



# Financial Regulations

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- 1.1 The financial regulations of Waverley Housing form part of its overall system of financial and management control. The Memorandum and Articles of Association of Waverley Housing, the Code of Conduct of the Board, Terms of Reference of the committees, and the standing orders outline how Waverley Housing will be controlled and run.
- 1.2 This document sets out Waverley Housing's financial regulations which translate into practical guidance on Waverley Housing's broad policies relating to financial control.
- 1.3 Compliance with the financial regulations is compulsory for all staff connected with Waverley Housing. It is the responsibility of Line Managers to ensure their staff are made aware of the existence and content of the financial regulations.
- 1.4 The Audit and Internal Control Committee is responsible for maintaining a continuous review of the financial regulations and advising the Board of any additions or changes necessary.
- 1.5 Waverley Housing's detailed financial procedures set out how the regulations will be implemented. It is the Corporate Services Manager's responsibility to prepare and maintain Waverley Housing's financial procedures.

## 2 FINANCIAL CONTROL

### The Board

- 2.1 The Board acts for and in the name of Waverley Housing. The Board will at all times be in control of the company's finances and ensure that expenditure is covered by the income it can expect from all sources and also that its financial functions adequately match the scale of the company's activities. Annual audited accounts will be published in accordance with statutory and regulatory requirements and all statutory returns completed within the time period set out.
- 2.2 The Board will also ensure that the company operates as economically as possible within the company's overall objectives. The Board is responsible for regulating and controlling Waverley Housing's finances. These are:
  - To ensure the ongoing solvency of Waverley Housing.
  - To safeguard Waverley Housing's assets.
  - To ensure the effective and efficient use of resources.
  - To ensure compliance with the regulatory body's performance standards.
  - To ensure that financial control systems are in place and are working.
  - To ensure that Waverley Housing complies with the regulatory body's code of audit practice.
  - To approve Waverley Housing's Financial Plan.
  - To approve annual budgets of income and expenditure and to approve the annual financial statement.

- To recommend to the Annual General Meeting (AGM) the appointment of Waverley Housing's external auditors.

## **The Chair**

2.3 The chair is elected by the Board and is responsible for the smooth running of meetings. The chair is appointed in terms of the Articles of Association.

## **The Committee Member**

2.4 The duty of the committee member is to the company, its tenants, its staff and more generally, where it is in receipt of public funds, to the community at large. All committee members should therefore satisfy themselves that they have sufficient access to all relevant information and are sufficiently informed regarding the affairs of the company and its background to be able to make properly informed decisions on matters affecting the company.

## **Committee Structure**

2.5 The Board delegates specific authorities and responsibilities to the Committees. These Committees are accountable to the Board. These responsibilities are set out in the Standing Orders and Committee Terms of References, and accompanying delegated authorities contained within the Governance Handbook.

## **Audit and Internal Control Committee**

2.6 Responsible for:

- Reviewing Waverley Housing's system of internal control and risk management system.
- Providing an overview of the internal and external audit functions.
- Scrutinising the financial statements.
- Monitoring the implementation of internal audit recommendations, external audit reports and management letters.
- Reviewing the Internal Audit Plan and scope of work.
- Reviewing policies related to the above.

## **Emergency Committee**

2.7 Responsible for:

- Emergency decisions required on matters which do not fall within the scope of delegated powers or company policy and for which it is inappropriate to defer to an alternative meeting cycle.
- Emergency action required for the temporary continuation of business.
- Considering the matters surrounding the death or serious injury of a member or members of staff caused through injury at work.

## **Responsible Officers and Financial Administration**

- 2.8 The Board is responsible for regulating and controlling the finances of the company.
- 2.9 The Chief Executive co-ordinates the activities of the other officers and reports back to the Board.
- 2.10 The Corporate Services Manager is responsible for the administration and control of the finance section and responsibilities include:
- Assisting in long-term financial planning.
  - Presenting management accounts to the Board and Audit and Internal Control Committee on a timely basis.
  - Maintaining an efficient system of operations and controls.
  - Preparing the annual accounts, liaising with the company's auditors in respect of the year-end audit.
  - Monitoring the day to day running of the company's finances.
  - Safeguarding the assets of the company.
  - Updating and amending the financial regulations as necessary from time to time but at least on an annual basis.
  - Maintaining statutory records.
- 2.11 The Corporate Services Manager reports to the Board and Audit and Internal Control Committee on the level of resources proposed to be utilised in each financial year and provides updates on the company's finances and financial performance.
- 2.12 The Audit & Internal Control Committee is responsible for making, and amending from time to time, such financial regulations as it considers necessary and desirable for the supervision and control of the finances, accounts, income, expenditure and assets of the company, in conformity with the standing orders.
- 2.13 The Board and identified officers are responsible for the observance of the company's financial standing orders, financial regulations and detailed financial procedures in all aspects of their responsibilities.
- 2.14 Each identified officer is responsible for the accountability and control of staff and the security, custody and control of all other resources including plant, buildings, materials, cash and stores appertaining to his/her spheres of responsibility.

## **Audit Requirements**

- 2.15 The Corporate Services Manager is responsible for drawing up a timetable for final accounts purposes and ensuring the timetable is adhered to.
- 2.16 The Audit and Internal Control Committee should consider and review the accounts and management letter. They will be submitted to the Board for approval on the recommendation of the Audit and Internal Control Committee.
- 2.17 External Auditors should have authority to:

- Access the Company's premises at reasonable times.
- Access all assets, records, documents and correspondence relating to any financial and other transactions of Waverley Housing.
- Require and receive such explanations as are necessary concerning any matter under examination.
- Require any employee or Board Member of Waverley Housing to account for cash, stock or any other company property under his/her control.
- Access records belonging to third parties, such as Contractors when required.

2.18 Whenever any matter arises which involves, or is thought to involve, irregularities or fraud concerning cash, stock or other property of Waverley Housing or there is any other suspected irregularity in the exercise of the activities of Waverley Housing, the Line Manager concerned shall notify the relevant person in accordance with the Fraud Policy.

### **External Audit**

2.19 The appointment of External Auditors will take place annually at the AGM and it is the responsibility of the Board to make recommendations following advice received from the Audit and Internal Control Committee.

2.20 The primary role of external audit is to report on Waverley Housing's financial statements and to carry out such examination of the statements and underlying records and control systems as are necessary to reach their opinion on the statements and to report on the appropriate use of funds. Each year the Audit and Internal Control Committee will review the effectiveness of external audit and, provided the auditors' work is of a sufficiently high standard and reasonably priced, should recommend that the Board reappoint them. In addition, the Audit and Internal Control Committee will carry out a comprehensive review of the costs and service provided every three years. A competitive tendering exercise will be held at least every seven years.

### **Internal Audit**

2.21 The internal auditor is appointed by the Board on the recommendation of the Audit and Internal Control Committee. The main responsibility of internal audit is to provide the Board and Executive Team with assurances on the internal control system. The internal audit service remains independent in its planning and operation and has direct access to the Board, Chief Executive and Chairperson of the Audit and Internal Control Committee.

2.22 The internal auditor will comply with the relevant Standards on Internal Auditing.

2.23 The Audit and Internal Control Committee will review the effectiveness of the internal audit service on an annual basis. The Audit and Internal Control Committee will consider the need for competitive tendering of the service every three years with the option to extend for a further 2 years subject to satisfactory performance.

## Authorities & Responsibilities

- 2.24 The responsibilities of the Executive Team are contained in the Governance Handbook under Scheme of Delegation.
- 2.25 Authority to sign legal documents which require to be formally executed on behalf of the Company is also contained within the Scheme of Delegation (2.24 above), or by resolution of the Board of Directors.

The financial responsibilities of the Executive Team are:

- Assisting in long-term financial planning.
- Presenting management accounts to the Board and Audit and Internal Control Committee, on a timely basis.
- Maintaining an efficient system of operations and controls.
- Liaising with the company's auditors in respect of the year-end audit.
- Monitoring the day to day running of the company's finances.
- Safeguarding the assets of the company.
- Updating and amending the financial regulations as necessary.
- Maintaining statutory records.

## 3 BUDGETING

### Resource Allocation

- 3.1 Resources are allocated regularly, and at least annually, on the recommendation of the Board.

### Budget Preparation

- 3.2 The Chief Executive is responsible for ensuring budgets are prepared annually for consideration by the Board. The Corporate Services Manager must ensure that detailed budgets are prepared in order to support the resource allocation process and that these areas are communicated to Line Managers as soon as possible following their approval by the Board. Sections may operate supplementary budgets, within their allocations, in accordance with procedures established by the Corporate Services Manager.
- 3.3 During the year, the Corporate Services Manager is responsible for submitting revised budgets to the Board for approval.
- 3.4 Responsibility for managing expenditure within the approved budget is devolved to budget holders.
- 3.5 Responsibility remains with the Corporate Services Manager for:
- overseeing and advising on budgetary control



- monthly reporting on out-turn v budget to budget holders
  - monthly management accounts to management team & Board of Directors
  - co-ordinating budget preparation
- 3.6 The control of income and expenditure within an agreed budget is the responsibility of the designated budget holder who must ensure that day to day monitoring is undertaken effectively. Budget holders are responsible to their Line Manager for the income and expenditure appropriate to their budget. The budget holder will be assisted in this duty by management information provided by the Corporate Services Manager. The types of management information available to different levels of management are described in Waverley Housing's detailed financial procedures together with the timing at which they can be expected.
- 3.7 Any virement (the authority of transfer budgets) must be in accordance with the approved procedure. Budget transfers up to the value of £10,000 may be approved by the Management Team provided there is no overall increase in the company budget.
- 3.8 Any virement in excess of £10,000 will require prior approval from the Board.
- 3.9 Authorities relating to expenditure and virement are detailed in the Annual Budget Process and Budget Virement Procedure

### **Planned Maintenance and Improvements**

- 3.10 Expenditure on land, buildings, and associated costs can only be considered as part of the planned maintenance programme approved by the Board.
- 3.11 The Property Services Manager is responsible for the planned maintenance programme and all other major repairs and improvements on housing stock. The Property Services Manager will provide monthly statements concerning all expenditure on the planned maintenance programme to the Board for monitoring purposes.
- 3.12 Proposed major repairs/improvements projects, if not already part of the approved planned maintenance programme or budget, should be submitted by the Property Service Manager for approval by the Board.

Proposals for larger housing stock regeneration projects or open-market purchases should be submitted by the Operations Director for approval by the Board.

Proposals should be supported by:

- Statement which demonstrates the project's consistency with the strategic plans approved by the Board.
- An initial budget for the project for submission to the Board. The budget should include a breakdown of costs including professional fees, VAT and funding source.
- Financial evaluation of the plans together with their impact on revenue expenditure plus advice on the impact of alternative plans.
- A demonstration of compliance with our Procurement Strategy and Procedure.

- A cash flow forecast.

3.13 Capital expenditure on items other than Planned Maintenance and improvements, i.e. computer equipment, furniture and fittings, is the responsibility of the Corporate Services Manager.

## **Financial Planning**

3.14 The Chief Executive is responsible for preparing long term financial plans and forecasts for at least the period required by the regulatory body and funder, for approval by the Board. Financial plans should be consistent with the Business Plan approved by the Board.

## **4 ACCOUNTING POLICIES**

### **Basis of Accounting**

4.1 The financial statements are prepared on the historical cost basis of accounting, modified to include the valuation of housing property at “deemed cost” as at March 2014 and in accordance with applicable accounting standards. Any changes to Accounting Policies will be reviewed by the Audit and Internal Control Committee for recommendation and approved by the Board.

### **Format of the Accounts**

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

### **Accounting Returns**

4.3 The Corporate Services Manager is responsible for consolidating and despatching financial returns and other periodic financial reports to the regulatory body and other agencies as required. The Corporate Services Manager is also responsible for ensuring that all grants provided by the regulatory body and other bodies are received.

### **Accounting Records**

4.4 The Corporate Services Manager is responsible for the retention of financial documents. These should be kept in a form acceptable to the relevant authorities and agreed data retention periods.

4.5 Waverley Housing is required by Law to retain certain documents. These include:

- Accounts raised (six years)
- Copies of receipts (six years)
- Payroll records (six years)
- VAT records (three years)

4.6 For auditing and other purposes, Waverley Housing should retain other financial documents for three years.

4.7 The undernoted records shall be maintained and updated as follows:

<b>Record:</b>	<b>Updating interval:</b>	<b>Responsibility:</b>
Nominal ledger	Monthly	Corporate Services Manager
Purchase ledger	Monthly	Corporate Services Manager
Cash book	Monthly	Corporate Services Manager
Housing System	Weekly	Housing Manager
Property Register	Monthly	Corporate Services Manager
Register of disposals	Monthly	Corporate Services Manager
Register of other fixed assets	Monthly	Corporate Services Manager
Loan register	Monthly	Corporate Services Manager
Contracts register	Ad Hoc	Manager responsible for initialising the contract
Payroll records	Monthly	Corporate Services Manager
Petty cash records	Monthly	Corporate Services Manager
Insurance claims register	Monthly	Corporate Services Manager
Planned Maintenance Programme records	Monthly	Property Services Manager

### Reconciliations

4.8 Reconciliations of the company’s records shall be undertaken in accordance with allocated responsibility per 4.7 above as follows:

- Bank statements will be reconciled monthly to the cashbook.
- Rent and service charge accounting records will be reconciled weekly.

Any discrepancies shall be immediately investigated and reported to the Corporate Services Manager.

### Segregation of Duties

4.9 It is recognised that complete segregation of duties cannot be achieved with the limited number of staff members in the company.

4.10 The following principles should be observed wherever possible:

- Cheques should not be signed by the employee preparing the cheque.
- The receipt and banking of rent, or other payments to the company shall be separate from the recording/reconciliation of the receipt through the cash book.

## **General**

- 5.1 The Chief Executive is responsible for ensuring that appropriate procedures are in operation to enable Waverley Housing to receive all the income to which it is entitled. All receipt forms, invoices, or other official documents in use must have the approval of the Chief Executive, in consultation with the Corporate Services Manager.
- 5.2 Levels of charges and rents are determined by policies and procedures approved by the Board.
- 5.3 The Corporate Services Manager is responsible for the prompt collection, security and banking of all income received.
- 5.4 The Corporate Services Manager is responsible for ensuring that all grants applied for are received and appropriately recorded in Waverley Housing's accounts.
- 5.5 The Corporate Services Manager is responsible for ensuring that all claims for funds are made by the due date.

## **Appointment of Bankers**

- 5.6 The Board is responsible for the appointment of Waverley Housing's bankers on the recommendation of Audit and Internal Control Committee.

## **Banking Arrangements**

- 5.7 The Corporate Services Manager is responsible, on behalf of the Board, for liaising with Waverley Housing's bankers in relation to Waverley Housing's bank accounts and the issue of cheques. All cheques shall be ordered on the authority of the Corporate Services Manager who shall make proper arrangements for their safe custody.
- 5.8 Only the Corporate Services Manager, with Board approval, may open or close a bank account for dealing with Waverley Housing's funds. All bank accounts shall be in the name of Waverley Housing.
- 5.9 The Corporate Services Manager may authorise the use of Online Banking. Usage of online banking will be restricted to viewing bank statements only. No payments are permitted to be made using online banking. All payments will be made by BACS.
- 5.10 All cheques drawn on behalf of Waverley Housing must be signed in the form approved by the Board. Details of authorised persons and limits for all types of payment including BACS and CHAPS shall be provided for in Waverley Housing's detailed financial procedures.
- 5.11 The Corporate Services Manager is responsible for ensuring that all bank accounts are subject to regular reconciliation and independent review and those large or unusual items are investigated as appropriate.

## **Cash Receipts**

- 5.12 All monies received within an Office from whatever source must be recorded on a daily basis together with the form in which they were received. An authorised receipt of Waverley Housing should be issued.
- 5.13 The custody and movement of all cash holdings must comply with the requirements of Waverley Housing's insurers.
- 5.14 No deductions may be made from any cash collected on behalf of Waverley Housing without authorisation of an operational manager.
- 5.15 Personal or other cheques must not be cashed out of money received on behalf of Waverley Housing.

## **Rents**

- 5.16 The procedure for collecting rents and service charges must be approved by the Corporate Services Manager, subject to prior approval by the Operations Director.

The Corporate Services Manager must ensure that:

- The Operations Director is notified of, and gives agreement to, any changes in the procedures.
- Swift and effective action is taken to collect overdue rents and service charges in accordance with Waverley Housing's formal procedures.
- Outstanding rents and service charges are monitored, and reports prepared by Housing Officers.

## **The Collection of Debts**

- 5.17 The Corporate Services Manager must ensure that:

- Sub-accounts or debtors' invoices including commercial repairs works are raised promptly in respect of income due to Waverley Housing.
- Debtors are raised on official invoices via sub accounts.
- Swift and effective action is taken to collect overdue accounts in accordance with Waverley Housing's formal procedures (detailed in the financial procedures).
- Outstanding accounts are monitored, and reports prepared for Managers.

- 5.18 The Corporate Services Manager is responsible for implementing credit arrangements.

## **Write-off of Arrears and Debts**

- 5.19 Provision for bad debts will be created for 100% of former tenant debt. Provision for current tenant debt will range from 25% to 100% depending on the age and circumstance of the debt.

- 5.20 Requests to write-off individual debts in excess of £1,000 must be referred in writing to the Chief Executive for submission to the Board for consideration and approval. Debts below this level may be written off with the approval of the Chief Executive.

### **Gifts, Benefactions and Donations**

- 5.21 The Chief Executive is responsible for ensuring that gifts, benefactions, and donations made to or declined by Waverley Housing are in accordance with Waverley Housing's policy on such matters.

### **Security of Documents**

- 5.22 The security and safekeeping of official and legal documents will be in accordance with the Record Retention and Disposal Policy.

### **Stocks and Stores**

- 5.23 Line Managers are responsible for establishing adequate arrangements for the custody and control of any stocks and stores within their sections, if applicable. The systems used for stores accounting must have the approval of the Corporate Services Manager.
- 5.24 Line Managers are responsible for ensuring that regular inspections and stock checks are carried out.
- 5.25 Those Line Managers whose stocks require valuation in the balance sheet must ensure that the stock-taking procedures in place and have the approval of the Corporate Services Manager.

## **6 EXPENDITURE**

### **General**

- 6.1 The Corporate Services Manager is responsible for making payment to suppliers of goods and services to Waverley Housing.

### **Authorities**

- 6.2 Budget Holders are responsible for purchases within their area of responsibility.
- 6.3 The Corporate Services Manager shall maintain a register of authorised signatories including limits (see appendix 4). Any changes to the authorities to sign must be notified to the Corporate Services Manager immediately.

### **Petty Cash**

- 6.4 Petty Cash will be controlled through the Imprest System. Detailed guidance will be issued by the Corporate Services Manager and is contained in Waverley Housing's financial procedures.

- 6.5 At the end of the financial year the petty cash floats will be reconciled by the Finance Section.

### **Purchase Orders**

- 6.6 The ordering of goods and services shall be in accordance with Waverley Housing's detailed financial procedures/purchasing policies.
- 6.7 Official Purchase Order books must be used for the purchase of all goods or services, except those made using petty cash.

### **Tendering**

- 6.8 Subject to special rules imposed by the regulatory bodies, Waverley Housing shall apply the tendering procedures as contained in Waverley Housing's Procurement Strategy.
- 6.9 All purchase orders must be dated and have 2 separate signatories.

### **Contracts**

- 6.10 Building & maintenance contracts are the responsibility of Operations Director and are administered by Waverley Housing's Property Services Manager, in accordance with the relevant policies and procedures
- 6.11 Contractors, consultants and agents may be appointed to the project, as determined by the relevant manager. Appointments shall be subject to procurement and other policies and procedures, where appropriate.
- 6.12 All contracts and capital projects should be monitored and reported on in accordance with the relevant policies and procedures.

### **Payment of Invoices**

- 6.13 The procedures for making all payments shall be in a form specified by the Corporate Services Manager.
- 6.14 The Corporate Services Manager is responsible for deciding the most appropriate method of payment for categories of invoice. Suppliers will normally be paid weekly by BACS. In exceptional circumstances the Corporate Services Manager will prepare cheques manually for urgent payments.
- 6.15 Suppliers should be instructed by the budget holder to submit invoices for goods or services to the finance section.
- 6.16 Budget holders are responsible for ensuring that expenditure within their section does not exceed funds available.

- 6.17 Payments will only be made by the Corporate Services Manager against invoices which have been certified for payment. Certification of an invoice should comply with the relevant procedure and must ensure that:
- The goods have been received, examined and approved with regard to quality and quantity, or that services rendered, or work done is satisfactory.
  - Where appropriate, it is matched to the order.
  - Invoice details (quantity, price, discount) are correct.
  - The invoice is arithmetically correct.
  - The invoice has not previously been passed for payment.
  - VAT issues have been complied with where they apply.
  - An appropriate cost centre is quoted. This must be one of the cost centre codes included in the budget holder's area of responsibility and must correspond with the types of goods or service described on the invoice.
- 6.18 On occasion it may be necessary to override procedures in case of emergency or special exemption. In this instance payment should be authorised by the Chief Executive or by the Operations Director in his absence.
- 6.19 Care must be taken to ensure that any discounts previously agreed are obtained.

## **7 SALARIES AND WAGES**

### **General**

- 7.1 The Chief Executive is responsible for payments of salaries and wages to all staff including payments for overtime or services rendered. All time sheets and other pay documents will be in a form prescribed or approved by the Corporate Services Manager.
- 7.2 All staff will be appointed to the salary scales approved by the Board and in accordance with appropriate conditions of service. All letters of appointment must be issued by the Executive Assistant (HR). The member of staff responsible for personnel issues will be responsible for keeping the Corporate Services Manager informed of all matters relating to personnel for payroll purposes.
- 7.3 These include:
- Appointments, resignations, dismissals, re-gradings, secondments and transfers.
  - Absences from duty for sickness or other reason, apart from approved leave.
  - Changes in remuneration including pay awards.
  - Information necessary to maintain records of service for pensions, income tax, national insurance, etc.
- 7.4 The Corporate Services Manager is responsible for payments to non-employees and for informing the appropriate authorities of such payments. All casual and part-time employees will be included on the payroll.



- 7.5 The Corporate Services Manager shall be responsible for keeping all records relating to payroll including those of a statutory nature.
- 7.6 All payments must be made in accordance with Waverley Housing's detailed payroll financial procedures and comply with HMRC regulations.

## **Pensions**

- 7.7 The Board is responsible for undertaking the role of employer in relation to appropriate pension arrangements for employees.
- 7.8 The Corporate Services Manager is responsible for day to day pension matters including:
- Paying of contributions to various authorised pension schemes.
  - Preparing pension scheme return.

## **Travel, Subsistence and Other Allowances**

- 7.9 All claims for payment of subsistence allowances, travelling and incidental expenses shall be completed in a form approved by the Corporate Services Manager.
- 7.10 Claims by members of staff shall be paid in accordance with the Employees Expenses Policy.
- 7.11 Claims by Board members shall be paid in accordance with the Board Members Expenses Policy.

# **8 ASSETS**

## **Land, Buildings, Fixed Plant and Machinery**

- 8.1 The purchase, lease or rent of land or fixed plant can only be undertaken as part of an approved budget or programme. The Corporate Services Manager is responsible for maintaining Waverley Housing's asset register of land, buildings, motor vehicles, fixed plant and machinery.
- 8.2 In addition to the asset register, Line Managers are responsible for maintaining inventories for all plant, tools and computer equipment under their control, with a total value in excess of £1,000.
- 8.3 The inventory must include items donated or held in trust.
- 8.4 Line Managers must check inventories at least annually and these should be retained in the form prescribed by the Corporate Services Manager as described in Waverley Housing's detailed financial procedures.

## Capitalisation of Housing Stock Components

8.5 The Capitalisation Policy is reviewed by the Audit and Internal Control Committee every three years.

8.6 For expenditure on housing stock we have identified the following major components:

- Structure (walls & roof)
- Kitchen
- Windows
- Bathroom
- Radiators
- Boiler
- Doors

Where over 50% of any of the components are replaced then the expenditure will be capitalised. Where less than 50% of the component is replaced then the expenditure will be charged to revenue. Any expenditure on housing stock out-with these components will be charged to revenue.

## Depreciation of Housing Stock

8.7 The Audit and Internal Control Committee reviews the Depreciation Policy annually, at the commencement of each financial year, to ensure the expected useful life of any assets has not reduced or any likely depreciation charge is not material.

8.8 Depreciation on housing properties must take account of statutory requirements. For financial year 2011/2012 onwards, the company is required to implement Component Accounting and depreciate major components over their respective useful economic life.

8.9 The rate of depreciation is set by the Audit and Internal Control Committee and is currently charged as follows:

### Housing Stock (Components)

Description	Expected Life	Depreciation Rate
Kitchen	20 years	5.00%
Windows	30 years	3.33 <sup>3</sup> %
Bathroom	30 years	3.33%
Radiators	30 years	3.33%
Boiler	15-18 years	5.56% to 6.67%
Doors	30 years	3.33%
Structure (walls & roofs)	80 years	1.25%
Land	infinity	n/a

## Asset Disposal

- 8.10 Disposal of equipment and furniture must be in accordance with procedures agreed by the Executive Team. Disposal of items valued over £1,000 at the time of sale must have the prior agreement of the Board Members.
- 8.11 Disposal of land and buildings must only take place with the authorisation of the Board. Regulatory body consent may also be required.

## 9 TREASURY MANAGEMENT (Investments and Borrowings)

- 9.1 The Board is responsible for approving a treasury management policy statement setting out strategy and policies for cash management, long term investments and borrowings. The Audit and Internal Control Committee has a responsibility to ensure implementation, monitoring and review of such policies.
- 9.2 All executive decisions concerning borrowing, investment or financing (within policy parameters) shall be delegated to the Chief Executive and an appropriate reporting system established. All borrowing and investments shall be in the name of Waverley Housing and shall conform to any relevant regulatory requirements. The Chief Executive and his staff are required to act in accordance with Waverley Housing's Treasury Management Policy statement as approved by the Board.
- 9.3 The Corporate Services Manager will report to the Board regularly in each financial year on the activities of the treasury management operation and on the exercise of treasury management powers delegated to him/her including monitoring compliance.

## 10 OTHER

### Group Structures and Subsidiaries

- 10.1 In certain circumstances it may be advantageous to Waverley Housing to establish group structures or subsidiaries to undertake services on its behalf.

The Board is responsible for approving the establishment of group structures or subsidiaries and the procedure to be followed in order to do so. In doing so the Board should always recognise the effect on charitable status.

- 10.2 It is the responsibility of the Board to establish the shareholding arrangements and appoint Directors of Companies wholly or partly owned by Waverley Housing.
- 10.3 The Directors of Companies where Waverley Housing is the majority shareholder must submit an annual report to the Board.

### Risk Management

- 10.4 The Board is responsible for developing a risk management strategy, in line with the requirements of the regulatory body, in order to identify the risks facing Waverley Housing and types of protection required to cover these risks. The strategy should cover important potential liabilities such as terrorism and be sufficient to meet any potential risk to all assets. This will be considered by the Audit and Internal Control Committee for approval by the Board.

## **Insurance**

- 10.5 The Corporate Services Manager is responsible for effecting insurance cover. He or she is therefore responsible for tendering for any identified insurance cover, negotiating claims and maintaining the necessary records. He/she will also deal with Waverley Housing's Insurers and Advisers about specific insurance problems.
- 10.6 Line Managers must ensure that any agreements negotiated within their sections with external bodies cover any legal liabilities to which Waverley Housing may be exposed. The Corporate Services Manager's advice must be sought to ensure that this is the case. Line Managers must give prompt notification to the Corporate Services Manager of any potential new risks and additional property and equipment which may require insurance and any alterations affecting existing risks.
- 10.7 Line Managers must advise the Corporate Services Manager, immediately, of any event which may give rise to an insurance claim. The Corporate Services Manager will notify Waverley Housing's insurers and, if appropriate, prepare a claim in conjunction with the Line Manager for transmission to the insurers.
- 10.8 The Corporate Services Manager will keep a register of all insurances affected by Waverley Housing and the property and risks covered.
- 10.9 The Property Services Manager is responsible for keeping suitable records of plant and tools which is subject to inspection by an insurance company and for ensuring that inspection is carried out in the periods prescribed.

## **Taxation**

- 10.10 The Chief Executive is responsible for all taxation issues in light of guidance issued by the appropriate bodies and the relevant legislation as it applies to Waverley Housing. Therefore, the Corporate Services Manager will issue instructions to sections on compliance with statutory requirements including those concerning VAT, PAYE, national insurance and corporation tax.
- 10.11 The Corporate Services Manager is responsible for maintaining Waverley Housing's tax records, making all payments, receiving tax credits and submitting tax returns by their due date as appropriate.

## **Security**

- 10.12 All employees are responsible for maintaining proper security at all times for all buildings, stock, stores, furniture, cash, etc. under his or her control. He or she shall

consult the appropriate Line Manager in any case where security is thought to be defective or where it is considered that special security arrangements may be needed. Any items left in a vehicle should be kept out of sight and the vehicle must be locked.

- 10.13 An up to date list of all key holders will be maintained. A set of office keys shall be provided for such employees, as the Chief Executive deems appropriate.
- 10.14 All external doors and windows must be locked when the premises are unoccupied. The loss of keys (office or safe) must be reported to the appropriate Line Manager immediately.
- 10.15 All keys held by the company will be stored in a locked key box.
- 10.16 All cash funds, cheque books and other valuables should be stored in a secure safe. The safe must be locked at all times when not in use.
- 10.17 All employees shall be responsible for maintaining proper security and privacy of information. Access to areas where data is stored will be restricted to authorised persons. Information relating to individuals held on computer or in manual files will be subject to the provisions of the Data Protection Act. The role of Data Protection Officer is being undertaken by the Operations Director.

### **Hospitality**

- 10.18 The limits concerning acceptable expenditure for entertaining guests from outside bodies are set out in Waverley Housing's Entitlements, Payments and Benefits Policy.
- 10.19 Members of the Board and members of staff should refuse all material hospitality and gifts offered by an individual or company that does or could provide services to Waverley Housing where they are offered as an inducement to secure favour. Any hospitality or gifts that are accepted must be recorded in the Register of Interests of members of the Board or the Register of Interests of staff as appropriate.

### **Timesheets**

- 10.20 Staff may be required to complete time sheets on a weekly basis. The results of staff time analysis will form the basis for the apportionment and other shared costs in the monthly and annual accounts.

### **Performance Standards**

- 10.21 Waverley Housing shall use the regulatory body's performance standards as its benchmark.

### **Best Value Objective**

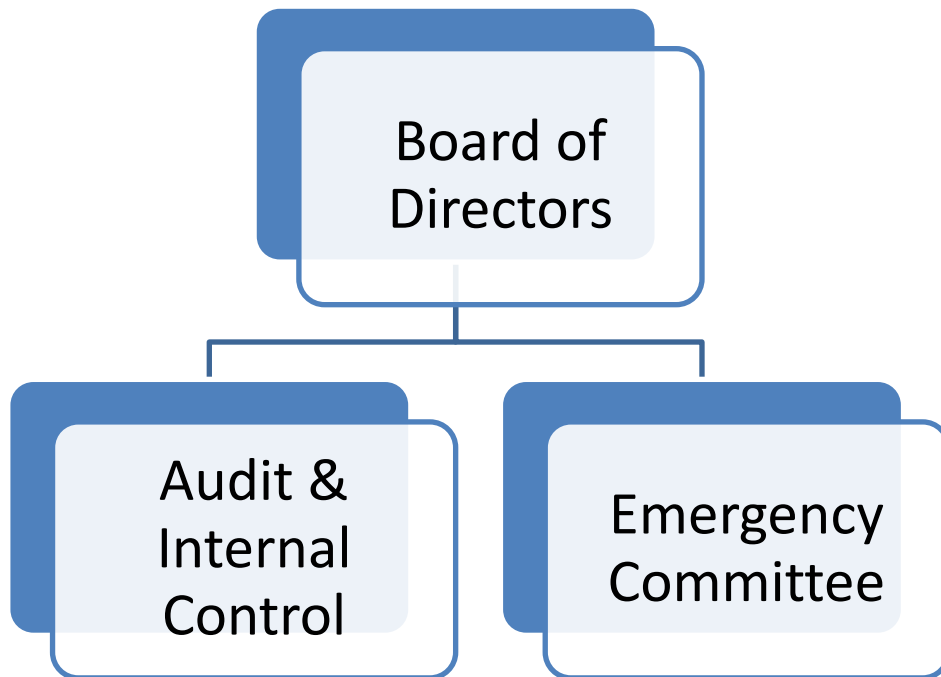
- 10.22 The company is concerned to achieve value for money by making best use of the resources available for carrying out its activities.

### **Strategy for Achieving Objective**

- 10.23 Through the recruitment policy, development and training of staff, provision of job profile, clear objectives and by regular review and evaluation of performance.
- 10.24 Through clear communication and guidance, policy procedures and authorisations.
- 10.25 Waverley Housing will maintain a list of approved suppliers and contractors, which is regularly reviewed and updated in terms of performance and service and by inviting competitive tenders for all appropriate work.
- 10.26 Regulation of external suppliers and agents through the clear specification of the service required and by consideration of alternative providers and costs, plus regular monitoring and review of the service provided.
- 10.27 Provision of detailed management information with appropriate analysis to enable cost monitoring.

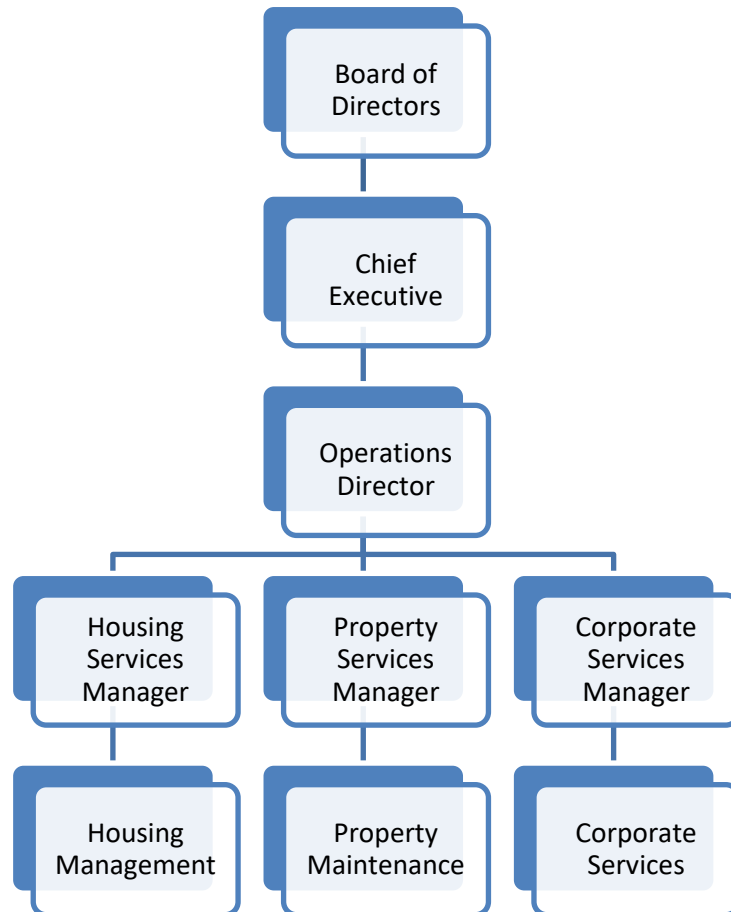
## Appendix 1

### Waverley Housing Board and Sub Committees



## Appendix 2

### Staffing Structure and Reporting Lines





**Appendix 3****Budget Holder Authorisation Limits & Areas of Responsibility**

<b>Position</b>	<b>Area of Budget Responsibility</b>	<b>Limit</b>
Executive Assistants	Employee/Board Training	£500
Property Services Officers	Repairs – Materials & Subcontractors	£2,000
I.T. Officer	ICT Systems	£2,000
Housing Services Manager	Rents, Service Charges, Recharges (Legal, Void Rent Loss, Other Void Costs, Rent Arrears, Legal Fees – Arrears	£10,000
Property Services Manager	Landscaping & Tenant Recharges, Commercial Repairs Works, Social Adaptations, Subcontractors, Tools, Cyclical Maintenance, Planned Maintenance, Hire of Plant	£10,000
Corporate Services Manager	Insurances, Office Premises, Office Equipment, Postage & Stationery, Mobile Working, Audit/Tax Fees, Wider Role, Depreciation, Leasing, Bank Charges/Fees, Bank Interest, Uniforms, Printing, Corporate Advertising, Communications & Promotions, Registration Fees, Office Cleaning, Tenant Reward	£10,000
Operations Director	Advertising Properties, Sponsorship	£30,000
Chief Executive	Staffing Costs, Health & Safety, Business Legal Fees, Consultants, Strategic Costs	£75,000

## Appendix 4

### Authorised Banking Signatories

Designation	Name
Chair	David Gordon
Vice Chair	George Young
Chief Executive	Fraser Kelly
Operations Director	Gregor Booth
Corporate Services Manager	Reuben Basak
Finance Officer	Linda Borthwick

### Cheque Authorisations & Cheque Signatories

1. Cheques on all the Company's bank accounts shall be signed in accordance with the authorities in the Register of Cheque Signatories held by the Corporate Services Manager.
2. Any transfer of funds externally, direct debits, standing orders or BACS payments etc. are treated as requiring the same authorisations as a cheque.
3. Members of staff are not permitted to sign cheques for their own expenditure or that of relations. The only exception is for salary expenses, when the cheque signatory may be part of the BACS list. However, there will be segregation of duties in respect of the calculation.

### Authorisation Rules

Amounts less than £5,000	one signatory
Amounts between £5,000 and £50,000	two signatories (one of whom must be a member of the Management Team)
Amounts over £50,000	three signatories (one of whom must be a member of the Management Team)

Cheques made out for "CASH" are always two signatories (front and back of cheque), regardless of value.