



FINANCIAL REGULATIONS

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| Responsible Director | Director of Finance and Resources |
| Responsible Manager | Assistant Director of Finance |
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1. INTRODUCTION

1.0 APPLICABILITY

1.0.1 This document is the FINANCIAL REGULATIONS applicable to the whole of the Nottingham Community Housing Association Group, except where explicitly stated otherwise, and except for Three Together Limited and Access Training (East Midlands) Limited, where their own financial governance arrangements apply.

1.1 PLACING IN THE GOVERNING DOCUMENTS HIERARCHY

1.1.1 In conjunction with the Group's STANDING ORDERS, these FINANCIAL REGULATIONS provide the second tier of the Group's governing documents hierarchy.

1.2 PRIMARY GOVERNING DOCUMENTS

1.2.1 The Primary Governing Documents of the Group are:
a. the RULES of Nottingham Community Housing Association;
b. the MEMORANDUM and ARTICLES of ASSOCIATION of Pelham Homes Limited, Pelham Waterside and Pelham Waterside Two;
c. the MEMBER AGREEMENTS for Pelham Waterside and Pelham Waterside Two; and,
d. the Charity Commission SCHEMES for each of the other Group entities.

1.3 TERTIARY GOVERNING DOCUMENTS

1.3.1 In the governing documents hierarchy the STANDING ORDERS and FINANCIAL REGULATIONS take primacy over all other governing documents, other than those listed in 1.2.1 above.

1.4 SCOPE OF DOCUMENT

1.4.1 The Group's FINANCIAL REGULATIONS set out the individual financial regulations applicable in the operation of the Group including setting out the scheme of delegated authority to colleagues. The scheme includes the Authority Levels Procedure therein which, in turn, includes the chart of Authorised Signatory Levels.

1.5 CONTEXT

1.5.1 The Group's FINANCIAL REGULATIONS should be read in conjunction with the Group's primary governing documents (see 1.2.1 above), the Group's STANDING ORDERS (secondary governing documents) and the Group's various strategies, policies and procedural guides (tertiary governing documents) along with the Colleagues Handbook.

1.6 CONTINUITY

1.6.1 Where job titles change between reviews of the Group's FINANCIAL REGULATIONS, the powers and responsibilities detailed herein stay with the postholder without the need to trigger any additional reviews of the Group's FINANCIAL REGULATIONS.

1.7 AVAILABILITY AND REVIEW

1.7.1 The Group's FINANCIAL REGULATIONS are kept under regular review by the NCHA Board and the latest version is kept on Igloo, the Group's Intranet, accessible to all colleagues.

2. INDIVIDUAL FINANCIAL REGULATIONS

2.0 CONTEXT

2.0.1 This section of the Financial Regulations sets out the individual requirements applicable in the operation of the Group.

2.1 ACCOUNTS

2.1.1 The Annual Accounts for the Group and its Subsidiaries will be prepared in accordance with the format laid down by the Regulator and the Statement of Recommended Practice.

2.1.2 The financial year for the Group runs from the 1st April to 31st March, except for where joint ventures have their own financial years.

2.1.3 Annual Accounts will be prepared, audited and presented to the Board for approval and signed on the Statement of Financial Position by the Chair, one other Board member and the Company Secretary/Clerk To The Trustees. The signed audited accounts will then be presented to the members at the AGM.

2.1.4 Each set of Annual Accounts will be submitted to the relevant Regulator by the Assistant Director of Finance in line with their timescales.

2.2 BUDGETS AND BUSINESS PLANS

2.2.1 NCHA Ltd and its subsidiaries (as appropriate) will develop multi-year business plans.

2.2.2 In addition, the Annual Budget will be prepared by the Senior Leadership Team and Executive Team being normally presented to the Board for approval in March each year. This includes the Other Fixed Assets budget which will be prepared by and managed by the Senior Leadership Team. This also includes the preparation, consideration and internal approval of revenue budget growth proposals by Senior Leadership Team and Executive Team. The final Budget will be approved by the Board prior to the commencement of the new financial year.

2.2.3 Any scheduled budget revision, outwith of operational virements, will be prepared by the Senior Leadership Team and Executive Team being normally presented to the Board for approval in November each year

2.3 MANAGEMENT ACCOUNTS

2.3.1 Monthly reports showing current and projected performance for the Group against Budget will be presented to the Executive Team, Senior Leadership Team and Business Centre Managers.

2.3.2 Each relevant NCHA Board meeting will be presented with full management accounts for the Group up to the previous quarter end (allowing six weeks to prepare the accounts after the quarter end) and for any significant subsidiary member of the Group.

Quarterly management accounts for Pelham Homes will also be presented to the Board of Pelham Homes Limited.

2.3.3 Every set of management accounts provided to the Board will include projections to the year end.

2.4 FINANCIAL CONTROL AND INTERNAL AUDIT

2.4.1 NCHA Board will be responsible for keeping the accounting records of the Group and shall exercise the supervision and control over all systems and accounting records.

2.4.2 The independent Internal Auditor (currently Mazars) and the Finance Manager - Systems will report directly to the Director of Finance and Resources with a regular direct reporting responsibility to the Chair of the Audit & Risk Committee with access to the Chair of NCHA's Board as required.

2.4.3 The independent Internal Auditor and the Finance Manager - Systems will draw up an internal audit plan, agreed with the Executive Team and Senior Leadership Team, which will be approved annually by the Audit & Risk Committee. Reports of progress against the plan and summaries of reports issued will be agreed with the Senior Leadership Team and presented quarterly to the Audit & Risk Committee and an annual summary to NCHA Board.

2.4.4 The Finance Manager - Systems will draw up an annual internal audit programme in agreement with the independent Internal Auditor.

2.4.5 The independent Internal Auditor will carry out these programmes and submit a record of all checks carried out for the scrutiny of the Audit & Risk Committee.

2.4.6 All internal audit reports will be circulated to the Finance Manager – Systems, the Senior Leadership Team, Executive Team and Audit & Risk Committee members.

2.4.7 The Finance Manager - Systems will attend the NCHA Board meetings if requested to do so by the Chair, Chair of Audit & Risk Committee or Chief Executive.

- 2.4.8 The Finance Manager - Systems will undertake additional audit work into any area of the Association's activities, which are highlighted as an area of concern by the Chair, Chair of Audit & Risk Committee or Chief Executive.
- 2.4.9 The Director of Finance and Resources shall give the Finance Manager - Systems the authority, at any time to call for and examine all documents or records they may require and to ask for such explanations that they may consider necessary.

2.5 EXTERNAL AUDITORS

- 2.5.1 The Group's current external auditors are Beever and Struthers. The appointment, reappointment of otherwise of the external auditors can be made by either Board Members in a Board Meeting or by shareholders in a General Meeting (in accordance with NCHA's rule F3).
- 2.5.2 The audit will normally be put out to tender at least every ten years or following a specific resolution of the NCHA Board. A working group consisting of the three NCHA Board Members (including at least one Audit & Risk Committee Member) will be appointed to oversee any audit tender process, supported by the Director of Finance and Resources.
- 2.5.3 The external auditors will be required to undertake an annual audit and to produce a Management Letter in agreement with the Senior Leadership Team highlighting areas of weakness in financial control and accounting systems. The Assistant Director of Finance will present this letter with written comments to the next Audit & Risk Committee meeting following receipt.
- 2.5.4 The Chair of the Audit & Risk Committee will present the auditor's Management Letter and a summary of discussions with the auditors to the following meeting of the NCHA Board.

2.6 BANKS

- 2.6.1 The Group's main Bankers are Lloyds Banking Group. A full list of accounts is available from the Assistant Director of Finance.
- 2.6.2 Any changes to the Group's main bankers must be agreed by NCHA's Board.
- 2.6.3 All accounts, except for Service Users accounts, will be maintained in the name of the Association or the other organisations in the Group. They shall not stand in the name of any member or officer either by name or designation.
- 2.6.4 NCHA project Social Fund accounts can be opened with financial institutions other than the Groups clearing bank but must only be opened when authorised by 2 members of the Executive Team. A full record of accounts over which NCHA colleagues have control, other than with our main bankers, must be maintained by the Homes And Wellbeing Directorate and this list to be accessible to the Assistant Director of Finance. All these accounts are to be considered as part of the annual programme of Audits, to be tested on a

regular but random basis, as determined by the Finance Manager - Systems. Any social fund account with over £1,000 balance to be tested by the auditor at least once each year.

- 2.6.5 All cash and cheques should normally be paid into the account no later than the end of the second banking day after receipt or as soon as practical thereafter but in any event within five working days.

2.7 PAYMENT SIGNATORIES AND AUTHORISATIONS

- 2.7.1 Cheques will be maintained as long as they have legal force but will only be used where there is not a workable electronic alternative. All cheques require two signatories. Authority is delegated in accordance with the Authority Levels procedure included at Section 3 of this document and the Assistant Director of Finance will maintain an up to date list of all signatories.

- 2.7.2 All BACS schedules must be checked by two officers who have not prepared the schedule and authorised by one of these signatories before payments can be released.

- 2.7.3 All requests for cheque or BACS payments must be accompanied by the appropriate invoice etc. which should be properly authorised and arithmetically checked, or by a requisition form, appropriately authorised.

- 2.7.4 Blank cheques or incomplete cheques should never be signed.

- 2.7.5 All transfers within NCHA or related organisations' bank accounts must be authorised by an officer separate from the preparer and actioned by another separate party.

2.8 INCOMING MAIL

- 2.8.1 The mail delivery to 12/14 Pelham Road will be opened by one member of colleagues on a rota basis.

- 2.8.2 At all other delivery points the risk of not utilising two people will be assessed by the relevant Senior Leadership Team (SLT) member and subject to that assessment mail delivery can be opened by one person.

- 2.8.3 In all cases all post should be put in the relevant department pigeon hole and not opened. If post is addressed to 12/14 Pelham Road it should go into the Housing Services pigeon hole and not be opened.

- 2.8.4 When a department opens their mail they will log the fact and date stamp it.

- 2.8.5 Any post opened that contains a cheque/monies must be recorded in a cash/cheques remittances book, which should be signed by any persons present at post opening, in order to record who was present. Cheques for Housing Benefit from Local Authorities may be entered in aggregate.

2.8.6 Any cheques received in the mail delivery should be stamped "account payee, not negotiable"; postal orders should be crossed for payment to Nottingham Community Housing Association Limited, or as appropriate.

2.8.7 All accounts for payment received will be stamped with the certification grid or plotting sheet at the post opening.

2.9 INSURANCE

2.9.1 All insurances of the Group shall be under the direction and control of the NCHA Board and shall be implemented by the Executive Team who will report not less than annually on the extent and effectiveness of cover.

2.9.2 The Director of Finance and Resources will ensure that adequate cover is maintained for all insurable aspects of the Group's work. In addition, the Director of Development and Assets will ensure that specialist professional indemnity cover is adequate for all services provided by their Directorate. The Director of Resources ensures that professional indemnity cover is adequate for all other services provided by the Group.

2.9.3 All officers shall give immediate notification to the Executive Team of all new risks or properties which require to be insured and of any alterations affecting existing risks or insurances.

2.9.4 All officers shall give immediate notification to the Executive Team, in accordance with the current operating procedures, of any fire, loss or any other damage or other happening which may result in a claim under an insurance policy and shall supply all estimates and information required for the settlement of a claim. The Executive Team, and the Group's advisors, where necessary, will negotiate all claims with insurers.

2.10 EXPENDITURE

2.10.1 The authority to commit and authorise expenditure is shown in the 'Delegated Authority To Colleagues' section 3.0 below.

2.11 INCOME

2.11.1 Each officer who receives money on behalf of the Group shall accept that once he/she has received it, it is his/her own personal responsibility to ensure its correctness and safe custody and that he/she may be held responsible for any loss or failure to account properly for the money until he/she parts with it in an authorised manner.

2.11.2 Each officer who receives money on behalf of the Group shall give such acknowledgement thereof and keep such records as may from time to time be prescribed by the Director of Finance and Resources.

2.11.3 All books and forms of account, including rent accounting stationery and all official receipt forms etc., shall be in a form approved by the Assistant Director of Finance in consultation with the Group's Auditors and shall be ordered, controlled and issued to the appropriate officers by the Resources Directorate; all receipts and issues thereof shall be acknowledged and

properly recorded in a form which readily discloses the remaining stock on hand.

- 2.11.4 The collection of all amounts due to the Group shall be the joint responsibility of the department making the sale and the Resources Directorate. They will be held accountable to the Assistant Director of Finance, and all accounts (with the exception of rents - the responsibility of the Director of Homes and Wellbeing) shall be rendered through that post.

2.12 RENTS

- 2.12.1 Every tenant must be given the appropriate methods of payment and will receive a letter each year, or every two years as appropriate, informing them of the rent and agreed service charge payable on their property. Leaseholders and sub-market rent tenants will receive a letter every year informing them of the rent and agreed service charge payable on their property.

- 2.12.2 Every cash receipt of rent must be recorded on the official receipt.

- 2.12.3 Controls are in place to ensure there are no conflict of interest or audit issues for colleagues whose routine duties include the collection of rent and the process of updating or amending tenants rent accounts.

2.13 PROCUREMENT AND CONTRACTS

- 2.13.1 All contracts entered into by the Group shall comply with the correct tender or negotiation procedures.

- 2.13.2 All other contracts outwards shall also comply with the correct tender or negotiation procedure and where relevant Public Contract Regulations 2015 and 2019:

- 2.13.2.1 *Contracts valued under £10,000*
At least one written quotation (email is acceptable) must be sought and kept on file.

- 2.13.2.2 *Contracts valued between £10,000 and £24,999*
At least three written quotations (email is acceptable) must be invited and the winning bidder identified using pre-determined evaluation criteria. Where possible one quotation should be from a local supplier (East Midlands region).

- 2.13.2.3 *Contracts valued between £25,000 and the relevant Find a Tender Threshold*
An open/1-stage tender in compliance with Public Contract Regulations 2015 and 2019, which must be advertised and awarded through Contracts Finder.

- 2.13.2.4 *Contracts valued over the relevant /Find a Tender Threshold*

A procurement process compliant with Public Contract Regulations 2015 and 2019 which must be supported by the Procurement and Value Manager.

- 2.13.3 Compliant use of a framework agreement is an acceptable alternative to the procurement processes defined above. The framework agreement must be legally available for use by NCHA and the rules governing use of the framework agreement must be followed in all cases.
- 2.13.4 Further details about the exact requirements and how to value a contract can be found in Section 7 of the Financial Procedures Manual.
- 2.13.5 If the contract does not form part of an approved budget a Board resolution must be obtained.

2.14 PAYMENT OF ACCOUNTS

- 2.14.1 The Resources Directorate shall prepare BACS or other agreed documents of payment in settlement of all accounts due for payment and will present these to the releasers together with full supporting documentation.
- 2.14.2 The payment of accounts will be governed by Section 5 of the Authority Levels Procedure.
- 2.14.3 The Assistant Director of Finance may carry out such additional checks as they consider desirable before arranging for payment.
- 2.14.4 The Assistant Director of Finance, through the Resources Directorate, shall arrange to pay accounts, properly due and payable, promptly and shall make such reports and with such frequency as shall be determined by the NCHA Board or the Chief Executive.
- 2.14.5 Travel and other expenses, payments to employees must be passed for payment by the Line Manager or a member of Executive Team before payment is made. Claims will normally be made within three months of costs being incurred, although this limit can be extended by a member of the Executive Team.
- 2.14.6 All payments made utilising company credit cards or procurement card will be made in accordance with the detailed procedures for this method of payment.

2.15 PETTY CASH

- 2.15.1 The Assistant Director of Finance may advance a fixed petty cash imprest float to an officer of the Group for the purpose of paying petty cash expenses and may prescribe such conditions in connection with the safe custody of the cash and what the float can be used for as they consider desirable. Receipted vouchers for the disbursements shall be obtained and forwarded to the Assistant Director of Finance with a claim for reimbursement of the petty cash account at such intervals as may be arranged.
- 2.15.2 Overall responsibility for petty cash will be as follows:-

- At head office - Finance Manager: Systems
- At area offices – Head of Homes and Wellbeing/ Head of Property Services
- At projects - Project Manager

Separate petty cash procedures will operate in respect of 'care homes' managed by the Association.

2.15.3 Personal cheques will not be cashed out of petty cash or rent balances.

2.16 SALARIES AND WAGES

2.16.1 The Executive Team will agree any colleagues remuneration after consultation with Colleagues provided it is within the agreed budget.

2.16.2 The Chief Executive has the authority to agree remuneration for the Directors.

2.16.3 The NCHA Board will agree any remuneration for the Chief Executive, Board members and Committee Members on the advice of Governance Committee.

2.16.4 A letter of appointment and/or a contract of Employment shall be sent to all employees of the Group by the Resources Directorate who will retain copies thereof.

2.16.5 Payment of salaries or wages in advance shall only be made for new starters and where a processing mistake creates unnecessary hardship.

2.16.6 A summary of the monthly payroll showing the name and the amount payable to each employee shall be presented to each signatory at the time of signing of the cheque or BACS submission.

2.16.7 Salaries will normally be paid by the middle of the month, usually the 15th, i.e. two weeks in arrears, two weeks in advance. Additional payrolls will be added as necessary with due regard to resources.

2.17 FIXED ASSETS BUDGET

2.17.1 An annual fixed assets budget will be prepared by the Assistant Director of Finance and agreed by the Board. The authority to commit expenditure from the approved budget will be delegated to the relevant Business Centre Manager. This area will be managed by the Senior Leadership Team.

2.18 FIXED ASSET REGISTER

2.18.1 The Resources Directorate will maintain a record of the Group's non-housing property fixed assets which will be updated at the time additional purchases are made. Occasional physical checks will be made to ensure both the existence of, and that the control has been maintained over, the Group's fixtures and fittings.

2.18.2 The Homes and Wellbeing Directorate will maintain a register of the content of all project fixed assets.

2.19 CONFLICT OF INTEREST

2.19.1 The Group is committed to comply with the spirit of the legislative requirements. These requirements may be summarised as follows:

2.19.2 The Group shall not make any payment (except under a contract of employment, or in reimbursement of expenses incurred) or grant any benefit to any Board Member, Committee Member, officer or employee, or to a close relative of such a person, or to a business trading for profit in which such a person, or a close relative, has a personal interest.

2.19.3 This applies equally to former Board Members, Committee Members, officers or employees for a period of twelve months following the termination of their membership or employment.

2.20 GIVING AND RECEIVING GIFTS AND ENTERTAINMENT

2.20.1 Board Members, Committee Members, or Colleagues shall not normally accept, from persons or companies with whom the Group has business dealings, substantial personal gifts nor allow any extravagance in any entertainment received. Substantial for the purposes of this issue is a value in excess of £25 for a single item or £50 in aggregate over a 12 month period as per the Code of Conduct.

2.20.2 All gifts of alcohol should be passed to the Chief Executive who will arrange for the gifts to be raffled amongst Colleagues or given away to charity.

2.20.3 Under no circumstances should any hospitality or gifts be accepted from a contractor during or immediately prior to a tender process.

2.20.4 Under no circumstances should cash or convertible vouchers be accepted from any contractor, supplier or customer.

2.20.5 All contractors must be informed as part of the contractors annual review process, that it is NCHA's policy not to allow Colleagues to accept gifts or hospitality. Any contractor making offers of extravagant gifts to an individual member of Board or Colleagues will be removed from the approved contractor's list. If an officer or employee is unsure whether or not a gift is substantial or extravagant then they should seek clarification from their Director or the Assistant Director of Finance in advance of accepting the gift or offer of entertainment.

2.20.6 All gifts or entertainment valued at in excess of £25 for individual gifts or entertainment or £50 in aggregate in any consecutive 12 month period, from a single supplier or contractor should be recorded in the hospitality register and details kept and recorded on the declaration of interest form returned to

the internal auditor each year. If a member of Colleagues is unsure whether or not a gift or level of entertainment is substantial or extravagant then they should seek clarification from their Director or the Assistant Director of Finance in advance of accepting the gift or offer of entertainment.

- 2.20.7 Board Members, Committee Members, and Colleagues will not normally give, to persons or companies with whom the Group has business dealings, substantial personal gifts nor provide any extravagance in any entertainment provided. Substantial for the purposes of this issue is a value in excess of £25 to a single person or £50 to a single company over a 12 month period.

2.21 GOODS AND SERVICES

- 2.21.1 Any purchase by Board Members, Committee Members, and Colleagues of goods or services at rates available to the Group must be channelled through procedures established by the Group.

- 2.21.2 Board Members, Committee Members, and Colleagues should avoid using the services of consultants, contractors, or others who work for the Association subject to the exemption listed in the covering instructions of the Declaration of Interests.

- 2.21.3 Where this is impractical, approval from the Chief Executive or Director must be sought before any binding commitment is entered into, except in an emergency in which case the arrangement must be declared immediately after the event. No special advantage should be gained through any such arrangement.

- 2.21.4 Copies of invoices for work carried out and proof of payment must be sent to the Finance Manager - Systems after all work is carried out and details kept on record.

- 2.21.5 Goods for personal use should never be purchased in the name of the Association or that of any Group company.

2.22 TRAVEL AND EXPENSES

- 2.22.1 This should be claimed in accordance with the guidelines set out in the Colleagues handbook and financial procedures manual.

- 2.22.2 Mileage and subsistence rates are determined by the Executive Team and circulated to Colleagues.

- 2.22.3 Colleagues must fill in the claim form correctly prescribed by the Assistant Director of Finance. This form must be correctly authorised by their line manager.

- 2.22.4 Colleagues travel and expenses claims must be submitted monthly in accordance with the instructions set out by the Assistant Director of Finance for non-official car users and will be paid together with the salary.

2.23 INVESTMENTS

2.23.1 All investments of the funds of the Group Members shall be in accordance with its Rules (Rule F15). This rule states investments as Board determine which is as agreed under the Treasury Strategy and the Treasury Policy approved by NCHA Board Annually.

2.23.2 All deposits and money market investments shall be in accordance with the approved Treasury Strategy.

2.24 BORROWINGS

2.24.1 The Group's borrowing will be approved as required by means of a specific resolution of the Board (or delegated Committee or Task and Finish Group).

2.24.2 Borrowing opportunities will be identified by the Executive Team in accordance with broad policies established annually by the Board.

2.25 BRIBERY

2.25.1 The group does not condone or accept bribery and will take whatever measures needed to ensure that bribery does not affect the group.

2.25.2 The group has implemented a policy which details how NCHA complies with the Bribery Act 2010.

2.26 EXECUTION OF DOCUMENTS

2.26.1 The following documents must be executed as a deed:

- The conveyance of any interest in land (either sold or purchased);
- Agreements where no consideration is given (where no money is paid in return for services provided);
- Mortgage and charges;
- Sales by mortgage;
- Contracts when appropriate; and
- Any other document required by law.

2.26.2 Documents which must be executed as a deed by NCHA can be executed either by:

- Affixing the seal, witnessed either by one Board Member or one Executive Team member and the NCHA Company Secretary or the Assistant Director of Finance (in the latter case two different signatures must always be applied); or
- Signature by two Board Members or Executive Team members/the NCHA Company Secretary/the Assistant Director of Finance or one Board Member and the NCHA Company Secretary

provided that any deeds executed by Executive Team members must not exceed the approved financial authority limits for the Executive Team.

2.26.3 Contracts or other documents not required to be executed as a deed by NCHA may be executed by Board Members, a Board Member and the NCHA Company Secretary or any members of the Executive Team/the NCHA Company Secretary/the Assistant Director of Finance (provided such contracts etc do not exceed the approved financial authority limits for the Executive Team).

2.26.4 A sealing register must be kept of the use of the seal and shall contain the following:

- date of sealing;
- type of document executed/sealed;
- parties to the documents; and
- names of the authorised signatories.

3. DELEGATED AUTHORITY TO COLLEAGUES

3.0 CONTEXT

3.0.1 This section of the financial regulations outlines the individual authorities delegated to colleagues in the execution of the individual financial regulations set out in section 2 above.

3.1 INTRODUCTION

3.1.1 Authority is delegated to Colleagues members on four levels linked to their grade, expertise and operational area.

3.1.2 Even with delegated authority granted to her/him, a member of Colleagues has a duty to seek advice before exercising his/her authority in appropriate cases (e.g. where a problem could be foreseen). In exceptional circumstances a senior officer or line manager may allow an exercise of delegated authority. Similarly in exceptional circumstances e.g.:

- urgent Health and Safety issue needs prompt resolution
- failing to act would result in significant cost to the Group, e.g. air conditioning in Computer Room fails in hot weather

A level B or C officer may, taking all relevant issues into account, authorise expenditure not budgeted but will as soon as practical inform a member of ET and seek retrospective approval. If the expenditure exceeds ET powers to approve retrospective approval will be sought from NCHA Board.

3.1.3 Any authority delegated to a Colleagues member is automatically within the authority of his/her senior officer or line manager.

3.1.4 All authority delegated to Colleagues members to commit expenditure is done within the confines of the approved budget. Exceptions to this will arise as indicated at 3.1.2 above and where a tender has been submitted and a successful result notified, requiring set up expenditure prior to a NCHA Board meeting at which formal approval can be given to the successful tender. Any costs incurred will then be authorised providing they are in accordance with the authorised tender.

3.1.5 The scales included within the levels detailed in the attached procedure are the maximum permitted under these Financial Regulations. Employees at scale 5 for example may be restricted to level E authority levels if agreed by a member of the Senior Leadership Team.

3.1.6 Where authority is delegated to Colleagues members below Executive Team level, all members of the Executive Team shall be deemed to have equivalent delegated authority.

3.2 INSURANCES

| | Delegated To | Delegated By |
|---|--------------|-----------------|
| a) Change or addition to list of insurers | NCHA Board | Not Applicable |
| b) Annual Premiums | Level A | Chief Executive |

3.3 LEGAL (not development or design)

| | Delegated To | Delegated By |
|---------------------|--------------|---|
| a) Counsels opinion | Level C | Executive Team and Senior Leadership Team |

3.4 RENT POLICY

| | Delegated To | Delegated By |
|--|--------------------|------------------------|
| a) Fair rent | As per rent office | |
| b) Assured rent within policy | Level D | Senior Leadership Team |
| c) Changes to rent debit/ service charge | Level D | Senior Leadership Team |
| d) Market & Sub Market Rents | Level D | Senior Leadership Team |
| e) Shared Ownership Rents | As per lease. | Senior Leadership Team |

3.5 ALLOCATIONS

(Outside any agreements with, for example Agent groups)

| | Delegated To | Delegated By |
|--|--------------|------------------------|
| a) Tenancy allocation within agreed policy | Level E | Senior Leadership Team |
| b) Tenancy allocation outside of agreed policy | Level E | Senior Leadership Team |

3.6 ASSIGNMENTS AND SALES

| | Delegated To | Delegated By |
|--------------------------------|--------------|------------------------|
| a) Approval to assign | Level C | Senior Leadership Team |
| b) Approval to staircase | Level C | Senior Leadership Team |
| c) Property sale within policy | Level D | Senior Leadership Team |

3.7 SALARIES AND APPOINTMENTS

| | Delegated To | Delegated By |
|---------------------------------|-----------------|----------------|
| a) Signing off creation of non- | Chief Executive | Not Applicable |

| | | |
|---|--|--|
| Care posts forms (including temporary resource outwith budget) | | |
| b) Signing off non-Care posts authorisation forms (including temporary resource within budget) | Level A | Chief Executive |
| c) Appointment Of Care Colleagues | Two Tiers Above Post | Chief Executive |
| d) Appointment of Colleagues above base increment | Level B | Level A |
| e) Colleagues annual salary increases (within budget) | Level B | Level A |
| f) Annual salary increases Executive Team (excluding Chief Executive) | Chief Executive | Not Applicable |
| g) Approval of Redundancy and Settlement Agreements within the terms of the redundancy Policy – In relation to any member of the Executive Team Above £50k Agreements between £25k and £50k Agreements up to £25k | Board Board Level A Head of People with Chief Executive, Levels A and B | Not Applicable Not Applicable Chief Executive Chief Executive |
| h) Approval of Redundancy and Settlement Agreements, in exceptional circumstances, not within the terms of the redundancy Policy – In relation to any member of the Executive Team Above £50k | Board Board | Not Applicable Not Applicable |

| | | |
|---|--|---|
| Agreements between £25k and £50k | The Chief Executive and one other member of the Executive Team | Chief Executive |
| Agreements up to £25k | The relevant director and the Head of People | Chief Executive |
| Any 1 event resulting in payments of in excess of £100k | Board | |
| i) Dismissal: | Scale 9 and above (Scale 8 and above for probation dismissals) | Executive Team and Senior Leadership Team |

3.8 HOMES AND WELLBEING DIRECTORATE

| | Delegated To | Delegated By |
|---|-------------------|---|
| a) Signing Management Agreements Including Agent Agreements | Levels A, B and C | Executive Team and Senior Leadership Team |

3.9 AUTHORISED SIGNATORIES

| CHEQUES/PAYMENTS/BANK | AUTHORISED SIGNATORIES |
|-----------------------|------------------------|
| a) Bank Mandates | Level A |

| REGULATORY FORMS | AUTHORISED SIGNATORIES |
|---------------------------|------------------------|
| a) All Regulatory Returns | Level C |



3.10 AUTHORITY LEVELS PROCEDURE

RESPONSIBLE DIRECTOR: ASSISTANT DIRECTOR OF FINANCE

RESPONSIBLE OFFICER: FINANCE MANAGER (SYSTEMS)

LAST UPDATE: NOVEMBER 2021

NEXT UPDATE: NOVEMBER 20221

1. PURPOSE

- 1.1 This procedure identifies the authority levels within which the Officers will operate.
- 1.2 This document is the definitive guide to Authorisation Levels and overrides any departmental procedure guides. Local restriction may be operated to require Colleagues at higher grades to be involved in approvals but not lower grades than specified within this document.

2. GLOSSARY

3. RISKS

- 3.1 One of the major risks facing the Group is that transactions are entered into without the correct authority, resulting in inappropriate expenditure. This would result in expenditure in excess of budget and financial projections, which could result in breach of loan covenants.
- 3.2 A further risk is that the Group leaves itself open to fraud if authority levels are not clearly defined and adhered to.
- 3.3 A key element of control will be accurate timely financial information to enable budget monitoring to be carried out at a local level. Failure to exercise effective budgetary control will weaken the overall financial control.

4. REFERENCES

- 4.1 Contract Standing Orders
- 4.2 Financial Regulations

4.3 Budget Monitoring Procedure

5. PROCESS

5.1 The authority levels for individual Colleagues members are detailed in Appendix 1 and have been agreed by the NCHA Board.

5.2 For all functions not covered by the EBis computer system all orderers must only place orders within their individual authorisation limit. For all functions covered by the EBis computer system all orders must be placed through that system and orders must only be placed within their authorisation limit of the approver.

5.3 No individual shall normally approve more than one of:

The Order
The Invoice
The Payment

5.4 Where a payment is for a number of invoices and the cheque signatory has authorised an insignificant proportion of the related invoices or orders, (less than 20% in value) then payment authorisation is still permitted under this procedure.

5.6 For properly authorised and receipted orders within the EBis computer system an invoice will be passed to the appropriate line manager for final authorisation if the invoice value is lower than the order value. If the invoice is either more than 10% or £100 more than the order value the invoice will be passed to the appropriate line manager for final authorisation. Within these two parameters the Resources Directorate will pay the invoice when matched to the properly authorised and receipted order.

5.7 No invoice will be processed by the Resources Directorate unless an authorised signatory has approved the invoice. This will be the appropriate line manager or the Resources Directorate dependent upon the acceptance parameters laid out in 5.4 above. All members of the Finance Team will be provided with an up to date copy of the Authorised Signatories List.

5.8 It is the responsibility of all Colleagues to ensure that they do not order goods or services unless they have the authority to do so.

5.9 It is the responsibility of all Colleagues to ensure that they do not authorise invoices unless they have the authority to do so. Any invoices improperly authorised will be reported immediately to the Finance Manager who will investigate the circumstances and report them to the relevant manager or Director, which may result in disciplinary action.

5.10 Cost Centre Managers and their Colleagues should only order goods and authorise invoices for budget areas over which they hold budgetary control.

5.11 For all invoices other than EBis invoices to be paid by the Resources Directorate - where goods or services are ordered by a Colleagues member, the invoice should normally be authorised by their Line Manager.

- 5.12 It is the responsibility of the member of Colleagues placing an order to ensure that they have the authority/approval to do so.
- 5.13 It is the responsibility of any employee authorising an invoice to satisfy themselves that the goods or services have been appropriately ordered and received by the Group.
- 5.14 For all invoices other than EBis invoices to be paid by the Resources Directorate there will be instances where the Line Manager is not available to authorise an invoice for payment. In this situation, it will be appropriate for a Senior Manager to approve, or alternatively a Manager of at least equivalent level. In either situation, paragraph 5.10 will apply.
- 5.15 A schedule of all authorised signatories will be maintained by the Finance Manager - Systems including:-
Names
Job Title
Authority Level
Signature

This will be in the format attached at Appendix 2 and will be updated twice each year.

- 5.16 The schedule of authorised signatories and their authorisation levels will be approved by the relevant Director or level B/C Manager, who will also approve any changes. The Directors signatures will be authorised by an NCHA Board Member.
- 5.17 With the exception of Members of the Executive Team and the Assistant Director of Finance, authorisation within this procedure is for expenditure within **APPROVED BUDGETS ONLY**.

6. MAINTENANCE OF AUTHORISED SIGNATORY LIST

- 6.1 As identified in 5.13, Level A, B or C Managers will authorise any additional or replacement Colleagues signatories to be included on the signatory list.
- 6.2 If an authorised signatory leaves the Group, it is the responsibility of personnel to inform finance to remove a name from the authorised signatory list.
- 6.3 The list will be reviewed quarterly and if there are any changes, the list will be reissued by the Finance Manager – Systems.

Approved: Brian Sweeney, Assistant Director of Finance

Dated: 10th November 2021

AUTHORISED SIGNATORY LEVELS

Authorised signatories will be classified into one of the following levels. In addition to these levels any personal claims made by the Chief Executive must be authorised by the Chair, and any personal claims made by the Directors must be authorised by the Chief Executive.

Only one of Order, Invoice and Cheque Payment authorisation should normally be by one person.

All amounts are exclusive of VAT.

All Cheques require 2 signatures

Authority Levels B to F are for expenditure within approved budgets only

LEVEL A Members of the Executive Team And Assistant Director of Finance

Can authorise for all departments:

- | | | |
|-----|---|--|
| 1) | Approve/Issue Order | No Limit within budget, or up to the lower of £10,000 or Approve 10% of budget invoices and contract standing orders |
| 2) | Travel Claim Forms | No Limit |
| 3) | Payment of Payroll Expense | No Limit |
| 4) | Cheque Requests | No Limit for payments within budget or for contracts authorised by Board |
| 5) | Signing of Cheques and other Bank Payment documents | No Limit for payments within budget or for contracts authorised by Board |
| 6) | Sales Invoices | No Limit |
| 7) | Write offs Including Asset Disposals | To a maximum of £20,000 |
| 8) | Rent Refunds/Rent Adjustment | No Limit |
| 9) | Cheque Alterations | No Limit |
| 10) | Certificates or cheque requests for payment of development agreements for contracted works where contract approved by Board | Up to Contract Sum |
| 11) | Renewal renegotiation of existing leases | No Limit |
| 12) | Appointment of Colleagues | No limit |

- | | | |
|-----|---|---|
| 13) | Regulatory Documentation | No Limit |
| 14) | Sealing documents or executing where outside Budget but authorised by the Board | Up to £1m* within Budget, unlimited deeds |
| 15) | Entering into contracts where outside Budget but authorised by the Board | Up to £1m* within Budget, unlimited |

*Figure represents the value of any consideration payable by or to, or on behalf of, NCHA.

- | | | |
|-----|---|--|
| 16) | Settlement/Compromise Agreements Between £25k and £50k (Excluding Agreements Relating To Members Of The Executive Team) | No Limit |
| 17) | Virement of Approved Budget | No Limit |
| 18) | Tenant Compensation | No Limit |
| 19) | Land Banking Purchases | Up to £3m (up to where total land banking would exceed £20m) |
| 20) | Individual Scheme Approvals | Up to £10m and including 2.5% variation |

LEVEL B Managers Senior Leadership Team

Can authorise for designated business centres:

- | | | |
|----|---|--|
| 1) | Issue/Approve Orders and Approve Invoices | To a maximum of £250,000 (subject to budget and contract standing orders) |
| 2) | Travel Claim Forms | To a maximum of £5,000 |
| 3) | Payroll Expense | To a maximum of £5,000 |
| 4) | Cheque Requests | To a maximum of £50,000 (subject to budget and contract standing orders) in accordance with bank mandate |
| 5) | Signing of Cheques and other Bank Payment documents | Up to £50,000 |
| 6) | Sales Invoices | To a maximum of £250,000 |

| | | |
|-----|---|---------------------------------|
| 7) | Write Offs Including Asset Disposals | Up to £20,000 |
| 8) | Rent Refund/Rent Adjustment | To a maximum of £10,000 |
| 9) | Cheque Alterations | In accordance with bank mandate |
| 10) | Certificates or cheque requests for payment of development agreements for contracted works where contract approved by Board | Up to Contract Sum |
| 11) | Appointment of Colleagues | Within Budget |
| 12) | Regulatory Documentation | No limit within budget |
| 13) | Virement of Approved Budget | Up to £100k |
| 14) | Tenant Compensation | Up to £10k |

LEVEL C Non-SLT Managers Scale 8-11

Can authorise for designated business centre

| | | |
|-----|---|--|
| 1) | Issue/Approve Orders and Approve Invoices | To a maximum of £50,000 (subject to budget and contract standing orders) |
| 2) | Travel Claim Forms | To a maximum of £5,000 |
| 3) | Payroll Expense | To a maximum of £5,000 |
| 4) | Cheque Requests | To a maximum of £50,000 (subject to budget and contract standing orders) in accordance with bank mandate |
| 5) | Signing of Cheques and other Bank Payment documents | Up to £50,000 |
| 6) | Sales Invoices | To a maximum of £200,000 |
| 7) | Write Offs Including Asset Disposals | Up to £1,000 |
| 8) | Rent Refund/Rent Adjustment | To a maximum of £5,000 |
| 9) | Cheque Alterations | In accordance with bank mandate |
| 10) | Certificates or cheque requests for payment of development agreements for contracted works where contract approved by Board | Up to Contract Sum |
| 11) | Appointment of Colleagues | Within Establishment |
| 12) | Regulatory Documentation | No limit within budget |

- 13) Tenant Compensation Up to £5k

LEVEL D Scale 4 To 7

Can authorise for designated department/Business Centre where a Manager of Scale 8 or above has given authority

- 1) Issue/Approve Orders and authorised by scale 8 or above manager) To a maximum of £10,000 (as Approve Invoices
- 2) Travel Claim Forms To a maximum of £250
- 3) Payroll Expense To a maximum of £500
- 4) Cheque Requests To a maximum of £10,000
- 5) Signing of Cheques and other Bank Payment documents In accordance with bank mandate
- 6) Sales Invoices To a maximum of £50,000
- 7) Cheque Alterations In accordance with bank mandate
- 8) Cheque Payments Care And Support Projects only in accordance with bank mandate Up to £1,000
- 9) Certificates or cheque requests for payment of development agreements for contracted works where contract approved by Board Up to Contract Sum (as Authorised by scale 8 or higher manager)

LEVEL E Scale 1-3

Can authorise for designated department/Business Centre where a Manager of scale 8 or above has given authority

- 1) Raising Purchase Orders To a maximum of £5,000
- 2) Cheque Payments (Care And Support Projects Only) - Up to £1,000 in accordance with bank mandate

LEVEL F Scale Not Applicable

Exceptions

- 1) Finance Managers - To be added as Cheque Signatories for all payments without limit where payment requests are properly authorised.
- 2) Maintenance Administrative Assistant (Invoicing) Scale 3 - To approve invoices up to £20,000 where no individual job exceeds £5,000.
- 3) All Finance Department Colleagues - To approve invoices for functions covered by the EBis computer system within acceptance parameters.

- 4) Care and Support Project Management Colleagues - Level D authority levels where that authority has been granted by an authorised manager.
- 5) All Property Services Scale 7 posts & Property Services Team Managers/ Leaders Scale 6 – To approve purchase orders and invoices up to £20,000.
- 6) Development & Assets Project Manager level and above - for Pelham Homes' Joint Ventures can issue/approve orders/invoices without limit within budget and contract.

AUTHORITY LEVELS SIGNATURE SHEET

BUSINESS CENTRE/DEPARTMENT _____

Effective Date _____

| Authority Level | | | |
|-----------------|------|-------|-----------|
| Job Title | Name | Grade | Signature |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

Authorisation (scale 8 Manager or above)

Name _____

Signature _____

Date _____