

A meeting of the Management Committee will take place on  
**Thursday 24 March 2022 at 7.00pm held on Teams.**

Please advise staff if you are unable to attend.

**Joyce Bolan**  
**Secretary**

## **B U S I N E S S**

### **1.0 GENERAL**

- 1.1 Apologies
- 1.2 Declaration of Interest by Management Committee Members
- 1.3 Minutes of 24 February 2022 – **for approval**
- 1.4 Action List – for information
- 1.5 Matters Arising

### **2.0 GOVERNANCE**

- 2.1 Secretary's Report – for information
- 2.2 Equality and Diversity Action Plan 2022/23 – **for approval**
- 2.3 Training Needs Analysis – **for approval**

### **3.0 PRIORITY ITEMS**

- 3.1 Charitable Donations 2021/22 – **for approval**
- 3.2 Internal Audit Plan 2022/23 – **for approval**

### **4.0 POLICIES**

- 4.1 Authorisations and Standard Charges / Allowances Policy Review – **for approval**

### **5.0 BUSINESS MANAGEMENT**

### **6.0 ANY OTHER BUSINESS**

### **DATE OF NEXT MANAGEMENT COMMITTEE MEETING**

**Thursday 26 May 2022** at ELHA Head Office, Haddington, at 7.00pm

## 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 Management Committee on 24 February 2022, and confirms the actions taken as a result.

Minute Ref	Action Required	Action By	Action Taken
1.3	Publish the papers and minutes from the November 2021 Management Committee meeting on elha.com	ES	Complete
4.1	Check the position in relation to internet provision / use of SIM cards with data allowance during a decant	KB	4G devices can be obtained and sim cards purchased, an appropriate reference has been added to Appendix 1 of the Policy
4.1	Update the Temporary Accommodation and Decants Policy in the ELHA File Structure and publish on elha.com	ES	Complete
4.2	Update the Emergency Call Out Policy in the ELHA File Structure and Management Committee area of elha.com	LH	Complete
4.3	Update the Disclosure Scotland Use of Information Policy in the ELHA File Structure and publish on elha.com	ES	Complete
4.4	Update the Openness and Confidentiality Policy in the ELHA File Structure and publish on elha.com	ES	Complete
4.5	The Director of Housing to provide further clarity on service boundaries and how the service acts in the best interest of tenants where there is a conflict of interest with ELHA	KB	Compliance Procedures are being drafted for submission to FCA and will then be shared with Management Committee
4.5	Make the minuted amendments and add the Money and Home Energy Advice Service Policy to the ELHA File Structure and publish on elha.com	ES	Complete

## Secretary's Report – for information

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### **1.0 Membership**

No New applications for Membership have been received.

### **2.0 Use of Seal for Homologation**

No use of the Seal to report.

## Equality and Diversity Action Plan 2022/23

### Report by Martin Pollhammer, Chief Executive – for Approval

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#### 1.0 Introduction

An Equality and Diversity Policy was approved by the Management Committee in September 2016. Included as part of the Policy, is an Equality and Diversity Action Plan. This Plan is reviewed each year by the Management Committee with approval sought for the coming years Action Plan.

#### 2.0 Actions

During 2021/22, out of three actions on the plan, two have been completed, and one is ongoing, as follows:

Ref	Action	Responsibility	Completed Date
ED1	Review SFHA Equalities Reporting Guidance once published	Senior Management Team	September 2021
ED2	Review monitoring arrangements	Senior Management Team	Ongoing
ED3	Review Equalities budget to ensure it is sufficient for implementation of the Equality Action Plan	Director of Finance	January 2022

#### 3.0 Action Plan 2022/23

The “Disability Confident Employer” assessment was carried out in October 2019 and is due again in October 2022. Meetings have been arranged for August / September 2022, to go through what will be required in the application. It was established in 2020 that the principles included within the Equality & Diversity Policy, meet the requirements of the Healthy Working Life Gold Award. However, due to the pandemic, no submission has been required during the year.

The Scottish Federation of Housing Associations issued guidance in August 2021, in relation to compliance with the Scottish Housing Regulator’s Equality Data Collection requirements. A further FAQs document released in February 2022, and revised guidance is due to be issued in March 2022. An action to review the final revised guidance, and adopt or implement as required, has therefore been added into the coming year’s Action Plan.

The proposed Action Plan for 2022/23 is as follows:

<b>Ref</b>	<b>Action</b>	<b>Responsibility</b>	<b>Target Date</b>
ED1	Review the revised SFHA Equalities Reporting Guidance once published.	Senior Management Team	April 2022
ED2	Install and test the new data collection software in My Home and These Homes, to meet the new Equality Data Collection requirements.	Senior Management Team	May 2022
ED3	Begin the collection of Equality Data in My Home and These Homes.	Senior Management Team	June 2022
ED4	Review the Equalities and Diversity Policy	Executive Support Officer	August 2022
ED5	Review Equality Strategy	Senior Management Team	December 2022
ED6	Review Equalities budget to ensure it is sufficient for implementation of the Equality Action Plan	Director of Finance	January 2023

**Recommendation**

The Management Committee is asked to approve the Equality and Diversity Action Plan for 2022/23.

## Training Needs Analysis

### Report by Peter Ewart, Chair – for approval

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#### 1.0 Introduction

Training Needs Assessment (TNA) forms have been issued, with 10 out of 12 returned by the cut off time for this paper.

Comprehensive information has been gathered from the returned TNA's, which assess the Management Committee's overall competence in the various categories rather than simply individual training requirements.

#### 2.0 Management Committee Training Plan 2022/23

The Training Plan for 2022/23 has been based on the outcomes of the TNA's received. In addition, to provide an accurate assessment across all Management Committee members, the 2021/22 responses have been used for the two members who had not been able to respond in time.

Clearly no-one is expected to be fully competent within every area, but if the Management Committee as a whole has the required skills set, then this is sufficient. This does not preclude individuals from receiving tailored training to improve their skills, but the focus for the training programme is based on areas where the overall skill level within the Management Committee is lower.

Section 9 of the TNA form is scored based on understanding. Therefore, the higher the score (both individually and collectively), the higher the skills and knowledge level.

Description	Score
Have a full understanding	3
Have some understanding	2
Have little understanding (training required)	1

**Appendix 1** sets out the responses made by individual Members.

The average subject skill level based on 12 responses across the various different subject areas is 31. This is an increase from 26 in the previous year, but this is largely due to having two new members since last year. A more accurate comparison is provided by the average individual skill level across all subjects, which at 2.6 is slightly higher from the previous year (which was 2.5). Therefore, the Management Committee's general competence across all areas is midway between level 2 (some understanding) and level 3 (a full understanding of the subject).

There are only two Management Committee members who reported a skill level of 1 in any area. This demonstrates, in general terms, the Management Committee's overall competence.

Any individual with training needs will have this met by an individual training plan which will be discussed during the individual annual reviews with the Chair.

This year's results show that there are only four out of 15 subjects where Subject Skill Level is less than 30, and then only marginally so. These subjects are, Knowledge of the Scottish Housing Association, Knowledge of Care & Support Organisations, Employment and Human Resource Issues, and Developing New Homes.

The Training plan for 2021/22 had training requirements for three subjects: Developing New Homes, Employment and Human Resources, and Knowledge of Care & Support Organisations. Unfortunately, these had to be postponed due to the Coronavirus situation. Given that these remain in the lowest subject skill level, new dates for this training are suggested. It is therefore proposed that this forms the basis for the training plan for this year. The table below sets out the training requirements for the year, including the proposed delivery method and trainer / training agency.

It was identified in the TNA's that Management Committee members were split over their preferred time of training, with some preferring training prior to the start of a Management Committee meeting and others preferring other weekday evenings, but the majority happy to do anytime. A discussion is therefore required over the agreed timings for training sessions (however any or all of them could be included as part of the Management Committee Away Day programme). Other training needs identified can be met on a one-to-one basis, or by attendance at suitable conferences / training events (although see Section 3 below).

Training Requirement	Delivery Method	Trainer	Provisional Date
Knowledge of Care & Support Organisations	Internal Trainer	Angela Brunton	4.00pm 29 September 2022
Employment and Human Resources	External Trainer	TBC	November 2022
Developing New Homes	External Trainer	TBC	February 2023

### 3.0 Conference Attendance

Due to the current Coronavirus situation, there are no conference dates currently identified for the coming year. However, in previous years, attendance at conferences had been relatively low, which meant that the budget had been able to accommodate all requests. It is anticipated that this year conference attendance will also be low and any requests should be easily accommodated within the £5,000 training budget. Once future conference dates (whether by attendance or online) are available, the Management Committee will be informed.

#### Recommendation

The Management Committee is asked to approve the Management Committee Training Plan for 2022/23

Training Needs Analysis 2022/23

Scores													
Scottish Federation of Housing Associations (SFHA) Annual Conference	AF	BL	DR	ES	IA	JC	JB	KH	PE	PH	PM	SE	Subject Skill Level
Knowledge of tenants' needs and how to meet these	3	2	3	2	2	2	2	3	3	3	2	3	30
Understanding the responsibilities of a Management Committee Member	3	3	3	3	3	2	3	3	3	3	2	3	34
Knowledge of the Scottish Housing Association movement	2	3	3	2	2	2	2	3	2	3	1	3	28
Role of the Scottish Housing Regulator	3	3	3	2	2	2	3	3	2	3	1	3	30
Knowledge of care and support organisations	2	3	3	2	2	2	2	3	2	2	2	3	28
Business planning and strategy development	3	3	3	3	2	2	1	2	3	3	2	3	30
Participating in meetings constructively	3	3	3	3	2	2	3	3	3	3	3	3	34
Financial awareness	3	3	3	2	2	2	2	2	3	3	2	3	30
Employment and human resource issues	3	3	3	2	2	2	2	2	2	3	2	3	29
Developing new homes	3	3	3	2	2	3	1	2	2	2	3	3	29
Housing management and maintenance	3	3	3	3	2	2	2	3	3	3	3	3	33
Legal liabilities of the Association	2	3	3	3	2	2	1	3	3	3	2	3	30
Performance standards and monitoring	3	3	3	3	2	2	2	3	3	3	2	3	32
Governance	3	3	3	3	2	2	2	3	3	3	2	3	32
How Group Structure Works	3	2	3	3	2	2	3	2	3	3	3	3	32
<b>Individual Skill Level</b>	<b>42</b>	<b>43</b>	<b>45</b>	<b>38</b>	<b>31</b>	<b>31</b>	<b>31</b>	<b>40</b>	<b>40</b>	<b>43</b>	<b>32</b>	<b>45</b>	<b>461</b>

Scores: Have a full understanding= 3  
Have some understanding= 2  
Have little understanding= 1

2.8    2.9    3.0    2.5    2.1    2.1    2.1    2.7    2.7    2.9    2.1    3.0    30.7

Average subject skill level= 31.

( 461 / 15 subjects ) = 30.7.

Average individual skill level per subject=38

( 461 / 12 ) = 38.4.

Average overall individual skill level= 2.6

(30.7 / 12) = 2.56.

Additional Comments
(KH) - Keen to attend the stock tour.
(AF) - Regular updates on relevant Health and Safety Legislation in relation to Social Housing.
(PH) - Knowledge of the Association's IT systems.
(DR) - Open to suggestions.
(ES) - Once it is possible to do so it would be good to view some elha developments / empty homes. Happy to participate in any training.

Highlighted columns - based on 2021/22 assessment





## Charitable Donations 2021/22

### Report by Martin Pollhammer, Chief Executive – for Approval

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#### 1.0 Donation Policy

The Association's accumulated surplus at 31 March 2021 was £12.4m. The Association's Sponsorship and Donations policy permits it to expend up to 0.5% of the preceding year's audited accumulated surplus, to a maximum of £1,000. As 0.5% of last year's accumulated surplus is £62k, the Association may donate £1,000 this financial year.

The Association may give donations to East Lothian based community projects which are registered charities, and to National Housing Charities.

The Management Committee is responsible for approving donations.

#### 2.0 Proposed Donation 2021/22

It is proposed that, as in previous years, a charitable donation of £1,000 be made to the East Lothian Care & Repair Charitable Trust. The Trust is an Eligible Charity in terms of the Association's policy. The Trust uses its income to help individual Care & Repair clients who are struggling to find the funding for the adaptations they need.

The Trust is administered by the Association's Care & Repair Service staff and its Trustees include Management Committee Member David Rose and the Director of Finance, Paula Oliver.

#### **Recommendation**

The Management Committee is asked to approve a donation of £1,000 to the Care & Repair Charitable Trust during the year ending 31 March 2022.

## Internal Audit 2021/22 – Group Annual Plan and Strategy

### Report by The Internal Audit Association – for Approval

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Attached, as **Appendix 1**, is a copy of the Annual Plan for 2022/23 proposed by TIAA and ELHA managers.

Following the re-appointment of TIAA as the Group's Internal Auditors at the February 2022 meeting of the Audit & Assurance Committee, a new programme for the three years commencing April 2022 is proposed.

The overall number of days planned for 2022/23 is 21 which is one day more than the tender specification, it has been increased to accommodate a follow-up review of the 2021/22 R3 Stock Control Audit.

The proposals for the Group and R3 Audits will be presented to the R3 Board at its meeting in June 2022.

#### **Recommendation**

The Management Committee is asked to approve the proposed Group Internal Audit Annual Plan and Strategy for 2022/23.

Management Committee 24/03/22



East Lothian Housing Association

Audit Strategy and Annual Internal Audit Plan

2022/23

March 2022

Agenda Item 3.2 - Appendix 1



DRAFT

## OVERVIEW

### Introduction

The Audit Plan for 2022/23 has been informed by a risk assessment carried out across our housing clients and by an updated audit risk assessment to ensure that planned coverage for the year is focussed on the key audit risks, and that the coverage will enable a robust annual Head of Internal Audit Opinion to be provided.

### Key Emerging Themes

This year will continue to be another challenging year for housing associations in terms of funding and increased costs, managing resources and technological advancement. There are a number of operational issues that have also come to prominence; we have identified a number of key areas which require consideration when planning internal audit coverage.

**Continuing impact of COVID-19 and EU transition:** It is becoming clearer that the impact of COVID-19 will continue through 2022-23 impacting on the health, safety and wellbeing of staff. This will be exacerbated by the effects of Brexit increasing staff, supplier and materials shortages. The knock on impact will be increased costs to housing for asset management works and business plans should be stress tested to facilitate material and resource increases of up to 30%.

**Net Zero:** Environmental sustainability is an important issue and all sectors, including housing, has an increasing responsibility to reduce the impact of climate change and work towards Government targets of Net Zero. This will include a key focus on the decarbonisation of housing with anticipated higher costs of new technology and retrofit installation.

**Regulation:** The requirement to meet regulatory standards and expectations remains; RSLs must ensure continued compliance with the Regulatory Standards in making the annual assurance statement to the Regulator.

**Cyber-crime:** A continuing theme linked to fraudulent activity. There have been targeted attacks in other sectors; no one organisation should think that they are unlikely to be targeted and should take steps to assure themselves over the robustness of their overall arrangements. The widespread adoption of remote working and increased online service delivery during the pandemic has allowed more opportunities for phishing, malware, and ransomware attacks.

**Remote and Hybrid working:** This is now fast becoming the norm, which is causing planners, developers and landlords to rethink urban spaces. Developments are increasingly becoming mixed use, bringing together living, leisure and work, and blurring the lines between residential and commercial property expertise. Additionally, achieving the government's zero-carbon commitments will also impact on how Boards and Committees plan to deliver against their core objectives and operate within the new work environment to becoming carbon neutral.

### Providing Assurance during the COVID-19 pandemic

From the outset, we successfully transitioned to new and remote ways of working without any diminution of the service and we recognise that many if not all of our clients have had to implement changes in the way that they work. We continue to consider any gaps in control or exposures that have arisen as a result of this. Whilst many measures have largely been relaxed, it is not inconceivable that further measures might be implemented to stem any increases in cases. We continue to adopt a hybrid approach with a mix of remote and on-site working and tailor this approach to client requirements and the nature of each assignment.

### Adequacy of the planned audit coverage

The reviews identified in the audit plan for 2022/23 support the Head of Internal Audit's annual opinion on the overall adequacy and effectiveness of the Association's framework of governance, risk management and control as required by TIAA's charter. The reviews have been identified from your assurance framework, risk registers and key emerging themes.

## INTERNAL AUDIT PLAN

### Audit Strategy Methodology

We adopt a proprietary risk-based approach to determining your audit needs each year which includes reviewing your risk register and risk management framework, the regulatory framework, external audit recommendations and previous internal audit work for the organisation, together with key corporate documentation such as your business and corporate plan, standing orders, and financial regulations. For 2022/23, we have conducted an analysis of the key risks facing the sector and client base more broadly to inform our annual planning. The Audit Strategy is based predominantly on our understanding of the inherent risks facing East Lothian Housing Association and those within the sector and has been developed with senior management and Committee. Our approach is based on the International Standards for the Professional Practice of Internal Auditing and regulatory standards which have been developed by Scottish Housing Regulator (SHR) and incorporate the Public Sector Internal Audit Standards (PSIAS).

### Risk Prioritisation

Each year an updated risk assessment is carried out to ensure the Audit Strategy remains fully aligned with the key risks facing the Association. We take in to account any emerging or heightened risks that are facing the sector, to ensure that the work of internal audit remains appropriately focused. Links to specific strategic risks are also contained in the Internal Audit Strategy.

### Internal Audit Strategy and Plan

Following the risk prioritisation review, the Audit Strategy has been produced (Appendix A) and the Annual Plan (Appendix B) sets out the reviews that will be carried out, the planned times and the high-level scopes for each of these reviews.

The Annual Plan will be subject to ongoing review and could change as the risks change for the organisation and will be formally reviewed with senior management and the Audit Committee mid-way through the financial year or should a significant issue arise.

The overall agreed time for the delivery of each assignment within the Annual Plan includes: research; preparation and issue of terms of reference; site work; production and review of working papers; and reporting.

The Annual Plan has been prepared on the assumption that the expected controls will be in place.

The total number of days required to deliver the Audit Plan is as agreed in the contract between TIAA and East Lothian Housing Association. This number of days is fixed and it is TIAA's responsibility to deliver the Audit Plan for this number of days. Where the Association agrees additional work the required number of days and the aggregate day rate will be agreed in advance with the Director of Finance and will be clearly set out in the terms of reference for the additional review(s).

### Release of Report

The table below sets out the history of this plan.

<b>Date plan issued:</b>	15 <sup>th</sup> March 2022
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## APPENDIX A: ROLLING STRATEGIC PLAN

Review Area	Type	2022/23	2023/24	2024/25
<b>Group</b>				
Corporate Governance – Regulatory Standards	Assurance			4
Equality and Diversity	Assurance		3	
Cyber Security	Assurance	3		
<b>East Lothian Housing Association</b>	Assurance			
Corporate Performance Management	Assurance		3	
Creditor Payments	Assurance			3
Payroll	Assurance	2		
Factoring	Assurance	3		
Service Charges	Assurance			3
Complaints Management	Assurance		3	
Duty of Care (Asbestos Management, Fire Safety, Gas Safety and Legionella)	Assurance	4		
Asset Management	Assurance		3	
Planned & Cyclical Maintenance	Assurance			3
<b>R3 Repairs Limited</b>	Assurance			
Service Delivery	Assurance	3		
Job Costing and Profitability	Assurance		3	
Income	Assurance			3
<b>Follow Up</b>				
Follow Up – R3 Stock Control	Follow Up	1		
Follow Up	Follow Up	1	1	1
<b>Management and Planning</b>				
Annual Planning	Management	1	1	1

Review Area	Type	2022/23	2023/24	2024/25
Annual Report	Management	1	1	1
Audit Management	Management	2	2	2
Total Days		<b>21</b>	<b>20</b>	<b>21</b>



## APPENDIX B: ANNUAL PLAN – 2022/23

Quarter	Review	Type	Days	High-level Scope
1	R3 Stock Control	Follow Up	1	Follow-up of implementation of agreed recommendations specifically in relation to the previous audit review of R3 Stock Control.
2	Duty of Care (Asbestos Management, Fire Safety, Gas Safety and Legionella)	Assurance	4	The review considers the actions taken within ELHA to monitor compliance with the statutory obligations in relation to the management of asbestos, fire safety, gas safety and water hygiene. The review considers compliance with regulations, guidance and policies, the engagement of adequately qualified contractors and consultants, corporate responsibility, remedial work, and the monitoring and reporting arrangements. The scope of the review does not include the adequacy of any inspection or the appropriateness of additional remedial works carried out.
3	Cyber Security	Assurance	3	This is a high level review which is based around the UK Government Cyber Essentials Scheme. This includes policies and procedures; Information Risk Management Regime; secure configuration; network security; managing user privileges; user education and awareness; incident management; malware prevention; monitoring; removable media controls; and home and mobile working.
3	Payroll	Assurance	2	The review focuses on key controls over the administration of the payroll including payroll policies and procedures; starters, amendments and leavers; statutory and voluntary deductions; payment of additional allowances/overtime; payment to third parties e.g. HMRC, pension providers; payment of salaries/wages (BACS authorisation and reconciliation only); and reconciliation of payroll data to the main accounting system.
3	Factoring	Assurance	3	The review will consider policies and procedures relating to Factoring and the administration of factoring accounts; the Written Statement of Services and compliance with the Property Factors (Scotland) Act 2011; control and identification of income due from factoring; invoicing and recovery of factoring charges; adequacy of segregation of duties within the process of administering factoring accounts; and reporting arrangements and management information.
3	R3 Service Delivery	Assurance	3	The review considers the receipt of requests for work, the allocation of works instructions, monitoring of standard and timeliness of work and advising the client that works have been carried out. The scope of the review does not include tendering arrangements, or the actual receipt of payment for the works carried out.
4	Follow-up	Follow up	1	Follow-up of implementation of agreed priorities one and two actions from audit reports, ensuring the Housing Association are implementing recommendations, and providing reports to the Audit Committee.
1	Annual Planning	Management	1	Assessing the Housing Association's annual audit needs.
4	Annual Report	Management	1	Reporting on the overall conclusions and opinion based on the year's audits and other information and providing input to the Annual Governance Statement.
1 – 4	Audit Management	Management	2	This time includes: meeting client management, overseeing the audit plan, reporting and supporting the Audit Committee, liaising with External Audit and Client briefings (including fraud alerts, fraud digests and committee briefings).
<b>Total days</b>			<b>21</b>	

## APPENDIX C: INTERNAL AUDIT CHARTER

### The Need for a Charter

The Audit Charter formally defines internal audit's purpose, authority and responsibility. It establishes internal audit's position within East Lothian Housing Association and defines the scope of internal audit activities. The establishment of the Audit Charter is a requirement of the Public Sector Internal Audit Standards (PSIAS) and approval of the charter is the responsibility of the Audit Committee.

### The Role of Internal Audit

The main objective of the internal audit activity carried out by TIAA is to provide, in an economical, efficient and timely manner, an objective evaluation of, and opinion on, the overall adequacy and effectiveness of the framework of governance, risk management and control. TIAA is responsible for providing assurance to East Lothian Housing Association's governing body (being the body with overall responsibility for the organisation) on the adequacy and effectiveness of the risk management, control and governance processes.

### Standards and Approach

TIAA's work will be performed with due professional care, in accordance with the requirements of the PSIAS and the IIA standards which are articulated in the International Professional Practices Framework (IPPF).

### Scope

All East Lothian Housing Association activities fall within the remit of TIAA. TIAA may consider the adequacy of controls necessary to secure propriety, economy, efficiency and effectiveness in all areas. It will seek to confirm that East Lothian Housing Association management has taken the necessary steps to achieve these objectives and manage the associated risks. It is not within the remit of TIAA to question the appropriateness of policy decisions; however, TIAA is required to examine the arrangements by which such decisions are made, monitored and reviewed.

TIAA may also conduct any special reviews requested by the board, Audit Committee or the nominated officer (being the post responsible for the day-to-day liaison with TIAA), provided such reviews do not compromise the audit service's objectivity or independence, or the achievement of the approved audit plan.

### Access

TIAA has unrestricted access to all documents, records, assets, personnel and premises of East Lothian Housing Association and is authorised to obtain such information and explanations as they consider necessary to form their opinion. The collection of data for this purpose will be carried out in a manner prescribed by TIAA's professional standards, Information Security and Information Governance policies.

### Independence

TIAA has no executive role, nor does it have any responsibility for the development, implementation or operation of systems; however, it may provide independent and objective advice on risk management, control, governance processes and related matters, subject to resource constraints. For day-to-day administrative purposes only, TIAA reports to a nominated officer within East Lothian Housing Association and the reporting arrangements must take account of the nature of audit work undertaken. TIAA has a right of direct access to the chair of the board, the chair of the Audit Committee and the responsible accounting officer (being the post charged with financial responsibility).

To preserve the objectivity and impartiality of TIAA's professional judgement, responsibility for implementing audit recommendations rests with East Lothian Housing Association management.

### Conflict of Interest

Consultancy activities are only undertaken with distinct regard for potential conflict of interest. In this role we will act in an advisory capacity and the nature and scope of the work will be agreed in advance and strictly adhered to.

We are not aware of any conflicts of interest and should any arise we will manage them in line with TIAA's audit charter and internal policies, the PSIAS/IIA standards and East Lothian Housing Association's requirements.

### Irregularities, Including Fraud and Corruption

TIAA will without delay report to the appropriate regulator, serious weaknesses, significant fraud, major accounting and other breakdowns subject to the requirements of the Proceeds of Crime Act 2002.

TIAA will be informed when evidence of potential irregularity, including fraud, corruption or any impropriety, is discovered so that TIAA can consider the adequacy of the relevant controls, evaluate the implication of the fraud on the risk management, control and governance processes and consider making recommendations as appropriate. The role of TIAA is not to investigate the irregularity unless commissioned to do so.

### Limitations and Responsibility

Substantive testing will only be carried out where a review assesses the internal controls to be providing 'limited' or 'no' assurance with the prior approval of East Lothian Housing Association and additional time will be required to carry out such testing. East Lothian Housing Association is responsible for taking appropriate action to establish whether any loss or impropriety has arisen as a result of the control weaknesses.

Internal controls can only provide reasonable and not absolute assurance against misstatement or loss. The limitations on assurance include the possibility of one or more of the following situations, control activities being circumvented by the collusion of two or more persons, human error, or the overriding of controls by management. Additionally, no assurance can be provided that the internal controls will continue to operate effectively in future periods or that the controls will be adequate to mitigate all significant risks that may arise in future.

The responsibility for a sound system of internal controls rests with management and work performed by internal audit should not be relied upon to identify all strengths and weaknesses that may exist. Neither should internal audit work be relied upon to identify all circumstances of fraud or irregularity, should there be any, although the audit procedures have been designed so that any material irregularity has a reasonable probability of discovery. Even sound systems of internal control may not be proof against collusive fraud.

Reliance will be placed on management to provide internal audit with full access to staff and to accounting records and transactions and to ensure the authenticity of these documents.

The matters raised in the audit reports will be only those that come to the attention of the auditor during the course of the internal audit reviews and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. The audit reports are prepared solely for management's use and are not prepared for any other purpose.

### Liaison with the External Auditor

We will liaise with East Lothian Housing Association’s External Auditor. Any matters in the areas included in the Annual Plan that are identified by the external auditor in their audit management letters will be included in the scope of the appropriate review.

### Reporting

**Assignment Reports:** A separate report will be prepared for each review carried out. Each report will be prepared in accordance with the arrangements contained in the Terms of Reference agreed with TIAA and which accord with the requirements of TIAA’s audit charter and PSIAS/IIA standards.

**Follow-Up Reports:** We will provide an independent assessment as to the extent that priority 1 and 2 recommendations have been implemented. Priority 3 recommendations are low-level/housekeeping in nature and it is expected that management will monitor and report on implementation as considered appropriate.

**Annual Report:** An Annual Report will be prepared for each year in accordance with the requirements set out in TIAA’s audit charter and PSIAS/IIA standards. The Annual Report will include a summary opinion of the effectiveness of East Lothian Housing Association’s governance, risk management and operational control processes based on the work completed during the year.

**Other Briefings:** During the year Client Briefing Notes, Benchmarking and lessons learned digests will be provided. These are designed to keep the organisation abreast of in-year developments which may impact on the governance, risk and control assurance framework.

### Assurance Assessment Gradings

We use four levels of assurance assessments as set out below.

Substantial Assurance	There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved.
Reasonable Assurance	The system of internal controls is generally adequate and operating effectively but some improvements are required to ensure that risks are managed and process objectives achieved.
Limited Assurance	The system of internal controls is generally inadequate or not operating effectively and significant improvements are required to ensure that risks are managed and process objectives achieved.
No Assurance	There is a fundamental breakdown or absence of core internal controls requiring immediate action.

### Data Protection

TIAA has policies, procedures and processes in place to comply with all associated regulation and legislation on information security, which is underpinned by mandatory annual awareness training for all staff. To carry out our role effectively, we need to obtain information that is reliable, relevant and sufficient to support our findings and recommendations. The collection of data, particularly sensitive personal data, is minimised and is not shared with unauthorised persons unless there is a valid and legal requirement to do so. We have clear policies on the retention of data and its appropriate, controlled disposal. TIAA has a fully robust Information Security Management System that meets all the requirements of ISO27001:2013.

### Quality Assurance

TIAA recognises the importance of Internal Audit being controlled at each stage to ensure that we deliver a consistent and efficient Internal Audit service that is fully compliant with professional standards and also the conditions of contract. We operate a comprehensive internal operational quality review process to ensure that all Internal Audit work is carried out in accordance with these standards. These quarterly reviews are part of our quality management system which has ISO 9001:2015 accreditation.

### Audit Committee Responsibility

It is the responsibility of the Audit Committee to determine that the number of audit days to be provided and the planned audit coverage are sufficient to meet the Committee’s requirements and the areas selected for review are appropriate to provide assurance against the key risks within the organisation.

By approving this document, the Audit Committee is also approving the Internal Audit Charter.

### Disclaimer

The matters raised in this planning report, along with those raised in our audit and annual reports, are only those that came to the attention of the auditor during the course of our work and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. This report has been prepared solely for management’s use and must not be recited or referred to in whole or in part to third parties without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

### Performance Standards

The following Performance Targets will be used to measure the performance of internal audit in delivering the Annual Plan:

Performance Measure	Target
Completion of planned audits.	100%
Audits completed in time allocation.	100%
Draft report issued within 10 working days of exit meeting.	100%
Final report issued within 10 working days of receipt of responses.	100%
Compliance with TIAA’s audit charter and PSIAS/IIA Standards.	100%

# Authorisations and Standard Charges / Allowances Policy Review

## Report by Paula Oliver, Director of Finance – for Approval

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### 1.0 Introduction

The Authorisations and Standard Charges / Allowances Policy outlines the responsibilities for authorising expenditure and signing documents throughout the organisation, it also sets out the standard charges and allowances used within the Group for the coming year.

The Policy is reviewed annually to ensure that it is kept up-to-date for changes in personnel and that responsibility levels and charges / allowances remain appropriate. The revised **Policy Document** is attached to this report.

### 2.0 Summary of Proposed Changes

A number of changes are proposed to the policy as follows:

#### 2.1 Main Policy Document

#### **Section 3.0 – Authorisation of Scottish Housing Regulator / Scottish Government Documentation**

A second PFP Developments' employee has been added at Section 3.2.

#### **Section 5.0 – Authorisation / Signing of Cheques, Standing Orders, Direct Debits, Bacs And Chaps Payments**

The name of the Finance Manager has been changed to Ian Cuthill.

#### **Section 7.0 – Authorisation of Debt Write Offs/Credit Write Backs**

It is proposed that the Director of Asset Management, the R3 Service Manager and the R3 Technical Manager be authorised the write-off of R3 client debts under £100, and that they will report these to the R3 Board.

#### **Section 8.0 – Authorisation of Refunds**

Paragraph 8.1 has been amended to note that refunds for current tenants will only normally be routinely processed where there is a credit in excess of one month's rent.

It would not be practical to refund this on a monthly basis, but where small credits exist, tenants will be encouraged to alter their payments to reduce the credit amount, and in the case of Housing Benefit and Universal Credit, encouraged to switch to payments to their bank accounts so they can make a reduced monthly onward payment to ELHA, and therefore receive the Rent Discount benefits on a monthly basis.

This ensures that the Association continues to incentivise tenants to receive all their monthly benefits directly to their bank accounts, and manage them accordingly, but continues to provide a safety net for tenants that are unable or unwilling to do this.

**Section 9.0 – Procurement Policy – Quotation / Tender Requirement**

This section has been updated in line with the revised Procurement Policy.

**Section 10.0 – Administration Fees**

It is proposed that administration charges are not applied to tenant Chargeable Repairs and are applied on a discretionary basis for arranging repairs for Sharing Owners and owner occupiers, depending upon the cost and nature of the repairs being arranged.

**Section 12.0 – Decoration Allowances**

Decoration allowances have been increased in line with the cost of the paint packs, and the materials only allowances increased by £5.

**Section 15.0 – Staff Allowances**

Staff allowances will be update with EVH's 2022/23 rates once notified.

**Section 16.0 – Staff Call-Out Rates**

An increase to R3's weekly standby rate was approved by the R3 Board at its meeting on 23 February 2022. This accommodates inflationary increases since the allowance was introduced a number of years ago.

**Section 18.0 Capitalisation Of Expenditure**

It is proposed that the amount above which items of capital expenditure be capitalised is increased from £300 to £500, to avoid the capitalisation of expenditure of a more trivial nature.

**Section 19.0 – Rental Income**

This section has been updated for the 2022/23 points rent and Key Tenant Scheme Rent Discounts.

**2.2 Appendices**

**Appendices 1 and 3** are in the form of an excel spreadsheet which sets out the authority to order goods and services, and to authorise invoices, to be filtered for individual job roles. These are complex and large spreadsheets and it is not practical to attach paper copies of them to this report.

It is confirmed that Delegated Authority for the Chair is included in the matrix, (Appendix 1), to enable them to commit and authorise expenditure on staffing, for example on recruitment (this was an Succession Plan Action Plan task in 2021/22).

**Appendices 2, 4 and 5** are attached in full. Managers are responsible for checking that the delegated responsibilities are correct for their staff within the matrices, and access to change responsibilities is tightly controlled (all staff can access on a read only basis).

The appendices reflect the addition of new/amended posts. It is noted that the new post of Assistant Materials Co-ordinator will be provided with a virtual credit card to facilitate the purchase of materials not available from our normal suppliers.

No significant changes are proposed to the remaining policy and its appendices.

**Recommendation**

The Management Committee is asked to approve the revised Authorisations and Standard Charges / Allowances Policy.

ELHA POLICY

<b>Date Issued</b>	August 1996
<b>Last Reviewed</b>	March 2022 <sup>4</sup>
<b>Department</b>	Finance
<b>Title</b>	<b>Authorisations and Standard Charges / Allowances</b>
<b>Objective</b>	To describe the authorisation processes, responsibilities and authority levels and standard charges / allowances to be used within the Group.
<b>Responsible</b>	Director of Finance
<b>Next Review Date</b>	March 2023 <sup>2</sup>

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1. Authorisation of Legal / Administrative Documentation (Unspecified)
2. Authorisation of Taxation Documentation
3. Authorisation of Scottish Housing Regulator / Scottish Government Documentation
4. Authorisation of Expenditure
5. Authorisation / Signing of Cheques, Standing Orders, Direct Debits and BACs Payments
6. Authorisation of Ex Gratia Payments
7. Authorisation of Write Offs
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9. Procurement Policy – Quotation / Tender Requirements
10. Administration Fees
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12. Decoration Allowances for Tenants
13. Decant/Disturbance Allowances
14. Tenancy Sustainment
15. Staff Allowances
16. Staff Call-Out Rates
17. Management Committee / Board Member Allowances
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Appendices

- Appendix 1 – Table of ELHA Expenditure Authorisation Responsibilities
- Appendix 2 – Table of ELHA Expenditure Authorisation Levels
- Appendix 3 – Table of R3 Repairs Expenditure Authorisation Responsibilities
- Appendix 4 – Table of R3 Repairs Expenditure Authorisation Levels
- Appendix 5 – List of Chargeable Items

**1.0 AUTHORISATION OF LEGAL / ADMINISTRATIVE DOCUMENTATION (Unspecified)**

- 1.1 The Secretary or any Management Committee Member is authorised to sign Deeds and documents on behalf of the Group, and any R3 Board member is authorised to sign Deeds and Documents on behalf of R3, in accordance with our Requirements of Writing Policy.
- 1.2 Senior Management Team Members are authorised to sign contracts for goods and services, Service Level Agreements and leases of no more than 5 years duration and which are within budget provisions.

**2.0 AUTHORISATION OF TAXATION DOCUMENTATION**

In addition to the Secretary and any Management Committee Member, the Chief Executive and Director of Finance are authorised to sign taxation documentation on behalf of the Group.

**3.0 AUTHORISATION OF SCOTTISH HOUSING REGULATOR / SCOTTISH GOVERNMENT DOCUMENTATION**

- 3.1 The following people are authorised to sign documents for The Scottish Housing Regulator / Scottish Government, including grant approvals:

**Chief Executive  
Director of Finance  
Director of Housing  
Director of Asset Management  
Secretary  
Chairman**

Staff must provide the relevant information to support the Project Approval / Acceptance. This is in accordance with our procedures.

- 3.2 In addition, application for grant payments can be authorised by the following Places for People staff:

**[REDACTED]**

**4.0 AUTHORISATION OF EXPENDITURE**

The members of staff authorised to make commitments or orders to incur expenditure and to approve invoices under our various budget headings are detailed in **Appendices 1 and 3** of this document and their expenditure limits are detailed in **Appendices 2 and 4**.



Staff should note that there are a number of important points to observe in following this authorisation procedure.

- (a) There are two separate steps involved in incurring expenditure:
- (i) taking on the commitment to spend
  - (ii) approving the invoice after goods or services have been received

The responsibility for (i) and (ii) should, wherever possible, not be taken by the same person. An exception to this is where goods or services are procured by a company credit card and one individual is responsible for committing to the expenditure, authorising the invoice and subsequent payment to the supplier. Detailed procedures are in place to control and monitor the use of company credit cards across the Group.

- (b) The nominal ledger code must be in accordance with the approved budget heading and not changed because another original budget head is being used in order to 'vire' (i.e. off set) expenditure.
- (c) It is the responsibility of the Finance Department to:
- check invoice calculations
  - ensure that the order is attached (where applicable).
  - allocate a nominal ledger code
  - pass the invoice to the appropriate staff member for authorisation
- (d) The person authorising the invoice must check that the nominal ledger code is correct and agree the invoice details to the original order, where applicable. If the nominal code is incorrect or the invoice has been sent to the wrong person for authorisation it must be returned to the Finance Department promptly for correction.
- (e) If the responsible officer is unavailable to authorise an invoice, it may be authorised by another member of the officer's department and must be counter authorised by a Senior Manager.
- (f) The Finance Department will not make payments to suppliers, etc if substantiated only by statements or photocopies of invoices. If an invoice has been mislaid, a copy must be obtained from the supplier, clearly marked 'COPY' and specifically endorsed: 'Original mislaid, pay on this copy'.
- (g) It is the responsibility of each member of staff to be familiar with these expenditure authorisations and to ensure that they adhere to them.

#### 4.1 Authorisation of Expenditure Within Budget

Specific authorisation levels are detailed in **Appendices 1 and 2**. These clarify the scope and limit for approving orders and authorising invoices, within budget, for individual roles within the organisation.

**4.2 Authorisation of Virements**

- (a) Where a budget holder is responsible for more than one budget, they can make virements (set-off against another budget) up to the agreed level from another of their budgets with the written approval of their line manager. The Director of Finance should also be advised.
- (b) Virement between budgets held by different budget holders is permitted up to the agreed level with the written approval of the transferring budget holder and the Director of Finance.

**4.3 Authorisation of Expenditure Outwith Budget**

Spend in excess of budget may be authorised in accordance with the powers delegated to office bearers and senior staff as described in our standing orders and summarised below:

**4.3.1 Summary of Financial Delegated Powers for Costs Outwith Budget**

Position	Category of Expenditure	Virement Limit £	Excess Spend % of Budget or a maximum of £
Chairman and Vice Chair jointly	All	£50,000	20% / £50,000
Chairman	All	£25,000	10% / £25,000
Vice Chair	All	£25,000	10% / £25,000
Chief Executive, (Director of Housing/Director of Asset Management) and Director of Finance jointly	All	£25,000	10% / £25,000
Senior Manager	All	£20,000	5% / £10,000
Chief Executive (Director of Housing/Director of Asset Management) and Director of Finance jointly	Development cost overruns	N/A	1% of works cost 1% of budget cost
Chief Executive/ (Director of Housing) or Director of Finance and Director of Asset	Planned/ cyclical maintenance cost overruns	N/A	1% of budget cost

Management or Asset Manager jointly			
Budget Holders	All	£5,000	

- NOTE:** (i) Authorisation of expenditure out-with the Annual Budget must be for purposes consistent with our policies, and expenditure in excess of £25,000 and up to £50,000 out-with budget reported at the following meeting of the Audit & Assurance Committee. Expenditure over £50,000 which has not been allowed for in the budget must be reported to the following meeting of the Management Committee.
- (ii) Authorisation of virements in excess of £50,000 must be reported to the next meeting of either the Audit & Assurance Committee or Management Committee/Board for approval.
- (iii) In the Chief Executive’s absence, the Director of Housing and the Director of Asset Management will have delegated responsibility to authorise expenditure out with budget to the limits set out above.

**4.3 AUTHORISATION OF EXPENDITURE IN AN EMERGENCY SITUATION**

In the event of an emergency affecting our offices or our properties, all members of the Business Continuity Team (listed in the Business Continuity Plans) will have complete authority to make decisions and incur financial expenditure in order to limit the loss to us or our customers.

**5.0 AUTHORISATION / SIGNING OF CHEQUES, STANDING ORDERS, DIRECT DEBITS BACS and CHAPS PAYMENTS**

- 5.1 All cheques must be signed by two of the Association’s authorised signatories. Where possible, the signatories should be persons other than those responsible for authorising the expenditure. The Director of Finance and Finance Manager should not normally jointly sign cheques.
- 5.2 Two of our authorised signatories must sign any direct debit, standing order or mandate.
- 5.3 Salary payment transfers via BACS to employees’ bank accounts must be authorised by two of our authorised signatories. The staff member (either the Finance Manager or the Director of Finance), who was responsible for reviewing the weekly/monthly payroll should not normally also authorise the BACS transfer.
- 5.4 Two of our authorised signatories must authorise payments to suppliers by BACS/CHAPs. The staff member who was responsible for preparing the payment should not normally also authorise the BACS/CHAPs transfer.

- 5.5 Details of any exceptions to authorisation procedures (for example when it has been necessary for the Director of Finance and Finance Manager to jointly sign cheques) are recorded in the “Exceptional Authorisations Register” and reported annually to the Audit & Assurance Committee.
- 5.6 For the above purposes, the following are authorised signatories:

**STAFF**

<b>Chief Executive</b>	Martin Pollhammer
<b>Director of Finance</b>	Paula Oliver
<b>Director of Asset Management</b>	Duncan Mackay
<b>Director of Housing</b>	Karen Barry
<b>Finance Manager</b>	<del>Gary Fortune</del> <u>Ian Cuthill</u>

**MANAGEMENT COMMITTEE**

<b>Secretary</b>	Joyce Bolan
<b>Chairman</b>	Peter Ewart
<b>Committee Members</b>	Peter Hayman, <del>Frank Colston</del> and David Rose

**6.0 AUTHORISATION OF EX GRATIA PAYMENTS**

- 6.1 The following are authorised to make/approve ex-gratia compensation payments:

Limit	Authority to Approve Payment
£500	Director of Housing/Director of Asset Management
£1,000	Chief Executive/Senior Management Team
> £1,000	Audit & Assurance Committee/ R3 Repairs Board

**7.0 AUTHORISATION OF DEBT WRITE OFFS/CREDIT WRITE BACKS**

- 7.1 All write offs of our debts (amounts owed to the Group), except individual former tenant debts of less than £25, or R3 client debts of less than £100, must be authorised by the Audit & Assurance Committee or R3 Repairs Board respectively as appropriate. The Director of Housing/Housing Manager may authorise the write-off of individual tenant debt which is less than £25 and will report these to the Audit & Assurance Committee. The Director of Asset Management/R3 Service Manager/R3 Technical Manager may authorise the write off of individual R3 client debt which is less than £100 and will report these to the R3 Board.
- 7.2 In cases where we have no contact details for the former tenant/customer, the Audit & Assurance Committee/ R3 Repairs Board may authorise the write back of credit balances held for more than one year.

- 7.3 If a former tenant/customer credit balance is for less than £25.00 and more than one year old we will automatically write it back to the Group’s accounts.

**8.0 AUTHORISATION OF REFUNDS**

- 8.1 ELHA’s Housing Officers, Housing Manager and Director of Housing are authorised to refund all current ELHA tenant credit balances and Housing Benefit / Universal Credit overpayments. We will normally arrange refunds for those tenants who are in advance of one month’s rent, provided the credit is not a ‘Technical Credit’. Technical Credits usually arise because of the timing of payments, for example, due to Housing Benefit payment cycles or where tenants are paying weekly, fortnightly or four-weekly, to make sure there is sufficient rent in their account when it is due.

We will encourage those tenants with a small credit balance of less than a month’s rent to adjust their rent payments to reduce this. Those who receive Housing Costs / Housing Benefit, have these paid directly to us and receive a Bronze Key Tenant discount of £5 each month, will be encouraged to have their benefits paid directly to them and to adjust their rent payment to reduce the credit. Otherwise, any credit will be treated as a Technical Credit until such time as the tenant is in advance with their rent.

- 8.2 **Where we have a forwarding address for former tenants/customers**, and no other debt exists the following staff are authorised to refund ELHA credit balances:

Limit	Authority to Approve Refund
£300	Housing Officer
>£300 <£750	Housing Manager
>£750	Director of Housing / Senior Management Team Member

- 8.3 R3’s Contracts Managers, Business Development Manager, Service Manager, Technical Manager and the Director of Asset Management are authorised to refund the following R3 customer credit balances

Limit	Authority to Approve Refund
£300	Contracts Manager and Business Development Manager
>£300 <£750	Service Manager and Technical Manager
>£750	Director of Asset Management

- 8.4 In cases where we have no contact details for ELHA former tenants/customers, the Audit & Assurance Committee may authorise the write back of credit balances held for more than one year, to the Association’s accounts.

8.5 In cases where we have no contact details for R3 former customers, the R3 Board may authorise the write back of credit balances held for more than one year, to R3 Repairs' accounts.

**9.0 PROCUREMENT POLICY – QUOTATION/TENDER REQUIREMENT**

9.1 Our quotations and tender requirements for varying levels of expenditure are as follows:

<u>Estimated value of contract</u>	<u>Procedure to be followed</u>
<u>Below £5,000 works and services / supplies*</u>	<u>Work may be authorised within individual officer limits and contractor / supplier may be directly engaged without any form of public procurement exercise.</u>
<u>Between £5,000 and £25,000 works and services / supplies*</u>	<u>Where possible, a minimum of three competitive quotations to be invited via Quick Quote (QQ).</u>
<u>Between £25,000 and £50,000 works services / supplies*</u>	<u>Where possible, a minimum of three competitive quotations to be invited via Quick Quote (QQ) using standardised documentation and processes (for example, a specification, Quality Document (if appropriate) and return date to be sent to all contractors / suppliers being asked to provide costs). Lowest priced contractor or Most Economically Advantageous Tender (MEAT) can be used and to appoint.</u>
<u>Between £50,000 and £2m works*</u>	<u>Best Practice tender process to be followed with at least three competitive tenders invited via Scottish Contract Notice via PCS tendering procedure. Contractor evaluated as being the (MEAT) to be appointed.</u>
<u>Between £2m and £4,733,252 works and Between £50,000 and £189,330 services / supplies*</u>	<u>Formal Scottish tender process to be followed with at least three / five competitive tenders invited via Scottish Regulated Contract Notice via PCS full tendering procedure. Contractor / supplier evaluated as being the (MEAT) to be appointed.</u>
<u>Over £4,733,252 works and Over £189,330 services / supplies*</u>	<u>Formal OJUK tender process to be followed with at least three / five competitive tenders invited via UK Regulated Contract Notice via PCS full tendering procedure. Contractor / supplier evaluated as being the (MEAT) to be appointed.</u>

\* out with any existing Measured Term Contracts (MTC) values that are imbedded within a contract

Requirements	Estimated Expenditure Level
<del>A written or verbal quotation from one approved supplier on the basis of a written or verbal invitation to quote</del>	<del>Up to £2,000 (exc. VAT)</del>
<del>A written quotation from between one and three suppliers based on a written invitation to quote or through "Quick Quote" on the Public Contracts Scotland (PCS) website</del>	<del>£2,001 to £15,000 (exc. VAT)</del>
<del>A written quotation from a minimum of three suppliers on the basis of a written invitation to quote or through "Quick Quote" on the Public Contracts Scotland (PCS) website</del>	<del>£15,001 to £25,000 (exc. VAT)</del>
<del>A full tender process, which will normally include advertising in relevant publications and PCS</del>	<del>£25,001 (exc. VAT) up to the lower of the prevailing Scottish Government/EU procurement threshold</del>
<del>Compliance with EU procurement regulations as enacted by the Scottish Government</del>	<del>Amount in excess of the prevailing Scottish Government threshold but below the EU public procurement threshold</del>
<del>Compliance with EU Procurement Regulations as enacted by the Scottish Government</del>	<del>Above EU threshold</del>

Where costs are below £25,000 the Chief Executive has Delegated Authority to award contracts for works / services / goods if:

- The Chief Executive considers it is appropriate to make the direct award
- The Management Committee deems there is a requirement for those services to be directly awarded and so instructs the Chief Executive accordingly
- The Senior Management team has the authority to relax the terms of the Procurement Policy if required.

Any such relaxation must be reported to the next meeting of the appropriate Committee/Board.

## 10.0 ADMINISTRATION FEES

10.1 Administration fees charged by the Group are as follows:

Service Provided	Fee
Arrangement of buildings insurance for Owner Occupiers	£10.00 (exc. VAT)
Arrangement of services which are charged to sharing owners, owners and others	10% of service charge (exc. VAT)
Arrangement of repairs for, sharing owners or owner occupiers discounted by £25 (exc. VAT) for prompt payment	We may charge £55 (exc. VAT)
Charge for Subject Access Request	We may charge the statutory maximum

### 11.0 CHARGEABLE REPAIRS

11.1 We charge tenants for repairs to their homes which fall out-with those covered in the tenancy agreement. The charges for the most common of these repairs are detailed in **Appendix 5**. This list is not exhaustive and other repairs that are deemed to be required will also be charged for in line with the National Housing Federation (NHF) Schedule of Rates.

### 12.0 DECORATION ALLOWANCES TO TENANTS

12.1 We provide all new tenants in our re-lets with a paint pack or a voucher to the same value dependent upon the size of the property. The paint pack costs are noted below.

	Flats	Houses
1 bedroom	£ 175	£ 19 <del>50</del>
2 bedroom	£ 205	£ 230
3 bedroom	£ 235	£ 240
4 bedroom	Not applicable	£ 310

A decoration allowance may also be awarded (at the discretion of the Property Officer inspecting the work) following maintenance work where we have damaged the tenant's decoration. Allowances below are a guide to what may be reasonably paid.

Materials only by room	Allowance
Living Room	£7 <del>50</del>
Kitchen	£6 <del>50</del>
Bathroom	£5045
Hall	£4035
Stair and Halls	£7 <del>50</del>
Double Bedroom	£7 <del>50</del>



Single Bedroom	£650
Decorating Equipment	£5045

### 13.0 Decant / Disturbance Allowances

- 13.1 There are occasions when we may have to find temporary accommodation for our tenants because of an emergency, such as fire, flood or structural problems. Although we will try wherever possible to avoid it, we may also have to move tenants out of their homes to allow maintenance to be carried out.
- 13.2 If the tenant is moved into bed and breakfast accommodation by ELHA we will pay a daily allowance of **£15.00** to the tenant, for each person in the household over the age of 2 to cover the costs of meals (not including breakfast which will already be paid for). This is **in addition** to the costs set out in the Temporary Accommodation and Decants Policy.
- 13.3 If a tenant is moved into a holiday home which is not located close to their home, we may pay them an allowance if they incur excess travel costs. This allowance is equivalent to the mileage allowance set by EVH (see section 14.1). This is **in addition** to the costs set out in the Temporary Accommodation and Decants Policy.
- 13.4 Housing Officers have the authority to commit to bed and breakfast accommodation up to the value of **£90.00** per night (based on a double room, inclusive of breakfast) or to holiday home accommodation for the same cost per night. Approval should be sought from the Housing Manager if accommodation is in excess of this sum.

### 14.0 TENANCY SUSTAINMENT FUND

- 14.1 The Tenancy Sustainment Fund will generally be used to directly pay for goods and services which will be provided to meet a tenant's individual requirements. Where goods cannot be sourced by ELHA directly, vouchers may be provided.

Awards will be capped to the value of **£250.00** unless in exceptional circumstances. Housing Officers can make awards up to this value. Anything above should be approved by the Housing Manager.

### 15.0 STAFF ALLOWANCES

- 15.1 ELHA Staff are entitled to claim a number of allowances in line with their terms and conditions of employment. The rates for these allowances are set annually by EVH, and an extract of those most regularly used by staff are detailed below.

**These will be updated once advised by EVH**

#### ELHA Allowances

Description	Allowance
First Aid	£ 478 per annum
Spectacles (Excess over amount recoverable from Simplyhealth)	£95.22 per annum less amount recoverable from Simplyhealth
Essential Car Users Allowance	£ 1,414 per annum
Mileage up to 10,000 miles	45p
Mileage over 10,000 miles	25p
Passengers per mile	5p
Subsistence if engaged on Group business for a period of more than 10 hours	£17.26
Subsistence if engaged on Group business for a period of between 5-10 hours out-with the area	£10.56
<u>Mobile phone allowance</u>	<u>£192 per annum</u>

15.2 R3 Repairs Staff are entitled to claim a number of allowances in line with their terms and conditions of employment. Some of the rates for these allowances are based on ELHA rates. An extract of those most regularly used by staff are detailed below.

15.3 R3 Repairs Allowances

Description	Allowance
First Aid	£ <del>6.25</del> <u>now the same as ELHA's</u> per week
Spectacles (Excess over amount recoverable from Simplyhealth)	£95.22 per annum less amount recoverable from Simplyhealth
Car Allowance	£4,500 per annum
Mileage up to 10,000 miles and no car allowance	45p
Mileage over 10,000 miles or below 10,000 miles with car allowance	25p
Passengers per mile	5p

Subsistence if engaged on Group business for a period of more than 10 hours	£17.26
Subsistence if engaged on Group business for a period of between 5-10 hours out-with the area	£10.56

**16.0 STAFF CALL-OUT RATES**

**16.1 Call-Out Rates (ELHA) (Physical Attendance)**

ELHA staff who are called out of normal working hours to attend an emergency are entitled to claim an additional payment. The current rates for these additional payments are as follows:

Time of Call-Out	Hourly Rate
Day (Office shut) - 08.01hrs to 20.00hrs	Hourly rate x 1.5
Night - 20.01hrs to 08.00hrs	Hourly rate x 2
20.01hrs on 24 Dec. to 08.00hrs on 26 Dec.	Hourly rate x 3
20.01hrs on 31 Dec. to 08.00hrs on 2 Jan.	Hourly rate x 3

**16.1.1 Minimum Call-Out Fee**

The **minimum** call-out fee paid will be **2 x** the relevant hourly rate up to the first 2 hours. Each hour (or part thereof) after this will be paid at the relevant hourly rate.

**16.2 No Call-Out Required – Telephone or Text response**

The fee for responding to a call or text that does not require a physical attendance will be paid at the rate of £16 for the first call or text and £8 for subsequent calls or texts received or made for the same incident, up to a maximum of £56 for one incident.

At Night (as defined at 16.1), the payment will be £24 for the first call or text and £12 for subsequent calls or texts to a maximum of £84.

At Christmas and New Year (as defined at 16.1), the payment will be £32 for the first call or text and £24 for subsequent calls or texts to a maximum of £112.

Redirecting a call or text to a colleague or another service will attract a flat payment of £12 irrespective of time or date.

**16.3 Staff Standby Rates (R3 Repairs)**

The rates below will apply to work undertaken as a result of attendance at a call out while on Standby duty:

Standby / Call Out Duties	Rates
Standby full week Inclusive	£ <del>100.00</del> <u>120.00</u>
Standby per day, Monday to Friday	£ <del>12.00</del> <u>10.00</u>
Standby Saturday Only	£ <del>24.00</del> <u>20.00</u>
Standby Sunday Only	£ <del>36.00</del> <u>30.00</u>
Call Out when not on standby	£ <del>18.00</del> <u>15.00</u>

### 17.0 MANAGEMENT COMMITTEE / BOARD MEMBER ALLOWANCES

17.1 ELHA Management Committee Members and R3 Repairs Board members are entitled to claim a number of expenses in line with Policy. The current rates for these are as follows:

Description	Allowance
Mileage up to 10,000 miles	45p
Mileage over 10,000 miles	25p
Passengers per mile	5p
Subsistence - maximum claim for breakfast	£5
Subsistence - maximum claim for lunch	£10
Subsistence - maximum claim for evening meal	£15
Conference etc – out of pocket expenses (maximum per day)	£15

### 18.0 CAPITALISATION OF EXPENDITURE

18.1 The Group has a lower level below which items of expenditure should not be capitalised. The current level is **£5300**.

### 19.0 RENTAL INCOME

19.1 The rental income per point for the year from 1 April to 31 March is 141.71~~134.8~~ pence.

19.2 The 'Bronze Key tenant discount' will be £5 per month for tenants who meet the required criteria.

19.3 The "Gold Key tenant discount" will be £15 per month for tenants who meet the required criteria

19.3 The “Platinum Key tenant discount” will be £25 per month for tenants who meet the required criteria

19.4 The “Diamond Key tenant discount” will be £35 per month for tenants who meet the required criteria

19.54 The “New tenant discount” will be the full first month’s rent.

## 20.0 REVIEW OF POLICY

21.1 The Director of Finance will review this policy annually, with any amendments required being submitted to the Management Committee for approval.

ELHA Authorisation Levels 2022/231/22

Association staff are authorised to commit/order expenditure and/or to authorise invoices, against the relevant analysis codes outlined in **Appendix 1**, up to the amounts specified in the table below:

Title	Approval of Commitment/Order	Authorisation of Invoice
<del>Receptionist-Senior Corporate Services Administrative Assistant, Corporate Services Assistant, IT Officer/ IT Assistant</del>	£200+VAT	not applicable
Finance Officer	£200+VAT	not applicable
Care & Repair Assistant, SRS Officer	£200+VAT	not applicable
<del>R3Administrative Assistant, R3 Contracts Managers, R3 Business Development Manager, R3 Billing Services Administrator</del> and R3 Repairs Administrators	£500+VAT	not applicable
Executive Support Officer, Housing Assistants, Customer Information Officer, R3 Team Leader, <u>Senior Housing Assistant</u>	£2,500+VAT	not applicable
Asset Management Assistant, R3 Service Manager, R3 Technical Manager	£5,000+VAT	not applicable
Housing Officer	£5,000+VAT	£2,500 + VAT
Care and Repair Officer	£5,000+VAT	£2,500+VAT
Property Officer	£10,000+VAT	£5,000+VAT
Departmental Manager	To Budget	To Budget
Senior Manager	To Budget	To Budget
Chairman	To Budget	To Budget

“To budget” means that authorised signatories may approve commitments or orders or approve invoices to the limit of the approved budget for a particular budget head within their area of authority (as per **Appendix 1**).

Departmental Managers include the following posts:

- Care and Repair Manager
- Finance Manager
- Housing Manager
- Corporate Services Manager
- Asset Manager

Senior Managers include the following posts:

- Chief Executive
- Director of Asset Management

- Director of Finance
- Director of Housing

**ELHA Electronic Credit Card Limits**

<b>Card Holder</b>	<b>Transaction Limit</b>	<b>Monthly Limit</b>
Asset Manager	£600	£2,000
Care & Repair Manager	£1,000	£2,000
Corporate Services Manager	£600	£2,000
Finance Manager	£600	£2,000
Housing Manager	£600	£2,000

**R3 Repairs Authorisation Levels ~~2021/22~~2022/23**

R3 staff are authorised to commit/order expenditure and/or to authorise invoices, against the relevant analysis codes outlined in **Appendix 3**, up to the amounts specified in the table below:

Title	Approval of Commitment/Order	Authorisation of Invoice
Operative	£1,000 + VAT	not applicable
Repairs Administrator	£2,000 + VAT	not applicable
<del>Billing Services Administrator</del>	<del>£2,000+ VAT</del>	<del>not applicable</del>
<del>Apprentice/Assistant Materials Co-ordinator</del>	<del>£2,000+ VAT</del>	<del>not applicable</del>
Materials Co-ordinator	£25,000 + VAT	not applicable
Service Manager/Technical Manager	To Budget	To Budget
Contracts Manager	£25,000 + VAT	£10,000 + VAT
Business Development Manager	£25,000+VAT	£10,000+VAT
Team leader	£10,000 + VAT	£5,000 + VAT
Director	To Budget	To Budget
Chairman	To Budget	To Budget

“To budget” means that authorised signatories may approve commitments or orders or approve invoices to the limit of the approved budget for a particular budget head within their area of authority (as per **Appendix 3**).

**R3 Electronic Credit Card Limits**

Card Holder	Transaction Limit	Monthly Limit
<del>Assistant Materials Co-ordinator</del>	<del>£500</del>	<del>£2,000</del>
Materials Co-ordinator	£2,000	£10,000
Contracts Managers	£ <del>32</del> ,000	£ <del>65</del> ,000
Business Development Manager	£ <del>32</del> ,000	£ <del>65</del> ,000
Service Manager	£10,000	£10,000
Technical Manager	£10,000	£10,000
Director of Asset Management	£10,000	£10,000



## List of Chargeable items

Repair	Amount (Excl.VAT)	VAT 20%	Incl. VAT
Force Entry	£60.00	£12.00	£72.00
Force Entry & Change Lock	£110.00	£22.00	£132.00
Force Entry & Change both Locks	£125.00	£25.00	£150.00
Board up Window (Emergency Call Out)	£130.00	£26.00	£156.00
Board up Window	£50.00	£10.00	£60.00
Reglaze window Single Glazed Approx 2.1sqm	£180.00	£36.00	£216.00
Reglaze window Double Glazed Approx 2.1sqm	£270.00	£54.00	£324.00
Check Electrics	£120.00	£24.00	£144.00
Call Out (Aborted visit due to eg. no access or non-emergency work)	£55.00	£11.00	£66.00
Replace WC. Note 3	£120.00	£24.00	£144.00
Replace WC and Cistern. Note 3	£220.00	£44.00	£264.00
Replace Wash hand basin.	£225.00	£45.00	£270.00
Replace Wash hand basin Pedestal.	£80.00	£16.00	£96.00
Replace Bath.	£440.00	£88.00	£528.00
Renew damaged passage doors (Per unit cost).	£130.00	£26.00	£156.00
Renew damaged worktop (per metre cost). <b>Non sink top side.</b>	£40.00	£08.00	£48.00
Renew damaged worktop (per metre cost). <b>Sink top side which requires sink top removed and refitted.</b>	£60.00	£12.00	£72.00
Patch damaged internal door (Per Unit Cost)	£20.00	£04.00	£24.00
Renew Damaged Wall Unit Door (Per unit cost).	£70.00	£14.00	£84.00
Renew Damaged Base Unit Door (Per unit cost).	£70.00	£14.00	£84.00
Renew Damaged / Missing Base Unit Plinth (Per unit cost)	£05.00	£01.00	£06.00
Renew wall or base unit Drawer front or door (Per unit cost)	£20.00	£04.00	£24.00
Replace missing skirting (Per metre cost)	£20.00	£04.00	£24.00
Renew acrylic or ply bath panel (Unit cost)	£57.00	£11.40	£68.40

Repair	Amount (Excl.VAT)	VAT 20%	Incl. VAT
Replace non standard or fit missing internal door handle (unit cost)	£10.00	£02.00	£12.00
Uplift & dispose of tenant floor coverings (unit cost).	£95.00	£19.00	£114.00
Clear tenant left contents from dwelling including outbuildings (average cost)	£170.00	£34.00	£204.00
Clear tenant left contents from outbuildings including shed/s (average cost)	£85.00	£17.00	£102.00
Dispose of garden shed (if in poor condition).	£100.00	£20.00	£120.00
Sparkle Clean.	£120.00	£24.00	£144.00
Strip wallpaper and leave prepared for decoration (per room cost)	£200.00	£40.00	£240.00
Remove tenant light fitting and fit pendant (unit cost).	£10.00	£02.00	£12.00
Renew single / double electrical outlet plate (average cost) Damaged /Non standard or paint damage.	£10.00	£02.00	£12.00
Renew single / double electrical switch plate (Unit cost) i.e. Damaged / Non standard or paint damage.	£20.00	£05.00	£25.00
Plaster repair to damaged wall (Total combined patches not exceeding 1 square m)	£10.00	£02.00	£12.00

## Notes

1. This list is not exhaustive and other repairs that are deemed to be required will also be charged for based upon the National Housing Federation (NHF) Schedule of Rates.
2. These costs **do not include the administration charge** for the arrangement of the repair and are intended to compensate the Group for the labour and material costs of the repair only.
3. Where more specialised equipment is damaged, i.e. low level, close coupled WC's or level access showers, the actual cost of the replacement plus any administration fee will be charged.