

A meeting of the ELHA Board will take place on
**Thursday 25 September 2025 at 4.00pm at the
Maitlandfield Hotel, Haddington**

Please advise staff if you are unable to attend

Karen Barry
Secretary



B U S I N E S S

GENERAL

1. Apologies
2. Declaration of Interest
3. Minutes of 21 August 2025 – **for approval**
4. Action List – for information
5. Matters Arising

GOVERNANCE

6. Election of Office Bearers – **for approval**
7. Other ELHA Board Appointments – **for approval**
8. Code of Conduct and Eligibility for Membership – **for signing**
9. ELHA Board Calendar 2025/27 – **for approval**
10. Secretary's Report – **for homologation**

PRIORITY ITEMS

11. Financial Regulations Update – **for approval**

POLICIES

12. Policy Review Summary – for information

BUSINESS MANAGEMENT

ANY OTHER BUSINESS

DATE OF NEXT ELHA BOARD MEETING

Thursday 27 November 2025 at 7.00pm at Head Office, Haddington

Action List

Report by Martin Pollhammer, Chief Executive – for information

The table below sets out the required actions agreed at the last meeting of the Board on 21 August 2025, and confirms the actions taken.

Minute Ref	Action Required	Action By	Action Taken
3	Publish the minutes and papers from the May 2025 meeting on elha.com	ES	Complete
6	Update the Annual Procurement Report on elha.com	ES	Complete
8	Update the Key Performance Indicators with revised indicators for Committee attendance	ES	Complete
10	Adjust the Authorisations and Standard Allowances Policy to allow full delegation of the write-off of small amounts to the Senior Management Team	GA	Complete, only total amounts written off will now be reported to the ELHA Board
12	Format and update the Procurement and Value for Money Strategy in the ELHA File Structure, elha.com, and update the Policy Review Timetable	MP/ES	Complete
13	Format and update the Association Membership Policy in the ELHA File Structure, elha.com, and update the Policy Review Timetable	MP/ES	Complete
14	Add the Chief Executive's Appraisal Policy in the ELHA File Structure, ELHA Board area of elha.com, and update the Policy Review Timetable	MP/ES	Complete
15	Add the Records Management Policy in the ELHA File Structure, elha.com, and update the Policy Review Timetable	MP/ES	Complete
16	Issue the Membership Certificate to Andrew Philip of Longniddry	ES	Complete, see Agenda Item 10
17	Paul Hillard to nominate Andrew Philip to the ELHA Board	PH	Complete, see AGM papers

Election of Office Bearers

Report by Martin Pollhammer, Chief Executive – for approval

1.0 Election of ELHA Board Office Bearers

In accordance with the Rules of the Association, the ELHA Board is required to elect the following Office Bearers for the coming year at the first ELHA Board meeting following the Annual General Meeting:

1. Chair
2. Vice-Chair
3. Secretary

2.0 Voting Procedure

The voting procedures are as follows:

- Nominations will be invited
- Retiring Office Bearers may stand for re-election (note the Chair cannot serve for more than five consecutive years)
- Each nomination should be proposed and seconded
- Where there is only one nomination per post, a majority of the ELHA Board members present are required to approve the Office Bearer's appointment (where there is more than one nomination per post, a secret ballot of ELHA Board Members is required to determine the elected Office Bearer)

The outgoing Secretary will Chair the discussion in relation to the appointment of the Chair.

Once this appointment is made, the new Chair can assume their position and Chair the discussions in relation to the appointment of other Office Bearers.

Recommendations

The ELHA Board is asked to confirm the appointment of the Chair, Vice Chair and Secretary for the Management Committee year 2025/26.

Other ELHA Board Appointments

Report by Brian Logan, Chair – for approval

1.0 Appointments to be Made

The Association currently has two Sub-Committees (the Risk & Audit Committee and the Governance Committee). In addition, there is one Advisory Committee (the Joint Consultative Committee, JCC).

As this is the first meeting since the Association's AGM, membership of the Committees and JCC should be confirmed. A minimum of three and a maximum of eight members can sit on the Committees, although in practice membership is expected to be six to seven members. Up to three members can sit on the JCC. The Chair should not be a member of the Risk & Audit Committee.

Current membership of the Committees and JCC are set out in **Appendix 1** to this report. The ELHA Board is asked to make appropriate appointments.

2.0 Appointments to the Board of R3 Repairs Limited

The R3 Repairs Limited Board is appointed annually by the ELHA Board. It consists of up to six members, three of which are expected to be ELHA Board members (but can be ELHA members of staff), and three who are independent members. The R3 Repairs Limited Board can appoint Directors in between the annual re-appointment process.

It should be noted that as part of the Governance Review, it was confirmed that R3 Board appointments could be made on three-yearly terms, however the ELHA Board has not made any decision as to whether or not to change to three-yearly appointments. This could be problematic in any case as ELHA Board terms of office may not sit alongside three-yearly appointments to the R3 Board. At this stage, R3 Board Members have only been asked about their willingness to stand for the coming year.

There are currently three ELHA Board members serving on the R3 Board, Alan Forsyth, Peter Ewart, and Iain Atkinson, and all three are prepared to stand again. ELHA does not wish to place staff members on the R3 Board unless it is unavoidable. The ELHA Board needs to confirm which members of the ELHA Board will sit on the R3 Board in 2025/26.

There are three independent places available on the R3 Board, and three existing serving members, in Peter Hayman, Shona Mitchell and Nick Pollard. However, Peter Hayman has advised that he does not wish to stand again, so there is currently one independent vacancy on the R3 Board. The R3 Board is reviewing its Succession Plan. The two other serving independent members of the R3 Board have indicated their willingness to continue. The ELHA Board Committee is asked to confirm Nick Pollard and Shona Mitchell's re-appointment as Directors for 2025/26.

2.1 Nick Pollard

Nick is currently Group Finance Director at Link Group, which has an in-house maintenance subsidiary. Nick was previously the Director of Finance & IT for Kingdom Housing Association, and prior to that, Finance Director at Argyll Community Housing Association. Nick is familiar with the regulatory, governance and financial regime of both the commercial environment as well as the social housing sector through his career.

Nick's previous experience includes being a Senior Housing Finance Consultant in Scotland with Tribal, working on several large-scale voluntary stock transfers and SHQS delivery plans, as well as experience of social housing regulation having been a social housing financial analyst / regulator in England with the Housing Corporation for four years. Nick also has an extensive knowledge of treasury finance, commercial and retail banking, having spent 14 years with Lloyds Banking Group in a variety of roles.

Nick has a degree in Business Economics and is a qualified member of the Association of Accounting Technicians. He lives in Tranent, East Lothian, with his wife and three children.

2.2 Shona Mitchell

Shona is currently senior advisor at Home Group, responsible for ensuring the landlords' strategic priorities align with external policy and regulatory environments. She was previously policy lead at the Scottish Federation of Housing Associations for seven years, during this time she worked across all areas of housing policy, and in partnership with organisations from across the sector.

Shona's previous experience includes many years as a journalist, followed by roles within both the Scottish and European parliaments.

She is an experienced board member, currently serving on the Management Committee of Pickleball Scotland, and as a trustee of Lintel Trust. Previous board director experience was also gained through three and a half years on the board of a large credit union.

Shona is a Chartered member of the Chartered Institute of Housing.

4.0 SFHA Representative Member

The SFHA has changed its constitution, and a representative member is no longer required. Instead, the most senior member of staff in each member organisation is asked to cast any vote or convey any similar decision to the SFHA.

5.0 EVH Representative Member

One Representative Member for EVH is required (who, if required, is able to cast the Association's vote at General Meetings). David Rose is the current Secretary of EVH and is ELHA's representative member. EVH take details of a second member who can act in the Representative Member's absence. This responsibility is normally taken by the Chair.

6.0 Care & Repair Charitable Trust

Finally, although not related to ELHA (since it is a standalone charity, so this is for information only), the Board of the Care & Repair Charitable Trust has always had some ELHA Board representation. Currently David Rose serves on the Charitable Trust Board.

Recommendations

The ELHA Board is asked to:

- (a) Confirm membership of the Risk & Audit Committee (and if the ELHA Board wishes, to delegate responsibility for electing a Chair to the Risk & Audit Committee);
- (b) Confirm membership of the Governance Committee (and if the ELHA Board wishes, to delegate responsibility for electing a Chair to the Governance Committee);
- (c) Confirm the membership of the Joint Consultative Committee;
- (d) Confirm the appointment of Directors to the R3 Repairs Limited Board;
- (e) Appoint a Representative Member of EVH; and
- (f) Confirm that the Chair acts as EVH Representative Member in the absence of the nominated Representative Member.

Committee, Advisory Committee and R3 Board Membership 2025/26

Current membership of the ELHA Board's Sub-Committees, Advisory Board and the R3 Board, are set out below:

ELHA Board Member	Risk & Audit Committee	Governance Committee	JCC	R3 Board
Iain Atkinson				✓
Maureen Batten	✓			
Shirley Evans (Retiring at AGM)				
Peter Ewart	✓*			✓
Alan Forsyth	✓	✓	✓	✓*
Katrina Hamilton	✓	✓	✓	
Paul Hillard	✓	✓*		
Brian Logan		✓		
Pamela McLeod				
David Rose	✓	✓	✓*	
Eileen Shand		✓		
Andrew Philip (new member)				

* **Current Chair**

JCC – Joint Consultative Committee

Code of Conduct and Eligibility for ELHA Board Membership

Report by Martin Pollhammer, Chief Executive – for signing

**Please refer to Section 3 on page 2 of this report
for details of how to complete the declarations you are required to make**

1.0 Code of Conduct

Each ELHA Board Member has a personal responsibility to uphold the requirements of this Code and must agree to adopt the Code of Conduct to continue in their role of an ELHA Board Member. A requirement of the Code of Conduct is that each ELHA Board Member must review and sign this Code annually.

Part of the Code of Conduct requires ELHA Board Members to declare any interests which will then be recorded on a Register of Interests. These are normally declared when appointed as an ELHA Board Member. However, it is the ELHA Board Members responsibility to ensure that this is kept up to date. Any failure to make a complete, accurate and prompt declaration - whether deliberately or through taking insufficient care - will be regarded as a breach of this Code.

The Code of Conduct document is attached to this report. The model document was last updated by the Scottish Federation of Housing Associations (SFHA) in April 2021, and this revised document was formally adopted by the Association on 30 September 2021. It has been revised in 2025 to refer to ELHA Board rather than Management Committee where appropriate.

Each ELHA Board Member is required to sign Page 12 of the Code of Conduct and complete (or leave blank as appropriate) and sign the Declaration of Interest Form enclosed with this paper.

2.0 Eligibility for ELHA Board Membership

Under Rules 43 and 44 of the SFHA Charitable Model Rules (Scotland) 2020, which ELHA adopt, ELHA Board Members are reminded that there are qualifying criteria for serving on the ELHA Board. Please note that you cannot remain, be elected, or be re-elected onto the Association's Board if any of the criteria under Rule 43 apply.

Rule 44 also sets out when you are no longer regarded as a Member of the ELHA Board. The details of the eligibility criteria are set out in Eligibility for ELHA Board Membership form, which also needs to be completed and signed.

3.0 Completing the Annual Declarations

The following documents will be e-mailed to you separately which you must complete, sign and return (a digital signature and the documents returned from your e-mail address is acceptable):

1. A personalised Declaration of Interest form (showing any declarations you currently have on file)
2. A blank page 12 (the signing page) from the Code of Conduct
3. An Eligibility for ELHA Board Membership form

Please either return these signed declarations to Eric Stoddart, Executive Support Officer, by 25 September 2025, or hand the completed forms to Eric at the meeting. Failure to complete and return the documents means that you will be unable to continue to serve as an ELHA Board member.

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ELHA Board Calendar 2025/27

Report by Martin Pollhammer, Chief Executive – for information

ELHA Board meeting dates for 2025/27 are as follows (dates in 2025 are already agreed and provided for information, dates in 2026 are confirmed, dates in 2027 are provisional):

Date	Meeting Time	Venue
2025		
15 November 2025 (Away Day)	9.30am to 3.30pm	Musselburgh Racecourse
27 November 2025	7.00pm to 9.00pm	Hayman Room
Date	Meeting Time	Venue
2026		
29 February 2026	7.00pm to 9.00pm	Hayman Room
26 March 2026	7.00pm to 9.00pm	Hayman Room
28 May 2026	7.00pm to 9.00pm	Hayman Room
20 August 2026	7.00pm to 9.00pm	Hayman Room
24 September 2026 (AGM)	2.00pm to 3.30pm	Maitlandfield Hotel, Haddington
24 September 2026	4.00pm to 6.00pm	Maitlandfield Hotel, Haddington
14 November 2026	9.30am to 3.30pm	To be confirmed
26 November 2026	7.00pm to 9.00pm	Hayman Room
Date	Meeting Time	Venue
2027		
25 February 2027	7.00pm to 9.00pm	Hayman Room
18 March 2027	7.00pm to 9.00pm	Hayman Room
27 May 2027	7.00pm to 9.00pm	Hayman Room
26 August 2027	7.00pm to 9.00pm	Hayman Room
30 September 2027 (AGM)	2.00pm to 3.30pm	Maitlandfield Hotel, Haddington
30 September 2027	4.00pm to 6.00pm	Maitlandfield Hotel, Haddington
13 November 2027	9.30am to 3.30pm	To be confirmed
25 November 2027	7.00pm to 9.00pm	Hayman Room

Secretary's Report – for homologation

1.0 Membership

No new membership applications received to date.

2.0 Use of Seal for Homologation

New member certificate Number 388 – Mr Andrew Philip, Longniddry

Recommendations

The ELHA Board is asked to homologate the use of the Seal.

Financial Regulation Policy Review

Report by Gary Alison, Director of Finance & Corporate Services – for Approval

1.0 Introduction

The Governance Review report by Altair recommended at action GP6 that ELHA update the Financial Regulations.

The Financial Regulations reviewed by Altair were described by them as “comprehensive and sound”. They were however last reviewed in November 2020. The recommendation was to review them, with at least three yearly reviews thereafter. Any review should incorporate updates to reflect revisions in the governance structures and risk management sections.

The revised **Policy Document** is attached to this report.

2.0 Summary of Proposed Changes

The Director of Finance & Corporate Services has reviewed the policy and supporting appendices. Additional changes are being proposed to build on the strength of the existing policy.

The key proposed changes are;

Section	Changes
Objectives	Additional narrative added in to reflect the need for strong financial management systems and ensuring all those that the document relates to know this policy must be adhered to.
1.0	<p>1.1 & 1.2 – new paragraphs to set out what the “Association” and “Group” mean within the policy.</p> <p>1.6 – paragraph added in to make sure all staff are aware to report any instances of non-compliance with the policy to the SMT.</p> <p>1.8 – paragraph added in to reflect that the policy has been developed to comply with statutory and regulatory requirements.</p>
2.1	Three additional items added to ELHA Board’s responsibilities around ensuring budgets set are in line with actuals and treasury management responsibilities, following changes to the Terms of Reference as part of the Governance review. Previously these areas were the responsibility of the Audit & Assurance Committee.
2.3	2.3.1 – The three deletions relate to the changes noted above.

	<p>Additional wording added in for the Committee to examine the accounting policies adopted, as per their Terms of Reference.</p> <p>2.3.4 – paragraph added in to note the number of Risk & Audit Committee meetings in the year.</p>
2.7	<p>2.7.1 & 2.7.7 – added in to note that the Group will follow the Audit requirements as set out in the regulatory guidance. Also letter of engagement will be approved by R&AC.</p> <p>2.7.4 – line added in to note R&AC will receive an annual update on the fraud register.</p> <p>2.7.10 – line added in to note R&AC will review and approve the 3 year Internal Audit programme on an annual basis.</p> <p>2.7.16 – paragraph added in to give R&AC flexibility to appoint a specialist supplier to review an area for internal audit, if deemed necessary.</p>
2.9	<p>2.9.1 – paragraph added in to note the financial years of ELHA and R3.</p> <p>2.9.3 – line added in to note timescales for budget approvals.</p> <p>2.9.13 – line added in to cover that the long term financial plans should ensure covenant compliance and sensitivity testing.</p> <p>2.9.15 – 2.9.18 – paragraphs added in to reflect requirement to prepare monthly budget reports and quarterly forecasting by budget holders.</p> <p>2.9.19 – additional narrative added in to note what the report to ELHA board on budget to actual variances will contain.</p> <p>2.9.22 – 2.9.23 – paragraphs added to ensure budget holders receive required training on managing budgets.</p>
2.10.4 & 2.10.5	<p>Paragraphs added to reflect the approval process of the Financial Statements, following the Governance review changes.</p>
2.12.3	<p>Line added to cover what documents should be retained as a minimum, for a six year period.</p>
3.3	<p>3.3.1 – line added to note ELHA Board responsibility for approving the appointment of the clearing bank.</p> <p>3.3.8 – paragraph added to note bank electronic payments must be in line with approval levels.</p>

	3.3.9 – paragraph added to note that segregation of duties to be in place for electronic banking processes.
3.4.2	Paragraph added to note rents and other charges are set in line with the Associations Rent and Service Charge Policy.
4.5	<p>4.5.2 – paragraphs added to note invoice approval requirements.</p> <p>4.5.3 – paragraph added to note that invoices can only be paid if staff email them to the Finance mailbox.</p> <p>4.5.4 – paragraph added to note invoices sent to Finance must be the original copy.</p> <p>4.5.6 – paragraph added to note supplier payment cycles and methods.</p> <p>4.5.7 – paragraph added to note BACS payment to be approved in line with the Authorisations and Standard Charges / Allowances Policy.</p>
4.6.1	Paragraph added to note that contracts or other documents should be signed in line with the Authorisations and Standard Charges / Allowances Policy.
4.8	<p>4.8.2 – paragraph added to note that new employee starters will be appointed to the salary scale commensurate with their role. This will be included in their letter of appointment.</p> <p>4.8.3 – paragraph added to note the Executive Support Officer (HR) responsibility for ensuring they are aware of all matters relating to personnel for payroll purposes.</p> <p>4.8.4 – line added in to note requirement to submit and pay pension contributions to the various schemes.</p> <p>4.8.6 – paragraph added in to note requirement to ensure timely submission of all required returns.</p>
4.9.1	Changes made as staff claim mile expenses and not car allowances. Also, staff claim expenses via the People HR system and not via a form.
4.11	Section added in to note staff responsibilities of reporting financial irregularities, and what would happen if one were to occur.
4.12	Section added in to note a requirement to have an Experian check carried out for a member of the SMT or Finance Manager. This is to ensure they have no credit issues that may cause the Group a risk.
4.13	Section added to note policy of company credit cards.

5.1	5.1.1 updated to allow capital purchases if in line with approved budgets and approved authorisation limits. 5.1.7 added in to note staff responsibility to notify a Director of a material loss or damage of a Group Asset.
5.3	Additional paragraphs added around Property Disposals.
5.5	New section added setting out the Associations approach to component accounting.
5.6	New section added to note that the Group's policy is only to capitalise individual assets with a value greater than £1k.
5.7	New section added to note Board responsibility around funding being in place before approving a new build scheme, and the Director of Finance & Corporate Services ensuring all conditions of grant funding are adhered to.
6.3	6.3.1 – paragraph updated in line with the insurance policy. 6.3.2 – line added to reflect the requirement to keep a register of insurance cover in place.
6.4.3	Paragraph added to ensure staff speak to the Finance team before embarking on any new business areas, to ensure this does not have any impact on the tax affairs of the Group.
6.7	New section added to note agency staff / consultants authority limits.
6.8	New section added to note training plan for this policy.
7.2	To incorporate a three yearly review cycle, or earlier if required by legislation, regulation or organisation change. A three yearly cycle is suggested based on the recommendation of the Altair report. ELHA's normal cycle is every five years.

There are also several changes to be made to take into account naming changes, including:

- Director of Finance, now Director of Finance & Corporate Services
- Management Committee, now ELHA Board
- Audit & Assurance Committee, now Risk & Audit Committee
- Risk Management Strategy, now Risk Management Framework

In addition, given ELHA only has one subsidiary, R3, references to “subsidiaries” have been replaced with subsidiary, other than in section 6.1, which refers to the creation of future subsidiaries.

Recommendation

The ELHA Board is asked to approve the revised Financial Regulations Policy.

Date Issued August 1996

Last Reviewed ~~November 2020~~September 2025

Department Finance

Title Financial Regulations

Objective ~~To give practical guidance on the Group's broad policies relating to financial control~~ To conduct its business effectively, the Group needs to ensure that it has sound financial management systems in place, and that they are strictly adhered to. Part of this process is the establishment of Financial Regulations, which set out the financial policies, and gives practical guidance on the Group's broad policies relating to financial control.

Responsible ~~Director of Finance~~Director of Finance & Corporate Services

Next Review Date ~~November 2025~~September 2028

CONTENTS

- 1.0 Introduction
- 2.0 Financial Control
- 3.0 Income and Banking
- 4.0 Expenditure
- 5.0 Assets
- 6.0 Other
- 7.0 Implementation, Monitoring and Review

1.0 INTRODUCTION

- 1.1 East Lothian Housing Association (the “Association”) is a Registered Social Landlord (RSL) and Registered Charity.
- 1.2 The Association has a group structure and is the parent of one non-RSL subsidiary, namely R3 Repairs Limited. These two business form “ the Group”.
- 1.3 The financial regulations form part of the Group’s overall system of financial and management control. Our rules, the Articles of Association of our subsidiary~~yies~~ and our Standing Orders outline how we control and run the Group.
- 1.4 This document sets out our financial regulations which form part of the Standing Orders. Its purpose is to provide practical guidance on our broad policies relating to financial control. It applies to both the association and~~all~~ our subsidiary undertakings (the “Group”).
- 1.5 Compliance with the financial regulations is compulsory for all our staff connected with the association and its subsidiary~~yies~~. Departmental managers are responsible for ensuring that their staff are made aware of the existence and content of these financial regulations.
- 1.6 It is the responsibility of all staff to report instances of non-compliance with Financial Regulations to their manager or the Senior Management Team.
- 1.7 We have detailed financial policies and procedures which set out how the regulations will be implemented. It is the ~~Director of Finance~~Director of Finance & Corporate Services’s responsibility to prepare and maintain our financial procedures and make them available to all departments as appropriate.
- 1.8 The Association shall comply with all statutory and regulatory requirements, as well as maintain best practice. The Scottish Housing Regulator’s Governance and Financial Management Standards have been taken into account.

2.0 FINANCIAL CONTROL

2.1 ~~THE MANAGEMENT COMMITTEE~~ELHA BOARD

The ~~Management Committee~~ELHA Board has ultimate responsibility for the Group’s finances. Its financial responsibilities are:

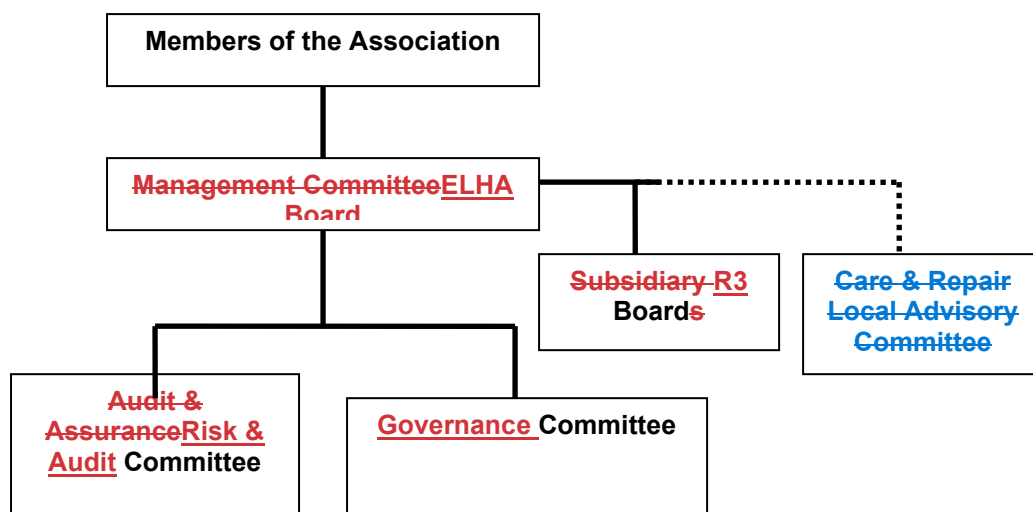
- To ensure the solvency of the Group and its financial wellbeing
- To safeguard the Group’s assets
- To manage its resources to ensure its financial well-being and economic effectiveness
- To ensure compliance with our regulatory body’s performance standards of financial management
- To ensure that we have internal financial control systems in place and working effectively and that a statement of assurance is produced by our internal audit provider annually

- To ensure that, (where applicable), the Group complies with the regulatory body's guidance on audit requirements, to approve the Group's Business Plans and the financial projections therein
- To approve annual estimates of income and expenditure and to approve the annual financial statements and the ~~Management Committee~~ELHA Board's responsibilities therein
- Ensure that short term budgets are in line with agreed longer term plans and that they are followed
- Review performance against revenue and capital budgets
- Oversee cash management, borrowing policies, banking arrangements and investments
- To recommend to the annual general meeting (AGM) the appointment of the Group's external auditors
- For all matters associated with selection of tenants and with developing, letting and maintaining our properties, including the monitoring of current arrears

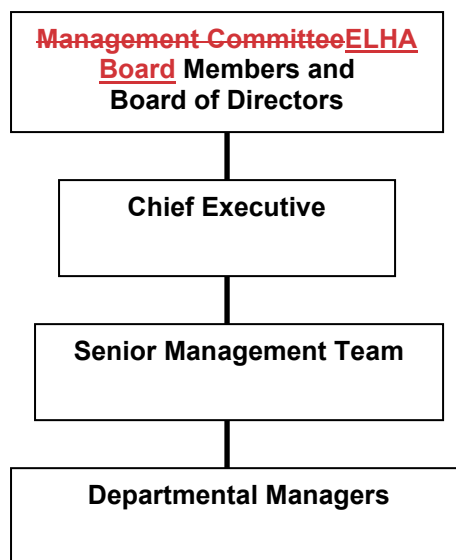
2.2 ~~COMMITTEE BOARD~~ STRUCTURE

The ~~Management Committee~~ELHA Board delegates some of its responsibilities to the ~~Audit & Assurance~~Risk & Audit Committee, ~~the R3~~Subsidiary Boards and staff as detailed below. These Sub-Committees, ~~the~~ Subsidiary Boards ~~and~~, staff ~~and the Care & Repair Local Advisory Committee~~ are accountable to the ~~Management Committee~~ELHA Board.

~~Committee Board~~ Structure:



Management Structure:



2.3 ~~AUDIT & ASSURANCE~~RISK & AUDIT COMMITTEE

2.3.1 The ~~Audit & Assurance~~Risk & Audit Committee is responsible for the ongoing monitoring of ~~our financial position and~~ our financial control systems. The Committee will:

- Examine annual estimates and accounting policies adopted in the financial statements and recommend their approval to the ~~Management Committee~~ELHA Board / Subsidiary Board as appropriate
- ~~Ensure that short term budgets are in line with agreed longer term plans and that they are followed~~
- Consider any other matters relevant to the financial duties of the ~~Management Committee~~ELHA Board / Subsidiary Board and make recommendations accordingly
- Ensure that the ~~Management Committee~~ELHA Board / Subsidiary Board has adequate information to enable it to discharge its financial responsibilities
- Ensure that proper accounts and related records are maintained for the Group
- Ensure that we have effective systems to pay all employees and creditors by their due date
- Ensure that we have systems in place to promptly collect all income due to us and correctly account for it
- ~~Review our performance against our revenue and capital budgets~~
- Ensure that we comply with the rules and procedures for Housing Association Grant (HAG) and other legal requirements
- ~~Manage our investments~~
- ~~Oversee cash management and borrowing policies, our banking arrangements, and our insurance arrangements~~Resolve ELHA's strategy for addressing insurable risk

- Any other matters as directed by the ~~Management Committee~~ELHA Board

2.3.2 The ~~Audit & Assurance~~Risk & Audit Committee ~~also~~ reports to the ~~Management Committee~~ELHA Board on audit matters. To enable it to perform this function, it has the right of access to obtain all the information it considers necessary and to consult directly with the internal and external auditors. The Committee will:

- Identify and approve appropriate performance measures for internal and external audit
- Agree the Association's annual internal audit programme
- Monitor the performance of internal and external audit
- Ensure that satisfactory arrangements are in place to manage its resources to ensure its financial well-being and economic effectiveness
- Ensure that the ~~Management Committee~~ELHA Board is able to give an annual statement of assurance in respect of financial control systems

2.3.3 The regulatory body, in its Regulatory Standards, sets out guidance on our audit requirements.

2.3.4 The Risk & Audit Committee meets at least 4 times a year to ensure compliance with its ~~T~~erms of ~~R~~efERENCE.

2.5 ~~R3 SUBSIDIARY~~ BOARD OF DIRECTORS

2.5.1 The Boards of Directors of ELHA's subsidiary company R3ies, are responsible for all operational matters ~~associated with their respective subsidiaries~~ as set out in their Articles of Association. The membership of the Board of ~~R3Subsidiaries~~ is controlled by the ~~Management Committee~~ELHA Board, giving the ~~Management Committee~~ELHA Board ultimate control over its subsidiaries.

The Board of ~~R3 each subsidiary~~ is responsible for the approval of annual estimates of income and expenditure and to approve the annual financial statements and the board's responsibilities therein.

2.6 ~~MANAGEMENT COMMITTEE~~ELHA BOARD, MEMBERS AND STAFF

2.6.1 The responsibilities of the ~~Management Committee~~ELHA Board and of senior officers are detailed in the ~~S~~tanding ~~O~~rders.

2.6.2 All our members of staff have been issued with their Job Description and detailed procedures relating to their Department.

2.7 AUDIT REQUIREMENTS

2.7.1 Audit requirements are set out in the regulatory body's guidance on Audit Practice.

2.7.2 The ~~Director of Finance~~Director of Finance & Corporate Services is responsible for drawing up a timetable for the preparation and audit of the annual financial statements and for advising staff and the external auditors of this timetable.

2.7.2 The ~~Audit & Assurance~~Risk & Audit Committee will review the audited financial statements and the auditor's management letter and make recommendations to the ~~Management Committee~~ELHA Board / Subsidiary Board for approval.

2.7.3 Any authorised officer of the Group and the external auditors and internal auditors shall have authority to:

- Enter at reasonable times the Group's premises or land
- Access all assets, records, documents and correspondence relating to any financial and other transactions of the Group
- Ask for, and be provided with, full explanations about any matter being investigated
- Require any employee of the Group to account for cash, credit cards stores or any other Group property under their control
- Access records belonging to third parties, such as contractors when required

2.7.4 We will maintain a "Fraud and Theft" Policy and follow this whenever any matter arises which involves, or is thought to involve, irregularities or fraud concerning cash, stores or other property of the Group or there is any other suspected irregularity in the exercise of the activities of the Group. The Risk & Audit Committee will receive an annual update on any instances of Fraud & Theft reported in the year. We will also ensure that we have an effective procedure for whistle blowing in place.

External Audit

2.7.5 We will appoint external auditors for the Group annually at our AGM. The ~~Management Committee~~ELHA Board will make recommendations about the appointment to the members following advice it receives from the ~~Audit & Assurance~~Risk & Audit Committee.

2.7.6 The primary role of external audit is to report on the Group's financial statements and whether we have used our funds appropriately. The external auditor will reach their opinion on the financial statements and our use of funds by examining the statements, the underlying records and our control systems. Their duties will be in accordance with advice set out in the Code of Audit Practice and current auditing standards and guidelines.

2.7.7 The External Auditor's duties will be in accordance with the Regulatory Bodies standards on Governance and Financial Management and the relevant Auditing Standards and their Letter of Engagement as approved by the Risk & Audit Committee.

- 2.7.87 Each year the ~~Audit & Assurance~~Risk & Audit Committee will review the effectiveness of external audit and, provided the auditors' work is of a sufficiently high standard and reasonably priced, should recommend that the ~~Management Committee~~ELHA Board reappoint them. In addition, we will undertake a competitive tendering exercise for the provision of the external audit service at least once every seven years.

Internal Audit

- 2.7.8 The ~~Audit & Assurance~~Risk & Audit Committee is responsible for appointing the internal auditor.
- 2.7.9 The main responsibility of internal audit is to provide the ~~Audit & Assurance~~Risk & Audit Committee, ~~Management Committee~~ELHA Board, the Chief Executive and Senior Management Team with assurances on the adequacy of our internal control systems, based on a programme of reviews as determined by the Risk & Audit Committee.
- 2.7.10 The internal audit service is independent in its planning and operation and has direct access to the ~~Management Committee~~ELHA Board, the Chief Executive and the Chair of the ~~Audit & Assurance~~Risk & Audit Committee. The internal auditor is directly responsible to the ~~Audit & Assurance~~Risk & Audit Committee. On an annual basis, the Risk & Audit Committee will review and approve the Internal Auditor's Audit Programme, outlining the proposed 3-year audit programme to be followed.
- 2.7.11 The internal auditors may, if they consider it necessary, require the Chair of the ~~Audit & Assurance~~Risk & Audit Committee to convene a meeting of the ~~Audit & Assurance~~Risk & Audit Committee for the specific purpose of hearing of any concerns the internal auditors may have. They may ask that staff be excluded from attending an ~~Audit & Assurance~~Risk & Audit Committee meeting to allow confidential discussion between the ~~Audit & Assurance~~Risk & Audit Committee and the internal auditors.
- 2.7.12 We will require the internal auditor to be properly qualified and experienced and comply with current auditing standards and guidelines for Internal Auditors, including Public Sector Internal Audit Standards
- 2.7.13 We will normally appoint the internal auditor for a term of three years, subject to an annual review of the quality and price of their service. We will undertake a competitive tendering exercise for the provision of internal audit services at least once every seven years.
- 2.7.14 Our internal audit function must meet the requirements of the Scottish Housing Regulator.

Other Auditors

- 2.7.15 The Group may, from time to time, be subject to audit or investigation by external bodies such as the Regulator and HM Revenue and Customs who

have statutory rights of access.

2.7.16 Where it is deemed that a particular area of internal audit would be better served by specialist advice from another service provider, the Risk & Audit Committee have the right to appoint a specialist provider in line with the Procurement Policy.

2.8 RESPONSIBILITIES

2.8.1 The Chief Executive

The Chief Executive is responsible for the operational management of the Group's affairs. They must assist and advise the ~~Management Committee~~ELHA Board in governance matters and in determining the Group's strategic objectives, promoting the achievement of such objectives through the effective deployment of the Group's resources.

2.8.2 The ~~Director of Finance~~Director of Finance & Corporate Services

Day to day financial administration is the responsibility of the ~~Director of Finance~~Director of Finance & Corporate Services. The ~~Director of Finance~~Director of Finance & Corporate Services is responsible to the Chief Executive for:

- Financial and business planning
- Preparing annual capital and revenue budgets
- Preparing management accounts and information, the monitoring and control of income and expenditure against budgets and all financial operations
- Preparing the Group's annual financial statements and returns which the Group is required to submit to other authorities
- Preparing appraisals for major investment decisions
- Ensuring that the Group maintains satisfactory financial systems
- Providing professional advice to the ~~Management Committee~~ELHA Board, the ~~Audit & Assurance~~Risk & Audit Committee and the Boards of ~~the~~ Subsidiaries on all matters relating to financial policies and procedures including treasury management
- Ensuring compliance with legal and/or regulatory requirements relating to their areas of responsibility

Business Management Team Members

2.8.3 Business Management Team (BMT) members are responsible to the Chief Executive for financial management in their own areas of responsibility, in accordance with our Authorisations and Standard Charges / Allowances Policy. The ~~Director of Finance~~Director of Finance & Corporate Services will advise BMT members on carrying out their financial duties. In addition, the ~~Director of Finance~~Director of Finance & Corporate Services will supervise and approve the financial systems operating within BMT members' departments including the form in which financial records are kept.

- 2.8.4 BMT members are responsible for establishing and maintaining clear lines of responsibility within their department for all financial matters.
- 2.8.5 Where a BMT member delegates budget responsibilities to their staff, the budget holder is accountable to the BMT member for that budget.

2.9 BUDGETING

Resource Allocation

- 2.9.1 The Association and its subsidiary have a financial year that runs from 1 April to 31 March.

2.9.2 We allocate our resources regularly, and at least annually. The ~~Management Committee~~ELHA Board is responsible for approving the allocation of the Association's resources. The Board of ~~each the~~ subsidiary is responsible for the allocation of ~~it's that subsidiary's~~ resources.

Budget Preparation

- 2.9.2 The ~~Director of Finance~~Director of Finance & Corporate Services is responsible for ensuring individual revenue and capital budgets are prepared annually for the association and ~~for each of its subsidiary~~ies. The budgets will be prepared in a form agreed by the ~~Management Committee~~ELHA Board/Subsidiary Boards and will reflect the objectives of the Group, its Group Business Plan, and the Strategy and Development Funding Plan.

We will start to prepare our annual budgets at least three months prior to the start of the financial year to which they relate and will seek input from each budget holder. We will consider the actual results for the current year to date when preparing our budgets for the next financial year.

- 2.9.3 The ~~Management Committee~~ELHA Board is responsible for approving the Association's annual budget and the board of ~~the~~ subsidiary is responsible for approving its annual budget. ~~We will approve budgets prior to the start of the financial year to which they relate. The budgets must be approved by the end of February immediately before the start of the financial year in which it relates.~~

- 2.9.4 As soon as possible after approval of the budgets, the ~~Director of Finance~~Director of Finance & Corporate Services will ensure that detailed budgets are prepared for BMT members to help with the resource allocation process for the financial year ahead.

- 2.9.5 Departments / subsidiary~~s~~ies may operate supplementary budgets, within their allocations, in accordance with procedures established by the ~~Director of Finance~~Director of Finance & Corporate Services.

- 2.9.6 During the year, the ~~Director of Finance~~Director of Finance & Corporate Services is responsible for submitting revised budgets ~~to~~ to the ~~Management Committee~~ELHA Board / Subsidiary Board for approval.

Development Programmes

- 2.9.7 The ~~Management Committee~~ELHA Board is responsible for approving the annual housing development programme and any subsequent amendments to it.
- 2.9.8 The Chief Executive is responsible for providing regular statements concerning housing capital expenditure and income to the ELHA Board ~~Management and Audit & Assurance Committees~~ for monitoring purposes.
- 2.9.10 The ~~Director of Finance~~Director of Finance & Corporate Services will prepare a financial evaluation of the development programme (and any amendments) and its impact on the group's long-term financial position. The evaluation will also consider the impact of alternative plans.
- 2.9.11 The ~~Director of Finance~~Director of Finance & Corporate Services is responsible for undertaking a financial evaluation of each housing development project in the approved development programme (plus subsequent amendments) prior to tender approval.
- 2.9.12 Proposed capital projects should be supported by:
- A statement which demonstrates the project's consistency with the development programme/ other plans approved by the ~~Management Committee~~ELHA Board
 - An initial budget for the project. The budget should include a breakdown of costs including professional fees, VAT and funding sources
 - A demonstration of compliance with normal tendering procedures and regulatory body regulations

Financial Planning

- 2.9.13 The ~~Director of Finance~~Director of Finance & Corporate Services is responsible for preparing financial plans for approval by the ~~Management Committee~~ELHA Board or the ~~relevant~~ Subsidiary Board and for preparing long term financial forecasts for at least the period required by the regulatory body and funder(s). Financial plans should be consistent with the Group business plans and the development programme approved by the ~~Management Committee~~ELHA Board. The plans should demonstrate funders covenants compliance and sensitivity testing should be undertaken and the results shown to the ELHA Board at the time of approval.

Budgetary Control

- 2.9.14 Once approved, the budgets will provide our staff with the authority to incur expenditure in line with our Authorisations and Standard Charges / Allowances

pPolicy. They also provide us with the basis to make comparisons with actual quarterly results. The control of income and expenditure within an agreed budget is the responsibility of the designated budget holder who must ensure that day to day monitoring is undertaken effectively. The ~~Director of Finance~~ Director of Finance & Corporate Services will provide management information to assist budget holders in this duty.

2.9.15 Budget holders will be given a budget report on a monthly basis. Contained within this will be monthly expenditure against budget and year to date expenditure against year to date budget.

2.9.16 Based on the information provided above, budget holders, on a quarterly basis as a minimum, will then be expected to forecast their remaining income and expenditure until the year end and report this back to the Finance team prior to the deadline which will be set by the Finance team.

2.9.17 Discretion will be agreed between the bBudget holder and the Finance Manager with regards to 2.9.16 to take into consideration holidays and any other absence.

2.9.18 It is the responsibility of the individual budget holders to ensure they inform the Finance Manager when either income or expenditure is likely to be significantly under or over budget and to explain any variances.

~~2.9.18~~ 2.9.19 Variations in actual income and expenditure against budget will be reported to the ~~Audit & Assurance Committee~~ ELHA Board at least every quarter by the ~~Director of Finance~~ Director of Finance & Corporate Services.

The reports shall include as a minimum:

- Statement of Comprehensive Income
- Statement of Financial Position
- Key variance analysis and Covenant compliance report
- Projected outturn against budget for the year

~~2.9.19~~ 2.9.20 Where additional expenditure is identified as being necessary, authorisation will be sought from the ~~Audit & Assurance Committee~~ ELHA Board in accordance with its delegated powers or from the ~~Management Committee~~ ELHA Board / Subsidiary Board. In between meetings authority to authorise overspends of up to an agreed amount per item, is specified in the detailed Authorisations and Standard Charges / Allowances pPolicy. Any such action taken will be reported to the next ~~Management Committee~~ ELHA Board / Subsidiary Board meeting for homologation.

~~2.9.20~~ 2.9.21 Nothing in these financial regulations shall prevent a senior officer

from incurring expenditure which is essential to meet any immediate needs created by a sudden emergency subject to their action being reported as soon as possible to the next meeting of the ~~Audit & Assurance Committee or the Management Committee~~ELHA Board / Subsidiary Board ~~(whichever meets first)~~. In some circumstances, these emergency powers will be superseded by the Business Continuity Plan, which contains policies, procedures and emergency powers to be followed / used in the event of a disaster.

2.9.18 Where an officer proposes

- (a) A new policy;
- (b) A variation to an existing policy; or
- (c) A variation in the means or time-scale of implementing an existing policy

which affects or may affect the Group's finances, the officer shall submit a report for recommendation to the ~~Audit & Assurance Committee~~ ELHA Board / Subsidiary Board. ~~The Committee will consider the matter and either take a decision in accordance with delegated powers or submit a recommendation to the Management Committee / Subsidiary Board.~~

Virement

2.9.19 Where a budget holder is responsible for more than one budget, they can make virements (whereby expenditure in excess of budget may be set off against savings in another budget) up to an agreed level from another of their budgets with the written approval of their line manager. The ~~Director of Finance~~Director of Finance & Corporate Services should also be advised.

2.9.20 Virement between budgets held by different budget holders is permitted up to an agreed level with the written approval of the transferring budget holder and the ~~Director of Finance~~Director of Finance & Corporate Services.

2.9.21 The ~~Director of Finance~~Director of Finance & Corporate Services is responsible for submitting requests for virement of resources above agreed levels to the ~~Audit & Assurance Committee or Management Committee~~ELHA Board / Subsidiary Board for approval.

Budget Training

2.9.22 When a member of staff is appointed to a role whereby they will have budget responsibility they will sign off as part of their induction process that they understand their role and responsibility in relation to this.

2.9.23 Prior to the annual budget setting process the Finance Manager will provide a refresher training course to all budget holders to promote and improve budget management skills.

2.10 ACCOUNTING POLICIES

Basis of Accounting

2.10.1 The individual company and ~~G~~group consolidated financial statements are prepared on the historical cost basis of accounting and in accordance with applicable accounting standards and guidelines.

Format of the Accounts

2.10.2 The Association's individual financial statements and the Group's financial statements are prepared for the financial year ending 31 March, in the format required by the current Statement of Recommended Practice (SORP) on Accounting for Registered Social Landlords. The individual accounts of ~~the~~ subsidiary~~ies~~ are prepared in the format required by the Companies Act.

Basis of Consolidation

2.10.3 The consolidated financial statements merge the financial statements of the Association and ~~all~~ its subsidiary undertakings for the financial year.

Approval

2.10.4 In line with the Standing Orders, the Risk & Audit Committee review the Annual Financial Statements from the perspective of compliance with Accounting Policies, Standards, law and regulations, and their consistency with prior reporting of financial results during the year, advising the ELHA Board on any matters of discretion available within the Annual Financial Statements.

2.10.5 The Risk & Audit Committee are also required to agree ELHA's Accounting Policies and recommend their adoption by the Board.

2.11 ACCOUNTING RETURNS

2.11.1 The ~~Director of Finance~~Director of Finance & Corporate Services is responsible for preparing and sending financial returns and other periodic financial reports to the regulatory body and other agencies as required. The ~~Director of~~

~~Finance~~Director of Finance & Corporate Services is also responsible for ensuring that all grants due from the government and other bodies are received.

2.12 ACCOUNTING AND ACCOUNTING RECORDS

2.12.1 The ~~Director of Finance~~Director of Finance & Corporate Services is responsible for overseeing the compilation of all accounts and accounting records and for the retention of financial documents. These should be kept in a form acceptable to the relevant authorities.

2.12.2 The Group is required by law to retain prime documents. These include:

- Accounting Records (including details of assets, liabilities, income and expenditure)
- Business Records (bank statements, accounts books, purchases and sales information) (six years)
- All PAYE Records (six years)
- Construction Industry Scheme Records (six years)
- VAT records (six years)

2.12.3 For auditing and other purposes, the Group should retain other financial documents for six years. These should include a minimum fixed asset register, loan register, cash book, sales and purchase invoices and bank statements.

2.13 INTERNAL CONTROLS

2.13.1 We will observe the following principles wherever possible, in the allocation of accounting duties, to ensure that proper segregation of duties exists:

- The duties of providing information about money due to or from the Group and of calculating, checking and recording these sums shall be separated from the duty of collecting or paying them
- Officers charged with the duty of examining and checking the accounts of cash transactions shall not themselves be engaged in any of these transactions

2.13.2 Key controls include the monthly reconciliation of bank and control accounts. Where the control is performed by the same member of staff who has carried out the transaction being controlled, the control will be reviewed by another suitably qualified member of staff.

2.13.3 The ~~Director of Finance~~Director of Finance & Corporate Services is responsible for the records, ledgers and registers required for each company within the Group and ensuring that these are maintained. The intervals at which these are updated are specified in the detailed financial procedures.

3.0 INCOME AND BANKING

3.1 GENERAL

- 3.1.1 The ~~Director of Finance~~Director of Finance & Corporate Services is responsible for ensuring that appropriate procedures are in operation to enable the Group to receive all the income to which it is entitled. All receipt forms, invoices, tickets or other official documents in use must have the approval of the ~~Director of Finance~~Director of Finance & Corporate Services.
- 3.1.2 Levels of charges, and rents ~~and lettings~~ are approved by the ~~Management Committee~~ELHA Board / Subsidiary Board.
- 3.1.3 The ~~Director of Finance~~Director of Finance & Corporate Services is responsible for the prompt collection, security and banking of all income received.
- 3.1.4 The ~~Director of Finance~~Director of Finance & Corporate Services is responsible for ensuring that all grants notified by the regulatory body and other bodies are received and appropriately recorded in the Association's accounts.
- 3.1.5 The ~~Director of Finance~~Director of Finance & Corporate Services is responsible for ensuring that all claims for funds are made by the due date.

3.2 BORROWING AND INVESTING

- 3.2.1 The Association's borrowing powers are set out in its rules.
- 3.2.2 The Group "Treasury Management Policy" sets out the requirements for borrowing and investing surplus funds.

3.3 BANKING AND CASH ARRANGEMENTS

~~Our "Banking Policy" describes our banking arrangements~~

- 3.3.1 ~~We will maintain bank accounts as required and agreed by the Audit & Assurance Committee. The ELHA Board is responsible for the appointment of the clearing bank.~~
- 3.3.2 The ~~Director of Finance~~Director of Finance & Corporate Services is responsible for liaising with our bankers in relation to our bank accounts and the issues of cheques. The ~~Director of Finance~~Director of Finance & Corporate Services has the authority to order all cheques and shall ensure that proper arrangements are in place for their safe custody.
- 3.3.3 Only the ~~Director of Finance~~Director of Finance & Corporate Services may open or close a bank account for dealing ~~—with our funds~~or funds held on behalf of others, these must meet the criteria as set out in the Treasury Policy and Procedures, with the authority of the Management Committee/Subsidiary Board. All bank accounts shall be in the name of the Association or its Subsidiaryies.

3.3.4 All payments made from the Association's bank accounts and mandates for direct debits/standing orders must be authorised in accordance with our "Authorisations and Standard Charges and Allowances Policy.

3.3.5 The ~~Director of Finance~~Director of Finance & Corporate Services is responsible for ensuring that all bank accounts are subject to regular reconciliation and independent review, and that large or unusual items are investigated as appropriate.

3.3.6 The ~~Director of Finance~~Director of Finance & Corporate Services is responsible for the prompt collection, security and banking of all income and for ensuring that all relevant requirements of the Group's Insurers are followed.

3.3.7 We will not cash personal or other cheques out of money received.

3.3.8 All payments, including but not restricted to, electronic through internet banking, BACs transfers, or CHAPs must be signed in line with the authority levels set out in the Authorisations and Standard Charges / Allowances Policy.

3.3.9 Where the Group has access to electronic banking there should be appropriate procedures in place for its operation in line with the appropriate authority levels and ensuring segregation of duties.

3.4 RENTS AND OTHER INCOME

3.4.1 The procedures for collecting all sums due to the Group (including rents and other income) must be approved by the ~~Director of Finance~~Director of Finance & Corporate Services. Our procedures should ensure that:

- swift and effective action is taken to collect overdue rents or other debts from tenants and customers in accordance with the Group's policies and detailed procedures
- outstanding rents and other income are monitored effectively
- invoices to tenants and customers are raised properly and promptly for the income due to the group in accordance with detailed procedures

3.4.2 Rent levels and other charges are determined in accordance with the Association's Rent and Service Charge Policy, statutory and regulatory requirements.

3.4.3 Departmental Managers shall notify the ~~Director of Finance~~Director of Finance & Corporate Services promptly of all money due to the Group and of contracts, leases and other agreements and arrangements entered into which involve the receipt of money by the Group.

3.4.3 The ~~Director of Finance~~Director of Finance & Corporate Services shall have the right to inspect any documents or other evidence in this connection as they may decide.

3.4.4 Donations of cash or other items shall be recorded and a written acknowledgement sent to the donor by the Secretary of the recipient Group member.

3.5 WRITE OFF OF ARREARS, DEBTS AND PREPAID BALANCES

3.5.1 The authority to write off rent arrears and other debts owed to the Group and prepaid balances; is detailed in the Authorisations and Standard Charges / Allowances Policy. The Group will write off all established bad debts on a quarterly basis.

3.5.6 STOCKS AND STORES

3.6.1 Managers are responsible for establishing adequate arrangements for the security and control of stocks and stores within their departments. Managers may only use systems for the accounting of stores within their departments which have been approved by the ~~Director of Finance~~Director of Finance & Corporate Services.

3.6.1 Where departmental stocks are valued for inclusion on the balance sheet, the relevant departmental manager must ensure that:

- There are stock-taking procedures in place which have the approval of the ~~Director of Finance~~Director of Finance & Corporate Services
- They provide instructions to the appropriate staff within their departments, which are in accordance with advice contained in the Group's detailed financial procedures.

4.0 EXPENDITURE

4.1 GENERAL

4.1.1 The ~~Director of Finance~~Director of Finance & Corporate Services is responsible for making payment to suppliers of goods and services to the Group.

4.2 AUTHORISATION OF EXPENDITURE

4.2.1 All expenditure will be authorised in accordance with the Group's Authorisation and Standard Charges / Allowances Policy which specifies delegated levels of authority for the various categories of expenditure or financial activity.

4.3 TENDERING

4.3.1 All goods and services will be procured in accordance with the Group's Procurement & Value for Money Policy and the Authorisation and Standard Charges / Allowances Policy.

4.4 ORDERS FOR WORK, GOODS AND SERVICES

- 4.4.1 Orders for work, goods and services must be in a form approved by the ~~Director of Finance~~Director of Finance & Corporate Services and in accordance with Group policy and procedures, in particular the budget limits and Authorisation and Standard Charges / Allowances Policy.

4.5 PAYMENT OF INVOICES

- 4.5.1 The authorisation to pay invoices will be in accordance with the Group's Authorisation and Standard Charges / Allowances Policy.

- 4.5.2 ~~Payments to suppliers will be in accordance with the detailed financial procedures.~~ Payments will only be made by the Director of Finance and Corporate Services against invoices which have been certified for payment through the Finance system in line with the authority levels in the Authorisations and Standard Charges / Allowances policy.

Authorisation of an invoice will involve at least 2 staff in the process and will ensure that:

- The goods have been received, examined and approved with regard to quality and quantity, or that services rendered, or work done is satisfactory where appropriate, it is matched to the Purchase or Works Order.
- The price is in agreement with the original quotation or tender, or evidence has been provided explaining the variation, and found to be in the Group's responsibility to pay
- Invoice details (quantity, price, discount) are correct
- The invoice is arithmetically correct
- The invoice has not previously been passed for payment
- Where appropriate, an entry has been made on a stores record or departmental inventory
- VAT issues have been complied with where they apply
- An appropriate cost centre is quoted. This must be one of the cost centre codes included in the budget administrator's area of responsibility and must correspond with the types of goods or services described on the invoice.
- Where an invoice is received direct from the supplier the invoice will be sent via the Finance system to the most appropriate person for coding. This will then be passed to another member of staff in line with the authorisation limits for approval.

- 4.5.3 Invoices must be passed to the Finance Department as soon as they have been received. This is to be done via the Finance Team email – finance@elha.com . Care must be taken by the budget holder to ensure that discounts receivable are obtained.

- 4.5.4 Payments to suppliers will be made on the basis of an original invoice. Copy invoices can only be processed if they have been received from the supplier and the supplier account has been checked and the Finance Team confirm the invoice has not previously been passed for payment.

4.5.53 The general rule is that invoices are paid by the end of the month following that in which they are received, subject to variations as agreed with the individual supplier of goods and services and as set out in the Group's financial procedures.

4.5.6 Payments are normally to be made on a fortnightly basis through BACs, dependent on the payment terms negotiated for the supplier or contract or by other electronic method. Urgent bank transfers will be issued by exception only.

4.5.7 The BACs payment will be approved in line with the authorised limits contained in Authorisations and Standard Charges / Allowances Policy. All invoices contained within this should have been already authorised. The BACS needs signed off by two people who have the authority limit to do so.

4.5.8 The artificial splitting of orders or invoices or use of the credit card to circumvent the Financial Regulations are expressly forbidden.

4.6 CONTRACTS

4.6.1 Contract procurement or contractual document signing should follow the expenditure and authorisation limits set out in the Authorisations and Standard Charges / Allowances Policy.

4.6.2 Payments to contractors, whether on account or the final account, shall be made in accordance with the detailed procedures. Finance staff liaise regularly with Development Agents and Asset Management staff to monitor expenditure on contracts.

4.6.23 Claims from Contractors in respect of matters not clearly within the terms of any existing contract shall be referred to the Group's Solicitor (and if relevant the Group's Insurers) for consideration of the legal liability and, where necessary, to the Chief Executive and ~~Director of Finance~~ Director of Finance & Corporate Services (for financial assessment) before a settlement is reached or before any offer of settlement is made.

4.7 PETTY CASH AND POSTAGE

4.7.1 A petty cash imprest will be held for the purpose of making disbursements and properly authorised expenses and maintaining a cash float. The level of imprest will be determined by expenses flow and security considerations.

4.7.2 Operation of the petty cash float will be in accordance with the financial procedures.

4.7.3. The purchase and issue of stamps will be as laid down in the Group's financial procedures.

4.8 SALARIES, WAGES AND PENSIONS

4.8.1 The payment of salaries, wages and contributions to pensions will be made in accordance with the Group's financial policies and procedures, in particular those relating to Payroll, Recruitment & Selection and Pensions.

4.8.2 All staff shall be appointed to the EVH salary scales in line with the level of role and responsibility recruited to and in accordance with appropriate Conditions of Service. All letters of appointment must be issued by Executive Support Officers.

4.8.3 The Executive Support Officer (HR) shall be responsible for ensuring they are notified of all matters relating to personnel for payroll purposes. In particular these include:

- Appointments, resignations, dismissals, suspensions, secondments and transfers
- Absences from duty for sickness or other reason, apart from approved leave
- Changes in remuneration including normal increments and pay awards
- Information necessary to maintain records of service for pension, income tax, national insurance etc
- Deductions from salaries

4.8.4 The Director of Finance and Corporate Services is responsible for payments to nonemployees and for informing the appropriate authorities of such payments. All employees including bank workers will be included on the payroll.

4.8.2. Annual salary reviews will be undertaken as specified in the Group's Terms and Conditions of Service and will be approved by the Management CommitteeELHA Board / Subsidiary Boards.

4.8.3. The Management CommitteeELHA Board / Subsidiary Board is responsible for undertaking the role of employer in relation to appropriate pension arrangements for employees.

4.8.4. The Director of FinanceDirector of Finance & Corporate Services is responsible for day to day pension matters, including paying over contributions to various authorised pension schemes and preparing returns to various pension schemes.

4.8.5. Salary and related personnel records will be maintained in a form required by statute, and as agreed by the Director of FinanceDirector of Finance & Corporate Services.

4.8.6 All statutory returns will be completed and submitted timeously.

4.9 TRAVEL SUBSISTANCE AND OTHER ALLOWANCES

4.9.1. All claims for payments of mileage expensescar allowances, subsistence allowances, travelling and incidental expenses shall be authorised and paid in accordance with the Group's Expenses policyies and procedures. on

~~Management Committee~~ELHA Board Members' / Subsidiary Board Directors' and Staff Expenses ~~are~~are completed in a form approved by the ~~Director of Finance~~Director of Finance & Corporate Services. Staff expenses are completed through the People HR system.

4.9.2. Claims by members of staff must be authorised by their Line Manager to certify that the journeys and expenses were properly and necessarily incurred and that the allowances are properly payable by the Group.

4.9.3. Standard allowances and rates will be recorded in the Authorisation and Standard Charges / Allowances Policy and reviewed annually by the ~~Management Committee~~ELHA Board / Subsidiary Board.

4.10 CREDIT AGREEMENTS

4.10.1 Departmental Managers shall notify the ~~Director of Finance~~Director of Finance & Corporate Services promptly of all credit agreements being entered by the Group for goods and services. The ~~Director of Finance~~Director of Finance & Corporate Services shall have the right to inspect any documents or other evidence in this connection as they may decide.

4.11 Financial Irregularities

4.11.1 Staff are expected to immediately notify a Director if any matter arises which involves, or is thought to involve, irregularities concerning cash or other property or any suspected irregularity in the exercise of the financial functions of any part of the Association or Group. The Director of Finance ~~and~~& Corporate Services shall investigate and decide what further action is necessary in consultation with the Chief Executive.

4.11.2 If the suspected irregularities involve ~~s~~ the Chief Executive, staff must report any irregularities to the Chair of the ELHA Board in accordance with the Whistleblowing Policy.

4.11.3 The Director of Finance ~~and~~& Corporate Services shall submit a report to the Risk & Audit Committee if an employee:

- Has made or is about to make a decision which involves or would involve any part of the Association incurring unlawful expenditure; OR
- Has taken, or is about to take, a course of action which if pursued to its conclusion would be unlawful and likely to cause a loss or deficiency.

4.11.4 Where the matter constitutes a Notifiable Event as defined by the Scottish Housing Regulator, the Chief Executive or Convener as appropriate, will ensure that the Regulator is notified.

4.11.5 A fraud register must be maintained and be available to view by the Risk & Audit Committee.

4.11.6 The fraud register is contained within the J:\Corporate\Registers\Fraud and Theft Register. The details of this register are reported annually to the Risk & Audit Committee.

4.12 Experian Checks

4.12.1 Prior to commencement of employment, an Experian Check will be carried out on for staff recruited fromat senior level (-Directors and - Chief ExecutiveE roles)-would require an Experian Check to be carried out. This is also applicable for the Finance Manager role.

4.13 Credit Cards

4.13.1 Company credit cards are held by those staff members noted in the Authorisations and Standard Charges / Allowances Ppolicy, and should be used mainly for electronic payments where there is no alternative method of payment. The limit on the cards is set out in the Authorisations and Standard Charges / Allowances Ppolicy and they should only be used in line with the purchasing requirements in the Procurement and Value for Money Ppolicy. In exceptional circumstances, where the Business Continuity Plan is invoked, spending can be authorised out-with ordinary practice as prescribed in the Procurement & Value for Money Policy where authorised by the Chief Executive or by the Director of Finance & Corporate Services under the delegated authority of the Chief Executive.

5.0 ASSETS

5.1 LAND, BUILDINGS, FIXED PLANT AND MACHINERY

- 5.1.1 The purchase, lease or rent of land or buildings or fixed plant can only be undertaken ~~with the approval of the Management Committee / Subsidiary Board~~, if in line with the approved capital and revenue budget and shall be in accordance with the authority levels in the Authorisations and Standarding Charges / Allowances Policy.
- 5.1.2 The Finance Department will maintain fixed asset registers which record an adequate description of buildings (non-housing), furniture, fittings, equipment, plant and machinery and other capital equipment owned by the Group. The form in which the fixed asset register shall be kept will be determined by the ~~Director of Finance~~Director of Finance & Corporate Services. Equipment kept at our housing properties shall be separately identified and recorded.
- 5.1.3 The Housing ~~Management Department~~Team will maintain a ~~register database~~ of all housing properties owned, ~~or leased or disposed of~~ by the Group ~~which is held within the Housing Management system. its form will be determined by the Director of Housing.~~
- 5.1.4 The Group's property shall not be removed other than in the ordinary course of the Group's business, or used other than for the Group's purposes except in accordance with specific directions issued by the Chief Executive or appropriate manager concerned.
- 5.1.5 All property and equipment shall be maintained in good working order.
- 5.1.6 We keep a register of documents of title (deeds, share certificates, building society books, etc) and store the documents (where not held by a lending authority) securely either at the Group's Solicitors or in a locked safe.
- 5.1.7 Any material loss or damage to any individual assets coming to the attention of any member of staff shall be reported immediately to the appropriate Director and, where appropriate, consideration should be given to making an insurance claim.

5.2 INVENTORIES

- 5.2.1 In addition to the asset register, departmental managers are responsible for maintaining inventories for all plant and equipment and stores in their departments. The inventory must include items donated or held in trust.
- 5.2.2 Inventories must be checked at least annually and retained in a form approved by the ~~Director of Finance~~Director of Finance & Corporate Services as described in the Group's detailed financial procedures.

5.3 ASSET DISPOSAL

- 5.3.1 Disposal of fixed assets equipment and furniture must be in accordance with

the Group's Policy "Disposal of Assets".

5.3.2 The disposal of land ~~for housing and housing and~~ properties in our ownership, must only take place with the authorisation of the ELHA Board, and when delegated authority has been passed from the ELHA Board and in accordance with the ~~applicable~~-Cause for Concern ~~Stock Strategy documents~~.

5.3.3 All sales must be supported by an independent valuation.

5.3.4. The Director of Housing is responsible for ensuring that all statutory requirements are complied with, and Regulatory body and other consents are obtained where required.

5.3.5 The Director of Finance ~~and~~ Corporate Services is responsible for ensuring that the relevant prior consents have been obtained from funders and the Scottish Housing Regulator where required.

5.4 DEPRECIATION

5.4.1 Any fixed asset owned by the Group will be depreciated in accordance with the Group's Depreciation Policy.

5.5 Capitalised Components

5.5.1 The Associations policy on capitalisation of property components follows the definition contained within the Housing Statement of Recommended Practice 2018 (SORP).

5.5.2 The SORP notes that "any works to housing properties which do not replace a component or result in an incremental future benefit of a housing property must be charged as expenditure in the Statement of Comprehensive Income. This includes expenditure incurred to ensure that the housing property can maintain its existing level of net rental income".

5.5.3 The Association chooses to interpret this to mean that we will only capitalise a component when the full component is replaced. For example, a toilet replacement in a bathroom does not replace the full component, once the full bathroom (bath/shower, sink etc) is replaced, the component would be capitalised. The toilet replacement would be accounted for as revenue expense.

5.5.4. The cost of the component ~~will~~to be capitalised will be determined by the Association's component accounting procedure.

5.6 Other Fixed Assets

5.6 The Groups policy on capitalisation of other Fixed Assets (non property) is to capitalise purchases over £1,000. For example, if 10 mobile phones were

purchased at £150 each, costing £1,500, this would not be capitalised given the individual asset is less than £1,000.

5.7 Development Schemes

5.7.1 The ELHA Board must approve the financial appraisal of each development scheme prior to contracts being signed and ensure that appropriate grant funding and private finance for the development is in place prior to acquisition of a site or the letting of a building contract.

5.7.2 The Director of Finance and Corporate Services shall be responsible for ensuring that adequate accounting systems are in place to enable the Association to comply with the relevant grant requirements. The Finance Manager shall ensure that timely arrangements are in place to claim all available grants.

5.85 TREASURY MANAGEMENT

5.85.1 The Group's Treasury Management strategy and arrangements are set out in its Treasury Management Policy. The ~~ELHA Board Audit & Assurance Committee~~ is responsible for monitoring the operation of this policy.

5.85.2. All money in the hands of the Group shall be aggregated where possible or appropriate for the purposes of Treasury Management.

5.85.3. The ~~Director of Finance~~ Director of Finance & Corporate Services is responsible for all executive decisions on borrowing, investment or financing.

5.85.4. The ~~Director of Finance~~ Director of Finance & Corporate Services shall report to the ~~Audit & Assurance Committee~~ ELHA Board not less than four times in each financial year on the activities of the treasury management operation and on the exercise of the treasury management powers delegated to them. One such report shall comprise an annual report on treasury management for presentation within six months of the Group's year end.

5.85.5 The ~~Director of Finance~~ Director of Finance & Corporate Services is responsible for obtaining private finance (loans) from approved financial institutions as detailed in the Group's Treasury Management ~~P~~policy and related procedures.

6.0 OTHER

6.1 GROUP STRUCTURES AND SUBSIDIARIES

6.1.1. In certain circumstances it may be advantageous to the Association to establish group structures or subsidiaries to undertake services on its behalf. The ~~Management Committee~~ ELHA Board is responsible for approving the establishment of group structures or subsidiaries and the procedure to be

followed in order to do so.

- 6.1.2. It is the responsibility of the ~~Management Committee~~ELHA Board to establish the shareholding arrangements and appoint Directors of companies wholly or partly owned by the association.

6.2 RISK MANAGEMENT

- 6.2.1. The ~~Management Committee~~ELHA Board is responsible for developing a risk management ~~strategy~~framework, in line with the requirements of the regulatory bodies, in order to identify the risks facing the group and the types of protection required to cover these risks. Risk Maps should be developed to cover important potential liabilities and potential significant risks to assets. These Risk Maps will be considered and approved by the ~~Management Committee~~ELHA Board / Subsidiary Boards on an annual basis in accordance with our Risk Management ~~Framework~~Strategy.

6.3 INSURANCES

- 6.3.1. ~~The Management Committee is responsible for agreeing the Group's insurance arrangements. The arrangements for managing and maintaining our insurances are set out in the "Insurance Policy". The Director of Finance and Corporate Services is responsible for effecting insurance cover as required to protect the Association, its subsidiary and its assets. This is done in line with the iInsurance pPolicy.~~

6.3.2 A register will be kept of insurance cover in place.

- ~~6.3.23-~~ All staff using their own vehicles on behalf of the group shall maintain appropriate insurance cover for business use.

6.4 TAXATION

- 6.4.1. The ~~Director of Finance~~Director of Finance & Corporate Services is responsible for advising ~~heads of departments~~ on all taxation issues in the light of guidance issued by the appropriate bodies and the relevant legislation as it applies to the group. The ~~Director of Finance~~Director of Finance & Corporate Services will issue instructions to departments on compliance with statutory requirements including those concerning VAT, PAYE, national insurance and corporation tax.

- 6.4.2. The ~~Director of Finance~~Director of Finance & Corporate Services is responsible for ensuring that the Group's tax records are maintained, that all tax payments made and tax credits received and that tax returns are submitted by their due date.

6.4.3 For new projects it is the responsibility of the relevant Director/Manager to notify the Finance Team, to seek guidance on any impact on the tax affairs of the Group.

6.5 SECURITY PROCEDURES

- 6.5.1. Departmental managers are responsible for maintaining proper security at all times for all buildings, stock, stores, furniture, cash, etc under their control. They must consult the appropriate senior manager in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.
- 6.5.2. The loss of any keys to Group property will be reported to the Chief Executive immediately.
- 6.5.3. All staff are responsible for maintaining proper security and privacy of information. Access to areas where data is stored will be restricted to authorised persons. Information relating to individuals held on computer will be subject to the provisions of the General Data Protection Regulations. The Chief Executive is responsible for ensuring compliance with the Act.
- 6.5.4. Security of computer equipment and information stored on computer systems will be undertaken as detailed in the Group's policy on "IT Systems", and in accordance with the General Data Protection Regulations.
- 6.5.5. Manual records, particularly those relating to tenants, will also be subject to appropriate security procedures.

6.6 GIFTS, HOSPITALITY AND INTERESTS

- 6.6.1 The giving and receiving of gifts and hospitality shall be in accordance with the Group's Gifts and Hospitality policy.
- 6.6.2 All ~~Management Committee~~ELHA Board Members / Subsidiary Board Directors and staff shall ensure that they declare any interests with regard to any aspects of the Group's activities, as required by the Rules and the requirements of the Regulators.

6.7 Agency Staff & Consultancy

- 6.7.1 The Group may from time to time procure the services of a consultant/contractor or agency worker to operate in a specific job role. This could be, but is not limited to, backfilling a post until a permanent member of staff is recruited.
- 6.7.2 All consultants/contractors/agency staff brought in to cover a certain job role, ie Director post, will be given the same level of authority, as set out in the Authorisations and Standard Charges / Allowances policy, as that of a full-time member of staff.
- ~~6.7.3~~ This will only be done once an Experian check on that individual has been done to confirm it is ~~ok~~appropriate for them to act in this capacity.

6.8 Training

~~6.8.1 The Director of Finance & Corporate Services will ensure that a~~ All staff are ~~will be required to retrained updated on any revised changes revisions to this to the policy as soon as possible after the revisions have been approved.-~~

~~6.8.2—This will be done via a staff brief presentation, by the Director of Finance and Corporate Services.~~

7.0 IMPLEMENTATION, MONITORING AND REVIEW

7.1 IMPLEMENTATION

These Financial Regulations describe the overall framework of the Group's financial arrangements. The detailed arrangements for implementing these Regulations are contained in relevant policies and procedures including (but not limited to) the following:

- Authorisations and Standard Charges and Allowances
- Treasury Management
- Risk Management Framework Strategy
- Procurement and Value for Money
- Insurances
- Payroll
- Rents and Service Charges
- Rent Arrears
- Chargeable Repairs
- Recharge of Costs to Owner Occupiers (procedure)
- Information Technology Systems
- Gifts and Hospitality
- Management Committee ELHA Board and Staff Expenses
- Fraud and Theft
- Anti-Bribery and Corruption
- Finance Department Procedures

7.2 MONITORING AND REVIEW

The ~~Director of Finance~~ Director of Finance & Corporate Services will ensure that these Financial ~~Regulations~~ are reviewed at least every ~~five~~ three years, or earlier if required by legislation, regulation or organisation change. and that ~~a~~ Any amendments required ~~are~~ will be submitted to the ~~Management Committee~~ ELHA Board for approval.

Policy Review Summary

Report by Martin Pollhammer, Chief Executive – for information

The table below sets out policies reviewed by the Senior Management where they have Delegated Authority to undertake the review, since the last ELHA Board meeting.

Policy Title	Reviewed By	Where the revised policy is available
Neighbour Nuisance & Antisocial Behaviour*	Karen Barry	Policy section of elha.com

- * This was an unscheduled update following a review of the policy against the EVH Landlord Safety Manual (LLSM) to ensure that both were aligned. It has been agreed that guidance within the LLSM will be adopted.