FINANCIAL REGULATIONS

Classification: Governance

Status: Approved

Policy Lead:	Director of Business Support
Last Review Date:	February 2026
Review Due Date:	February 2031
Review Period:	5 years unless required earlier due to changes in the law, regulation, best practice or requirement of the Association

Post Latest Review Committee Approved Amendments

Committee	Amendment	Meeting Date
ARCOM	Update of Section 5 Audit & Assurance following change in Internal Audit Arrangements	Item 3.03 11 March 2026
Board	Further delegated authority for Physical and individual employee Virtual Credit and Purchase cards Appendix 1, Table 15	AOCB 20 May 2026

REFERENCE PAGE

Document Title:	**Financial Regulations**
Aim:	To establish the control framework within which Eildon Housing Association to ensure proper administration of its financial affairs and to ensure its ongoing financial stability and viability.
Objective:	2 The Eildon Group will ensure it operates within a sound financial framework, protecting our long-term viability while prudently utilising the inherent financial strength of the organisation to meet existing commitments & potential opportunities
Scope of Policy:	Board and Staff
Nominated Officer:	Director of Business Support
Approval Source:	Board
Legal & Regulatory References:	SHR's Regulatory Standards of Governance and Financial Management; Registered Housing Associations (Accounting Requirements) (Scotland) Order; Statement of Recommended Practice (SORP): Accounting by RSLs HMRC Taxation Rules
Procedural References:	EHA Model Rules EHA Standing Orders Risk Management Policy Treasury Management Policy Anti-Money Laundering Policy Fraud Policy Bribery Policy Financial Procedures Manual
Consultation Completed:	N/A
Risk Implications:	3- New policy This policy is to replace the Financial Standing Orders.
Data Protection Impact Assessment (DPIA):	Not Required
Equalities Impact Assessment (EIA)	Not Required
Accessibility:	Accessible electronically/online and in print. All documents can be translated and made available in audio, braille and large print versions upon request.

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POLICY STATEMENT

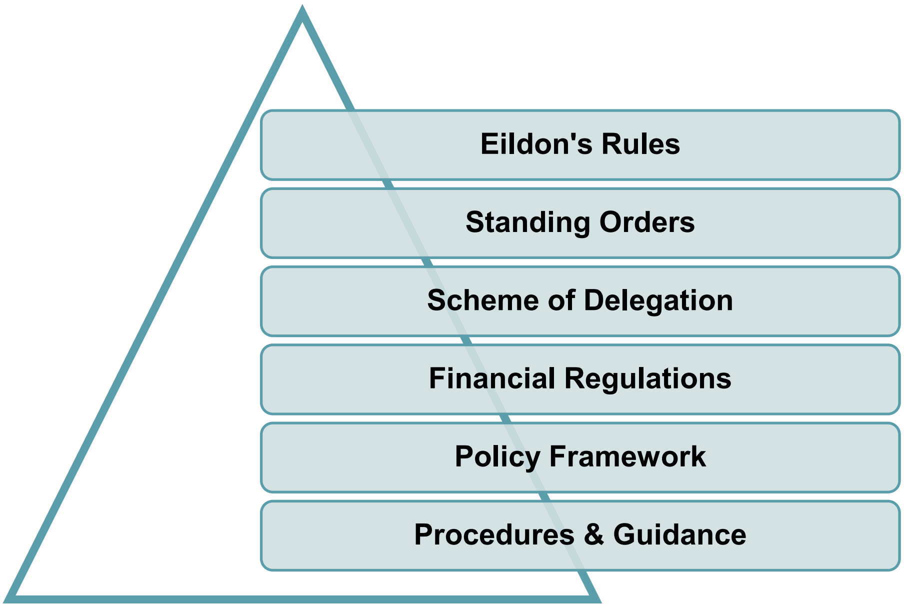
i The Eildon Group (Eildon) is committed to maintaining a robust framework of governance, management and control which is essential to the delivery of its strategic objectives and ensuring the safeguarding of its assets, finances and other resources. This framework also ensures compliance with regulatory requirements including those set by the Scottish Housing Regulator, in particular their Standards of Governance and Financial Management[1]

ii Eildon's Framework of Governance describes the overall arrangements for the governance and management of the Eildon Group.

iii Sound financial management is a key component of good governance and this is why the Financial Regulations are an explicit part of Eildon's Framework of Governance.

iv The purpose of the Financial Regulations is to protect the interests, assets and reputation of the Eildon Group, its Board Members and employees and to minimise the risk of failure to comply with statutory requirements and promote best practice.

v The **hierarchy of control** in relation to financial matters within the context of Eildon's Framework of Governance is summarised as follows:



vi The arrangements for implementing the Financial Regulations are detailed in a range of policies and procedures.

vii Responsibility for ensuring that Eildon's financial affairs are efficiently and effectively conducted shall be delegated by the Board to the Chief Executive Officer (CEO) and Director of Business Support (DBS), in accordance with Eildon's Framework of Governance and relevant polices.

[1] Regulatory Framework | Scottish Housing Regulator

1. INTRODUCTION

1.1 Eildon must demonstrate effective governance and sound financial management and maintain a robust policy and procedural framework that complies with legislation, guidance, and good practice.

1.2 The Financial Regulations (the Regulations) document the framework for the management and control of the Eildon Group's finances, assets and other resources

1.3 The Regulations set out the six principles for strong financial governance and control and apply these to the development of the financial control framework for Eildon.

2. SCOPE

2.1 These Regulations apply to:

a) All entities within the Eildon Group (Eildon), which includes Eildon Housing Association (EHA) and Eildon Enterprise Limited (EEL).

b) The Eildon Trust (currently a separate but dormant entity) and the Eildon Housing Association Ltd Group Life Assurance Scheme.

c) All aspects of Eildon's operations and activities whether acting as principal (acting on Eildon's behalf)

d) All Board Members.

e) The Executive Team, all members of staff and any agents of Eildon who are involved in financial transactions, budgeting and financial reporting.

2.2 In addition, these Regulations will apply, in conjunction with the contractual arrangements, where Eildon is acting as an agent[2] on behalf of another body.

2.3 Nothing in these Regulations shall operate to impede the effective implementation of Eildon's business continuity/disaster recovery arrangements.

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[2] The work undertaken to manage the Private Sector housing adaptations under Care and Repair is an example of where Eildon is acting as an agent.

3. PRINCIPLES OF FINANCIAL CONTROL

- **Accountability** - clarity of individual responsibility for financial decisions and lines of reporting.
- **Transparency** - clear, accurate and timely financial processes, reporting and decision making supporting transparency.
- **Integrity** - Eildon promotes a culture of integrity and proportionate controls to prevent and detect fraud or misuse of funds.
- **Segregation of Duties** - duties should be divided amongst different people to reduce risk of a single individual controlling all aspects of a financial transaction.
- **Consistency** - financial policies and procedures should be applied uniformly across Eildon.
- **Compliance** - adherence to laws, regulations, and internal policies is mandatory.

The Regulations that follow in this documents, and associated procedures and guidance, will rely on these principles and core elements to guide the management and control for the Eildon Group’s finances, assets and other resources.

GOVERNANCE & OVERSIGHT

4. ROLES AND RESPONSIBILITIES

Board

4.1 The Board retains ultimate responsibility for ensuring Eildon's financial and legal responsibilities are properly fulfilled. The Board's governance framework for exercising this responsibility is established via the Framework of Governance.

4.2 Annually the Board are required to provide a Statement of Going Concern and Internal Financial Controls[3]. In addition, the Board is required to issue an Annual Assurance Statement to the Scottish Housing Regulator (SHR) in relation to their Regulatory Standards for Governance and Financial Management.

4.3 The Board are responsible for considering and approving the periodic review of the Regulations as advised by ARCom.

4.4 The Board delegates:

a) the maintenance of effective internal and external audit and control systems to the ARCom.

b) operational responsibility to staff through the CEO and the Scheme of Delegation which sets out the scope of this delegation.

c) responsibility for ensuring that Eildon's financial affairs are efficiently and effectively conducted to the CEO and DBS.

Audit and Risk Committee (ARCom)

4.5 The purpose of ARCom is to ensure that effective internal and external audit and control systems are maintained throughout the Eildon Group and that Eildon complies with statutory and regulatory requirements.

4.6 ARCom is responsible for the periodic review of the financial regulations and for advising the Board of any changes.

Remuneration Committee (RemCo)

4.7 The purpose of RemCo is to agree and notify the Board on the annual pay award to all staff, and to ensure that periodic reviews of staff salary, pension arrangements and other benefits are carried out.

Chief Executive Officer (CEO)

4.8 The CEO is the person to which the Board has delegated operational powers with the ultimate executive responsibility for the efficient and effective management of Eildon, including its financial affairs.

Director of Business Support (DBS)

4.9 The DBS along with the CEO has delegated responsibility from the Board for ensuring that Eildon's financial affairs are efficiently and effectively conducted and

[33] Internal financial controls and Regulatory Standards | Scottish Housing Regulator

this includes leading the periodic review and update of the Financial Regulations for consideration by ARCom and the Board.

Executive Team (ET)

4.10 ET is the collective term used for the CEO, DBS as well as the Director of Community Services (DCS) and the Director of Property Assets (DPA).

ET is collectively responsible for implementing the Board approved strategy and associated financial plans, including the budget, and ensuring that these are delivered within a robust framework of internal controls and demonstrate value for money.

Budget Holder

4.11 A budget holder is the member of staff who has been assigned responsibility for a specific budget within Schedule of Delegated Operational Authorities (SoDOA) and is accountable to the relevant Executive Team member for it.

4.12 All budget holders are required to familiarise themselves with these Regulations and comply with its provisions and associated procedures in the management of the resource within their assigned responsibilities.

4.13 For the purposes of the Regulations, where the term Budget Holder is used it means members of ET, other managers who are part of the Leadership Group and any other nominated budget holders.

All Staff

4.14 Compliance with the Regulations is compulsory for all staff employed by Eildon or any of its subsidiaries.

4.15 All staff are responsible for:

a) ensuring they understand their respective roles and responsibilities within the context of the Regulations and undertake any relevant training associated with them, or associated policies and procedures;

b) the security and control of any Eildon assets, cash and materials with which they use or access.

4.16 These responsibilities and duties will be incorporated into individual job profiles as appropriate, to ensure clarity for specific areas of responsibility in relation to Eildon's management and control frameworks.

5. AUDIT AND ASSURANCE

External Audit

5.1 The appointment of the external auditors will take place annually at the AGM and it is the responsibility of the Board to make recommendations on this following advice from ARCom.

5.2 The primary role of external audit is to examine and provide an opinion on the Eildon Group financial statements.

Internal Audit

5.3 Internal Audit provides the Board, through ARCom, and the ET with independent assurances on the adequacy of the internal control framework.

5.4 The role of internal audit is established within the Internal Audit Strategy and the scope work is contained in the Annual Internal Audit Plan which is set by ARCom the in June of each year. This plan is tailored to Eildon's assurance needs focusing on whether internal processes are effective and risks are managed.

5.5 Each February, the Internal Auditor will present an annual report to ARCom. The purpose of this report is to support ARCom in assessing the level of assurance they have regarding Eildon's risk management, internal control, and governance frameworks.

5.6 ARCom will engage an outsourced internal audit services firm on behalf of the Board to provide Board Members with independent assurance from appropriately qualified internal auditors.

Other Auditors

5.7 Eildon may, from time to time, be subject to audit or investigation by external bodies such as HMRC and the Care Inspectorate who have statutory rights of access.

Auditor Access and Escalation

5.8 Whenever any matter arises which involves, or is thought to involve, irregularities or fraud concerning cash, materials or other property of Eildon or there is any other suspected irregularity in the exercise of the activities of Eildon, the applicable policy[4] will be applied.

5.9 The appropriate officer will take the necessary steps to initiate any investigation and involvement of internal audit. If deemed appropriate, the matter will be reported to ARCom and/or the Board and/or the regulatory body if required. Where appropriate the matter may be referred to the Police.

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[4] e.g. Code of Conduct for Staff Members, Whistleblowing, Anti-Money Laundering, Fraud and Anti-Bribery

6. AUTHORITY AND APPROVAL

6.1 The Framework of Governance, via the Scheme of Delegation, establishes the framework by which it delegates specific responsibilities and authority to Sub-Committees, Office Bearers, and staff, as represented by the CEO.

6.2 The Scheme of Delegation establishes the upper limits of the CEO's delegated authorities and is referred to as the "CEO Thresholds".

6.3 The Regulations establish the financial parameters approved by the Board for the CEO Thresholds and these along with the framework for further delegation are summarised within the tables in Appendix 1.

Schedule of Delegated Operational Authorities (SoDOA)

6.4 The CEO may, within the framework outlined in Appendix 1, further delegate specific responsibilities to other members of staff and this will be managed via the procedures for maintaining the SoDOA.

6.5 The SoDOA summarises the approved Delegated Levels of Authority (DLAs) to individual postholders.

6.6 The DLAs are aligned to the provisions of Framework of Governance, in particular the Scheme of Delegation and the Financial Regulations, as well as the relevant Eildon policies and procedures.

6.7 In addition, they take into account the contents of job profiles for the nominated job role(s) when allocating levels of responsibility and authority.

6.8 Individuals may temporarily delegate their authorities to another providing that this does not exceed their own authority limits and does not exceed a period of one month; should this be required to exceed one month, delegation must be approved by the relevant member of the ET. The SoDOA will outline the process for doing this.

6.9 The Board has approved the CEO and DBS to jointly approve amendments to the delegated authority levels in Appendix 1 below Director level, provided this is executed following the guidance set out in the SoDOA. These will be ratified by Board every three years when the Regulations are fully reviewed.

Management of Authorities within Eildon's Systems and Banking Platforms

6.10 Where the authorisation structure has been applied to Eildon's digital software and banking platforms the management of user access and authority will be maintained as part of the Digital Services systems administration function in line with these Regulations and the approved SoDOA.

7. GENERAL ACCOUNTING FRAMEWORK

Accounting Policies

7.1 The accounting policies are developed in accordance with the Statement of Recommended Practice (SORP) and the SHR's requirements, as well as reflecting the appropriate interpretation and application of accounting standards to the Eildon Group and its subsidiaries.

7.2 Accounting Policies will be reviewed annually as part of the preparation of the AFS, and any material changes will be brought to the Board's attention prior to the annual audit, and if appropriate, for their approval.

Accounting Records

7.3 The DBS will ensure that there is an appropriate framework of record keeping and reconciliation. This includes the requirement to ensure that subsidiary records and systems are reconciled effectively and discrepancies investigated in a timely manner.

7.4 The Information Retention and Disposal Policy sets out the retention and disposal requirements for financial records and associated documents.

Management Accounts

7.5 Quarterly management accounts will be prepared under the guidance of the DBS and these will be submitted to the Board meetings. These will be accompanied by a detailed commentary to provide the Board with sufficient information to gain a full understanding of Eildon's financial position.

Annual Report and Financial Statements (AFS)

7.6 The AFS are prepared for the financial year ending 31 March, in the format required by the SORP, SHR's requirements and Eildon's Accounting Policies.

7.7 The DBS is responsible for the timely preparation and audit of Eildon's Annual Financial Statements, working with external auditors and key staff members to agree deliverables and key milestones to ensure the successful preparation and audit.

7.8 ARCom will receive the external auditors audit findings report prior to the submission of the AFS to the Board for review and approval before the end of June following the financial year end.

Financial Returns

7.9 The DBS is responsible for ensuring the preparation and submission of financial returns and other period financial reports to regulatory bodies and other agencies as required.

FINANCIAL PLANNING AND MANAGEMENT

8. FINANCIAL PLANNING FRAMEWORK

8.1 The key aspects of our Financial Planning Framework are:

8.2 The purpose of our Financial Planning Framework is to provide the financial dimension to Eildon's Corporate Planning Framework. Through the various elements it presents our strategic plans, objectives and policies in financial terms and provide assurance that we continue to operate within a financially affordable and viable business plan.

8.3 Eildon's financial planning framework is a key element to demonstrating our responsibilities within the SHR's Regulatory Standard 3 which is that:

"The RSL manages its resources to ensure its financial well-being and economic effectiveness."

8.4 Eildon's financial strategy is updated and approved by the Board annually via the Medium and Long Term Viability Plan (the Viability Plan), the Treasury Management Strategy (TMS) and the more detailed Annual Budget (the Budget) for the following year.

Planning Assumptions

8.5 Annually the assumptions underpinning Eildon's plans are reassessed in order to provide a robust baseline from which changes can be assessed, and where appropriate adjustments considered and approved.

9. MEDIUM AND LONG TERM VIABILITY PLAN (VIABILITY PLAN)

9.1 The Viability Plan brings together the financial implications our 5-year Strategy, our associated service and asset management strategies and plans, the housing Development Programme and the external environmental factors together into a consolidated medium and long-term financial plan.

9.2 Our Viability Plan serves to provide the Board, the SHR, External Auditors and current and prospective lenders assurance that Eildon is financially viable over the medium to long term.

9.3 A key component of the Viability Plan is to identify Eildon's funding requirements and debt capacity to support future housing development ambitions. This in turn informs the treasury activities outlined in the annual TMS.

9.4 The Viability Plan is for the Eildon Group and incorporates the activities of its subsidiary, Eildon Enterprise Limited (EEL) and forms the basis of the Board-approved Five Year Financial Projections Return submitted annually to the SHR

10. TREASURY MANAGEMENT STRATEGY (TMS)

10.1 The TMS is prepared annually in accordance with Eildon's Treasury Management Policy (TMP) and Treasury Management Statement.

10.2 The TMS is a key document which identifies the key treasury management activities which are critical to the delivery of Eildon's 5-year Strategy and the associated housing Development Plan.

10.3 The Golden Rules within the TMS establishes the annual treasury management and control framework based on the Viability Plan and Annual Budget.

11. ANNUAL BUDGET (THE BUDGET)

11.1 The Budget provides an estimate of Eildon's financial position for the forthcoming year and is the basis for the assessment of financial performance to Eildon's Board and Executive Team.

11.2 The Budget will be prepared based on Eildon's strategic objectives, strategies and plans as well as realistic planning assumptions. It will incorporate:

a) Board approved income charges including rent, service charges and board;

b) Updated, affordable Staffing Establishment for approval by the Board which reflects the business activities for the year;

c) Staff remuneration proposals recommended by RemCo;

d) Implications of Development Programme expenditure plans and planned house completions for the year;

e) Investment plans for the existing housing stock, fleet and digital infrastructure both in capital and revenue terms;

f) Implications of the TMS's funding strategy;

g) Assumptions on external sources of funding e.g. AHSP[5] and Commissioned Care rates; and

h) Changes to Eildon's business activities;

i) Any other decisions or activities that have a financial implication for the forthcoming year.

[5] AHSP – Affordable Housing Supply Programme

11.3 The preparation of the Eildon Group Budget is led by the DBS but involves all members of the Leadership Group and other Budget Holders as part of its development prior to presentation for Board approval. The EEL Budget will be approved by its Directors.

12. CAPITAL INVESTMENT PROGRAMMES

12.1 Capital investment should only be undertaken where it has a medium to long term economic benefit to Eildon.

12.2 In order to establish this benefit, all capital investment planning must be supported with appropriate assumptions and which includes an assessment of capital and revenue consequences of the proposals. All significant capital investment proposals will require an appropriate business and option appraisal (see section 15).

12.3 The CEO and DBS are responsible for ensuring that the financial implications of capital investment decisions are incorporated into the Budget and Viability Plan, are financially affordable and contribute to Eildon's long term financial position.

12.4 Annually ET will consider all capital investment proposals and make recommendations to the Board in terms of the expenditure priorities based on our strategic objectives and operational needs

Property Asset Investment

12.5 The Property Asset Management Strategy (PAMS), contains the framework for repairs, maintenance, servicing, component replacement and other capital investment, such as major refurbishment, within our existing housing estate. The DPA is responsible for the PAMS, and in conjunction with the DBS will ensure that this informs and is informed by the financial planning framework.

Development Programme

12.6 Capital expenditure on land, buildings and associated costs relating to the creation or acquisition of additional properties can only be considered as part of the Development Programme approved by the Board.

12.7 The Development Programme underpins the development of our longer term financial plans and TMS. This means that the individual projects within it are required to be assessed to demonstrate their long term contribution to the financial viability of Eildon, refer to section 15.

12.8 The Development Programme delivery is the responsibility of the DPA and individual projects identified and developed within this Programme are done so within the governance framework established by the Development Strategy with Gateway review stages including Executive Team or Board review and approval as appropriate, see **Appendix 2**.

Other Capital Investment

12.9 The other capital expenditure decisions included in Eildon's investment plans will normally include investment in significant digital infrastructure and our fleet.

13. REVISED FORECASTS

13.1 The Board will receive an updated forecast for the full year as part of the quarterly financial performance reporting. The Revised Forecast will be presented to Board as part of the quarterly management accounts.

Budget Revisions

13.2 The Revised Forecast will contain budget revisions which a) were done under delegated authority as set out in **Appendix 1, Table 1** in accordance with Eildon's Budgetary Control Procedure, or b) are presented for Board consideration and approval as part of the quarterly reporting.

13.3 The Board report accompanying the Revised Forecast must highlight any actions being taken to manage overspends, utilise underspends, ensure that operational cashflows are meeting the business needs and ensure ongoing compliance with loan covenants.

13.4 The Revised Forecast will also incorporate the revenue implications of the changes to the capital investment plans, in particular the Development Programme revisions as presented to the Board in the quarterly and scheme specific Board reporting.

Changes to the Staffing Establishment

13.5 Proposals during the year to make changes to the approved Staffing Establishment are outwith the standard Budget Revision authorities referred to above as these create employment obligations and have broader implications for Eildon.

13.6 Any proposals to change the Staffing Establishment must be evaluated and assessed to understand their full implications.

13.7 The CEO threshold and other levels of delegated authority in relation to changes to the Staffing Establishment are set out in **Appendix 1, Table 2**.

13.8 Where proposals are above the CEO threshold, these must be presented the Board for approval.

14. BUDGETARY CONTROL

14.1 The application and parameters for budgetary control varies depending on whether the element relates to the revenue or capital and also whether it relates to the Development Programme or not. The delegated authority budgetary control framework is attached in Appendix 1 as highlighted above.

14.2 Eildon use Budget Heading and Budget Responsibility groupings to manage and allocate budgetary control delegations and responsibilities to Budget Holders. These principles are outlined in **Appendix 3**.

14.3 It is the responsibility of the appropriate member of ET and the approved Budget Holder to manage resources within the Budget Headings for their areas of defined Budget Responsibility as set out in Eildon's Budgetary Control Procedure.

15. BUSINESS AND OPTION APPRAISAL

15.1 Eildon continues to grow and evolve and this means that over-time new business activities and additional development projects are identified, developed and implemented. As part of this development for projects resulting in substantial business change and/or investment Eildon requires that evaluation through business and option appraisal appropriate to relative materiality and risk.

15.2 Any appraisal will evaluate the relative resource implications for Eildon – **people, finances, property and digital assets** – and must demonstrate strategic alignment to Eildon's vision and objectives.

15.3 The individual projects within the Development Programme go through a structured Gateway evaluation, decision-making and development process, as set out in **Appendix 2**. The capital investment assessment of these projects is underpinned by the Viability Plan assumptions and the annual rent setting process and the parameters for viability contained in the Development Strategy and associated procedures.

15.4 All major business change and asset investment projects will be brought to Board for approval, with the CEO and DBS providing advice on this.

15.5 The housing development projects will be brought for approval at the point of site acquisition and tender approval as per the Gateway process as set out in Appendix 3.

FRAMEWORK FOR ACCOUNTABILITY AND CONTROL

16. INCOME AND REVENUE MANAGEMENT

16.1 The DBS is responsible for ensuring that appropriate procedures are in operation to enable Eildon to identify all actual or potential sources of income and to receive and allocate all the income promptly and securely.

16.2 Eildon's preference will be to collect income via electronic means, which for customer charges most commonly means by direct debit. However, it is acknowledged that there is a requirement to make a number of alternative methods available to our customers. The DBS is responsible for ensuring these are available and have the appropriate data security measures in place.

16.3 The DBS will ensure that there are appropriate segregations of duty to minimise the risk of fraudulent or irregular activities in relation to income.

Rent and Service Charges

16.4 Rents and Service charges are the primary source of Eildon's revenue funding. It is the responsibility of the DCS, in accordance with the relevant policies and procedures, to ensure that rents and service charges are collected, arrears are pursued and voids are kept to a minimum.

16.5 The DCS will, following consultation with ET, make a recommendation to the Board for the annual rent and service charge levels for the next year taking account of the outcome of the tenant consultation and Eildon's forecast economic environment for the coming year.

Other Annual Charges to Tenants and Customers

16.6 As part of the budget setting process other charges will be approved by the Board for implementation by the ET.

16.7 The ET will ensure that there are proportionate Rechargeable Repairs Policy and procedures in place to recover costs from tenants as appropriate.

Grant Income

16.8 Eildon receives a significant amount of grant income a) via the Affordable Housing Supply Programme (AHSP) for our housing Development Programme and b) via the local authority and other grant bodies for specific initiatives.

16.9 The applications for AHSP grants and other related housing development grants from the local authority will be managed through the Development Programme's Gateway process, Appendix 3. The Board will consider and approve parameters for negotiating additional funding from key strategic funding partners where required.

16.10 The proposal for a revenue and any other capital grant applications should be developed in line with section 15 to ensure appropriate consideration of opportunities and risks is undertaken.

16.11 Grant offer acceptance is subject to the delegated authority as set out in **Appendix 1, Table 3.**

Leases, Contracts and Agreements with 3rd Parties

16.12 The Scheme of Delegation establishes out the levels of delegation for contracts, leases and other agreements or arrangements to the CEO, and **Appendix 1, Table 4.**

16.13 The relevant Director or Operational Manager is responsible for ensuring that the procedures for invoicing and contractual uplifts are followed, and that the basis of these income charges are reviewed as part of the Budget process.

16.14 The CEO in their role as Secretary is responsible for the safekeeping of official and legal documents relating to Eildon.

Other Income

16.15 As part of ongoing business activities Eildon may receive other sources of income. These includes income from asset disposals or donations from fundraising activities. These will be managed in accordance with the applicable policies and procedures.

16.16 Donated income may require additional specialised accounting treatment if there is a need to treat as a Restricted or Designated Fund. This will be done in accordance with the SORP.

Eildon Group Intercompany Charges

16.17 The Board will approve the inter-company charges for services provided between entities in the Eildon Group and the DBS will be responsible for the correct management and accounting for these charges and that they are valid and justifiable.

Sales Ledger

16.18 The sales ledger maintained by the FM will be the principle record of all income receivable relating services, goods or grants from others where Eildon has raised an invoice.

16.19 The relevant Director or Operational Manager is responsible for the receipt of this invoiced income.

16.20 The DBS is responsible for ensuring that outstanding debts are monitored and where appropriate swift and effective action is taken to collect overdue debts in accordance with Eildon's procedures.

Debt Write-Off

16.21 Any income, which following due investigation, is deemed to be irrecoverable will be written of as a bad debt in line with the relevant policies and procedures and within the CEO threshold and subsequent delegated authority as set out in **Appendix 1, Table 5**-**4**.

Refunds and Reimbursements

16.22 Valid refunds to tenants and other customers will be made promptly and in accordance with the relevant procedures and the delegated authority as set out in **Appendix 1, Table 6**.

17. PAYMENTS TO EMPLOYEES AND BOARD MEMBERS

Salaries, Wages and Allowances

17.1 The approved Staffing Establishment, as amended throughout the year in accordance with **Appendix 1, Table 2** includes the pay grades for each post and the financial implications of this are included in the approved Budget and subsequent approved Revised Forecast(s).

17.2 The Scheme of Delegation provides for the appointment of employees within the approved Full Time Equivalent (FTE) for each position within the Staffing Establishment. No position should have employees with a total FTE above this maximum, unless there is an overlap due to employee resignation, or long term staff absence.

17.3 The RemCo approved Remuneration Policy, along with other associated policies and procedures, provide the framework which informs the pay grade and other terms and conditions of service that apply to each post in the Staffing Establishment. This is reviewed by the RemCo annually and increases are approved by the Board as part of the Budget.

17.4 The Scheme of Delegation sets out the CEO authority to make offers of employment and any variations to this within the approved policy and procedures. The delegated approval authorities for payments to employees is set out in **Appendix 1, Table 7**.

17.5 The DBS is responsible for the systems, procedures and control framework for Eildon's payroll and for ensuring the timely and accurate payment of salaries and associated payment to staff, and that record keeping meets all statutory and regulatory requirements, especially in relation to HM Revenues and Customs (HMRC).

Pensions

17.6 The Board is responsible for undertaking the role of employer in relation to the appropriate pension arrangements for employees in accordance with statutory requirements, as advised and supported by the CEO.

17.7 The DBS is responsible for day-to-day pension matters and the management of the relationship with the authorised pension scheme administrators.

Travel, Subsistence and Other Expenses

17.8 The CEO and DBS are responsible for effective operation of the policies, procedures and systems for the claiming, authorising and payment of subsistence allowances, travelling and other expenses in relation to employees and Board Members.

17.9 The authorised Budget Holder, must approve the claims by the member of staff in accordance with Eildon's Employee Expenses Policy subject to the limits established in **Appendix 1 Table 8**.

17.10 Board Member expense claims will be made in accordance with the Board Member Expenses Policy

17.11 Segregation of duties must prevail at all times, and no individual may authorise their own claim. In the event the individual and the Budget Holder are the same, the claim will be escalated to their line manager for approval.

18. INCURRING AND AUTHORISING EXPENDITURE

18.1 The authority to incur expenditure and authorise payment is, apart from a few exceptions, delegated by the Board to the CEO and through the CEO to designated staff within the parameters established in this section of the Regulations and the DLAs as set out in the SoDOA.

18.2 The Public Contracts (Scotland) Regulations requires the Scottish Government to publish the annual procurement thresholds for regulated procurements for works, supplies and services which fall within the remit of this legislation and the requirement to publicly procure a contract.

18.3 Eildon's application of this legislation is approved by the Board via Eildon's Procurement Policy and implemented through the Procurement Manual, associated procedures and the annual Procurement Strategy, with the DPA leading this activity.

18.4 The CEO and Directors have overall responsibility for the purchasing activities within in their departments. Purchasing authority may be delegated to Senior Managers and other named budget holders within in the department.

Authority to Commit to Expenditure

18.5 The Board approved Viability Plan, TMS and Budget provides the authority for the forthcoming year and the basis of Eildon's financial management and budgetary control.

18.6 This forms the basis of authority, subject to any changes approved in the Revised Forecast throughout the year, to commit to incurring expenditure within individual Budget Headings in line with Eildon's policies and procedures.

18.7 Where there is additional unplanned expenditure, the Revised Forecast should be updated in line with the authorities set out in **Appendix 1, Table 1**.

18.8 The application of appropriate controls at the commitment stage is essential to a robust financial control framework as this is the point at which Eildon makes a commitment to incur expenditure.

18.9 The authority to commit to expenditure via a contract must take into account the regulatory thresholds, the requirements of Procurement Manual, the approved Budget and the delegated authorities set out in **Appendix 1, Table 9**.

18.10 Following the conclusion of the signing of a contract or use of a procurement framework, the actual request to purchase specific supplies, services and works will normally be done by raising an order. The raising of the order will result in a commitment to an approved Budget and orders should only be authorised where the order will not result in the approved budget being exceeded.

18.11 Property Maintenance and Compliance orders are generally raised directly against the specific property as a Works Order. In other situations purchase orders are raised generally for non-property specific expenditure or blanket commitments over a number of properties or schemes.

18.12 Major construction project contracts are authorised following the provision of the contractual arrangements for each project.

18.13 Orders may only be raised against approved suppliers who have been set up in accordance with Eildon's procedures.

18.14 The CEO threshold for the approval of orders and subsequent delegation to other members of staff is set out in **Appendix 1, Table 10**.

18.15 The DBS may authorise for some contracts to be exempt from the process of raising orders, examples include construction project Payment Certificates issued by our employer's agent authorising payment against the contract, and utilities where the monthly charges are variable based on usage yet the price has been set under a contract or framework.

Emergency Arrangements

18.16 The Standing Orders, Section 10, provides for the authority to make urgent decisions up to a maximum cumulative unplanned expenditure commitment of £100k in any one financial year in order to respond to emergency conditions promptly.

18.17 The use of this provision requires retrospective reporting to the Board.

18.18 In the event that the provision is used more than four times within a six month period the CEO will undertake a review of these decisions and confirm to the Board that the application of the provision was valid and appropriate.

Authorisation of Invoices for Payment

18.19 In all circumstances each individual invoice (including Payment Certificates and other equivalent documents) will be authorised for payment by either:

a) Matching of the invoice to an appropriately authorised purchase or works order and if the process requires the confirmation of goods/services being received, or

b) In the absence of an order the appropriate authorised person to check and approve the invoice for payment.

18.20 Payments to our suppliers will be in line with our normal payment terms, 30 days, unless otherwise agreed in the contractual terms.

18.21 The CEO threshold for the approval of invoices and payment certificates and subsequent delegation to other members of staff is set out in is set out in **Appendix 1, Tables 11(a) and (b).**

18.22 It is important that there is segregation of duties within these processes and systems and the DBS will establish appropriate parameters to ensure this. No individual is permitted to authorise any invoice where there is a potential or actual conflict of interest.

19. ASSETS AND LIABILITIES

Land, Buildings, Fixed Plant and Equipment

19.1 The acquisition of land or buildings or fixed plant, including the leasing or renting of the asset must be appropriately approved, subject to the appropriate option appraisal requirements as set out in section 15 of the Development Project Gateway Process outlined in Appendix 3. Specifically this covers acquisitions as part of the approved Development Programme, major capital investment projects, or the acquisition of Eildon's shared ownership properties

19.2 The DBS is responsible for maintaining Eildon's register of Land and Heritable Buildings, and the register of fixed plant, machinery, computers and vehicles. These registers are collectively referred to as the Fixed Asset Register.

19.3 The DBS may recommend that the Board approve the re-designation of a land or building asset to a Fixed Asset Investment in line with the requirements of the SORP should the fixed asset's use and purpose to Eildon materially change.

Asset Disposal

19.4 The 2010 Housing Act requires RSLs to notify the SHR of any disposal of land of other assets as soon as reasonably practicable after the disposal is made. For purposes of this requirement a "disposal" includes disposal by way of sale, or by way of leasing to another organisation or by way of granting security over land or property[6].

19.5 The outright sale of Shared Ownership properties is generally not considered as a disposal for the purposes of these regulatory requirements.

19.6 Granting of leases to individual tenants for housing does not fall within these requirements as this is deemed normal business.

19.7 Disposal of land or buildings as defined within SHR's guidance should must only take place with the prior approval of the Board. Disposal of equipment and furniture must be undertaken in line with Eildon's policies and procedures.

20. BANKING, CASH AND TREASURY MANAGEMENT

20.1 The DBS is responsible for ensuring that Eildon has a compliant, Board approved, Treasury Management Policy Statement and Treasury Management Policy (TMP), which aligns to the *CIPFA Code of Practice for Treasury Management in Public Practice* (the Code). These are supported by an annual Treasury Management Strategy (TMS)

20.2 The Board is responsible for monitoring compliance with Eildon's treasury management policies, practices and Golden Rules, and monitoring any changes to existing covenants either by lender or through a change in accounting requirements.

[6] Notifiable events | Scottish Housing Regulator

20.3 The DBS has been delegated responsibility for the execution and administration of Eildon's treasury management activities including the management of approved counterparties for operational and investment banking, and borrowing activities.

Loan Facility Management

20.4 Decisions in relation to loan facilities and some investments are reserved for the Board, although the negotiation and conclusion of these agreed terms may be delegated by the Board to the CEO and/or DBS.

20.5 The CEO and DBS have delegated authority within the approved TMP to drawdown approved loan facilities in accordance with the TMS and the facility agreement

20.6 The DBS can, after consultation with the Chief Executive (CEO), alter timings of proposed actions within the TMS providing that any such actions are reported within the quarterly monitoring and reporting framework as set out the TMP.

20.7 The DBS will ensure that there are appropriate arrangements in place to meet all of the reporting and covenant compliance requirements from lenders as set out in the respective loan agreements.

Leasing

20.8 Leasing arrangements undertaken by Eildon are an alternative source of funding. The forthcoming SORP lease accounting changes may change the accounting treatment of leases used to fund the use of assets or leasing arrangements between group entities. Granting of leases to individual tenants does not come within the scope of this requirement.

20.9 When considering entering into a lease the DBS should be consulted to undertake a lease versus buy appraisal to understand that the lease represents best value for money and the accounting implications are understood.

Cash Management

20.10 The DBS will ensure that there is sufficient operational cash to meet Eildon's obligations as they fall due and that the collection of cash from tenants and other customers is operated effectively and in compliance with appropriate banking security and data protection regulations. They are also responsible for ensuring that this is done within the paraments set out in the approved Treasury Golden Rules.

20.11 The DBS has delegated authority for the investment of surplus funds in approved counterparties in accordance with the TMP and TMS and other associated procedures.

Payments of Authorised Expenditure

20.12 The DBS will be responsible for the framework of control over the payment of approved expenditure and will maintain various mechanisms to facilitate effective and efficient processing and payment of Eildon's expenditure obligations. This includes the controls over the updating of employee and supplier bank account details

20.13 Eildon's preference will be to make payments electronically via the banking system.

Payroll

20.14 The authorisation of monthly payroll, pension contributions and NIC for payment will be undertaken as a bulk authorisation in accordance with **Appendix 1, Table 12**, subject to the appropriate payroll internal control checks having been completed.

Other Expenditure

20.15 Expenditure items will only be included for payment where these have been individually checked and approved by the relevant responsible person for payment as set out within these Regulations and associated procedures.

20.16 The DBS will ensure that the processing of payments will be done in accordance within the parameters approved in **Appendix 1, Table 12.**

Bank Accounts

20.17 The Board will approve the appointment of Eildon's lead banker for operational cash management activities. The management of the opening and closing of bank accounts with Eildon's banker will be delegated to the DBS subject to the requirements of the approved Bank Mandate.

20.18 Board authorisation will be sought prior to the establishment of arrangements with any new TMS approved counterparty for investment of surplus funds. Opening and closing additional accounts, etc with an existing counterparty is delegated to the CEO and DBS subject to the requirements of the Bank Mandate.

20.19 The additions and deletions of individuals to the Bank Mandates will be overseen by the DBS in line with the approved delegations in **Appendix 1, Table 13.** These will also apply to other forms of electronic payment. In certain circumstances a counterparty may require a minute to evidence the approved signatories.

20.20 The DBS has responsibility for ensuring the timely maintenance of bank mandates and electronic banking authorities and the management of effective controls around Eildon's banking arrangements.

Alternative Payment Services

20.21 **Direct Debit:** A direct debit will be used as an exception and with the agreement of the DBS. Any direct debit will require two signatories from the approved Bank Mandate for Eildon's operational bank account.

20.22 **Cheques:** The use of cheques for payment will, along with cash, be a method of last resort. Cheques will require two signatories from the approved Bank Mandate for Eildon's operational bank account.

20.23 **Petty Cash:** Following changes in banking practice, the withdrawal of cash from banks for businesses is now only possible via a Debit Card withdrawal. As cash, like cheques, is a method of last resort. Where there is a need for cash rather than credit or purchase cards the DBS will be responsible for approving any such requests and the operation of the procedures associated with it.

20.24 **Debit Cards:** The use of debit cards will be strictly controlled and issued to those approved within **Appendix 1, Table 14**. Withdrawals of cash via a debit card will be subject to the procedures referred to in 20.23 above.

20.25 **Credit and Purchase Cards:** The Board has permitted Eildon to have credit and purchase card arrangements however these will be strictly managed and controlled within ET approved procedures. These may be virtual or physical cards. The DBS will be responsible the procedures for the operation and allocation of these within the delegated authorities for these is contained **Appendix 1, Table 15**.

20.26 **Payment Apps:** The Board has permitted, subject appropriate procurement and risk assessment, the use of payment applications which may be used on mobile devices to facilitate payments. The DBS will be responsible the control procedures and for authorisation the allocation of such apps within the delegated authorities for these is contained **Appendix 1, Table 15**.

Reporting

20.27 The DBS report to Board annually on Eildon's Treasury Management activities including the utilisation of counterparties for operational and investment banking.

21. OTHER

Group Structures and Subsidiaries

21.1 In certain circumstances it may be advantageous for Eildon to change group structures or establish additional subsidiaries to undertake business activities on its behalf.

21.2 The Board is responsible for approving the establishment and changes to group structures or subsidiaries.

Trust, Restricted and Designated Funds

21.3 The DBS is responsible for maintaining record of the requirements for any "ring fenced" fund held by Eildon and advising the Board on the control, use and investment of such funds.

21.4 Accounting for these must follow the relevant approved accounting treatment for these funds.

21.5 The Board is responsible for the establishment of any trust fund and ensuring that these are operated within the relevant legislation and specific requirements set out in the trust's deeds.

21.6 Funds received where there are significant restrictions on there use will be deemed to be Restricted Funds for accounting purposes.

21.7 The Board has the authority to designate funds for use for a specific purpose.

Insurance

21.8 The DBS is responsible for effecting insurance cover as determined by the CEO. They are responsible for the insurance renewal process, negotiating claims and maintaining the necessary procedures and adhering to the Information Retention and Disposal Policy sets out the retention and disposal requirements for insurance documents.

21.9 The DBS will advise the ET on the use of brokers and advisers for specific insurance matters, and manage the relationship with these where they are appointed.

21.10 Directors and their direct reports must ensure that any agreements negotiated with external bodies within their operational area of responsibility, covers any legal liability to which Eildon may be exposed to. The DBS will support, advise and liaise with any brokers/advisers as required.

21.11 The DBS must maintain a register of all insurance policies held in Eildon's name, and establish appropriate procedures to ensure the prompt notification of any event that may give rise to an insurance claim and the pursuing of any relevant claim thereafter.

Taxation

21.12 The DBS is responsible for advising and, where appropriate, seeking appropriate external advice on all taxation issues in light of guidance issued by appropriate bodies and relevant legislation.

21.13 They have responsibility for:

a) Developing an effective taxation strategy that will minimise the tax burden to Eildon;

b) Taxation record keeping, payments and receipts; and

c) Submission of the appropriate tax returns by their due date as appropriate.

21.14 The DBS is required to ensure that appropriate staff guidance is available and maintained in relation to compliance with statutory requirements including those concerning VAT, PAYE, NIC and corporation tax.

Security

21.15 Directors, Senior Managers and other Budget Holders are responsibility for maintaining proper security at all times for buildings, stock, stores, furniture, equipment, payment cards and cash etc. under their control. They shall consult the appropriate member of ET in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.

APPROVAL AND REVIEW

i. Eildon's ET will monitor the implementation of this policy, and its supporting procedures on an ongoing basis.

ii. The DBS will ensure that this policy is reviewed every 5 years unless required earlier due to changes in the law, regulation, best practice or Eildon's requirements.

iii. The Regulations are subject to ARCom review and recommendation to the Board who have the authority to approve and review this governance policy.

APPENDICES

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APPENDIX 1
CEO THRESHOLDS AND DELEGATED LIMITS OF AUTHORITY (DLA)

The following pages contain tables which define the delegated financial authorities from the Board to the Chief Executive (CEO Thresholds) and DLA framework below this. Details of individual delegations for specific posts are contained in the Schedule of Delegated Operational Authority (SoDOA).

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Note: *For the avoidance of doubt all authority above the CEO Thresholds will be reserved for the Board's approval*

Table 1 – Budget Revisions (exc. Staffing Establishment)			
	Chief Executive Threshold	**Director Authority**	**Operational Manager Authority**
Revisions to approved Operating Expenditure (OPEX) where net effect nil or a reduction in current year	Cumulative in-year maximum of 10% of the Budget Heading (defined in Appendix 2)	Cumulative in-year maximum of 5% of any Budget Heading within Budget Responsibility (defined in Appendix 2)	Within Budget Responsibility up to a cumulative in-year maximum of £25k.
Revisions resulting in additional OPEX in the current year	Up to a cumulative in-year maximum of £75k Subject to ET agreement	Up to a cumulative in-year maximum of £10k within Budget Responsibility	N/A
Revisions where net effect increases OPEX in current and future years	Up to a maximum of £150k over all affected years. Subject to ET agreement	N/A	N/A
Revisions for unbudgeted additional revenue income with associated additional OPEX	Up to a cumulative in-year maximum £150k increase in income and expenditure, respectively Impacts no more than the current and next financial years Subject to ET agreement	Up to a cumulative in-year maximum £25k increase in income and expenditure, respectively Impacts on no more than the current financial year	N/A

***Note:** For the avoidance of doubt all authority above the CEO Thresholds will be reserved for the Board's approval*

Table 1 – Budget Revisions (exc. Staffing Establishment)			
	Chief Executive Threshold	**Director Authority**	**Operational Manager Authority**
Revisions to the approved Development Programme	10% of the Budget Heading up to a cumulative in-year maximum of £500k net additional total programme expenditure in any one year. Subject to ET agreement and project meeting viability assessment parameters	5% of the Budget Heading up to a cumulative in-year maximum of £100k within Budget Responsibility net additional total programme expenditure in any one year. Subject to ET agreement and project meeting viability assessment parameters	N/A
Revisions to the Capital Replacement Programme	10% of the Budget Heading up to a cumulative in-year maximum of £500k providing the total Programme is within the approved total. Subject to ET agreement	5% of the Budget Heading up to a cumulative in-year maximum of £100k providing the total Programme is within the approved total.	N/A
Additional Requirements:	a) the DBS (the Finance Manager) is consulted and validates the assumptions; b) the budget revision does not establish a new material business activity which has not been considered by the Board; and c) the budget revision is reported as part of the Revised Forecast reported to Board in the quarterly reports.		

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Note: *For the avoidance of doubt all authority above the CEO Thresholds will be reserved for the Board's approval*

Table 2 - Changes to the Approved Staffing Establishment		
	CEO Threshold	**Director Authority**
All posts except Support Workers:		
Changes within approved financial resources	Minor restructures which may increase or decrease an existing Team's FTE	Minor restructures which do not increase an existing Team's total FTE or overall cost per year.
Temporary additions with additional financial implications in current year only	Minor restructures which may increase an existing Team's FTE by up to 5 FTE and/or a maximum net impact of £75k in the current year	N/A
Permanent additions to with additional financial implications in future years	Minor restructures which may increase an existing Team's FTE by up to 2 FTE and/or a maximum net impact of £75k per annum	N/A
Support Workers Posts:		
Changes to Support Worker allocation to locations as a result to changes to commissioned care hours	Temporary / Ad Hoc increases: Up to an additional temporary 60 hours per week for six months may be created where costs are recovered from 3rd Party but no formal change has been made, subject to DCS prior approval. Formal contractual changes: Additional hours up to110% of the of additional commissioned care hours	DCS Only Temporary / Ad Hoc increases: Up to an additional temporary 30 hours per week for three months may be created where costs are recovered from 3rd Party but no formal change has been made. Formal contractual changes: Additional hours up to 110% of no more than 60 additional commissioned care hours

***Note:** For the avoidance of doubt all authority above the CEO Thresholds will be reserved for the Board's approval*

Table 2- Changes to the Approved Staffing Establishment		
Additional Requirements:	a)	the DBS (or in their absence the Finance Manager) is consulted and validates the assumptions and financial implications and the full implications are understood and documented by the lead manager;
	b)	the People Manager (PM) is involved in development of proposals.
	c)	the change in the staffing establishment does not create a substantial management implication or establish a new material business activity which has not been considered and approved by the Board; and
	d)	the establishment revision is reported as part of the Revised Forecast reported to Board in the quarterly reports.

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Table 3 – Grant Applications, Acceptance and Claims				
	Grant Application	**Grant Offer Acceptance**	**Grant Claims***	**Other Requirements**
Grants – Development Projects	DPA or Development Manager (DM) Providing Project in the Approved Development Programme	**CEO or Director or DM** Providing Project in the Approved Development Programme	DPA, DBS or CEO	Annual Assurance on Claim Compliance – signed by DPA or DBS
Grants – Other Capital Grants	Director responsible for Project	**CEO or Director**	Director responsible for Project, DBS or CEO	
Grants – Stage 3 Adaptations	DPA	**CEO or Director** Providing cumulative match funding required does not exceed the approved budget	DPA, DBS or CEO	
Grants – to support existing business activities	Director responsible for Project	**CEO or Director** Providing there are no net reduction in Eildon's approved trading surplus or staffing establishment changes	Director responsible for Project, DBS or CEO	

Note: *For the avoidance of doubt all authority above the CEO Thresholds will be reserved for the Board's approval*

Table 3 – Grant Applications, Acceptance and Claims

	Grant Application	Grant Offer Acceptance	Grant Claims*	Other Requirements
Grants – to support new or expanded business activities	CEO	**CEO threshold:** *Current Year Only:* Max additional 5 temporary FTE and/or up to total project cost of £75k, exclusive of grant. *Current and Next Financial Year:* Max additional 2 temporary FTE and/or up to total project cost of £150k, exclusive of grant. **Director Authority:** Total Project cost ≤ £25k, no additional net cost or FTE	Director responsible for Project, DBS, FM or CEO	

Additional Requirements:

a) Applications for grants should be supported by an appropriate business case, and grants above £10k require review and agreement by the ET

b) The DBS/FM is consulted and validates the assumptions and financial implications;

c) The grant funding does not create a new material business activity which has not been considered by the Board;

d) There no conditions with that is material or significant to Eildon's wider strategic context; and

e) The financial implications of a the grant is reported as part of the Revised Forecast reported to Board

*Grant Claims:
- Further Delegation permitted for claims, acceptance and applications in line with the Schedule of Delegated Operational Authority Guidance.
- Finance should provide and/or review financial information submitted within claims

Note: *For the avoidance of doubt all authority above the CEO Thresholds will be reserved for the Board's approval*

Table 4 – Partnerships, Management Agreements and Leases		
	CEO Threshold	**Director Authority**
Agreements/arrangements for activities contained within Board approved Plans/Strategies	Agreement duration ≤ 48 months and total value ≤ £250k	Agreement duration ≤ 24 months and total value ≤ £100k
Agreements/arrangements for activities NOT include within Board approved Plans/Strategies	Agreement duration ≤ 12 months and total value ≤ £100k	N/A
Additional Requirements:	a) Where the agreement will have a material or strategic impact on Eildon, as determined by the CEO, it must be referred to the Board for approval b) All agreements with a total financial value in excess of £100k and/or duration exceeding 24 months will be reported to Board for information	

Table 5 – Debt Write-Off			
	CEO Threshold	**Director Authority**	**Leadership Group Manager Authority**
Former tenant debt write-off	Up to £1,000 per former tenant	DCS: write-off arrears up to £500 per former tenant	HSM: write-off arrears up to £50 per former tenant
Non-tenant debt write-off	Up to £1,000 per case	DBS: up to £500 per case	FM: up to £50 per case
Additional Requirements:	All debt write-off must be done in accordance with the relevant policies and reported regularly to the Executive Team and as part of the quarterly tenant arrears and cumulative tenant debt write-off Board report.		

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Table 6 – Refunds, Reimbursements and Compensation Payments				
	CEO Threshold	**Director Authority**	**Leadership Group Manager Authority**	**Further Delegation**
Refunds of rent or charges to tenants/customers	Unlimited	Up to £5,000 per customer	HSM: Up to £2,500 per customer	See b) below
Disturbance Payments to tenants	Up to £5,000 per customer	Up to £2,500 per customer	HSM/PM: Up to £1,500 per customer	See b) below
Reimbursement of cost incurred by customers	Up to £5,000 per customer	Up to £2,500 per customer	HSM/PM: Up to £1,500 per customer	See b) below
Mandatory Compensation to customers - right to repair, Home Loss	Up to £10,000 per customer	Up to £2,500 per customer	HSM/PM: Up to £1,500 per customer	See b) below
Compensation to customers – approved improvements	Up to £10,000 per customer, subject to ET agreement	N/A	N/A	See b) below
Compensation to customers - other	Up to £2,000 per customer, subject to ET agreement	Up to £250 per customer, subject to ET agreement	N/A	See b) below
Additional Requirements:	a) All such payments must be made in accordance with the relevant approved policies b) Further Delegation by Directors permitted for refunds and disturbance payments in line the approved policies and the Schedule of Delegated Operational Authority Guidance but not exceeding the £500			

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Table 7 – Pay Related Costs			
	CEO Threshold	**Director Authority**	**Leadership Group Manager Authority**
Authority to recruit	Any post, except CEO position, within the approved Staffing Establishment	Any post within their department within the approved Staffing Establishment subject to approval of ET Exception: Any Support Worker post within their department within the approved Staffing Establishment may be authorised by DCS	Any post within their area of Budget Responsibility within the approved Staffing Establishment subject to approval of ET Exception: Any Support Worker post within their department within the approved Staffing Establishment may be authorised by Care Services Manager
Authorisation of additional paid hours (i.e. overtime or relief) above contracted hours for non-Care & Support posts	Within the approved budget for OPEX	Within the approved budget for Staff Costs within areas Budget Responsibility	Within approved budget for Pay Related staff costs in area of Budget Responsibility
Authorisation of additional paid hours (i.e. overtime or relief) above contracted hours Care & Support posts	Within the approved budget for OPEX	DCS Only: Within the approved staffing establishment (hours per week) for Care & Support posts	Care Services Manager/ Relevant Care Budget Holder: Within the approved staffing establishment (hours per week) for Care & Support posts in area of Budget Responsibility

Note: *For the avoidance of doubt all authority above the CEO Thresholds will be reserved for the Board's approval*

Table 7 – Pay Related Costs			
	CEO Threshold	**Director Authority**	**Leadership Group Manager Authority**
Authorisation of additional remuneration payment (e.g. temporary responsibility payment)	Up to 20% of salary not exceeding the equivalent of £10,000 p.a. per individual Subject to ET consultation	N/A	N/A
Payments to employees out with monthly Payroll BACs run.	CEO and DBS may jointly authorise payments to employees out with the Monthly Payroll BACs run up to £10,000 Subject to this being a valid payroll related payment	N/A	People Manager and Finance Manager may jointly authorise payments to employees out with the Monthly Payroll BACs run up to £4,000 Subject to this being a valid payroll related payment
Additional Requirements:	a) Recruiting to temporary or permanent posts not in the approved Staffing Establishment require a change to the Staffing Establishment as set out in Table 2 of this Appendix. b) Generally, the authorisation for individual pay related payments are derived from the approved Staffing Establishment parameters, the Remuneration Policy and individual employment contracts, or amendments thereto, which is approved by either the People Manager or CEO. Therefore this table only provides for the “exceptions" c) Additional payments must be made in line with the relevant policies and procedures and within the available financial resources of the approved budget and in discussion with the People Manager.		

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Table 8 – Travel, Subsistence and Other Expenses				
	CEO Threshold	**Director Authority**	**Leadership Group Manager Authority**	**Further Delegation**
Individual Employee Expense Claims (except CEO)	Up to £10,000 per claim within approved budget	Up to £2,500 per claim within approved budget	Up to £1,000 per claim within approved budget	See c) below
CEO Employee Expense Claims	N/A	Only in Exceptional Circumstances in the absence of both the Chair and Vice Chair	N/A	N/A
Individual Board Expense Claims	Only in Exceptional Circumstances in the absence of both the Chair and Vice Chair	N/A	N/A	N/A
Additional Requirements:	a) All such claims must be made in accordance with the relevant approved policies and claims must not be artificially split to bypass authority levels b) No individual can authorise their own expenses c) All claims should be made within 3 months of journey or incurring expenses. d) Further Delegation from Directors to approved Budget Holders and specified line managers in line the approved policies and the Schedule of Delegated Operational Authority Guidance but not exceeding the £500.			

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Note: *For the avoidance of doubt all authority above the CEO Thresholds will be reserved for the Board's approval*

Table 9 – Authority to Commit to Expenditure – Tenders and Contracts				
	CEO Threshold	**Director Authority**	**Leadership Group Manager Authority**	**Further Delegation**
Procurement included in annual Procurement Strategy				
Contract Award *(Total Contract Value (£))*	< £2m exc. VAT	< £500k exc. VAT Subject to a limit of £15k exc VAT and ET approval where direct appointment to supplier	< £25k exc. VAT Subject to a limit of £15k exc VAT and ET approval where direct appointment to supplier	Budget Holders < £1k exc. VAT
Procurement NOT included in annual Procurement Strategy				
Contract Award *(Total Contract Value (£))*	< £1m exc. VAT	< £150k exc. VAT Subject to a limit of £15k exc VAT and ET approval where direct appointment to supplier	< £15k exc. VAT	Budget Holders < £1k exc. VAT
Additional Requirements:	a) Compliance with Procurement Policy and Manual and associated procedures b) Contracts in this context also include Letters of Engagement for consultancy services c) Expenditure is within the parameters of the approved Budget/Revised Forecast, refer to Table 1 for process of budget revisions. d) All contracts with a total value in excess of £100k will be reported to Board for information			

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Note: *For the avoidance of doubt all authority above the CEO Thresholds will be reserved for the Board's approval*

<table>
<tr><th colspan="5">Table 10 – Authority to Commit to Expenditure - Purchase and Works Orders</th></tr>
<tr><th></th><th>CEO Threshold</th><th>Director Authority</th><th>Leadership Group Manager Authority</th><th>Further Delegation</th></tr>
<tr><td>Works Orders</td><td>≤ £500k exc VAT</td><td>≤ £100k exc VAT</td><td>≤ £25k exc VAT</td><td>See e) below</td></tr>
<tr><td>Purchase Orders</td><td>Joint CEO and DBS:
≤ £2m exc VAT

CEO only:
≤ £1m exc. VAT</td><td>≤ £1m exc VAT

within areas of Budget Responsibility</td><td>≤ £25k exc VAT

Within areas of Budget Responsibility

Exceptions:
Development Manager:
≤ £500k Development Programme only

Finance Manager:
≤ £150k</td><td>See e) below</td></tr>
<tr><td>Additional Requirements:</td><td colspan="4">a) Compliance with Procurement Policy and Manual and associated procedures
b) Orders raised within the context of contracts and procurement frameworks as appropriate
c) Expenditure is within the parameters of the approved Budget/Revised Forecast, refer to Table 1 for process of budget revisions.
d) Eildon’s VAT is generally unrecoverable, therefore the VAT element of the cost will require to be included when establishing budget capacity
e) Further Delegation from Directors to approved Budget Holders and specified Budget Administrators in line the approved policies and the Schedule of Delegated Operational Authority Guidance but not exceeding the value of £5k for Purchase Orders and not exceeding £10k for Works Orders.</td></tr>
</table>

Note: *For the avoidance of doubt all authority above the CEO Thresholds will be reserved for the Board’s approval*

Table 11(a) – Authorisation of Certificates for Payment - Building Works				
	CEO Threshold	**Director Authority**	**Leadership Group Manager Authority**	**Further Delegation**
Certificate for Payment Development Programme	Unlimited	DPA: ≤ £1m exc VAT	Development Manager: ≤ £500k exc VAT	N/A
Certificate for Payment Repairs, Maintenance and Replacement Programme - existing properties	Unlimited	DPA: ≤ £1m exc VAT	Property Manager: ≤ £50k exc VAT	See c) below
Additional Requirements:	a) Subject to being within the agreed contract and approved Development Project approved budget b) Employers' Agent and Development Project Manager has confirmed and certified the payment under the terms of the contracts for Development Programme. c) Further Delegation from Directors to approved Budget Holders and specified Budget Administrators in line the approved policies and the Schedule of Delegated Operational Authority Guidance but not exceeding the value of £50k exc VAT.			

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Table 11(b) – Authorisation of Invoices for Payment

	CEO Threshold	Director Authority	Leadership Group Manager Authority	Further Delegation
Invoices with no pre-approved order	Joint CEO and DBS: ≤ £2m exc VAT CEO only: ≤ £1m exc. VAT	≤ £1m exc VAT within areas of Budget Responsibility	≤ £20k exc VAT Within areas of Budget Responsibility *Exceptions:* Development Manager: ≤ £500k Finance Manager: ≤ £150k	See d) below
Additional Requirements:	a) Invoices have been checked for accuracy and supplies or services as invoiced were requested and received. b) Expenditure does not exceed the approved Budget/Revised Forecast, unless incurred under the Emergency Arrangements Provisions c) Eildon's VAT is generally unrecoverable, therefore the VAT element of the cost will require to be included when establishing budget capacity d) Further Delegation from Directors to approved Budget Holders and specified Budget Administrators in line the approved policies and the Schedule of Delegated Operational Authority Guidance but not exceeding the value of £5k.			

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Table 12 – Electronic Banking Payment Processing Authorities

The authorising outgoing payments for expenditure items that have received approval in line with the CEO Threshold and subsequent DLAs as contained within this document must be executed in accordance with the table below.

Each payment requires segregation of duties in the Finance Team, such that the individual creating and loading the payment file/request cannot also authorise the payment.

The authorised individuals are categorised into the following:

Category	
A	CEO, DBS, DPA, DCS, Finance Manager
B	Finance Officer

Any member of the Finance Team may creating and loading the payment file/request, however the payment authoriser must always be senior to the payment requisitioner. The creation of a payment file/request must be supported by the appropriate reconciliation and Finance Team checks as per the relevant procedures.

	Payment File/Request > £750k	**Payment File/Request between £750k and £5k**	**Payment File/Request up to £5k**
Online Banking Payments: (CHAPS, Faster Payments)	Two Category A	One Category A	One Category A or B
Online Banking Inter-Account Transfers within same Bank	One Category A or B	One Category A or B	One Category A or B
BACs payment runs (e.g. Payroll, Suppliers)	Two Category A	One Category A	One Category A or B

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Table 13 – Bank Mandate Maintenance

Bank Mandates establish the approved signatories and the limits to these signatories for non-electronic payment and other authorisation processes. The signatories on the initial Bank Mandate for a counterparty being used for the first time will require Board Authorisation.

The Board has approved that subsequent changes to the Bank Mandates may be authorised by the CEO and the DBS (or another Director in their absence) unless Bank requires Board approval

EHA Operational Bank Accounts with Eildon's Lead Banker	**Full Bank Mandate Authority given to:** • Chair, Vice-Chair and Chair of ARCom • CEO and Directors • Finance Manager	**Limited Financial Authority (£500) for specific postholders** may be authorised for specific accounts and purposes (e.g. petty cash floats).
EEL Operational Bank Accounts with Eildon's Lead Banker	**Full Bank Mandate Authority given to:** • Chair, Vice-Chair and Chair of EEL • CEO and Directors • Finance Manager	
Agency Bank Accounts with Eildon's Lead Banker (e.g. Care & Repair)	**Full Bank Mandate Authority given to:** • Chair, Vice-Chair and Chair of ARCom • CEO and Directors • Finance Manager	
Investment Banking Arrangements	**Full Bank Mandate Authority given to:** • Chair and Vice Chair • CEO and DBS • Finance Manager	

Note: *For the avoidance of doubt all authority above the CEO Thresholds will be reserved for the Board's approval*

Table 14 – Debit Cards				
	CEO Threshold	**Director Authority**	**Leadership Group Manager Authority**	**Further Delegation**
Debit Card Withdrawal Limit per transaction	£300	DBS Only £300	Finance Manager Only £300	Finance Officer Only £300
Additional Requirements:	a) The issue of a debit card to an employee will is restricted to a few key members of staff to facilitate the operation of localised petty cash within the approved procedures. b) A list of approved Petty Cash funds will be maintained by the Finance Team.			

Table 15 – Credit and Purchase Cards, and Mobile Device Payment Apps				
	CEO Threshold	**Director Authority**	**Leadership Group Manager Authority**	**Further Delegation**
1) Single Purchase/Use Virtual Credit/Purchase Card Limit per issue	≤ £10,000	≤ £5,000	≤ £2,500	N/A
Additional Requirements:	a) One-time use Virtual cards provide the benefit of requiring authorisation prior to the issue of virtual credit/purchase card details to the requester. Authorisation for a one-time use virtual credit or purchase card requires approval according to the expenditure approval hierarchy set out in the SoDOA but will not exceed the limits contained in the table above. b) The issue of a one time only virtual card must be made in accordance with the relevant approved procedures for purchasing and use of credit/purchase cards and transactions must not be artificially split to bypass authority levels. c) Segregation of duties between the requestor for the virtual credit card and the authoriser must be adhered to and authorisers must be more senior than the requestor. d) A list of approved users and limits will be maintained by the Finance Team.			

***Note:** For the avoidance of doubt all authority above the CEO Thresholds will be reserved for the Board's approval*

Table 15 – Credit and Purchase Cards, and Mobile Device Payment Apps				
	CEO Threshold	**Director Authority**	**Leadership Group Manager Authority**	**Further Delegation**
2) Physical Credit Card Limit per individual cardholder *(including credit cards that can be used on a mobile credit payment application)*	≤ £20,000	≤ £5,000	≤ £2,500	≤ £2,500
Additional Requirements:	a) The issue of a physical card and/or the use of an Eildon approved Mobile Purchase or Credit Card Payment App will require the prior approval of the DBS and based on specific need for such a facility e.g. purchase of materials for reactive repairs, and they will be authorised to allocate a card limit up to £20,000 per individual cardholder (this is the CEO Threshold for the purposes of the Regulations). b) The value of financial limits allocated to individual post holders will be allocated based on the types of transactions the card will be used for and in accordance with the the expenditure approval hierarchy set out in the SoDOA but will not exceed the limits contained in the table above. c) The cardholder will be responsible for ensuring that all card purchases are made within Eildon's approved policies and procedures for purchasing and procurement. d) Use of a physical credit/purchase card/mobile credit payment app will be made in accordance with the relevant approved procedures for purchasing and use of credit/purchase cards, and a register of cardholders, and limits will be maintained by the Finance Team.			

Table 15 – Credit and Purchase Cards, and Mobile Device Payment Apps	
3) Virtual Embedded Credit/Purchase Card Limit per supplier	a) The approval to use an embedded card will require the prior approval of both the CEO and DBS and based on specific need for such a card for a specific supplier this will not exceed £10,000 (this is the CEO Threshold for the purposes of the Regulations). b) The DBS and CEO will jointly allocate a payment limit and purchase category conditions for the individual supplier. Primarily the embedded card will be utilised where there are low value high volume transactions with a supplier. c) A responsible person will be identified for each embedded card, normally the budget holder and they will be required to ensure that the use of the embedded card is in accordance with the relevant approved procedures for purchasing and use of credit/purchase cards, and a register of embedded cards, and limits will be maintained by the Finance Team.
4) Mobile Direct Payment Applications	a) The approval to use an Eildon approved Mobile Direct Payment App will require the prior approval of both the CEO and DBS and based on specific need for such a service e.g. electronic refunds to tenants. b) The DBS and CEO will jointly allocate a payment limit up to a maximum of £1,000 per payee. Primarily such a mobile payment app will be utilised where there is a one-time payment to an individual customer or organisation with whom we do not need to set up as a supplier within our systems. c) The use of the payment app will be required to be used in accordance with the relevant approved procedures for purchasing and use of mobile payment apps, and a list of approved users and limits will be maintained by the Finance Team.

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APPENDIX 2
BUDGET HEADINGS AND RESPONSIBILITY GROUPINGS

REVENUE BUDGET HEADINGS

These are based on the high level groupings of income and expenditure codes as presented in the Board reported Statement of Comprehensive Income. As at the time of approval the Regulations these were:

INCOME	EXPENDITURE
Net Income from Rent & Service Charges	Staff Costs
Other Non-Rental Income	Repairs & Maintenance Expenditure
Care & Support Income	Service Costs
Other Income	Insurance & Other Property Costs
	Direct Care & Support - Direct Non-Staffing Costs #
	Other Activities – Direct Non-Staffing Costs#
	Indirect Cost #

*Excludes Capital Replacement programme which is a Capital Budget Heading.

#Excludes Depreciation which is included within the list of "**Special Budget Headings**":

Grant Amortisation

Depreciation

Net Interest

Gain on Sale /Corporation Tax

CAPITAL BUDGET HEADINGS

For the purposes of the Capital Budget Headings are defined as follows:

	Capital Budget Heading
Development Programme	Individual Scheme/Project
Capital Component Replacement	Kitchen Replacement Heating Systems and Boiler Replacement Bathroom Replacement External Doors & Window Replacement Lift Replacement
Other Capital	Individual Asset or Group of Assets

BUDGET RESPONSIBILITY GROUPINGS

The high level revenue Budget Responsibility groups are linked to each individual Director's areas of responsibility and the equivalent of cost centres are used to distinguish between different business activity areas and overhead responsibilities.

The capital Budget Responsibility primarily sits with the DPA who has overall responsibility for the delivery of the capital expenditure on Eildon's property assets. The DBS has overall responsibility for the delivery of the digital infrastructure asset investment plans.

The structure of these change over time and it is the DBS's responsibility to ensure that the list of Budget Holder to Budget Responsibility alignment is kept up to date within the SoDOA

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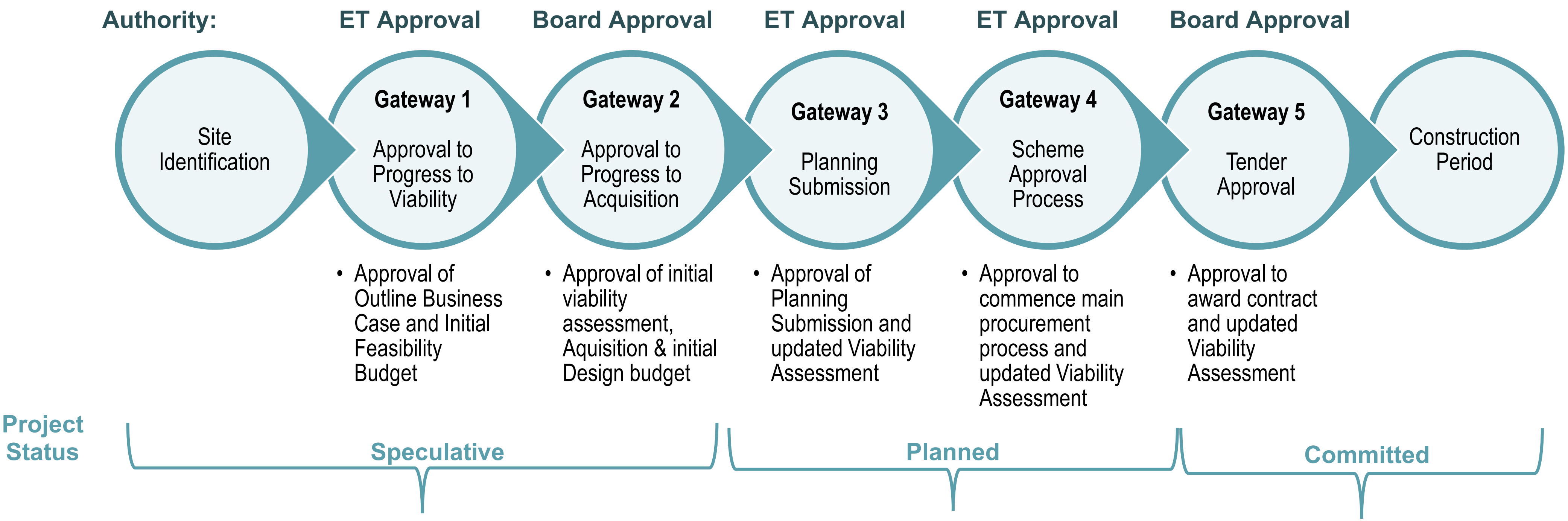
APPENDIX 3
DEVELOPMENT PROJECT GATEWAYS



NOTE:

Any project can be included within the planning assumptions for the Development Programme which underpins the approved Viability Plan.

Speculative Projects within the Development Programme does not confer any approval to incur any expenditure on the scheme beyond initial feasibility work aligned to the CEO Thresholds in Appendix 1.

Planned Projects which are included within the approved Viability Plan's initial 5 years have authority to progress with the expenditure to get the project through planning and full scheme design without further referral to Board, subject to the CEO Thresholds.

Committed Projects have authority to progress with the expenditure without further referral to Board, subject to the CEO Thresholds and any other material project change that they Board needs to be made aware of.