FINANCIAL REGULATIONS

Responsible Director:	Director of Finance and Resources
Responsible Manager:	Assistant Director of Finance
Approval:	Annually by Board
Last Approval:	November 2024
Next Update and Approval:	November 2025

CONTENTS

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 LLP and Pelham Waterside Two LLP; and,
d. the Charity Commission SCHEMES for each of the other Group entities.

1.3 Secondary 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.

1.3.2 The Financial Regulations are supporting by Policies and Procedures that constitute the Group's Financial Procedure Manual. These are listed in Appendix 2 and shall be made available, with all updates communicated, to all staff.

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 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 above), the Group's STANDING ORDERS (secondary governing documents) and the Group's various strategies, policies and procedural guides along with the Colleague Handbook.

1.5.2 It is each manager's responsibility to ensure their line reports are made aware of the Financial Regulations during induction and fully understand all sections relevant to their job roles. Managers are responsible for ensuring any required training is identified, requested and provided.

1.5.3 Failure to adhere to the financial regulations may be treated as a disciplinary matter and will be dealt with by the Director of Finance and Resources.

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 UK GAAP, the format laid down by the Regulator and the relevant Statement of Recommended Practice (SORP).

2.1.2 The financial year for the Group runs from the 1st April to 31st March.

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, outside 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 and approved as part of the annual budget reviews.

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 Head of Service.

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 Beever & Struthers) 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 RSM. 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 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 included in this document and the Finance Manager – Systems 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 Clifton Place 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 All post shall be opened and date stamped, with the exception of that marked Private or Confidential which will be date stamped and sent promptly to the addressee.

2.8.4 A schedule of how known post items are to be processed, as agreed with respective Team Managers, shall be maintained and reviewed periodically.

2.8.5 All cheques, postal orders and accounts for payment received shall be sent immediately to the Finance team.

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 Sustainability will ensure that specialist professional indemnity cover is adequate for all services provided by their Directorate. The Director of Finance and 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 Director of Finance & Resources of:

i) all new activities, risks and significant property additions which require to be insured; and

ii) ii) 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 they have received it, it is their own personal responsibility to ensure its correctness and safe custody and that they may be held responsible for any loss or failure to account properly for the money until they part 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 procurement procedures.

2.13.2 All other contracts outwards shall also comply with the correct procurement procedures.and where relevant applicable UK Public Procurement Regulations.

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

Contracts valued between £10,000 and £24,999
At least three written quotations must be invited using in-tend and led by the procurement team. The winning bidder will be identified using pre-determined evaluation criteria. Where possible one quotation should be from a local supplier (East Midlands region).

Contracts valued between £25,000 and the relevant UK Public Procurement *Threshold*
An NCHA tender in compliance with applicable UK Public Procurement Regulations which must be advertised and awarded through NCHA procurement system.

Contracts valued over the relevant UK Public Procurement Threshold
A procurement process compliant with applicable UK Public Procurement Regulations which must be supported by the NCHA Corporate Procurement Team.

2.13.3 Use of a compliant framework agreement or dynamic market is an acceptable route to market for any of the contract values defined above. The framework agreement or dynamic market must be legally available for use by NCHA and the rules governing use of the framework agreement must be followed in all cases. For help and guidance with use of framework agreement or a dynamic market contact the Corporate Procurement Team.

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 (see Appendix 2).

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 Finance Team 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 authorisation of payments will be governed by the Authority Levels.

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 projects - Project Manager

Separate petty cash procedures will operate in respect of ‘care home s’ managed by the Association.

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

2.16 Salaries

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 Executive Team will approve changes to establishment post salary gradings following evaluation by Human Resources (see section 3.7 dii). It shall be accepted that increases will fall outside budget and will be updated at the next Board approval of the budget.

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

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

2.16.5 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.

2.16.6 Payment of salaries outside standard monthly pay dates shall only be made for new starters and where a processing mistake creates unnecessary hardship. Any payments proposed outside the above must be approved by the Director of Finance and Resources.

2.16.7 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.

2.16.8 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 Head of Service. 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 is responsible for ensuring fixed assets in new projects or transferred schemes are communicated to finance and included on the fixed assets register.

2.19 Conflict of Interest

2.19.1 The Group is committed to comply with the spirit of the legislative requirements.

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, either directly or to a business trading for profit in which they have a controlling or personal interest. This shall extend to close relatives, unless permitted by the Code of Conduct or Board Member Conflict of Interest Policy.

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 these regulations is a value in excess of £50 for a single item or £100 in aggregate over a 12 month period. Gifts from tenants or customers should not normally be accepted unless allowed for in 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 Before accepting any gift or entertainment which exceeds the values set out in 2.20.1, prior approval must be obtained from a member of the Executive Team and details must be recorded in both the hospitality register and the annual declaration of interest form returned to the Finance Manager – Systems. The register and a summary of declarations shall be presented to the Executive Team annually to fulfil their duties as set out in the Gifts and Entertainment Policy.

2.20.6 If a member of Colleagues is unsure whether or not a gift or level of entertainment is substantial 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 employees, persons or companies with whom the Group has business dealings, substantial personal gifts nor provide substantial entertainment. Substantial for the purposes of these regulations is a value in excess of £25 to a single person or £50 to a single company, employee or other person, over a 12 month period. Anything above these limits must be approved by the Chief Executive.

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 or services for personal and non-business use must never be purchased in the name of the Association or that of any Group company.

2.21.6 Where money is passed to or a payment made to a supplier, third party or an intermediary who is responsible under the contract with NCHA for paying the amounts over to another body (e.g. a Local Authority) evidence must be obtained that this is done promptly. This requirement must be made clear to the organisation NCHA is passing money to at the time. Where evidence is not provided this should be raised with the respective service Director and the Director of Finance and Resources. The need to retain other monies owed to the organisation whilst evidence is not provided to NCHA and the need to report this, will be considered.

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 should be submitted monthly and always in accordance with the expenses policy and published deadlines. Expenses will be paid once each month 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 Group Treasury Management 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 can be executed on behalf of NCHA by two signatories taken from the Executive Team, Company Secretary, or Assistant Director of Finance in accordance with the Power of Attorney providing such authority and the financial limits specified in the Financial Regulations. Any NCHA Officer can witness the affixation of the seal to deeds on behalf of NCHA when being signed in accordance with the Power of Attorney.

2.26.3 Contracts or other documents not required to be executed as a deed by NCHA may be signed by two signatories taken from the Executive Team or Senior Leadership Team in accordance the financial limits specified in the Financial Regulations.

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 Delegation

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

3.1.2 Even with delegated authority granted to them, a colleague has a duty to seek advice before exercising their 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 colleague is automatically within the authority of their senior officer or line manager.

3.1.4 All authority delegated to colleagues to commit expenditure is done within the confines of the approved budget. Exceptions to this will arise, as indicated at 3.1.2, as well as where a tender has been awarded which requires set up expenditure prior to formal approval by NCHA Board. 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 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-Care posts forms (including temporary resource outwith budget)	Chief Executive	Not Applicable
b)	Signing off non-Care post authorisation forms (including temporary resource within budget)	Line Manager	Chief Executive
c)	Appointment Of Care Colleagues	Line Manager	Chief Executive
d i)	Appointment of Colleagues above base increment	Level B	Level A
d ii)	Individual increase in grade of establishment posts confirmed by HR	Executive Team	Chief Executive
d iii)	Restructure or regrade of a team leading to additional posts, grade changes or reporting changes	Executive Team	Chief Executive
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	Board	Not Applicable
	£50k or above	Board	Not Applicable
	Less than £50k	Assistant Director of People and relevant manager	Chief Executive

	Delegated To	Delegated By
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	Board	Not Applicable
£50k or above	Board	Not Applicable
Less than £50k	Chief Executive	Not Applicable
Any 1 event resulting in payments of in excess of £100k	Board	Not Applicable
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

4. Authority Levels

4.0 Context

4.0.1 This section of the Financial Regulations identifies the authority levels within which the Officers will operate.

4.0.2 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.

4.1 Purpose

4.1.3 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.

4.1.4 A further risk is that the Group leaves itself open to fraud if authority levels are not clearly defined and adhered to.

4.1.5 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.

4.2 General Authority

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

4.2.2 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.

4.2.3 No individual shall normally approve more than one of:

- The Order; The Invoice; The Payment.

4.2.4 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.

4.2.5 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.

4.2.6 No invoice will be processed 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 4.2.4 above. All members of the Finance Team will be provided with access to an up to date copy of the Authorised Signatories List.

4.2.7 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.

4.2.8 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.

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

4.2.10 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.

4.2.11 It is the responsibility of the member of Colleagues placing an order to ensure that they have the authority/approval to do so.

4.2.12 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.

4.2.13 For all invoices other than EBis invoices 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 4.2.9 will apply.

4.2.14 A schedule of all authorised signatories will be maintained by the Finance Manager - Systems which will include the signatures' Names, Job Title, Authority Level and Signature.

4.2.15 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.

4.2.16 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.**

4.3 Maintenance of Authorised Signatory Levels

4.3.1 As identified in 4.2.12, Level A, B or C Managers will authorise any additional or replacement Colleagues signatories to be included on the signatory list.

4.3.2 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.

4.3.3 The list will be reviewed quarterly and if there are any changes, the list will be reissued by the Finance Manager – Systems.

Appendix 1

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 and Bank Payments require documented approval by signature or email.

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

LEVEL A1 Members of the Executive Team	
Can authorise for all departments	
1. Approve/issue Order and approve invoices	No limit within budget or for contracts authorised
2. Travel Claim Forms	No Limit
3. Payment of Payroll Expense	No Limit
4. Payment Request	No limit for payments within budget of for contracts authorised by Board
5. Signing Bank Payment Documents	No limit for payments within budget of for contracts authorised by Board
6. Sales Invoices	No Limit
7. Write offs including Asset Disposals (excluding ex-employee debts)	Up to £20,000
8. Write-offs of ex-employee debts	Above £2,000
9. Rent Refunds & Rent Adjustments	No Limit
10. Cheque Alterations	No Limit
11. Certificate or requests for payment of development agreements for contracted works where contract approved by Board	Up to contract sum
12. Renewal renegotiation of existing leases	No limit
13. Appointment of colleagues	No limit
14. Regulatory documentation	No limit
15. Entering into contracts	Up to £1m within budget; unlimited where outside budget but authorised by Board.
16. Virements of approved Budget	No limit
17. Tenant Compensation	No Limit

LEVEL A1 Members of the Executive Team	
18. Landbanking Purchases	Up to £3m (where total landbanking would not exceed £20m)
19. Individual Scheme Approvals	Up to £10m including 5% variation

LEVEL A2 Members of the Executive Team, Assistant Director of Finance, Company Secretary	
Can authorise for all departments	
1. Sealing documents or executing deeds	Up to £1m within budget; unlimited where outside budget but authorised by Board.

LEVEL B Members of Senior Leadership Team (or individual members if stated)	
Can authorise for all departments	
1. Approve/issue Order and approve invoices	To a maximum of £250,000 (subject to budget and standing orders)
2. Travel Claim Forms	To a maximum of £5,000
3. Payment of Payroll Expense	To a maximum of £5,000
4. Payment Request	To a maximum of £50,000 (subject to budget and standing orders)
5. Signing Bank Payment Documents in accordance with the bank mandate	Up to £50,000
6. Sales Invoices	To a maximum of £250,000
7. Write offs including Asset Disposals (excluding ex-employee debts	Up to £5,000
8. Write-offs of ex-employee debts * AD of People only	Up to £2,000
9. Rent Refunds & Rent Adjustments	To a maximum of £10,000
10. Cheque Alterations	In accordance with bank mandate
11. Certificate or requests for payment of development agreements for contracted works where contract approved by Board	Up to Contract Sum
12. Appointment of colleagues	Within Budget
13. Regulatory documentation	Within Budget
14. Virements of approved Budget	Up to £100,000
15. Tenant Compensation	Up to £10,000
16. Entering into Contracts	To a maximum of £250,000 (subject to budget and standing orders)

LEVEL C Non-SLT Managers Scale 8-11	
Can authorise for designated Area	
1. Approve/issue Order and approve invoices	To a maximum of £50,000 (subject to budget and standing orders)
2. Travel Claim Forms	To a maximum of £5,000
3. Payment of Payroll Expense	To a maximum of £5,000
4. Payment Request	To a maximum of £50,000 (subject to budget and standing orders)
5. Signing Bank Payment Documents in accordance with the bank mandate	Up to £50,000
6. Sales Invoices	To a maximum of £200,000
7. Write offs including Asset Disposals (excluding ex-employee debts)	Up to £1,000
8. Rent Refunds & Rent Adjustments	To a maximum of £5,000
9. Cheque Alterations	In accordance with bank mandate
10. Certificate or 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	Within Budget
13. Tenant Compensation	Up to £5,000

LEVEL D Scale 4-7	
Can authorise for designated department or area where a manager of scale 8 or above has given authority.	
1. Approve/issue Order and approve invoices	To a maximum of £10,000 (subject to budget and standing orders)
2. Travel Claim Forms	To a maximum of £250
3. Payment of Payroll Expense	To a maximum of £500
4. Payment Request	To a maximum of £10,000(subject to budget and standing orders)
5. Signing Bank Payment Documents in accordance with the bank mandate	In accordance with the bank mandate
6. Sales Invoices	To a maximum of £50,000
7. In accordance with bank mandate	In accordance with bank mandate
8. Cheque Payments Care and Support only	In accordance with bank mandate, up to £1,000
9. Certificate or requests for payment of development agreements for contracted works where contract approved by Board	Up to Contract Sum

LEVEL E Scale 1-3	
Can authorise for designated department or area where a manager of scale 8 or above has given authority.	
1. Raise Orders	To a maximum of £5,000
2. Cheque Payments Care and Support only	In accordance with bank mandate, up to £1,000
3. Certificate or requests for payment of development agreements for contracted works where contract approved by Board	Up to Contract Sum

LEVEL F
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.

Appendix 2

Financial Procedure Manual

Section	Title
1	Supplier Set up
2	Anti-Bribery Policy
3	Internal Audit Procedure
4	Revenue Income
5	Maintenance (PLRE) Transactions
6	Development and Design
7	Tendering and Negotiation
8	Non-Housing-Property Fixed Assets
9	Purchases Procedure
10	Bank Accounts
11	Petty Cash - Office & Scheme/Project Managers
12	General Ledger Operations
13	Incoming Mail
14	Salaries & Other Employee Costs
15	Borrowings and Investments
16	Accounts and Budgets
17	Statutory Accounts Preparation
18	Insurance
19	Conflict of Interest
20	Gifts and Entertainment
21	Goods and Services
22	Fraud
23	VAT
24	Procurement Card
25	Money Laundering & Proceeds Of Crime
26	Cash Flow
27	Debt Recovery Procedure - Care and Payroll