



**BIELD HOUSING & CARE
FINANCIAL REGULATIONS**

VERSION 001

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Bield Housing & Care

Financial Regulations

1. OVERVIEW

1.1 Introduction

As part of the governance framework for Bield Housing & Care, Bield has adopted a range of Standing Orders which detail the governance arrangements and operational framework for the organisation.

Sound financial management is a key component of good governance and Bield's Standing Orders explicitly include the Financial Regulations as an intrinsic part of its Standing Orders and binds the Board, Committees, Sub-committees, Board Members and employees of Bield to follow its requirements.

The purpose of the Financial Regulations is to protect the interests, assets and reputation of Bield Housing & Care, its board members and employees and to minimise the risk of failure to comply with statutory requirements and to promote best practice.

1.2 Legal Framework

Various pieces of legislation and regulatory requirements impact on the financial management of Bield. The key elements are detailed below.

The Housing (Scotland) Act 2001 as amended by The Housing (Scotland) Act 2014.

This legislation builds on previous legislation and sets out the general requirements as to accounts and audit for a registered social landlord.

Co-operative and Community Benefit Societies Act 2014

These require the Board to prepare accounts for each financial year which give a true and fair view of Bield's state of affairs and of the surplus or deficit of Bield, for that period.

The Registered Housing Associations (Accounting Requirements) (Scotland) Order 1999

This provides guidance on Accounting requirements.



The Statement of Recommended Practice (SORP): Accounting by Registered Social Landlords, as updated 2018

This, as its title suggests, provides guidance on recommended practice in relation to the accounts of Registered Social Landlords.

1.3 Hierarchy of Control

The hierarchy of control in relation to financial matters is summarised as follows:

The (SFHA) Model Rules of Bield Housing & Care

Bield Housing & Care Standing Orders

Bield Housing & Care Scheme of Delegation

- **Financial Regulations**
 - **Financial Policies**
 - **Financial Procedures**

Details of the respective roles and responsibilities of Board Members and employees in adhering to the Financial Regulations are set out in the various individual Regulations, Policies and Procedures. However, Financial Regulation FR01 provides specific details of the key responsibilities in this regard.

1.4 Summary of Documents

Following is a summary of the individual financial regulations.

Overview

Financial Regulations

- FR01) Responsibilities of Board Members & Employees
- FR02) Financial Planning & Management
- FR03) Control of Resources & Risk Management
- FR04) Partnership/Joint Working
- FR05) Framework for Accountability & Control
- FR06) Delegated Authority Authorisation and Approval



1.5 Review / Publication Arrangements

It is essential that the entire financial regulations are regularly reviewed to ensure that we comply at all times with statutory requirements, we reflect and operate best practice and ensure we seek continuous improvement in service delivery.

To facilitate this approach all documents will be subject to version control and will be re-issued whenever changes take place. In order to adopt a more sustainable approach to this, the Financial Regulations will be posted on Bield's website.

2. PRINCIPLES UNDERPINNING THE FINANCIAL REGULATIONS

2.1 The financial affairs of Bield shall at all times be conducted in accordance with the three principles of corporate governance set out below:

Openness — in terms of approach and disclosure of information;

Integrity — straightforward dealing and completeness;

Accountability — whereby individuals accept responsibility for their actions.

3. INTERPRETATION

For the avoidance of doubt, through all documents within the Financial Regulations the following interpretations apply:

- Board Members – refers to all Members of the Board of Bield Housing & Care
- Board – means the Board of Bield Housing & Care and/or any properly constituted Committees and Sub-Committees.
- Chief Executive – means the Chief Executive of Bield Housing & Care personally or their nominee
- Chief Operating Officer – means the Chief Operating Officer of Bield Housing & Care personally or his/her nominee
- Director – means one or more of the Directors of Bield Housing & Care personally or their nominee



- Employee – means any employee of Bield Housing & Care or of any partnership arrangements that Bield Housing & Care enters into.
- Volunteer – means any individual volunteering to assist Bield in any way who is formally acknowledged as a volunteer.
- Gender – any references to he, she, him, her, they, their etc. are not intended to be gender specific, all obligations apply consistently regardless of gender.

4. GLOSSARY

- Standing Orders - refers to the agreed management policies of the association which include the allocation of responsibility between the Board, Committees and Sub-Committees
- Virement - is a term used to describe the transfer of budget from one budget head to another
- Procurement – the process/approach to commissioning and purchasing works, goods or services.

5. BRIBERY ACT 2010

Bield Housing & Care is committed to the highest standards of ethical conduct and integrity in all its activities and in order to ensure compliance with the Bribery Act 2010 has introduced a specific Financial Policy - Anti Bribery Policy and Procedures. This policy and associated procedures must be complied with by all employees, Board Members and associated persons or organisations acting for or on behalf of Bield.

6 POLICY WORDING

In all Bield’s official documents, where references are made to specific job titles, roles, groups or committees, such references shall be deemed to include any changes or amendments to these job titles, roles, groups or committees resulting from any restructuring or organisational changes made within Bield between document reviews.”



BIELD HOUSING & CARE

FINANCIAL REGULATION FR01

RESPONSIBILITIES OF BOARD MEMBERS & EMPLOYEES



Bield Housing & Care

Financial Regulation FR01

RESPONSIBILITIES OF BOARD MEMBERS & EMPLOYEES

1. GENERAL RESPONSIBILITIES

- It is the duty of the Chief Executive or their delegated nominee(s) to ensure that these Regulations are adhered to. Such delegation may be through explicit request or instruction or may be implicit in the employee's role
- All Board members and all employees will be provided with a copy of these Regulations, as well as being informed of and having access to, any changes to them. It is the responsibility of each individual Board member and employee to see that they observe these rules as it affects their role within the organisation
- The Board will regularly review these Regulations, at a minimum no less frequently than tri annually and will either re-adopt or amend them. The absence of such review shall not cause them to lapse.

2. SPECIFIC RESPONSIBILITIES

The Board - The Board acts for and in the name of Bield Housing & Care (Bield) and retains ultimate control over all aspects of its work, ensuring that its financial and legal responsibilities are properly fulfilled.

The Board delegates some of its responsibility to subordinate Committee(s) and/or Sub-Committees. Specific authority is delegated in particular areas as defined in Bield's Standing Orders. However, no decision made by a Committee or Sub-Committee of the Board is binding on Bield unless it is acting within its specifically delegated powers as laid down in Standing Orders.

The Chair of the Board – In the absence of a Board meeting, urgent decisions which cannot wait can be taken under delegated authority after discussion by the Chair (or in their absence the Vice Chair) and the Chief Executive who would then take the appropriate action. This decision and any subsequent action would require to be homologated at the next meeting of the full Board.



The Senior Management Team (SMT) are responsible for ensuring that at all times staff secure the best value for money possible, with the aim of achieving the policies of Bield using best value principles. The arrangements, procedures and systems under their control should ensure Bield's affairs are conducted without waste or extravagance and with full regard for probity.

SMT with the CEO have overall collective responsibility for budget management and performance for Bield.

Directors are fully accountable for the financial performance of their Department or Service within agreed budget parameters and may only incur expenditure where budgetary provision has been made. Budget adjustments through approved means such as virement may be agreed, otherwise formal authority to exceed budgeted amounts must be obtained through the Board, or in exceptional circumstances through expedited procedures as outlined above. Directors should secure all income due to Bield whether or not recognised in budgets and are not entitled to use it to offset expenditure without prior Board approval.

Financial Control – At all times the Board is responsible for controlling Bield's finances and ensuring that expenditure is covered by the income it can expect from all sources and also, that its financial functions adequately match the scale of Bield's activities. Annual audited accounts must be published in accordance with the Memorandum and Articles and all statutory returns completed within the required timescale. The Board will also ensure that Bield operates as economically as possible within its overall objectives, ensuring the long term financial viability of Bield and seeking to maximise value for money at all times. In addition the Board will monitor compliance with any Bankers Loan Covenant requirements.

The Chief Executive has overall responsibility for the activities of all staff and reports directly to the Board.

The Chief Operating Officer is responsible to the Chief Executive and through them to the Board for the administration and control of the Financial Services Section and their responsibilities in relation to Finance include:

- leading and managing an effective, efficient and responsive financial service;
- maintaining an efficient and effective system of financial operations and controls;
- assisting in long-term planning, particularly around financial forecasting and analysis;
- presenting quarterly management accounts and forecast out-turn to the Board



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- and Committees on a timely basis;
- preparing the annual accounts, liaising with Bield's Auditors in respect of the year-end audit and reporting the accounts to the Annual General Meeting;
 - monitoring and maintaining the day-to-day running of Bield's finances;
 - ensuring that the requirements of the Co-operative and Community Benefit Societies Act 2014, Companies Acts or other constituting authorities are obeyed concerning the requirements for Bield to keep proper books and record;
 - safeguarding the assets of Bield;
 - reviewing, updating and amending the Financial Regulations as necessary from time to time, but at least tri-annually;
 - maintaining statutory records;
 - preparing appraisals for major investment decisions;
 - ensuring that medium and long term financial plans and annual capital and revenue budgets are prepared;
 - ensuring that appropriate arrangements are in place to identify and manage key risks within Bield;
 - ensuring financial accounting and reporting applications are robust, fit for purpose and subjected to periodic review; and
 - ensuring best practice in procurement.

The Chief Operating Officer reports to the Board on the level of resources proposed for each financial year and keeps the Board informed on Bield's finances and financial performance. It is important that the medium term (5 year) financial plan and long term financial plan (30 years) is reviewed and if necessary, revised as a minimum annually and they will be responsible for revising the plan and presenting it for consideration to the Board. The 5 year financial plan must be submitted to the SHR annually within their deadline and similarly, the 30 year plan when requested by SHR.

Bield will also require a short term financial plan which translates the long term financial plans into an annual budget. This will be revised and presented to the Board for approval annually as part of the routine budget cycle.

The Board is responsible for making, and amending from time to time, such financial regulations and detailed financial policies and procedures as it considers necessary and desirable for the supervision and control of the finances, accounts, income, expenditure and assets of Bield, as contained within Standing Orders.

The Chief Executive and each Director is responsible for accountability and control of staff and the security, custody and control of all other resources including plant, buildings, materials, cash and stores relating to their spheres of responsibility.



Matters Affecting Materially the Finances of Bield - Each Director will consult the Chief Operating Officer with respect to any matter that is liable to materially affect the finances of Bield before any provisional or other commitment is incurred or before reporting thereon to the Board.

New policy proposals affecting Bield's Finances - any proposed new policies or variations to existing policies, outwith financial policies which affect or may affect Bield's finances, must be shared with the Chief Operating Officer for consultation and consideration prior to presentation to Board or Committees and prior to implementation.

New Projects – Any new projects must be subject to the association's project appraisal process and individual financial appraisal by the Finance Team prior to presentation to Board or Committees and prior to implementation.

All Board Members and staff must observe Bield's Standing Orders, Scheme of Delegation, Financial Regulations, Financial Policies and detailed Financial Procedures at all times.

It is the responsibility of each director to ensure their staff receive appropriate training in Bield's policies and procedures, Board members will receive training as part of the induction process but have an obligation to ensure they fully understand their roles and responsibilities and seek additional guidance if necessary.



BIELD HOUSING & CARE

FINANCIAL REGULATION FR02

FINANCIAL PLANNING & MANAGEMENT



Bield Housing & Care

Financial Regulation FR02

FINANCIAL PLANNING & MANAGEMENT

1. INTRODUCTION

1.1 Financial Planning and Management incorporates the various elements associated with the development, maintenance and monitoring of Bield's financial strategy and financial position. These include:

- General Accounting Framework
- Revenue Budgets
- Capital Budgets
- Long Term Financial Planning
- Treasury Management
- Monitoring of Budgets
- Annual Accounts.

2. GENERAL ACCOUNTING FRAMEWORK

2.1 The Chief Operating Officer is responsible for ensuring that adequate systems of accounting control are maintained throughout Bield and that services conform to legislation, Bield policy, and codes of practice on these matters.

2.2 The Chief Operating Officer will ensure appropriate procedures and instructions are issued for:

- Developing, maintaining and reviewing the overall budget strategy and ensuring this is integrated with and reflective of the wider corporate strategy;
- Producing the annual and long term revenue and capital budgets and financial plans;
- Treasury Management planning and operational activity;
- Project and other Financial Appraisals;
- Budget monitoring;
- Applying schemes of budget flexibility to allow effective use of resources



- Supervising and controlling accounts, and other financial systems, records and operations;
- Ensuring legislative compliance and best practice in procurement;
- Storage and disposal of financial records;
- Producing financial management information;
- Submission of regulatory and statistical returns; and
- Completion of Annual Accounts.

2.3 The Chief Operating Officer is responsible for ensuring the proper completion of claims for Housing Association Grant (HAG) funding, other government and external grants, etc. In the case of HAG and IIF funding the Director of Business Development also has specific authority to complete these claims.

2.4 Board reports on any topic which involve any financial implications must contain a statement of those implications and confirmation that the Chief Operating Officer has verified the financial content of the report.

3. REVENUE BUDGETS

3.1. **Preparation** – The Chief Operating Officer will ensure that a revenue budget is prepared annually as part of Bield’s financial strategy. This process will ensure that short (the following year), medium (5 year) and long term (a rolling 30 year period) financial plans are produced. The capital budget (referred to at 4 below) and its revenue consequences must be integrated with the revenue budget.

3.1.1 The Chief Operating Officer will co-ordinate the preparation of the revenue and capital budgets and submit them to the Senior Management Team for consideration prior to presentation to the Board.

3.1.2 Directors have a duty to provide financial and budgetary information for revenue and capital budget preparation as required by the Chief Operating Officer.

3.2 **Approval** - The Chief Operating Officer is responsible for presenting, annually, a draft revenue budget to the Board, this will incorporate the revenue consequences of capital spend. The Board shall consider the draft budget, and subsequently approve revenue and capital budget, set rents, service charges and other charges etc. as required. The Board will also consider and approve updates to the 5 and 30 year financial plans and in doing so will consider sensitivity analysis and risk.

3.3 **Revenue Budget Virements** - In any financial year Directors may, without prior reference to the Board, exercise budget virement within and between expenditure/income headings within their approved budgets of up to 5% of the relevant expenditure/income heading subject to the following:

- the agreement of the Chief Operating Officer is obtained;
- additional posts are not being established;
- there are no additional implications (e.g. additional resource requirements) for future years;
- the value of transfers in one year doesn't affect an expenditure/income heading by more than 10%; and
- the virements are reported retrospectively to the Board.

Virements affecting expenditure/income headings in excess of the above limits and virements between service areas and those necessitating additional resources in future years may require the approval of the Board. The Chief Operating Officer must be consulted before virement proposals are submitted to the Board for consideration.

4. CAPITAL BUDGETS

4.1 **Capital Budget Planning Process** - The Chief Operating Officer together with the Director of Business Development is responsible for ensuring that Bield agrees and implements a Capital Investment and Planning process. The capital planning process will include appropriate links with asset management planning, strategic planning, treasury management and option/business viability appraisal.

4.2 **Capital Budget Preparation** - The Chief Operating Officer together with the Director of Business Development is responsible for ensuring that a detailed capital budget is prepared annually as part of the agreed capital investment and planning process. This budget must be integrated with the revenue budget.

4.3 **ICT capital budgets** – The Chief Operating Officer with the support of the Head of ICT will prepare and submit for Board approval an ICT capital budget.

4.4 **Approval** - The Chief Operating Officer will present, annually, a draft capital budget to the Board. The Board shall consider the draft budget and subsequently approve a capital budget including the revenue consequences of the capital programme.



5. MONITORING

- 5.1 **General** - The Chief Operating Officer will provide appropriate financial information to enable budgets to be monitored effectively. In addition to providing monitoring reports to Budget Holders, all Budget holders have access to the live accounting and budgeting system and are able to view data at all times. Budget holders will control income and expenditure within their services and monitor net expenditure against the agreed budget.
- 5.2 **Monitoring of Revenue Budgets** - The primary responsibility for revenue budgetary control lies with Directors who are fully accountable for the financial performance of their services against the budget allocated. The Chief Operating Officer is responsible for monitoring the overall budget and reporting of the financial position on a regular basis to the SMT/LT and to the Board.
- 5.3 **Monitoring of Capital Budgets** - The primary responsibility for capital budgetary control lies with Directors who are fully accountable for the financial performance of their services against the budget allocated. It is the responsibility of the Directors to undertake monitoring of the capital programme for their Service. The Chief Operating Officer is responsible for reporting on the financial position of the capital programme to the SMT/LT and to the Board.

6. ANNUAL ACCOUNTS

- 6.1 The Chief Operating Officer is responsible for ensuring that the statutory Annual Accounts are produced in compliance with Bield policy, relevant legislation and accounting requirements.
- 6.2 The Chief Operating Officer will submit a copy of the Annual Accounts to the Board and the External Auditor in accordance with the agreed timetable but, in any event, by the prescribed date.
- 6.3 Directors are required to provide information in accordance with instructions on the final accounts issued annually by the Chief Operating Officer.



BIELD HOUSING & CARE

FINANCIAL REGULATION FR03

CONTROL OF RESOURCES AND RISK MANAGEMENT



Bield Housing & Care

Financial Regulation FR03

CONTROL OF RESOURCES AND RISK MANAGEMENT

1. INTRODUCTION

- 1.1 It is essential that robust systems are developed and maintained for identifying and evaluating on an integrated basis all significant strategic and operational risks to Bield. This involves the proactive participation of all those associated with planning and delivering services.

2. INTERNAL AND EXTERNAL AUDIT

Bield is required to operate a sound system of corporate governance covering all aspects of its business. The requirement to arrange for the proper administration of its financial affairs is a key element of Bield's system of corporate governance.

- 2.1 The Board has established an Audit & Risk Committee and employs an independent accountancy firm to provide an Internal Audit Service with a different independent accountancy firm providing an External Audit Service.
- 2.2 **Audit and Risk Committee** - The Audit and Risk Committee has been established to ensure that there are effective mechanisms in place to provide:
- independent assurance of the adequacy of the risk management framework and the associated operational and management control environment within Bield;
 - independent scrutiny of Bield's financial and non-financial performance to the extent that it affects the Association's exposure to risk and weakens the control environment; and
 - assurance that any issues arising from the process of drawing up, auditing and certifying Bield's annual accounts are properly dealt with.
- 2.3 The remit of the Audit and Risk Committee is part of the Standing Orders of the Association and is subject to regular review by the Board and includes:

- review of the establishment and maintenance of an effective system of internal controls;
- review the activities of both the Internal and External Auditors, including the annual work programme and progress against the programme and the outcome of major findings of Internal Audit investigations;
- ensure that the Internal Audit function is properly resourced and has appropriate standing within Bield;
- seek evidence that the role of Internal Audit is understood and respected by Board Members and Officers and is actively promoted;
- review the adequacy of policies and procedures for ensuring compliance with relevant statutes, directions, guidance and policies which seek to ensure the orderly conduct of business; safeguarding of assets; the timely production of accurate and complete financial information and adherence to the principles of good corporate governance;
- review the adequacy of structures, processes and responsibilities for identifying and managing key risks within Bield; and
- review External Audit reports together with the management response and ensure the effective co-ordination between Internal and External Audit.

2.4 The Committee will ensure Bield has in place an anti-fraud and corruption policy. Wherever any matter arises which involves, or is thought to involve, a fraud or irregularity that affects the affairs of Bield, the relevant Director must **immediately** notify the Chief Executive and Chief Operating Officer. Thereafter an investigation should be carried out in line with the instructions of the Chief Executive and with procedures issued by the Chief Operating Officer.

3. RISK MANAGEMENT AND INSURANCE

3.1 Bield has a responsibility to establish effective risk management systems and a risk management policy to comply with corporate governance requirements. (see the separate Risk Management Policy)

3.2 The Chief Operating Officer is responsible, in consultation with Directors, for ensuring Bield has in place a risk management strategy and risk register in accordance with policy. The Risk Register (Excel) is the prime resource/application for recording risk data and the ongoing maintenance of this and its data will be managed by the Chief Operating Officer.

3.3 Directors must immediately notify the Chief Operating Officer of all new risks as they become apparent or of any alterations or changes in the existing level



of risk. Changes to the risk register will be considered and agreed by SMT/LT. Periodic reporting on risk management and monitoring will be provided to SMT/LT, Audit and Risk Committee and the Board.

- 3.4 The Chief Operating Officer will review insurable risks annually and determine any appropriate insurance through external cover and self-insurance. They will place insurance cover following that assessment through a tendering process, where appropriate.
- 3.5 Directors must immediately notify the Chief Operating Officer in writing of any loss, liability or damage or any event likely to lead to an insurance claim and must inform the police where appropriate, in accordance with procedures.
- 3.6 The Chief Operating Officer will negotiate with Bield's insurers for all claims, in consultation with Directors and will consult with Bield's Legal Advisers regarding the terms of any indemnity that Bield is required to give.
- 3.7 Directors should ensure that petty cash held within each service unit is minimised and does not exceed relevant insurance limits.

4. CUSTODY AND SECURITY OF ASSETS, STOCKS AND STORES

- 4.1 Directors are responsible for maintaining proper security, care and custody of all buildings, stocks, stores, furniture, equipment, cash and other property including that owned by third parties.
- 4.2 Directors must ensure that proper contingency planning arrangements are in place for all critical services and systems in accordance with requirements contained within Bield's Business Continuity Plan. The Head of ICT must ensure that all computer systems are backed up at appropriate intervals and that back up media are held securely.
- 4.3 Directors are responsible for maintaining and regularly updating an inventory for all stocks and fixed assets in every establishment within their service in accordance with guidelines issued by the Chief Operating Officer.
- 4.4 Disposals or write-offs of stores, plant, furniture and equipment must be carried out in accordance with procedures issued by the Chief Operating Officer.
- 4.5 Bield property must not be removed from Bield premises other than for Bield purposes except in accordance with Bield policy.



5. BANKING ARRANGEMENTS

- 5.1 The Chief Operating Officer will ensure that arrangements are made for the provision of mainstream banking services and that the contract is renewed periodically by competitive process.
- 5.2 The Chief Operating Officer will make arrangements regarding the opening and operation of all Bield bank accounts and use of banking services in the name of Bield.

6. TREASURY MANAGEMENT

- 6.1 Bield adheres to the recommendations of CIPFA's publication: *Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes (2011) - (The Code)* The Chartered Institute of Housing, the Scottish Housing Regulator and SFHA also support this code.
- 6.2 Accordingly, Bield maintains, as the cornerstones for effective treasury management:
- a treasury management policy statement, stating the policies and objectives of treasury management activities; and
 - suitable treasury management practices, setting out the manner in which Bield will seek to achieve those policies and objectives, and prescribing how these activities will be managed and controlled.
- 6.3 The Chief Operating Officer is responsible for the implementation and monitoring of treasury management policies and practices and must act in accordance with Bield's policy statement and treasury management practices.
- 6.4 As part of the annual budget development process the Chief Operating Officer must report to the Board on the treasury management strategy and plan for the coming financial year. In addition, the Chief Operating Officer must report to the Board not less than once in each financial year on the activities of the treasury management operation.
- 6.5 All investments of money under its control shall be made in the name of the Association again, in accordance with the requirements of the Treasury Management Policy.



BIELD HOUSING & CARE

FINANCIAL REGULATION FR04

PARTNERSHIP/JOINT WORKING



Bield Housing & Care

Financial Regulation FR04

PARTNERSHIP/JOINT WORKING

1. INTRODUCTION

- 1.1 Working in partnership with a range of other organisations is a key policy and priority of Bield. It is essential that appropriate accounting and control arrangements are in place to regulate the operation of all arrangements involving third parties.

2. PARTNERSHIPS AND JOINT ARRANGEMENTS

- 2.1 Directors must consider the overall corporate governance arrangements when considering contracts with external bodies. They must consult with the Chief Operating Officer in respect of financial issues and ensure that financial risks have been fully appraised before any formal arrangements are agreed.
- 2.2 Directors are responsible for ensuring that all appropriate approvals, both internal and external, are obtained in relation to work with external bodies.
- 2.3 The Chief Operating Officer must ensure that the accounting arrangements to be adopted relating to partnerships and joint ventures are satisfactory and transparently detailed for the understanding of all parties involved.

3. BIDS FOR EXTERNAL FUNDING

- 3.1 To assess the financial implications related to bids for external funding Directors must consult with the Chief Operating Officer regarding the financial content of all bids and business cases for external funding submitted by Bield. This applies, for example, to Scottish Government funding and any other external funding.
- 3.2 Before making any funding bids directors should seek the agreement of the Senior Management Team, providing an outline of the proposals, the financial consequences and risks.



- 3.3 The Director responsible for submission of funding bids is also responsible for ensuring that all funding notified by external bodies is received and recorded in Bield's accounts.
- 3.4 The Chief Operating Officer will determine the frequency and level of review required for all external arrangements/agreements involving any financial implications.



BIELD HOUSING & CARE

FINANCIAL REGULATION FR05

FRAMEWORK FOR ACCOUNTABILITY AND CONTROL



Bield Housing & Care

Financial Regulation FR05

FRAMEWORK FOR ACCOUNTABILITY AND CONTROL

1. INTRODUCTION

1.1 The following is Bield Housing & Care's Framework for Accountability and Control. As with all the Financial Regulations this is further supported by detailed policies and procedures, all of which form part of the Financial Regulations.

2. INCOME

2.1 The recovery and collection of all money due to Bield must be undertaken in accordance with guidelines issued by the Chief Operating Officer. The guidelines include, inter alia; procedures for issuing accounts, recording income, paying in cash, under and over banking, security and insurance of cash, cash transfers, personal cheques and the supply of receipts and tickets.

2.2 Accounts should always be issued for sums due to Bield, unless alternative arrangements have been agreed with the Chief Operating Officer. Directors must:

- ensure the prompt (within 5 working days) rendering of accounts in connection with work done, goods supplied or services rendered;
- ensure that all money received by Bield is paid directly to Bield's bank accounts; and
- provide the Finance Team such information as requested to establish income due to Bield when requested, to promote accuracy of the accounts and monitoring reports.

2.3 Where accounts have not been issued other appropriate arrangements must be adopted and promptly initiated in line with guidelines issued by the Chief Operating Officer.

2.4 Arrangements for payment of accounts due by instalment are at the discretion of the relevant Director, in consultation with the Chief Operating Officer.



- 2.5 In consultation with Directors, the Chief Operating Officer is authorised to write off miscellaneous debts of up to £2,000 for each individual/organisation where Bield has tried all possible means of debt collection.
- 2.6 In addition, the Chief Operating Officer in consultation with Directors, is authorised to write-off any amount of miscellaneous debt in accordance with Bield's write off policy that cannot be recovered where the debtor:
- is a debtor in bankruptcy or sequestration (and a suitable claim has been made); or
 - is a company in liquidation, receivership, administrative receivership, or has been struck off the register of companies (and a suitable claim has been made); or
 - cannot be traced; or
 - is deceased and there are no funds in the estate; or
 - the debt is prescribed (i.e. outwith the legal time limit for collection).

Any and all such write offs to be reported retrospectively to the Board for information.

3. SALARIES AND WAGES

- 3.1 The scheme of delegation provides for the appointment of employees and establishes basic pay. Directors are responsible for authorising any variations to pay, and for ensuring that:
- all documents authorising variations to pay are submitted in accordance with conditions of service, Bield policies and other statutory provisions; and
 - the Chief Operating Officer is provided with such information as is required to complete Bield and statutory returns.
- 3.2 The Chief Operating Officer is responsible for processing and payment of salaries, wages, compensations and other emoluments.
- 3.3 The Chief Operating Officer is responsible for paying pension contributions to The Pensions Trust, Tax and National Insurance Contributions to HM Revenues and Customs.



4. ALLOWANCES AND EXPENSES

4.1 The Chief Operating Officer is responsible for:

- submitting a draft scheme of Board Members' allowances and expenses to the Board periodically; and
- administering the scheme of Board Members' allowances and expenses in accordance with any relevant statutory provisions and Bield policy.

4.2 The Chief Operating Officer is responsible for the reimbursement of travelling and subsistence expenses to employees and Board Members in accordance with Bield Policy. Payment is only made on the instruction of an authorised signatory.

4.3 Directors are responsible for ensuring that:

- claims for expenses are submitted in accordance with the conditions of service, Bield policies and other statutory provisions; and
- the Chief Operating Officer is provided with such information as is required and requested to complete Bield and statutory returns.

5. PROCUREMENT

5.1 Each Director is responsible for ensuring that all procurement complies with Bield's Sustainable Procurement Strategy, Procurement policy and procedures on procurement and tendering arrangements to ensure full compliance with Scottish Government and UK legislation and guidance including guidance from the Scottish Housing Regulator and thresholds agreed by the Board and to ensure that Bield obtains best value in all its expenditure.

5.2 Each Director and/or their designated representative(s) is/are responsible for authorising orders within their service. Orders must comply with procedural directions issued by the Chief Operating Officer and/or Association policy.

5.3 Whenever Directors delegate responsibility this should be in accordance with the Association's Financial Regulation FR06, Delegated Authority, Authorisation and Approval. The Finance Team is responsible for collating and administering the authorised signature lists and electronic records in relation to authorisation limits and responsibilities from services.

5.4 Orders for items subject to existing contracts should only be placed with the contracted supplier.



- 5.5 Official order forms must be issued for all work, goods or services to be supplied to Bield except for:
- suppliers of public utility services;
 - periodical payments such as rent or rates;
 - petty cash purchases;
 - purchases made electronically where this has been agreed with the Chief Operating Officer, for example debit cards, credit cards, purchase cards, e-commerce, or
 - other exceptions specifically agreed with the Chief Operating Officer.
- 5.6 Where orders are placed electronically, Directors must ensure that proper security and control arrangements are implemented in accordance with guidelines issued by the Chief Operating Officer.
- 5.7 Any departure from the issuing of traditional official order forms, as detailed above, must be controlled by alternatives procedures issued by the Chief Operating Officer.

6. PAYMENT PROCEDURES

- 6.1 Directors are responsible for authorising invoices and other forms of payment request within their service and ensuring these are accurately coded within the accounting system. Invoices authorised for payment must be passed for processing without delay in accordance with statutory time limits and procedures issued by the Chief Operating Officer. Invoices will only be paid on the written instruction or appropriate electronic authorisation of an authorised signatory.
- 6.2 Whenever Directors delegate responsibility for authorisation of payments this must be in accordance with Bield's Financial Regulation FR06 the Delegated Authority. Any required amendments to the specified list of officers within the scheme of delegated authority must be notified to the Chief Operating Officer in writing and the Chief Operating Officer must be provided with specimen signatures for these officers where appropriate. The Finance Team is responsible for collating and administering the authorised signature lists from services.
- 6.3 Payment must not be made prior to the receipt of goods without the approval of the Chief Operating Officer. Where a payment requires to be made in circumstances where there is no supply of goods or services, e.g. grant payments and refunds, then such payments must be made in accordance with procedures issued by the Chief Operating Officer.



- 6.4 The normal method of payment of money due from Bield is by electronic bank transfer such as BACS (Banks Automated Clearing System), cheque (in exceptional cases only), Faster Payments and CHAPS, or other instrument drawn on Bield's bank account. The only exceptions are payments from petty cash and using credit/purchase cards. BACS payment is the preferred and most cost effective method and should be used in preference to other methods wherever possible.
- 6.5 The Chief Operating Officer may provide cash advances for service units for the purposes of defraying petty cash and other expenses. Such accounts are maintained on the imprest system.
 - 6.5.1 Before entering into leasing agreements Directors must consult with the Chief Operating Officer to establish the correct accounting treatment for the lease.

7. VALUE ADDED TAX

- 7.1 The Chief Operating Officer is responsible for issuing guidance to Directors on the application of value added tax rules.
- 7.2 Directors are responsible for identifying and accounting properly for both their input and output value added tax.



BIELD HOUSING & CARE

FINANCIAL REGULATION FR06

DELEGATED AUTHORITY, AUTHORISATION AND APPROVAL



Bield Housing & Care

Financial Regulation FR06

DELEGATED AUTHORITY, AUTHORISATION AND APPROVAL

1. INTRODUCTION

1.1 The Financial Regulations provide general guidance on roles and responsibilities of Board Members and Employees. However, there are a number of responsibilities and activities where explicit statement of the level of authority that is delegated to individuals is required. In the main these are detailed in Bield's Standing Orders and Scheme of Delegation, however, there are some operational aspects that are too detailed to be included in the Standing Orders/Scheme of Delegation and this document provides further guidance in this regard.

2. OPERATIONAL ACTIVITY

2.1 A schedule detailing the extent of delegated authority for ordering goods and services, authorising payroll transactions, initiating payments and raising charges is attached as **Appendix** to this regulation. Changes to this schedule must be agreed by the Chief Operating Officer.