments to ensure that the Group is operating within its defined boundaries and limitations.

3.14.2 Treasury Policies and practices are the responsibility of the Finance Director.

- 3.14.3 The Finance Director will ensure that all policies and practices comply in full with the CIPFA Treasury Code of Practice and with best practice in Treasury Management.
- 3.14.4 The Finance Director will ensure that treasury systems and procedures are developed by the Group to manage the key risks of cost, liquidity, refinancing, and maximisation of investment returns, whilst reducing risk to an acceptable level.
- 3.14.5 The Finance Director will specify the criteria to be met by counter parties to its financing, investment and financial derivative operations.
- 3.14.6 The Finance Director will ensure that a comprehensive system of internal controls and internal financial controls are maintained to ensure that the Treasury Management Policy is met. This will be backed up by a comprehensive system of reporting.
- 3.14.7 The Finance Director will ensure that a system of delegated authority is maintained to ensure that all treasury transactions are approved at the appropriate level.

3.15 **Taxes**

- 3.15.1 The Finance Director will ensure that arrangements are in place to account for taxes correctly, and to make taxation returns, payments and claims within statutory timetables. This includes all aspects relating to Value Added Tax (VAT), Corporation Tax, Capital Gains Tax, Income Tax (PAYE), National Insurance, and the Subcontractors tax scheme (CIS).
- 3.15.2 Stamp Duty Land Tax is the responsibility of the Directorate undertaking the relevant transactions.

3.16 **Audit Requirements**

- 3.16.1 The Customer Services Director is responsible for ensuring that appropriate Internal Audit arrangements are in place and that the function is undertaken in accordance with the professional practice of Internal Auditing and requirements of the regulator.
- 3.16.2 The Customer Services Director will report to the Group Chief Executive and have direct access to the Audit and Risk Committee.
- 3.16.3 The Customer Services Director will ensure that the Group members systems of Internal Control are reviewed in accordance with the approved Internal Audit Plan and findings are reported to relevant staff and management action is agreed to resolve the issues identified.
- 3.16.4 The Customer Services Director will be responsible for maintaining the risk management strategy by advising of relevant developments and presenting any changes to the Leadership Team and the strategic risks to CVHA Board for approval. CVPS Board will review its own risk register.
- 3.16.5 The Customer Services Director will be responsible for facilitating and co-ordinating the implementation of the risk management strategy.
- 3.16.6 The Customer Services Director will provide a report to each meeting of the Audit and Risk Committee providing information on such matters as the Committee wishes and include as a minimum, progress against the Internal Audit Plan, significant findings from internal audit reviews and progress against the strategic risk register.

3.16.7 The Customer Services Director will provide support to the Audit and Risk Committee in assisting members in fulfilling their responsibilities under the terms of reference of the Committee.

3.16.8 The Customer Services Director and the Internal Audit Team (externally appointed consultant) are authorised to:

- Have unrestricted access to all functions, records, property and personnel within the Group.
- Remove any documents or other material which may be required as evidence.
- Have full and free access to the Audit and Risk Committee.
- Allocate resources, set frequencies, select subjects, determine scopes of work and apply techniques required to accomplish audit objectives.
- Obtain information and explanations they consider necessary to fulfil their objectives and responsibilities.
- Require a timely written response to any findings and recommendations contained within their reports.

The Customer Services Director and the Internal Auditor must ensure that they access information and people and use information within applicable laws and regulations, which include the General Data Protection Regulation (EU) 2016/679 (the “**GDPR**”); the Data Protection Act 2018; the Privacy and Electronic Communications (EC Directive) Regulations 2003; the Regulation of Investigatory Powers Act 2000 and the Human Rights Act.

3.16.9 The Finance Director will be responsible for facilitating the process, in accordance with the Audit and Risk Committee and other Group members’ terms of reference, to ensure that arrangements are in place for the external audit of the Financial Statements in accordance with the regulators requirements.

3.16.10 The Finance Director will ensure that the process for the work of the External Auditors is appropriately managed and their performance is appraised and reported to the Audit and Risk Committee on an annual basis.

3.17 Fraud and Corruption

3.17.1 For all instances of suspicion of fraud, theft or misappropriation, regardless of value, a member of the relevant Leadership Team (LT) should be notified immediately. Where a member of LT comes under suspicion then the report will go to another relevant LT member or the Chief Executive. Before taking any action to investigate, the LT member should inform the Audit and Risk Committee Chair.

3.17.2 The Customer Services Director and relevant Director will agree whether the case needs to be investigated by Internal Audit to maintain independence, or by Managers themselves.

3.17.3 Where Managers undertake investigations, a written report will be prepared on the outcome and forwarded to the relevant Director and Customer Services Director. Where the investigation is undertaken by Internal Audit, a formal report will be issued and copied to the appropriate Director.

3.17.4 In both cases, the report will be upon the investigation and findings. Any subsequent disciplinary action to be taken will be a management decision based upon the findings and in accordance with the disciplinary procedure.

- 3.17.5 Where an investigation relates to a sum of £5,000 or more, the Customer Services Director will notify the Chief Executive and relevant Director. The Group Chair will also be informed and the Customer Services Director will inform the Regulator. The relevant Director will inform the relevant Group Member Board and Chair. If the investigation involves a senior manager or member, the above procedure will be followed regardless of the value involved.
- 3.17.6 Findings on matters over £1,000 will be reported to the relevant Group Member Board or CVHA Board at the conclusion of the investigation.
- 3.17.7 All cases will be summarised and reported by the Customer Services Director to the Audit and Risk Committee. The Customer Services Director will maintain a fraud register on behalf of all Group members.

3.18 **Security**

- 3.18.1 Each Director is responsible for maintaining proper security at all times for all buildings, stocks, stores, furniture and equipment, cash etc. under his/her control, and must consult the Customer Services Director in any case where security is thought to be defective or where special arrangements may be needed whilst in the office and removed from the premises when unattended.
- 3.18.2 Appropriate limits for holding cash must be set by the line manager within the limits set by the Group's insurers and must not be exceeded without the Group Chief Executive's permission.
- 3.18.3 Keys to safes or similar containers are to be carried on the person of those responsible at all times while in the office and stored safely off the premises when the office is closed/unoccupied. The loss of such keys must be reported immediately to a member of the relevant LT as soon as practicable.

3.18.4 **Data Protection**

The Group Chief Executive and Customer Services Director are responsible for maintaining proper security and privacy of information held in a computer installation and for ensuring that information is not improperly disclosed. Members of staff should be responsible to ensure the data they are dealing with remains secure and are required to comply with the "**Data Protection Law**" which includes:

- the General Data Protection Regulation (EU) 2016/679 (the "**GDPR**");
 - the Data Protection Act 2018;
 - the Privacy and Electronic Communications (EC Directive) Regulations 2003;
 - all other applicable EU and UK data protection laws, including those that are made as a consequence of the UK leaving the EU; and
 - any legislation or laws that amend the above.
 - and the ICT Security Policy and
 - Privacy Policy.
- 3.18.5 The Customer Services Director is responsible for ensuring that regular copies of computer data are made and that these are stored in a safe, secure and remote location.

3.18.6 The Customer Services Director must ensure that arrangements are in place for back-up of computer facilities in the event of serious malfunction.

3.19 **Document Retention and Crisis Management**

3.19.1 Generally, records need to be kept for legal, statutory and "personal" reasons. Statutory requirements are that records are kept, and are retrievable for six years after the accounting period, or financial year. This applies to financial and contractual documents, personnel and tax records.

3.19.2 Personal requirements relate to the extent to which the Group members need files and documents for reference, historical or evidencing purposes. Most occurrences where such reference is needed will take place within twelve months of an event although certain documents of historical importance may be required much longer after the event. The extent to which such records are to be kept, their format (i.e. manual, electronic etc.) and how long they can be kept etc., will be governed by the provisions of the Data Protection Act 2018.

3.19.3 All staff should adhere to the Group's Retention Policy.

3.19.4 Each part of the business will need to ensure they comply with the Group's Crisis Management Policy.

3.20 **Other**

3.20.2 The Finance Director and Customer Services Director will make arrangements to ensure that regulatory returns are prepared and submitted according to required timetables.

3.20.3 Any financial information to be published externally by any Group Member should be approved by the Finance Director or Finance Manager before publication. For the avoidance of doubt, this excludes all communications concerning individual tenancies and leases and service charges.

4. Procurement

4.1.1 Procurement is the combination of processes undertaken to acquire Goods, Services and Works whether by purchase, lease, rental or any other means.

4.1.2 All procurement should be carried out in accordance with the Group's Procurement Strategy and Manual.

Appendix One

Financial Authority Levels

The following tables detail the delegated financial authority levels for each function of the Group.

Area	Limits	Who
Cheque Signatories	Up to £20,000	For CVHA and CVPS Chief Executive and Directors
	Over £20,000	For CVHA, the following Board Members will be permitted to sign cheques in addition to any of the staff members above: Chairperson Vice Chairperson Secretary For cheques greater than £20,000 at least one Board Member's signature will be required.
	Over £20,000	For CVPS, the following are permitted to sign cheques in addition to any of the staff members above: Chief Executive Company Secretary Chairperson For cheques greater than £20,000 at least one Board Member's signature will be required.
Trade Creditors	Up to £1,000,000 Up to £100,000	Chief Executive and Directors Budget Holder
Development Acquisition	Up to £1,500,000	Chief Executive and Directors
Payroll, pension and taxation payments	Up to £150,000	Chief Executive and Directors
Orders/Standing Orders/Direct Debits	Up to £1,000,000 Up to £100,000	Chief Executive and Directors Budget Holder
Invoice Approvals	Up to £1,000,000 Up to £100,000	Chief Executive and Directors Budget Holder
Interest and Loan Payments	£1m + Up to £1,000,000	Chief Executive and Director Finance Director
Abortive project costs	up to £15,000	Investment Director
	Over £15,000	Chief Executive and Director
Authorise variations to contract values	Up to 10%	Investment Director
	Over 10%	Board

Area	Limits	Who
Issue of works orders	Over £250,000	Chief Executive
	Up to £250,000	Investment Director
	up to £100,000	Maintenance Manager
	up to £10,000	Repairs Co-ordinator
Petty Cash Floats	£100	Corporate Services
	£100	Wellwynd
	£500	Finance Directorate
Petty Cash Issue	Over £100	Finance Manager
	Up to £100	Finance Assistant

Authorisation must be carried out in accordance with the Group's Financial Regulation's and any advice on these can be sought from the Finance Director or Finance Manager.

Appendix Two

1. **Authorised Signatory List**

- 1.1 As part of the Group's financial controls, the following authorised signatories are required for grant and funding offers, private finance agreements, annual accounts, legal documents, and other important contracts relating to the Group's business.
- 1.2 It is the responsibility of the individual signing a document on behalf of the Group to have fully understood the document being signed.
- 1.3 It is the duty of the relevant staff member to present a report (written or oral) to Board/Committee for any document etc. requiring authorised signatories where appropriate, and where required, a formal Minute should be taken.

2. Authorised Staff Members (CVHA and CVPS)

Chief Executive
Finance Director
Investment Director
Customer Services Director

3. Authorised Board Members (CVHA)

Chairperson
Vice Chairperson
Secretary
Chairs of Committees

4. Authorised Signatories (CVPS)

Group Chief Executive
Company Secretary
Chairperson
CVPS Board Directors

Remit and Delegated Authority Finance Committee

1. General

- 1.1 This remit and delegated authority is designed to clarify the responsibilities of the Finance Committee, in line with any relevant directives or good practice guidance issued by the Scottish Housing Regulator, Scottish Government or other statutory authority.
- 1.2 The Finance Committee will comprise up to five members of the CVHA Board (all non-executive members). This number may include co-optees. The Committee will abide by the Association's Standing Orders and Rules.
- 1.3 The Committee will meet no less frequently than quarterly and be serviced by the Finance Director.
- 1.4 Following the Association's Annual General Meeting and subsequent election of Committee members, the Finance Committee will elect a Chair to serve until the next Annual General meeting.
- 1.5 The Committee will be serviced by the Association's Finance Director and the Chief Executive will also attend as appropriate.

2. Remit

- 2.1 The Committee is remitted with responsibility in connection with the finance functions of the Association where it will monitor the financial affairs of the Association and ensure continuing viability.
- 2.2 The Committee will establish and review policies, monitor the Association's performance and refer all major policies and significant decisions to the Board for approval. These will include the annual budget, the 30-year business plan, and recommendations on borrowing requirements, risk management, treasury management and financial regulations.
- 2.3 The Committee will also have responsibility for monitoring the integrity of the financial statements.

3. Delegated Authority

3.1 Financial Planning and Control

- 3.1.1 To develop, review and recommend to Board a 30-year Business Plan and strategies to enhance the Association's viability.
- 3.1.2 To prepare and recommended for adoption the annual budget and necessary budget reviews for the Group as a whole including an analysis of cost centres representing the main functions of the organisation.

- 3.1.3 To monitor performance against budget through review and approval of at least quarterly management accounts including recommending to the Board any action or changes required.
- 3.1.4 The Finance Director will be delegated with authority to approve bills for payment in accordance with the Association's approved budget and Financial Regulations.
- 3.1.5 To approve and monitor projected Balance Sheet and cash flows.
- 3.1.6 To review the Annual Accounts and recommend approval to the Board of Management.
- 3.1.7 To approve financial returns to the Scottish Government in accordance with current guidance.
- 3.1.8 To consider and seek Board approval for the source, amount and terms of all loans required in connection with the purchase or development of land or buildings and other capital expenditure; to seek the Board's approval for the establishment of overdraft facilities.
- 3.1.9 To monitor the Association's loan portfolio and develop borrowing strategy including receiving reports on hedging strategies from appropriately qualified professionals and to recommend the Board's approval of these.
- 3.1.10 To approve signatories for bank accounts, loan finance applications, HAG and other similar claims.
- 3.1.11 To approve the valuation and price offered for lease of buildings, purchase/sale of land and buildings in all cases where this is not fully grant aided.
- 3.1.12 To consider, review and recommend to Board strategy for funding Development Deficits.
- 3.2 Wages and Pensions
- 3.2.1 To approve annual salary budget, in line with collective bargaining arrangements.
- 3.2.2 To consider and recommend appropriate action if or when required in response to current Pensions legislation.
- 3.3 Policy Development and Review
- 3.3.1 To ensure the development of, and to review, all necessary financial policies including treasury management. To consider the implications of relevant guidance, accounting practices and legislation.
- 3.3.2 To provide regular reports on the activities of the Committee to the Board. A copy of the approved minute from each Finance Committee will, therefore, be forwarded to the next available Board for information.

Appendix Four

Audit and Risk Committee Remit and Delegated Authority

- 1.1 This remit and delegated authority is designed to clarify the responsibilities of the Audit and Risk Committee, in line with any relevant directives or good practice guidance issued by the Scottish Housing Regulator, Scottish Government or other statutory authority.
- 1.2 The Audit and Risk Committee will comprise up to five members of the CVHA Board (all non-executive members). This number may include co-optees, one of whom will have recent and relevant financial experience. The Committee will abide by the Association's Standing Orders and Rules.
- 1.3 The Audit and Risk Committee will have an annual Work Programme setting out the key work areas it intends to review during the year. The Plan will be reviewed at each meeting and will relate to the Parent and any subsidiary companies.
- 1.4 The Committee will meet quarterly and will be serviced by the Customer Services Director.
- 1.5 Following the Association's Annual General Meeting and subsequent election of Committee Members, the Audit and Risk Committee will elect a Chairperson to serve until the next Annual General Meeting. The Chair cannot be the Chairperson of the Association.
- 1.6 The main role and responsibilities of the Audit and Risk committee will be set out in publicly available terms of reference.

2. Principal Duties of the Audit and Risk Committee

- 2.1 The Audit and Risk Committee will:
 - 2.1.1 provide independent assurance of the adequacy of the risk management framework and the associated control environment; and
 - 2.1.2 provide independent scrutiny of the Association's financial and non-financial performance, exposure to risk and overall control environment.
- 2.2 Overview of Internal Control
 - 2.2.1 To satisfy the governing body that there is a sufficient, systematic review of the internal control arrangements of the Association, both operational (relating to effectiveness, efficiency and economy) and of financial reporting controls.
 - 2.2.2. To ensure that weaknesses in control are being corrected and reported to the Board accordingly.
 - 2.2.3 To consider the internal audit implications of the external auditor's Management Letter.
 - 2.2.4 To ensure that the recommendations from the internal auditor are followed through.
 - 2.2.5 To instruct special investigations into matters of particular concern relating to internal control.

2.3 Overview of Internal Audit

- 2.3.1 To ensure that the Association has appropriate internal arrangements in place and to approve the scope and/or limitation of such arrangements.
- 2.3.2 Appoint and approve remuneration of Internal Auditors.
- 2.3.3 To review the planned programme of work of the internal auditor and to ensure its appropriateness.
- 2.3.4 To meet independently with the internal auditor each year to review performance and service engagement.

2.4 External Audit

- 2.4.1 Appoint and approve remuneration of External Auditors.
- 2.4.2 Approve the letter or representation and other relevant documents in connection with the external audit.
- 2.4.3 Develop and implement the Group's policy on the engagement of the external auditor.
- 2.4.4 Prior to the commencement of the year end audit to consider the planning and timescales for the external audit.
- 2.4.5 On completion of the year end audit to review the external audit work; to review the Auditor's Management Letter and recommend the terms of any response and any necessary action.
- 2.4.6 To meet independently with the external auditor each year to review performance and service engagement.

2.5 Risk Management

- 2.5.1 Consider effectiveness of risk management arrangements and the control environment.
- 2.5.2 Seek assurances that action is being taken on risk related issues.