

# Group Schedule of Delegated Authority and Financial Regulations

## **Our Commitment**

The Argyll Community Housing Association (ACHA Group) is committed to provide equal opportunities across all services and to avoid discrimination. This policy is intended to assist the Group to put this commitment into practice. Compliance with this policy should also ensure that employees do not commit unlawful acts of discrimination.

***This policy can be made available in other formats, for example in large print, audio-format or Braille: the document may also be available in other languages, in full or summary form, as appropriate.***

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# Schedule of Delegated Powers

## Section 1 Context

- 1.1 These regulations set out the powers of Argyll Community Housing Association Board of Management, those matters reserved for the Board of Management and those delegated to the Chief Executive, each Directorate and subsidiary company. They also cover the procedures for the control of the Group finances.
- 1.2 For the remainder of the document; *`Argyll Community Housing Association Limited`* will be referred to as *`ACHA`* or *`Parent`*, *`Argyll Homes for All Limited`* will be referred to as *`AHFA`* or *`subsidiary company`* and the *`Group Board of Management`* will be referred to as the *`Board`*.
- 1.3 Where the term *`Group`* is used; this refers to both parent and subsidiary.

## Section 2 ACHA`s Board of Management

### Matters reserved to ACHA`s Board of Management:

#### 2.1 Strategy and Delivery

- 2.1.1 The approval of ACHA`s development and management plans for example, the Strategic Plan and Business Plan.
- 2.1.2 The approval of any matter, which is considered to be of a significant or sensitive nature including the annual review of benefits permitted by the Group Payment and Benefit Policy.
- 2.1.3 To approve any matter requiring a decision of the Board as detailed in our Rules, Partnership, Service and Funding Agreements.
- 2.1.4 The approval of protocols for managing decision making, relationships etc.
- 2.1.5 To lead the assessment of Group risk.

## **2.2 Human Resources**

- 2.2.1 To appoint, remunerate, compensate and dismiss the Group Chief Executive and other members of the Group Senior Management Team.
- 2.2.2 To agree performance management arrangements for the Group Chief Executive.
- 2.2.3 To agree annual payment levels for Group staff members, following Remuneration Sub-committee review.
- 2.2.4 To approve major organisational structure changes.
- 2.2.5 To agree the staffing budget annually for ACHA following Remuneration Sub-committee review.

## **2.3 Finance**

- 2.3.1 To approve ACHA's annual operating budget including the major works programme.
- 2.3.2 To approve variations to ACHA's annual operating budget in line with ACHA's budget virement procedure.
- 2.3.3 To receive reports on financial performance (on at least a quarterly basis).
- 2.3.4 To approve ACHA's Annual Statutory Accounts.
- 2.3.5 To receive the Auditor's Management Letter and Internal Audit reports and take appropriate action.
- 2.3.6 To agree annual ACHA manpower budget and costs.

## **Section 3 Argyll Homes for All Board of Directors**

### **Matters reserved to AFHA`s Board of Directors:**

#### **3.1 Strategy and Delivery**

3.1.1 The approval of AFHA`s development and management plans, for example, AHFA Business Plan.

3.1.2 To approve any matter requiring a decision of the Board of Director In relation to the subsidiary company`s Constitution and Standing Orders.

3.1.3 The approval of protocols for managing decision making and relationships.

3.1.4 To lead the assessment of AHFA risk.

#### **3.2 Human Resources**

3.2.1 To appoint, compensate, dismiss and agree performance management arrangements for the Managing Director of AHFA.

3.2.2 To approve major organisational structure changes.

3.2.3 To regularly review human resource factors within AHFA, such as recruitment, selection, discipline, sickness management, grievance, performance management, training and equality.

3.2.4 To agree staffing budget annually for AHFA .

#### **3.3 Finance**

3.3.1 To produce AHFA`s budget and management accounts.

3.3.2 To produce AHFA`s annual accounts.

3.3.3 To receive the Auditor`s Management Letter and Internal Audit Reports and take appropriate action .

## Section 4 ACHA Chief Executive

- 4.1 The Chief Executive has the power to carry into effect, without reference to the Board, matters of day to day management and administration and, in particular, the functions detailed below, with the exception of:
- 4.1.1 Those matters reserved to the Board.
  - 4.1.2 Those matters where the Board have directed that the delegated authority of the Chief Executive should not be exercised and that the matter should be referred to the Board for consideration.
  - 4.1.3 Those matters where the Chief Executive considers his/her delegated authority should not be exercised ( for example; where a proposal involves a possible departure from an approved policy / procedure or a sensitive matter) and that the matter should be referred to the Board for consideration.
- 4.2 The Chief Executive may arrange for similar delegation to be exercised by any other officer of the ACHA Group subject to that officer being of suitable experience and seniority. Whilst such further delegation may be determined by the Chief Executive, it should be noted that the Chief Executive remains responsible for any decision taken pursuant to the delegation arrangements.
- 4.3 This schedule requires decisions to be taken having regard to agreed policies, procedures as well as any legal and contractual requirements.
- 4.4 Where specific matters are not considered to be covered by the list detailed below, and are not decisions requiring the approval of the Board, the Chief Executive will use the intended spirit of this scheme of delegation to self-determine whether the matter should rightly be a decision of the Chief Executive. Where there is a doubt, the matter should be referred to the Board for consideration.

## **Section 5                      Functions to be exercised by the Chief Executive**

### **5.1. Strategy & Delivery**

- 5.1.1 To ensure through delegation to the Director of HR and Corporate Services that departmental operational management plans are prepared by each department annually through the strategic planning process.
- 5.1.2 The provision of information to the Board and the Members of ACHA in accordance with agreed protocols and contractual arrangements.
- 5.1.3 To issue statements to the press and other news media dealing with the work of the ACHA Group.
- 5.1.4 To produce, through delegation to the senior management team, performance reports at least every quarter for the Board and Scottish Social Housing Charter Annual performance information access for all tenants and other stakeholders.
- 5.1.5 To ensure that the Group`s strategic vision, business plan, and goals are delivered.
- 5.1.6 To provide strategic direction to the Senior Management Team, the AFHA Managing Director and staff team.
- 5.1.7 To advise the Board on key management, housing, social, economic, political and operational factors.
- 5.1.8 To assist the Board in the development and maintenance of the ACHA Group strategies, policies and services.
- 5.1.9 To liaise regularly with the Managing Director of AHFA to monitor the outcomes of the subsidiary company.
- 5.1.10 Ensure effective procedures are in place to protect the ACHA Group reputation and financial security.

### **5.2 Leadership, Management & Governance**

- 5.2.1 To ensure that service and investment commitments made to tenants and residents are met.



- 5.2.2 To ensure effective performance management is in place.
- 5.2.3 To support the ACHA Group Company Secretary with the assistance of the Corporate Services Department.
- 5.2.4 To provide advice on issues of governance and control to the Board.
- 5.2.5 To ensure the ACHA Group carries out operations as per the business plan, strategic plan and policies.
- 5.2.6 To ensure the ACHA Group meets the requirements of the Scottish Housing Regulator (SHR), the Office of the Scottish Charity Regulator (OSCR), the Care Inspectorate (CI), the Financial Conduct Authority (FCA), and the Scottish Public Services Ombudsman (SPSO), Her Majesty's Revenue and Customs (HMRC) and Companies House.
- 5.2.7 To ensure the ACHA Group meets its legal obligations.
- 5.2.8 To uphold the Group's commitment to equality.
- 5.2.9 To agree changes to the staffing structure of ACHA within the agreed budget/establishment.

### **5.3 Engagement with Stakeholders**

- 5.3.1 To develop strategic partnerships, building strong and effective relationships with all stakeholders.
- 5.3.2 To undertake effective consultation with stakeholder groups in accordance with agreed policies and procedures where required.

### **5.4 Finance**

- 5.4.1 To ensure that the Group financial affairs are properly managed and controlled through delegation to the Director of Finance and I.T. and that effective financial strategies are in place.
- 5.4.2 To ensure that there is an effective Internal Audit function in place for ACHA through delegation to the Director of HR & Corporate Services.
- 5.4.3 To ensure that there is an effective Internal Audit function in place for AHFA through delegation to the AHFA Managing Director.

5.4.4 Be responsible for, through delegation to the Director of Finance and I.T., the provision of good financial planning, reporting and control arrangements needed to manage risk effectively.

5.4.5 Set targets and performance management measures, review and monitor progress.

## **5.5 Legal**

5.5.1 To ensure compliance with all statutory requirements and legal regulations, including those specified in ACHA's Memorandum and Articles and the Service and Funding Agreements.

5.5.2 To approve contracts in accordance with the ACHA Group Standing Orders in respect to contracts over £100,000

5.5.3 To act as the ACHA representative, through delegation to the Directors for contractual matters requiring attention/action and as identified in ACHA the ACHA Rules, Partnership, Service and Funding Agreements.

## **Section 6 Functions to be exercised by the Director of Finance and I.T.:**

### **6.1. Strategy and Delivery**

6.1.2 To co-ordinate all financial elements of the ACHA Group Business Plans.

6.1.3 To ensure that the Group remains financially viable.

6.1.4 To contribute to business development and improvement, policy formulation and in achieving corporate commitments and goals.

6.1.5 To take a lead role in evaluating the financial impact of risk facing the Group and ensure this is reflected in the ACHA Group Risk Strategy.

6.1.6 To lead strategic development of the ACHA Group finance and I.T. policies.

6.1.7 To contribute to the corporate strategy and communication.

6.1.8 Advise on the financial structure of the organisation and ensure that effective Treasury Management arrangements are in place.

## **6.2 Leadership, Management & Governance**

6.2.1 To provide strategic financial, IT, planning, management, reporting and control of corporate funds.

6.2.2 Negotiating with the ACHA Group lenders to establish borrowing arrangements and loans.

6.2.3 To ensure the preparation of the ACHA Group annual operating budget and statutory accounts.

6.2.4 To approve variations to the ACHA Group annual operating budget as may be required and within the limits prescribed in the ACHA Group budget virement procedure.

6.2.5 To propose the write-off of debts in accordance with the procedures and maximum values set out in the ACHA Group accounting policies.

6.2.6 To ensure regular reports are prepared for the Board and the Finance and Audit Committee on Group financial performance.

6.2.7 To ensure regular reports are prepared for AHFA`s Managing Director on AHFA`s financial performance.

6.2.8 Prepare and implement effective financial controls, policies and procedures.

6.2.9 To advise, the Chief Executive and ACHA Board , on how the ACHA Group can meet all statutory and regulatory obligations in respect of financial matters, in particular the Appointment of auditors.

6.2.10 To ensure the effective management of risk through appropriate internal controls and internal audit function.

6.2.11 To control funds through the Group Treasury Management Policy.

6.2.12 Overseer of the ACHA Group accounting & financial systems.

6.2.13 To undertake an annual rent consultation with ACHA tenants.

## **6.3. Engagement with Stakeholders**

- 6.3.1 To establish good and effective external working relationships with partners and external stakeholders and represent the Group to appropriate regulatory bodies, other housing associations, funders and partner agencies, communicating the corporate vision and strategy.

## **Section 7 Functions to be exercised by the Director of Housing and Neighbourhood Services**

### **7.1 Strategy and Delivery**

- 7.1.1 To lead strategic development and policy formulation for all housing and neighbourhood services.
- 7.1.2 To contribute to the corporate strategy and communication.
- 7.1.3 To contribute to the development and implementation of the ACHA Group Risk Management Strategy.
- 7.1.4 To contribute to the revision of the ACHA Group Business Plans.
- 7.1.5 To advise and support with the formulation of policies and plans for the future development of the ACHA Group.
- 7.1.6 Provide strategic information, advice and support on matters that have implications for delivery of services.
- 7.1.7 Ensure that the housing stock is managed and maintained in accordance with legal duties

### **7.2. Leadership, Management & Governance**

- 7.2.1 Ensure that the activities of the department accord with Group policy, comply with regulatory requirements, and are carried out within budget and achieve best value.
- 7.2.2 To ensure that regulatory and performance targets are met and that services are delivered in line with the ACHA Group business plan.
- 7.2.3 To produce reports outlining performance.
- 7.2.4 To establish, maintain and develop tenant and resident participation.

- 7.2.5 Set standards, frameworks, performance indicators and protocols for housing management, maintenance and other neighbourhood services.
- 7.2.6 To ensure that service planning and delivery takes account of peer and national performance standards and statutory duties.
- 7.2.7 Promote equality in all aspects of housing, property management and service delivery, and ensure compliance with all relevant legislation.

### **7.3 Engagement with Stakeholders**

- 7.3.1 To ensure appropriate consultation with partners regarding HOME Argyll (common housing register) and provide relevant reports, data and information.
- 7.3.2 To continue to consult with the ACHA Group tenants and residents to ensure that there is effective participation and consultation.
- 7.3.3 To retain good and effective external working relationships with partners and external stakeholders.
- 7.3.4 To represent the ACHA Group to appropriate regulatory bodies, other housing associations, developers, partners and contractors, communicating the corporate vision and strategy

## **Section 8 Functions to be exercised by the Director of Investment and Regeneration**

### **8.1. Strategy and Delivery**

- 8.1.1 To prepare, in consultation, local development strategies for the ACHAGroup.
- 8.1.2 Ensure that the housing stock meets the Scottish Housing Quality Standard by 2015.
- 8.1.3 To contribute to the Group strategy and communication.
- 8.1.4 To ensure that the ACHA Group becomes a lead agency in the regeneration of communities.
- 8.1.5 To ensure that the ACHA Group investment and development activities provide maximum social and economic benefit

8.1.6 To contribute to the ACHA business plan, particularly in relation to investment and regeneration activities.

8.1.7 To act as the main adviser on all aspects of the ACHA Group investment and regeneration activities.

8.1.8 Participate in the development and implementation of the ACHA Group Risk Management Strategy.

## **8.2. Leadership, Management and Governance**

8.2.1 Co-ordinate delivery of the investment programme.

8.2.2 Ensure that the ACHAGroup plays a central role in the physical and community regeneration of communities.

8.2.3 To produce performance information to report to the Board.

8.2.4 To monitor procurement strategies to ensure best value for money.

8.2.5 To ensure that the investment programme is implemented in line with the ACHA Business Plan.

8.2.6 To continue to promote high standards in energy efficiency and sustainability.

8.2.7 To continue to develop high quality design standards for all new developments.

8.2.8 To continue to review the ACHA Group policies and practices in relation to contractor and consultant procurement.

## **8.3 Engagement with Stakeholders**

8.3.1 To liaise with the local authority, Scottish Housing Regulator, the Housing & Regeneration Directorate and other partners to ensure that the ACHAGroup is a key developer of new housing in Argyll.

8.3.2 To continue to develop effective consultation arrangements with the tenants and other customers.

## **9 Functions to be exercised by the Director of HR and Corporate Services**

### **9.1 Strategy and Delivery**

- 9.1.1 To advise and support the formulation of policies and plans for the future development of the ACHA Group.
- 9.1.2 To provide advice and support on all aspects of Organisational Development.
- 9.1.3 To contribute to the development of the ACHA Group strategic planning.
- 9.1.4 To contribute to the development and review of the ACHA Group business plan.
- 9.1.5 To participate in the development and implementation of the ACHA Group Risk Management Strategy.

### **9.2 Leadership, Management and Governance**

- 9.2.1 To ensure high levels of administration support on corporate affairs and governance within the ACHA Group and provide advice.
- 9.2.2 To ensure high quality systems of administration, record keeping and internal communications
- 9.2.3 To develop and implement strategies for staff performance appraisal, performance management and staff development.
- 9.2.4 To advise on all aspects of governance.
- 9.2.5 To provide advice on all aspects of negotiations and relations with the trades unions.
- 9.2.6 To continue to ensure that all aspects of legal and statutory compliance are met, including the regulatory requirements of the Scottish Housing Regulator, Office of the Scottish Charity Regulator and the Care Inspectorate.
- 9.2.7 To develop and review policies, procedures and systems including staff development, equality, health and safety, discipline and grievance.

9.2.8 to co-ordinate legal advice.

9.2.9 To co-ordinate training and development programmes and assist with regular reviews of the training needs.

9.2.10 to ensure that the Board, Committees and Members are serviced to a high standard.

9.2.11 to organise the Annual General Meeting and prepare the annual reports.

9.2.12 to organise Special Board meetings or Special General Meetings as required.

9.2.13 To prepare human resources and Group policies and procedures, including health and safety and training, for the approval of the Board as may be required from time to time.

9.2.14 To appoint / assign / deploy staff, including the determination of benefits and salary, within the approved budget/establishment and in accordance with agreed procedures and policies.

9.2.15 to approve additional payments to staff in accordance with agreed policies and procedures.

9.2.16 to dismiss staff on grounds of conduct, performance or capability, within agreed policies, procedures and employment legislation.

9.2.17 to agree early retirement/severance payments for individual Members of staff in accordance with agreed policies.

9.2.18 Ensure adequate internal audit measures are implemented for ACHA.

### **9.3 Engagement with Stakeholders**

9.3.1 To act as contact between the ACHA Group and the staff trades unions.

9.3.2 To represent the ACHA Group at meetings, events and forums with other associations, funders, partners and other relevant bodies.



## **Section 10 Functions to be exercised by the Managing Director of AHFA**

### **10.1 Strategy & Delivery**

- 10.1.1 To ensure operational management plans are prepared annually for AHFA through the strategic planning process.
- 10.1.2 The provision of information to the AHFA Board of Directors in accordance with agreed protocols and contractual arrangements.
- 10.1.3 To produce performance reports at least every quarter for the Board of Directors.
- 10.1.4 To provide strategic direction to the AHFA staff team.
- 10.1.5 To advise the Board of Directors on key management, economic, political and operational factors.
- 10.1.6 To assist the Board of Directors in the development and maintenance of strategies, policies and services specific to AHFA.
- 10.1.7 To liaise regularly with the Operations Manager of AHFA to monitor the outcomes of the subsidiary company.
- 10.1.8 Ensure effective procedures are in place to protect AHFA`s, and the Group`s, reputation and financial security.

### **10.2 Leadership, Management & Governance**

- 10.2.1 To ensure that service commitments made to tenants and residents are met.
- 10.2.2 To ensure effective performance management is in place.
- 10.2.3 To provide advice on issues of governance and control to the Board of Directors.
- 10.2.4 To ensure AHFA carries out operations as per policies and procedures.
- 10.2.5 To assist the Group in meeting the requirements of the Scottish Housing Regulator, the Office of the Scottish Charity Regulator (OSCR), the Financial Conduct Authority and the Scottish Public

Services Ombudsman (SPSO), Her Majesty's Revenue and Customs (HMRC) and Companies House.

10.2.6 To ensure AHFA meets its legal obligations.

10.2.7 To uphold the Group's commitment to equality.

10.2.8 To agree changes to the staffing structure of AHFA within the agreed budget/establishment.

### **10.3 Engagement with Stakeholders**

10.3.1 To develop strategic partnerships, building strong and effective relationships with all stakeholders.

### **10.4 Finance**

10.4.1 To ensure that AHFA's financial affairs are properly managed and controlled with the assistance of the Director of Finance and I.T. and that effective financial strategies are in place.

10.4.2 To ensure that there is an effective Internal Audit function in place for AHFA.

10.4.3 Be responsible for the provision of good financial planning, reporting and control arrangements needed to manage risk effectively.

10.4.4 Set targets and performance management measures, review and monitor progress.

### **10.5 Legal**

10.5.1 To ensure compliance with all statutory requirements and legal regulations.

10.5.2 To approve contracts in accordance with AHFA's Standing Orders in respect to contracts over £100,000.

10.5.3 To act as AHFA's representative for contractual matters requiring attention/action and as identified in AHFA's Constitution, Partnership, Service Level Agreement and Funding Agreements.

## **Section 11. Limits to Approval of Expenditure**

(Note: these levels will be reviewed on an ongoing basis)

**Refer to the ACHA Group policy `Purchasing Procedure`.**

# Financial Regulations

# ANNEX A

## **Section A1. Application of these Financial Regulations**

- A1.1 These Financial Regulations are made to provide for the proper administration of the Group`s financial affairs. The Chief Executive has overall responsibility for this administration.
- A1.2 These Regulations state the principles of financial control and administration which must be followed by all officers of the ACHA Group.
- A1.3 “Chief Executive”, means the Chief Executive of the ACHA Group or any employee of the ACHAGroup if responsibility has been delegated by the Chief Executive or the ACHA Board in accordance with the Chief Executive Delegation Scheme.
- A1.4 The Board may alter these Financial Regulations.
- A1.5 The Chief Executive may allow specific exceptions to these Financial Regulations where in their opinion it is in the best interests of the ACHA Group interest. The Chief Executive must keep a record of these exceptions.
- A1.6 The Chief Executive can alter the financial limits in these regulations because of changes in the value of money. The Chief Executive must report any alterations to the next meeting of the Board where it will be recorded within the agreed minutes.
- A1.7 All amounts quoted in these Financial Regulations refer to values excluding Value Added Tax.

## **Section A2 Financial Controls and Procedures**

### **A2.1 Accounting Control**

- A2.1.1 The Chief Executive is responsible for approving and controlling the ACHA Group accounting and financial systems through delegated authority to the Director of Finance and I.T. All Group officers must comply with these accounting and financial systems.

### **A2.2 Audit Arrangements**

- A2.2.1 The Chief Executive must ensure that monitoring, review and reporting to the Board is undertaken by the Director of Finance and I.T. on:
- A2.2.1.1 the soundness and adequacy of financial management control systems and how they are implemented.
- A2.2.1.2 how far established policies, plans and procedures are complied with and the financial effect.
- A2.2.1.3 how far assets and interests are accounted for and safeguarded from losses due to:-
- fraudulent offences
  - waste, extravagance and inefficiency
- A2.2.2 The Chief Executive must ensure that monitoring, review and reporting to the Argyll Homes for All Board of Directors (AHFA) is undertaken by the AHFA Managing Director on items 2.2.1.1 – 2.2.1.3 above.
- A2.2.3 If any officer within the ACHA Group suspects or knows of any losses or irregularities concerning cash, property, stores or other financial matters they must tell the Chief Executive at once and discuss action to take. The Chief Executive must report serious losses and irregularities to the Board at the first available opportunity. Incidents may be reportable as a Notifiable Event.
- A2.2.4 If any officer within AFHA suspects or knows of any losses or irregularities concerning cash, property, stores or other financial matters they must tell the Managing Director at once and discuss action to take. The Managing Director must report serious losses and irregularities to the Board of Directors at the first available opportunity. Incidents may be reportable as a Notifiable Event.
- A2.2.5 The Chief Executive can examine all files including computer files. The Director of Finance and I.T is responsible for ensuring that all computer facilities are used in ACHA`s best interest.
- A2.2.6 The Director of Finance and I.T. will ensure the annual appointment by the ACHA Group Annual General Meeting of a suitably qualified auditor who will prepare audited accounts, financial statements and audit report for the Group. These will be presented to the Board and Members at the Annual General Meeting.

- A2.2.7 The Director of HR & Corporate Services will ensure that systems for internal audit are put in place and that the Finance and Audit Committee regularly receives reports.
- A2.2.8 The AHFA Managing Director will ensure that systems for internal audit are put in place and the AHFA Board of Directors regularly receives reports.

### **Section A3 Management Accounts**

- A3.1 Each quarter the Director of Finance and I.T. must provide to the Board the management accounts for the previous quarter showing income and expenditure comparison against budget.
- A3.2 Each quarter the AHFA Managing Director must provide to the AHFA Board of Directors the management accounts for the previous quarter showing income and expenditure comparison against budget.

### **Section A4 Payments to Staff**

- A4.1 The Chief Executive is authorised by the `Schedule of Delegated Authority` in relation to personnel matters for the Group. The Director of HR and Corporate Services is responsible for arrangements for paying employees.

### **Section A5 Banking Arrangements**

- A5.1 The Chief Executive controls the ACHA Group bank account(s) and is responsible for all procedures through delegated authority to the Director of Finance and I.T.
- A5.2 All cheques, and other orders for payment can be signed only by the Chief Executive, AHFA Managing Director, Directors or Finance Managers as outlined in the authorities schedule authorised by the Board.

### **Section A6 Borrowing Arrangements and Leases**

- A6.1 Only the Chief Executive through delegation to the Director of Finance and I.T can negotiate loans to, and leases by, the ACHA Group and all loan and lease arrangements must be reported to the Board.

## **Section A7 Investments**

A7.1 Only the Director of Finance and I.T, on behalf of the Chief Executive, can place surplus funds on money market deposits on behalf of the ACHA Group. The funds must be invested under the name of the ACHA Group.

## **Section A8 Partnerships, Joint Ventures and Companies in which the ACHAGroup is a guarantor or has a share holding interest**

A8.1 Where it is proposed that the ACHAGroup be involved in a partnership arrangement or a joint venture or where the ACHAGroup is to be a guarantor of a company limited by guarantee or a shareholder of a company, the Chief Executive will first report to the Board on the proposals and will agree arrangements to provide for the effective monitoring in each case of the arrangement, Joint Venture or operation.

## **Section A9 Budget Preparation and Monitoring**

A9.1 The Group Director of Finance and I.T. is responsible for overseeing the annual budget setting exercise and submitting budgets to the Board for approval.

A9.2 The Managing Director and Board of Directors are responsible for the annual budget setting process for AHFA.

A9.3 The Director of Finance and I.T. will on a quarterly basis prepare management account reports and submit them to the Board. Each report will include details of the income and expenditure of the ACHA Group against budget.

A9.4 The Director of Finance and I.T. will, on a quarterly basis, prepare management account reports and submit them to the AHFA Managing Director. Each report will include details of the income and expenditure of the Group against budget.

A9.5 In the event of significant overspend arising (something that was not anticipated and could not be controlled) the Chief Executive must report on the situation to an early meeting of the Board.

A9.6 In respect of AHFA; the event of significant overspend arising (something that was not anticipated and could not be controlled) the Managing Director must report on the situation to an early meeting of the AHFA Board of Directors and reported to the Group Chief Executive.

## **Section A10 Financial Arrangements**

### **A10.1 The Chief Executive**

A10.1.1 Must ensure each year, through delegation to the Director of Finance and IT, that a Business Plan covering all the activities and functions of the ACHA Group is available for consideration by the Board.

A10.1.2 Is responsible for all expenditure incurred to be contained within the timescale and the limits set by the Group Business Plan and the annual budgets, including the regulation of employee levels and having regard to the necessity to regulate, as far as is practicable, future contractual commitments to realistic business planning objectives.

A10.1.3 Must ensure through delegation to the Director of Finance & I.T that accurate and up to date information, maintenance of sufficient records to demonstrate financial control and monitoring of on-going performance including the preparation of periodical management accounts is submitted for consideration by the Board.

A10.1.4 Must ensure through delegation to the AHFA Managing Director keeps accurate and up to date information, maintenance of sufficient records demonstrates financial control and monitoring of on-going performance including the preparation of periodical management accounts is submitted for consideration by the Board of Directors.

## **Section A11 Expenditure Requirements**

### **A11.1 Expenditure Limits**

The Chief Executive may spend up to the total annual budgeted provision in the most efficient and cost effective manner in order to meet the Group objectives and policies as agreed by the Board.

A11.2 The Chief Executive is responsible for all expenditure incurred.



- A11.3 The Chief Executive shall not incur expenditure beyond the total budgeted provision, nor make commitments or variations in staffing levels, which would lead to increases in expenditure in future years beyond approved limits. The Chief Executive must inform the Board immediately if it appears that the total expenditure incurred by the Group (including proposed expenditure) is likely to exceed the approved budget along with recommendations for containing any overspend.
- A11.4 The Managing Director of AHFA shall not incur expenditure beyond the total budgeted provision, nor make commitments or variations in staffing levels, which would lead to increases in expenditure in future years beyond approved limits. The Managing Director must inform the Board of Directors immediately if it appears that the total expenditure incurred by the subsidiary (including proposed expenditure) is likely to exceed the approved budget along with recommendations for containing any overspend.

## **Section A12 Invoices**

- A12.1 The Chief Executive is responsible for making arrangement for the authorisation of invoices and other requests for payment prior to payment through delegated authority to the Group officers as set out within the Group's `Purchasing Procedure`. The certification of an invoice for payment will indicate that the authoriser is satisfied that the payment is in accordance with the purchase order, contract, minute or other document:
- permitting the expenditure;
  - that prices are in accordance with quotations or are otherwise reasonable;
  - that the goods, services, materials or works have been received and are satisfactory; and
  - that the invoice has not been paid previously and is a proper liability of the Group .
- A12.2 The Chief Executive may nominate senior officers to certify invoices for payment for the Group. The Chief Executive will endeavour to ensure that, as far as is possible, the placing of orders for goods and services, the receiving of orders and goods and certification of payment of them are carried out by different persons as set out in the `Purchasing Procedure` .

A12.3 The Managing Director may nominate officers to certify invoices for payment for AHFA. The Managing Director will endeavour to ensure that, as far as is possible, the placing of orders for goods and services, the receiving of orders and goods and certification of payment of them are carried out by different persons as set out in the `Group Purchasing Procedure

A12.4 Payments will not be made against statements, delivery notes or copy accounts (unless, in the latter case, they are properly certified by an authorised officer that the original has been mislaid).

## **Section A13 Capital Expenditure**

### **A13.1 Expenditure Arrangements**

Every scheme where the ACHA Group incurs capital expenditure must be considered by the Board for inclusion in the Capital Programme before any commitment is made.

No further reference need be made to the Board provided that:-

A13.1.1 the scheme is designed and specified within the approved costs in the Capital Programme (which will be shown at outturn prices).

A13.1.2 plans and detailed estimates are agreed by the Board prior to commitment.

A13.1.3 where appropriate, the Scottish Housing Regulators approvals have been received.

### **A13.2 Overspending the Capital Programme**

A13.2.1 Once a scheme has started the Chief Executive must ensure that a report is submitted by the Director of Investment and Regeneration to the Group Board if, at any time, s/he thinks that the cost of a capital scheme will exceed the approved figure in the Capital Programme by more than **10%** or **£100,000**, whichever is the lesser.

A13.2.2 Additional works to an approved scheme beyond the original scheme proposals exceeding the approved figure in the Capital Programme may only be authorised by the Group Board.

## **Section A14      Income and Money Security Requirements**

### **A14.1      Income Arrangements**

A14.1.1      The Chief Executive is responsible for the collection of any rents, fees, charges or concessions by the ACHAGroup and for arrangements for the receipt, recording, banking and safe-keeping of all income due to the ACHA Group through delegation to the relevant departments or subsidiary company.

### **A14.2      Grant Applications and Claims**

A14.2.1      The Chief Executive is responsible for arrangements for the submission of grant applications to outside agencies, the certification of claims and the proper management of monies received. This will be facilitated through delegated authority to the relevant Director.

### **A14.3      Money Security**

A14.3.1      All cash receipts and cash floats of the ACHAGroup must be locked away when not attended. Lockable cupboards may be used for sums up to £250 but a safe facility should be provided for sums in excess of this limit.

## **Section A15      Management of Assets**

### **A15.1      Asset Register**

A15.1.1      The Chief Executive will delegate the keeping of the ACHA Group financial fixed asset registers to the Director of Finance and I.T who will issue procedures for its maintenance and valuation if appropriate.

### **A15.2      Keeping Inventories**

A15.2.1      The Chief Executive must ensure that inventories of plant, equipment, computer hardware and software and furniture are kept in accordance with good practice through the relevant departmental procedures.

A15.2.2      Inventories must be regularly reviewed and all items physically checked at least annually by departments.

A15.2.3      All plant and equipment must be clearly marked to show they belong to the ACHA Group. Those items leased must be clearly marked "Leased".

A15.2.4 The Chief Executive must ensure that the best possible price is obtained if disposing of goods and materials surplus to the requirements of the ACHA Group.

### **A15.3 Land and Buildings**

A15.3.1 The Chief Executive must ensure that the Board is notified of all proposals to acquire or dispose of land and buildings (by purchase, sale or tenancy) by the Director of Finance and I.T and the Director of Investment and Regeneration.

## **Section A16 Protection and Security of Computer Data**

A16.1 The Chief Executive through delegated authority to the Director of Finance and I.T. will make adequate arrangements for the protection, security and use of all computer data/software and equipment including the control of access to premises in which computer terminals owned by the ACHAGroup are located.

A16.2 The Chief Executive shall have regard to the provisions of ISO / IEC 27002 Information Security Management Systems or any replacement thereof for the time being in force when considering the protection and security of computer data.

A16.3 The Director of Finance and I.T. will make adequate arrangements, to ensure that all licenses for software are maintained and in order.

A16.4 The Chief Executive will ensure that the Group complies with all Data Protection legislation. Through delegated authority to the Director of Finance and I.T.

A16.4.1 The Director of Finance and IT is the Data Controller for the Group; and

A16.4.2 The Managing Director for AHFA is the Data Controller for the subsidiary company.

## **Contracting and Ordering Arrangements**

## **ANNEX B**

### **Section B1 Appointing Contractors**

B1.1 All contracts will be let in compliance with the Group Procurement Policy and Group Building Works Procurement Policy.

### **Section B2 Contracts**

B2.1 The Director of Investment and Regeneration is responsible for arrangements to ensure the proper control and use of ordering and contracting procedures.

B2.2 Within limits specified by the Chief Executive, other officers may be authorised to sign orders and contracts in their own names on behalf of the ACHAGroup through the Group Purchasing Procedure . Any orders or contracts made under this Financial Regulation will remain the responsibility of the Chief Executive.

B2.3 The Chief Executive through delegation to the Director of Finance and I.T. must maintain an up to date record of nominated officers.

B2.4 All orders must be on an official form except in the case of formal written contracts.

### **Section B3 Payment for Work on Account**

B3.1 The ACHAGroup will make or authorise payments on account only on certificates which have been issued by the Architect / Engineer /Supervising Officer / Agent appointed to deal with a particular contract.

### **Section B4 Outside Consultants and Technical Officers**

B4.1 Outside Consultants and Technical Officers employed to supervise contracts must follow the ACHA Group Standing Orders for Contracts and these Financial Regulations as applicable and their contracts for services must state this requirement.

### **Section B5 Claims**

B5.1 The Director of Investment and Regeneration as informed by the Architect, Engineer, or Supervising Officer must inform the Board of all claims by or against contractors which are the subject of dispute between the ACHAGroup and the contractor.

## **Section B6 Extending Existing Contracts**

B6.1 The Chief Executive (after consultation with the Chairperson) can extend a contract under **£100,000** by anything up to 20 per cent of its original price.

## **Section B7 Prompt Payment**

B7.1 The ACHA Group has a policy of prompt payment, whereby all invoices will be **paid within 28 days** of approval or sooner depending on the conditions of the relevant contract. Contractors and suppliers will be notified of any reasons why there is a delay in approving an invoice.

## **Section B8 Insurance Arrangements**

### **B8.1 Insurance Cover**

B8.1.1 The Director of Finance and I.T. will ensure the arrangement of all insurance cover and keep a record of details.

B8.1.2 Any member of staff who is authorised to make use of their own motor vehicle in carrying out Group business shall be responsible for effecting adequate cover for such business use.

B8.1.3 Evidence of the adequacy of such insurance will be produced to the Director of HR and Corporate Services via the Cascade system annually, or, on request.

## **Section B9 Public Accountability Requirements**

### **B9.1 Rules for Officers**

B9.1.1 An officer of the ACHA Group must not, accept any fee or reward whatsoever other than his/her proper remuneration.

B9.1.2 An officer must not receive or give or offer any gift or bribe or personal inducements in connection with the ACHA Group's business (except for instances specified within the ACHA Group's policy on Payment and Benefit).

B9.1.3 An officer must not use ACHAGroup property, assets or materials for other than the purposes of the ACHA Group. Permission of the Chief Executive, or departmental Director, must be sought for use of ACHA Group property, assets and materials for other purposes and such

permission may only be given if it can be shown that such use is in the ACHA Group`s interest.

- B9.1.4 An officer must not subordinate his/her duty to the ACHA Group to his/her private interests or put himself/herself in a position where his/her duty and private interests conflict.

## **Section B10 Cashing of Cheques**

- B10.1 The cashing of cheques (whether the ACHA Group or otherwise) by any officer is prohibited except with the specific approval of the Chief Executive.

## **Section B11 Contracts where Governing Body and staff members have a Financial Interest**

- B11.1 For specific information in relation to this circumstance, please refer to the Group policy on Payment and Benefit. This will provide guidance, controls and clarity.

## Standing Orders for Contracts

## ANNEX C

### **Section C1 The Scope of these Standing Orders**

- C1.1 These Standing Orders for Contracts must be followed every time the ACHA Group enters into a contract for the supply of goods, services or materials or for the execution of works estimated to be of a total anticipated value of **£100,000** or over.
- C1.2 European Union Regulations must also be followed where applicable.
- C1.3 In these standing orders “Chief Executive” means the Chief Executive of the ACHA Group or any employee of the ACHA Group if responsibility has been delegated by the Chief Executive or the Board in accordance with the Chief Executive’s Delegation Scheme.
- C1.4 All amounts quoted in these Standing Orders refer to values excluding Value Added Tax.
- C1.5 All building contracts will comply with the Building Works Procurement Policy.

### **Section C2 Exceptions**

- C2.1 Exceptions to these Standing Orders can only be allowed:-
- C2.1.1 by the Board after considering a report from the Chief Executive via a delegated Director.
  - C2.1.2 in consultation with the Chairperson. Exceptions must be reported to the next meeting of the Board.
  - C2.1.3 the Chief Executive must keep a record of all these exceptions through the agreed Board minutes.

### **Section C3 Extending existing contracts**

- C3.1 The Director of Investment and Regeneration, on behalf of the Chief Executive, (after consultation with the Chairperson) can extend contract proposals.
- C3.1.1 under **£500,000** by anything up to 10 per cent of their original price



C3.1.2 over **£500,000** by anything up to 10 per cent on their original terms and conditions but subject to the extension being within the original scheme.

C3.2 The Board can approve extensions

C3.2.1 above these limits

C3.2.2 beyond the original scheme proposals

## **Section C4 Appointing Contractors**

C4.1 Contractors must be chosen and appointed by the , Board, the Chief Executive, Directors or the Managing Director of AHFA, where applicable, by the methods set out in the Building Works Procurement Policy.

C4.2 A contract can also be entered into by the Board, AHFA Board of Directors, the Chief Executive or the Managing Director fo AHFA, where applicable, in the following circumstances:

C4.2.1 for the supply of goods or services where there is only one supplier.

C4.2.2 for the supply of goods or services where the Chief Executive has decided to standardise by buying from only one supplier.

C4.2.3 for the extension, addition to or maintenance of existing buildings, works, plant or equipment where the Chief Executive has decided that this can only be done satisfactorily by the original contractor or supplier.

C4.2.4 carrying out security works where the publication of documents in the tendering process could prejudice the security of the work to be done.

C4.2.5 on behalf of a consortium, joint committee, ACHA or similar organisation of which the ACHA Group is a member, provided the rules of that organisation are followed.

C 4.2.6 for insurance loans and investment arrangements.

C4.3 The Chief Executive must consider in consultation with the relevant Directors what, if any, security should be provided for performing contracts over **£100,000**.

## **Section C5 Quality Standards**

C5.1 Prior to choosing and appointing a contractor they must state in the tender or contract documents the quality of standards considered to be appropriate for the goods, services, materials, or works required.

## **Section C6 Vetting of Prospective Contractors**

C6.1 Prior to the inclusion of any contractor on any selective list and prior to the appointment of any other contractor on any selective list and prior to the appointment of any other contractor, the Chief Executive must always ensure the technical competence and financial viability of the contractor through a vetting process based on the Building Works Procurement Policy  
For contracts estimated to exceed **£100,000**, the Chief Executive must always consider and assess the financial viability of the contractor to perform all the contract works in liaison with the Director of Investment and Regeneration and the Director of Finance and IT.

C6.2 Contractors must also be able to meet the ACHA Group Equality, Health and Safety and Insurance and Professional Indemnities requirements.

## **Section C7 Selective tendering from approved contractors list**

C7.1 The Chief Executive, through delegation, must keep a list of contractors who have been approved by the Board of Management as stated in the Building Works Procurement Policy.

C7.2 The list will remain permanently open and the Chief Executive, through delegation to the Director of Investment and Regeneration. The Chief Executive will keep under review the financial and technical capabilities of contractors on the list. This will be done through delegation to the Director of Investment and Regeneration.

C7.3 The Chief Executive must suspend a contractor from the list if in his/her opinion the contractor is unsatisfactory or cannot meet the terms of his/her contract.

C7.4 Tender lists will be compiled and approved in compliance with the ACHA Group Building Works Procurement Policy.

## **Section C8 Open competitive tendering**

C8.1 Tenders must be invited in line with the ACHA Group Procurement Policy and ACHA Group Building Works Procurement Policy.

## **Section C9 Selective tendering**

C9.1 Tenders must be invited in line with the ACHA Group Procurement Policy and Building Works Procurement Policy.

## **Section C10 Negotiated contracts**

C10.1 Where in the opinion of the Director of Investment and Regeneration on behalf of the Chief Executive in consultation with the Chairperson, there are special circumstances justifying the ACHA Group negotiating a contract with a particular contractor, the Director of Investment and Regeneration may negotiate and agree the terms of the contract with the contractor subject to the terms being approved by the Board.

C10.2 The Chief Executive must report all contracts negotiated under this Standing Order to the next meeting of the Board.

## **Section C11 Submitting and opening tenders**

C11.1 Every invitation to tender must state that a tender will only be considered if it is received at the specified place by the specified closing date and time in a sealed envelope with the word "Tender" and the title of the contract written on it. The Chief Executive through delegated authority to the Director of Investment and Regeneration, Director of Finance and IT, Director of Housing and Neighbourhood Service, Director of HR and Corporate Services and the AHFA Managing Director must ensure that the received tender envelopes are kept in secure custody.

C11.2 The tenders will be opened in line with the tender opening instructions in the Building Procurement Policy.

C11.3 All tenders for each contract must be opened together by the Director of Investment and Regeneration, or delegated officer, at a prescribed time in the presence of another officer of the ACHA Group.

The Director must ensure that a record of all of these tenders are kept. This record shall note the estimated contract price; names of contractors selected to tender; date and time of return of each tender; the price submitted by each tenderer; any unusual circumstances; signatures of those attending the opening; name of the successful tenderer and reasons for selection. The Director of Investment and Regeneration must allow disqualification of a tender which fails to comply with the requirements of this Standing Order and must return the tender to the tenderer indicating the reason for the disqualification.

## **Section C12 Amending tenders**

C12.1 A tender can be amended after it has been received and before it has been accepted only if the Director of Investment and Regeneration approves:-

C12.1.1 the correction of an error made in good faith; the Group making an alteration to its advantage provided that the alteration, if made to all the tenders, would not make any other tender economically most advantageous to the Group.

C12.1.2 The Director of Investment and Regeneration through, a specified process must keep a record of all these amendments.

## **Section C13 Accepting tenders**

C13.1 Prior to accepting a tender the Director of Investment and Regeneration must evaluate all tenders received.

C13.2 The Director of Investment and Regeneration can only accept the tender that represents Best Value and must record the reasons for acceptance.

C13.3 The Board can accept a tender, which is not the economically most advantageous after considering a report by the Director of Investment and Regeneration.

C13.4 The Chief Executive must ensure a process is in place for keeping a record of those cases where other than the economically most advantageous tender is accepted.

C13.5 Where tenders have been invited and received, the Director of Investment and Regeneration may authorise negotiations with the two lowest tenderers if

S/he considers that none of the tenders are satisfactory and it is in the ACHA Group`s interest to do so.

C13.6 Where negotiations have taken place, the amended tender must be formalised in writing and shall not be accepted otherwise than by the Board after receiving a written report from the Director of Investment and Regeneration confirming that the amended terms are in the ACHA Group`s interest and are economically more favourable than those originally obtained by the tendering process.

## **Section C14 Financial limits**

C14.1 The Chief Executive can alter the financial limits in these standing orders because of the changes in the value of money. S/he must report any alterations to the next meeting of the Board.