



ASHFIELD HOMES LIMITED

FINANCIAL REGULATIONS

Revised 8 March 2011

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1. Interpretation and Status of Financial Regulations

Status

- 1.1 The Financial Regulations of the Company form part of its overall system of financial and management control.
- 1.2 This document sets out the Company's Financial Regulations. It translates into practical guidance the Company's broad policies relating to financial control. This document was approved by the Board on 13 May 2008, and supersedes the Financial Regulations and Standing Orders documents approved by the Board on 2 December 2003. The Financial Regulations will be reviewed every three years or sooner if required.
- 1.3 Compliance with the Financial Regulations is compulsory for all employees connected with the Company. It is the responsibility of members of the Senior Management Team to ensure that employees are made aware of the existence and content of the Company's Financial Regulations and that an adequate number of copies are available for reference within their Department.

Interpretation

- 1.4 In these Financial Regulations, unless context otherwise requires:
 - a) Company means Ashfield Homes Limited;
 - b) Executive Management Team means the Chief Executive and the Director of Operations.
 - c) The Board or Board of Directors means the governing body of the Company;
 - d) The Chair or Chair of the Board means the Chair of the Company and its Board of Directors;
 - e) The Senior Management Team means the Chief Executive, the Director of operations, the Assistant Director of Technical Services, the Assistant Director of Housing Services, the Company Accountant , the Company Solicitor and Secretary, and the Human Resources and Development Manager
 - f) The Council means Ashfield District Council.

2. Financial Control

The Board

2.1 The Board has ultimate responsibility for the Company's finances. Its financial responsibilities are:

- to ensure the solvency of the Company;
- to safeguard the Company's assets;
- to ensure the effective and efficient use of resources:
- to ensure that financial control systems are in place and are working effectively, and that an internal audit report summary is produced by the internal audit provider annually;
- to approve the Company's annual Delivery Plan;
- to approve annual estimates of income and expenditure and to approve the annual audited financial statements;
- to recommend to the Annual General Meeting the appointment of the Company's Internal and External Auditors;
- to consider any other matters relevant to the financial duties of the Board and make recommendations accordingly;
- to ensure that Board Members have adequate information to enable them to discharge their financial responsibilities.

Audit Requirements

2.2 The Company Accountant is responsible for drawing up a timetable for the annual audit of the Company's financial statements and will advise employees and the External Auditors accordingly.

2.3 External Auditors and Internal Auditors shall have authority to:

- access Company premises at reasonable times;
- access all assets, records, documents and correspondence relating to any financial and other transactions of the Company;
- require and receive such explanations as are necessary concerning any matter under examination;

- require any employee of the Company to account for cash, stores or any other Company property under his or her control, and meet the Board or the Audit Committee without any Company employees being present;
 - access records belonging to third parties held by the Company, eg. contractors, when required.
- 2.4 Whenever any matter arises that involves, or is thought to involve, irregularities or fraud concerning cash, stores, or other property of the Company, or there is any other suspected irregularity in the exercise of the activities of the Company, the line manager concerned shall notify the relevant Senior Management Team Member who will take steps, as necessary, by way of investigation with the involvement of the Company Accountant, Company Solicitor and Secretary and Internal Audit as needed. Where necessary, a report will be made to the Board. The Company should also have in place an effective operating procedure for whistle blowing.
- 2.5 The Chief Executive shall notify the Chair of the Board and the Audit Committee of any such irregularities, and will record them on a register.
- 2.6 If the suspected irregularities potentially involve the Chief Executive or the Company Accountant and/or the Company Solicitor and Secretary then the person who becomes aware of the potential irregularity will consult the Chair of the Board (or the vice Chair of the Board) and the Chair of the Audit Committee, who will take such action as they consider appropriate.
- 2.7 The Company will ensure it complies with all financial procedures required by legislation.
- 2.8 The Internal Auditor will comply with the Auditing Practices Board's Auditing Guideline, 'Guidance for Internal Auditors'.

External Audit

- 2.9 The appointment of External Auditors will take place annually at the Annual General Meeting, and will include a regular review of performance by the Audit Committee. This appointment will, periodically, be subjected to market testing.
- 2.10 The primary role of External Audit is to report on the Company's financial statements and to carry out such examination of the statements and underlying records and control systems as are necessary to reach their opinion on the statements, and to report on the appropriate use of funds. Their duties will be in accordance with advice set out in the Code of Audit Practice and the Auditing Practices Board's Auditing Standards.
- 2.11 Management letters will be sent by the Auditors to the Chief Executive, the Chair of the Board, and the Chair of the Audit Committee, highlighting areas of concern and recommending any improvements for efficiency and control.

Internal Audit

- 2.12 The Internal Auditor is appointed by the Board on the recommendation of the Audit Committee. This should be reviewed annually.
- 2.13 The Board has a responsibility for instituting adequate systems of internal control. This responsibility will in part be fulfilled by the Internal Audit function, which shall be under the direction of the Company Accountant. Verification of all internal controls will be the responsibility of the Internal Auditor. The Internal Audit function shall be responsible for an annual review of internal controls and, in conjunction with the External Auditors, reporting thereon to the Audit Committee.
- 2.14 The Internal Auditor will give details of findings and recommendations to the relevant Senior Management Team Member. All findings will be reported to the Senior Management Team and the Audit Committee.

Other Auditors

- 2.15 The Company may, from time to time, be subject to audit or investigation by external bodies, such as HM Revenue and Customs, who have statutory rights of access.

Responsibilities

The Chief Executive

- 2.16 The Chief Executive is responsible for the operational management of the Company's affairs, including all financial affairs. He or she must assist the Board in determining its strategic objectives and promote the achievement of such objectives through the effective deployment of the Company's resources.

The Company Accountant

- 2.17 Day to day financial administration is the responsibility of the Company Accountant. The Company Accountant is responsible to the Chief Executive for:
- Financial and business planning;
 - Preparing annual capital and revenue budgets;
 - Preparing management accounts and information, monitoring and control of income and expenditure against budgets, and all financial operations;
 - Preparing the Company's annual accounts and other financial statements and accounts that the Company is required to submit to other authorities;
 - Preparing appraisals for major investment decisions;

- Ensuring that the Company maintains satisfactory financial systems;
- Providing professional advice to the Board on all matters relating to financial policies and procedures, including treasury management;
- Co-ordinating the development and drafting of the annual Delivery Plan.

The Company Solicitor and Secretary

2.18 The Company Solicitor and Secretary is responsible for:

- Checking that the Company complies with its Memorandum and Articles of Association and the Company's Act 1985/89;
- Keeping the Company's statutory books and records;
- Administration of the Board and general meetings;
- Filing of forms, etc. at Companies House;
- Collation and filing of accounts and compliance with legislation in conjunction with the Company Accountant;
- Shareholder communications;
- Giving access to Company records and compliance with the Data Protection Act and the Freedom of Information Act;
- Advising Directors on their legal responsibilities and updating them on developments in the law concerning the running of companies;
- Administering the Registered Office;
- Managing the security of the Company seal, the Certificate of Incorporation, and the Memorandum and Articles of Association.

Senior Management Team

2.19 Members of the Senior Management Team are responsible for financial management in their own areas. They are advised by the Company Accountant in executing their financial duties. The Company Accountant will also supervise and approve the financial systems operating within their Departments, including the form in which financial records are kept.

- 2.20 Members of the Senior Management Team are responsible for establishing and maintaining clear lines of responsibility within their Departments for all financial matters.
- 2.21 Where resources are devolved to budget holders, the budget holder is accountable to the member of the Senior Management Team, who has overall control of that particular Departmental budget.

Budgeting

Resource Allocation

- 2.22 Resources are allocated regularly, and at least annually, and on the recommendation of the Company Accountant and approval of the Board.

Budget Preparation

- 2.23 The Company Accountant is responsible for ensuring a revenue budget is prepared annually for consideration by the Board. The Company Accountant must ensure that detailed budgets are prepared, and supporting information retained, in order to support the resource allocation process and that these are communicated to the Senior Management Team, as soon as possible, following their approval by the Board. Departments may operate supplementary budgets within their allocations in accordance with procedures established by the Company Accountant. Following approval by the Board, the budget shall be used as the authority to incur expenditure within the approved budget limit.
- 2.24 During the year, the Company Accountant is responsible for submitting revised budgets to the Board for approval.

Capital Programmes

- 2.25 All Company capital expenditure on land and buildings together with associated costs can only be considered where approved by the Board.
- 2.26 The Company Accountant is responsible for providing regular statements concerning all capital expenditure to the Board.
- 2.27 Proposed capital projects should be supported by:
- A statement that demonstrates the project's consistency with a strategic plan approved by the Board;
 - An initial budget for the project for submission to the Board. The budget should include a breakdown of costs, including professional fees and funding sources;

- A financial evaluation of the plans together with their impact on revenue expenditure plus advice on the impact of alternative plans;
- An investment appraisal in an approved format, which complies with regulatory guidance on option and investment appraisal;
- A demonstration of compliance with normal tendering procedures;
- A cashflow forecast.

Financial Planning

- 2.28 The Company Accountant is responsible for preparing Financial Business Plans for approval by the Board and for preparing long term financial forecasts. Financial plans should be consistent with the strategic plans approved by the Board.

Budgetary Control

- 2.29 The control of income and expenditure within an agreed revenue budget is the responsibility of the designated budget holder who must ensure that day to day monitoring is undertaken effectively. Budget holders are responsible to the relevant Senior Management Team member for the income and expenditure appropriate to their budget. The budget holder will be assisted in this duty by management information provided by the Company Accountant. The Company Accountant shall also be responsible to the Chief Executive for monitoring the budgetary performance of the whole Company, and have authority to seek and receive explanations of actual or potential overspending and under recoveries of income. These will be reported to the Chief Executive and, as required, to the Audit Committee.

Virement

- 2.30 Where a budget holder is responsible for more than one budget heading, virement (the authority to transfer budgets) is permitted if authorised by the Company Accountant. Virement may only be exercised where there is no ongoing net revenue effect, and must have regard to the achievement of the Company's policies and performance targets.
- 2.31 Virement between budgets held by different budget holders will firstly need to be approved by the Company Accountant followed by approval at the next meeting of the Senior Management Team. Virement may only be exercised where there is no ongoing net revenue effect, and must have regard to the achievement of the Company's policies and performance targets. All virements with a value of £75,000 or over must be approved by the Board.

- 2.32 Revenue budget carry forwards at the financial year end will need to be approved by the Company Accountant followed by approval at the next meeting of the Senior Management Team. Revenue budget carry forwards may only be exercised where there is no ongoing net revenue effect, and must have regard to the achievement of the Company's policies and performance targets.

Accounting Policies

Basis of Accounting

- 2.33 The consolidated financial statements are prepared on the historical cost basis of accounting and in accordance with applicable accounting standards, as issued by the Financial Reporting Council, and in accordance with the requirement of the Companies Act 1985/89, and such amended legislation that may from time to time be in force.

Accounting Returns

- 2.34 The Company Accountant is responsible for consolidating and dispatching financial returns and other periodic financial reports to the relevant agencies, as required. The Company Accountant is also responsible for ensuring that all grants due to the Company are received.

Accounting Records

- 2.35 The Company Accountant is responsible for the retention of financial documents. These should be kept in a form acceptable to the relevant authorities.

- 2.36 The Company is required by law to retain prime documents. These include:

- Accounts raised (six years);
- Copies of receipts (six years);
- Payroll records (six years);
- VAT records (six years).

- 2.37 For auditing and other purposes, the Company should retain other financial documents for three years. Where documents are required to be kept for a longer period in accordance with the parent local authority's legal requirement for the retention of such documents then that period will apply, ie. twelve years, if applicable.

- 2.38 The Company Accountant will arrange a timetable to ensure that draft accounts are considered by the Audit Committee and the Board before the Annual General Meeting of the Company, and that the audited financial statements are available for adoption at the Annual General Meeting.

3. Income and Banking

General

- 3.1 The Company Accountant is responsible for ensuring that appropriate procedures are in operation to enable the Company to receive all the income to which it is entitled. All receipt forms, invoices, tickets, or other official documents in use must have the approval of the Company Accountant.
- 3.2 The Company Accountant is responsible for the prompt collection, security, and banking of all income received.
- 3.3 The Company Accountant is responsible for ensuring that all grants notified are received and appropriately recorded in the Company's accounts.
- 3.4 The Company Accountant is responsible for ensuring that all claims for funds are made by the due date.

Appointment of Bankers

- 3.5 The Board is responsible for the review and appointment of the Company's bankers.

Banking Arrangements

- 3.6 The Company Accountant is responsible for liaising with the Company's bankers in relation to the Company's bank accounts and the issue of cheques. All cheques shall be ordered on the authority of the Company Accountant who shall make proper arrangements for their safe custody.
- 3.7 The Company will not operate any bank accounts without the Council's prior consent, and all bank accounts shall be in the name of the Company.
- 3.8 All cheques drawn on behalf of the Company must be signed in the form approved by the Board. The current bank mandate states that one authorised signature is required for cheques up to £50,000 and two signatures are required for values in excess of £50,000.
- 3.9 The Company Accountant is responsible for ensuring that all bank accounts are subject to regular reconciliation and independent review, and that large or unusual items are investigated, as appropriate.

Cash Receipts

- 3.10 All monies received within Departments from whatever source must be recorded by the Department on a daily basis together with the form in which they were received. An authorised receipt of the Company should be issued.
- 3.11 No deductions may be made from any cash collected on behalf of the Company prior to paying into the bank.

- 3.12 Personal or other cheques must not be cashed out of money received on behalf of the Company.
- 3.13 Any individual, company or partnership, etc. offering a contribution to the Company may do so only on the understanding that the contribution is not accepted in consideration of any matter resulting in pecuniary advantage accruing to that individual, company or partnership.

The Collection of Debts

- 3.14 The Company Accountant should ensure that:
- Debtors invoices are raised promptly in respect of income due to the Company;
 - Debtors are raised on official invoices;
 - Swift and effective action is taken to collect overdue debts in accordance with normal accepted procedures;
 - Outstanding debts are monitored and reports are prepared for Managers.
- 3.15 The Company Accountant is responsible for implementing credit arrangements and indicating a period in which different types of invoice must be paid.

Write Off of Debts

- 3.16 Requests to write off debts in excess of £250, but not exceeding £5,000, must be referred in writing to the Company Accountant for submission to the Senior Management Team for consideration, who will in turn inform the Board on an annual basis. Debts below this level may be written off with the permission of the relevant member of the Senior Management Team but will also be reported to the Senior Management Team meetings. Where an irrecoverable debt exceeds £5,000, Board approval must be sought.

Security of Documents

- 3.17 The Company Solicitor and Secretary and the Company Accountant are responsible for the safe keeping of official and legal documents relating to the Company. Signed copies of deeds, leases, agreements, and contracts must, therefore, be forwarded to the Company Solicitor and Secretary or Company Accountant. All such documents shall be held in an appropriately secure, fireproof location, and copies held at a separate location.

Stocks and Stores

- 3.18 Members of the Senior Management Team are responsible for establishing adequate arrangements for the custody and control of stocks and stores within their Departments. The systems used for stores accounting in Departments must have the approval of the Company Accountant.
- 3.19 Members of the Senior Management Team are responsible for ensuring that regular inspections and stock checks are carried out.
- 3.20 Where stocks require valuation in the balance sheet, the relevant member of the Senior Management Team must ensure that the stock taking procedures in place have the approval of the Company Accountant.

Stores materials and equipment purchases

- 3.21 Specifically in relation to Stores products, equipment, and materials purchasing it is anticipated that full use will be made of available collaborative purchasing agreements. This may include partnership arrangements, in order to achieve best value, and it may also include the Company making use of Consortium procurement arrangements. In these situations it is accepted that the Consortium or Procurement Club will have undertaken the relevant EU advertisement where applicable, on behalf of the group members.
- 3.22 Whereby the Stores & Purchasing Section chooses to pursue a collaborative approach to procurement, and such methods should be encouraged where financially beneficial, the available prices/rates should be periodically market tested to ensure that the Company receives value for money.
- 3.23 The Stores stock profile will be the subject of a rolling review. Each product line should have a range of available suppliers, wherever possible and accepting that some product lines will be either copyrighted, or only available through a supplier determined by the manufacturer. There may also be occasions whereby it is possible to purchase direct from the manufacturer. The range of suppliers will be ranked in price/cost order and the most cost efficient price will be used whenever that supplier has available stock at the time of need.
- 3.24 Due to the fact that raw materials costs will fluctuate, and due to the multitude of suppliers available for most Stores product lines, it is expected that when a collaborative purchasing method cannot be utilised, all products will be market tested/tendered on a three-yearly basis as a minimum. The tender process will be undertaken by product family group where possible. However, the tender process will not be on a fixed-term basis and it will provide flexibility so that the Company can make use of new and more cost efficient supply rates, as and when they present themselves.
- 3.25 The Stores & Purchasing Section should also have a role in ensuring that the Company's product and material purchases are environmentally friendly. It is anticipated that the Stores & Purchasing Section will periodically assess all stock product lines in order to seek out new environmentally sound alternatives. In such instances whereby the Stores Service has identified an alternative product

line, it will be discussed with an appropriate member of the Company's Senior Management Team. It may then be the case that the Company procures a product line which, whilst having a greater initial outlay cost, is more environmentally viable.

- 3.26 In situations whereby the Stores Service stocks and provides materials and equipment on behalf of Ashfield District Council (ADC) it is accepted that ADC may specify a product supplier, due to the specialist nature of the product in question. In such instances documented confirmation of ADC's specific product request should be sought as justification.
- 3.27 It is accepted that, in certain circumstances, specific product lines may be specified and purchased so as to be in-keeping with what has gone before. Such products may not be the most cost efficient available in terms of initial outlay. However, often, replicating what has gone before may be necessary in order to achieve a repairs labour saving.
- 3.28 Whereby a specific one-off product purchase is required, it is accepted that the usual tendering process may not always apply. For example, in order to service a one-off time constrained repair requirement, a specific part, spare, or product may be needed. In such instances time may be of the essence and therefore, the product may be sought from the closest and most convenient source

4. Expenditure

General

- 4.1 The Company Accountant is responsible for making payment to suppliers of goods and services to the Company.

Authorities

- 4.2 Members of the Senior Management Team are responsible for purchases within his or her Department. Purchasing authority may be delegated to authorised individuals (ie. budget holders) within the Department.
- 4.3 The Company Accountant shall maintain a register of authorised signatories, including authorisation limits. Any changes to the authorities to sign must be notified to the Company Accountant immediately. Members of the Senior Management Team must, on an annual basis, supply the Company Accountant with specimen signatures of those authorised to certify orders and invoices.
- 4.4 Members of the Senior Management Team and budget holders are not authorised to commit the Company to expenditure without first reserving sufficient funds to meet the purchase cost.

Petty Cash

- 4.5 All the petty cash floats will be held only for the purpose of making small disbursements and paying properly authorised expenses. The requirement and level of imprest float will be determined by the Company Accountant in consultation with the Manager for whom the imprest float has been created.
- 4.6 Each Manager in whose area an imprest float is held will be responsible for ensuring that drawings on the imprest float do not exceed the authorised limits.
- 4.7 At the end of the financial year, a certificate of the balances held should be completed by the manager responsible for the float.

Purchase Orders

- 4.8 The Company Accountant shall be responsible for a system of corporate ordering, including authorisation levels.
- 4.9 The preferred method of making commitments of any kind is to raise one of the Company's standard orders or equivalent document and, wherever possible, this method should be followed.

4.10 The authority to make commitments is in all cases subject to the general restriction that the expenditure must relate to the responsibilities of the person authorising it and be within budget. It is the responsibility of the Company Accountant to ensure that all purchase orders refer to the Company's conditions of contract.

Payment of Invoices

- 4.11 The procedures for making all payments shall be in a form specified by the Company Accountant. Cheques will be signed as per the bank mandate in force at the time.
- 4.12 The Company Accountant is responsible for deciding the most appropriate method of payment for categories of invoice.
- 4.13 Suppliers should be instructed by the budget holder to submit invoices for goods or services to the Department concerned.
- 4.14 Members of the Senior Management Team are responsible for ensuring that expenditure within their Department does not exceed funds available.
- 4.15 Payments will only be made by the Company Accountant against invoices that have been certified for payment by the appropriate Senior Management Team member or budget holder. Certification of an invoice must ensure that:
- The goods have been received, examined and approved with regard to quality and quantity, or that services rendered, or work done, is satisfactory;
 - Where appropriate, it is matched to the order;
 - Invoice details (quantity, price, discount) are correct;
 - The invoice is arithmetically correct;
 - The invoice has not previously been passed for payment;
 - Where appropriate, an entry has been made on a Stores record or Departmental inventory;
 - VAT issues have been complied with where they apply;
 - An appropriate cost centre is quoted. This must be one of the cost centre codes included in the budget holder's area of responsibility, and must correspond with the type of goods or service described on the invoice.

4.16 Invoices must be passed to the Finance Department as soon as they have been certified. Care must be taken by the budget holder to ensure that discounts receivable are obtained.

Credit Notes

4.17 Credit notes will only be accepted once they have been certified for payment by the appropriate Senior Management Team member or budget holder. Clear justification for accepting a credit note should be provided in all instances.

Consultants

4.18 The Chief Executive will compile and maintain a list of consultants in professional categories appropriate to the Company's working requirements.

4.19 Before being placed on the list, consultants must have:

- a) Performed satisfactory work of a similar nature for the Company within the previous two years; or provided satisfactory references from two organisations relating to relevant work carried out for them within the previous two years or;
- b) Relevant specialist knowledge and experience, which is likely to be of value to the Company; and
- c) Professional indemnity of a sufficient level to protect the Company's interest.

4.20 The Chief Executive may limit the number of consultants within a particular category where the Company's needs are adequately covered. The list will be subject to ongoing amendment but will be fully reviewed no less than once every three years. The names of consultants placed on the list will be reported to the Board.

4.21 Consultants will be selected from the list on the basis of either:

- a) Rotation, having regard to their availability;
- b) Particular knowledge or expertise;
- c) Having undertaken feasibility work at their own risk;
- d) Price and quality.

4.22 The appropriate member of the Senior Management Team must be satisfied that the fees and charges are reasonable and that appropriate procedures have been followed having regard to the type of work, prevailing market conditions, and the particular knowledge or expertise of the consultant.

4.23 The appointment of consultants shall be in the form of a formal letter of engagement specifying the terms of the appointment.

- 4.24 The Company Solicitor and Secretary will maintain a register of all appointments made, giving reasons for the selection, and details of the fees and charges.

Conferences

- 4.25 A member of the Senior Management Team shall approve the attendance of Officers at any conference, training session or seminar provided that the cost is contained within the relevant budget.
- 4.26 The attendance of Board Members at any conference, training session or seminar shall be approved by the Chief Executive except where the Board Member has been invited to attend a training session/seminar organised inhouse.

Use of Purchasing Cards

- 4.27 Ashfield Homes issues purchasing cards for the express use of performing the Company's normal business activities. Purchasing cards will only be issued to those employees approved by the Senior Management Team.
- 4.28 The issue of purchasing cards will be subject to strict terms and conditions of use and cardholders will be required to declare that they agree to adhere to these.
- 4.29 The authority to make payments by purchasing card is subject to the general restriction that the expenditure is within budget and authorised in line with Financial Regulation 4.2.
- 4.30 Purchasing card purchases will not replace the normal purchasing procedures, and in line with Financial Regulation 4.9 purchase orders should be raised wherever possible.

5. Employees

General

5.1 The Company Accountant is responsible for all payments of salaries and wages to all employees, including payments for overtime or services rendered. All time sheets and other pay documents will be in a form prescribed or approved by the Company Accountant.

5.2 With the exception of the Senior Management Team, all Company employees will be appointed to the salary scales approved by the Chief Executive. In the case of the Senior Management Team, the Board determines and approves pay and conditions. All letters of appointment must be issued by the Human Resources and Development Manager.

5.3 The creation of new posts must be approved by the Chief Executive in conjunction with the Director of Operations.

5.4 The Human Resources and Development Manager must keep the Company's Payroll Officer informed of all matters relating to personnel for payroll purposes. In particular, these include:

- Appointments, resignations, dismissals, secondments, and transfers;
- Absences from duty for sickness or other reason;
- Changes in remuneration, including normal increments and pay awards;
- Information necessary to maintain records of service for superannuation, income tax, national insurance, etc.

5.5 The Company Accountant shall be responsible for keeping all records relating to payroll, including those of a statutory nature.

5.6 All payments must comply with HM Revenue and Customs regulations.

Pensions

5.7 The Board is responsible for undertaking the role of employer in relation to appropriate pension arrangements for employees and approval of any changes to the Pension Scheme.

Travel, Subsistence and Other Allowances

5.8 All claims for payment of subsistence allowances, travelling and incidental expenses shall be completed in a form approved by the Company Accountant.

- 5.9 Claims by employees must be certified by the relevant manager. Claims by members of the Senior Management Team must be approved by the Chief Executive or Director of Operations before payment. Claims made by the Chief Executive must be approved by another member of the Senior Management Team. The certification by the authorised signatory shall be taken to mean that the journeys were authorised, the expenses properly and necessarily incurred, and that the allowances are properly payable by the Company.
- 5.10 Board members are entitled to claim public transport expenses or car mileage on Company business. Payments will be made by the Company upon receipt of the prescribed form duly completed. Board member claims must be certified by the Chief Executive, the Director of Operations or the Company Accountant.

Personnel Matters

- 5.11 The Chief Executive shall, subject to approved policies and budgets, decide the number, seniority and grade of posts required to execute the work of the Company. The Board will be presented with an annual Human Resources Report, including establishment levels.
- 5.12 Both formal and informal arrangements shall be developed for consultation with Trade Unions and Employee Representatives on employee related matters.

Appointment of Employees

- 5.13 All vacancies shall be filled in accordance with the Company Recruitment and Selection Policy.
- 5.14 The Chief Executive and members of the Senior Management Team may authorise the employment of temporary employees as need arises, and provided that the costs can be contained within the relevant employee budget.
- 5.15 The following employees are authorised to appoint employees:
- Chief Executive – all employees.
 - Director of Operations – all employees except the Chief Executive, Company Accountant, Company Solicitor and Secretary, and Human Resources and Development Manager;
 - Assistant Directors/Company Accountant/Company Solicitor and Secretary, and Human Resources and Development Manager – all employees with the exception of the Chief Executive, the Director of Operations and members of the Senior Management Team.

6. Assets

Fixed Assets

- 6.1 The purchase of fixed assets will normally be undertaken as part of an approved programme authorised by the Board. However, where capital expenditure does not exceed £10,000, Board authorisation is not required. Purchases of single items of less than £1,000 will be treated as revenue expenditure and will be recorded on the Inventory Register if in excess of £100. All items exceeding £1,000 will be deemed as capital expenditure.
- 6.2 The Company Accountant is responsible for maintaining the Company's Fixed Assets and Inventory Registers recording a description of furniture and equipment, plant and machinery, and other capital equipment owned by the Company. Each member of the Senior Management Team will be responsible for items within their area.
- 6.3 Each member of the Senior Management Team responsible for assets in the Fixed Asset Register shall be responsible for maintaining an annual check of all items on the Fixed Asset Register, for taking action in relation to surpluses or deficiencies, and for making amendments to the Register and notifying these to the Company Accountant.
- 6.4 The Company's assets shall not be removed other than in the ordinary course of the Company's business or used other than for the Company's purposes, except in accordance with specific directions issued by the Chief Executive or any member of the Senior Management Team responsible for the property.
- 6.5 Any loss or damage to any individual asset coming to the attention of any employee shall be reported immediately to the appropriate line manager and, where appropriate, an insurance claim should be made.
- 6.6 The depreciation policy for fixed assets will be defined by the Company Accountant and will not be contrary to any generally accepted accounting principles.
- 6.7 The Company Accountant shall be responsible to the Chief Executive and the Board for the implementation of proper and effective information technology systems. The Company Accountant shall have authority to ensure that all necessary measures are taken to meet reasonable security needs and to ensure compliance with the obligations of the Company under Data Protection legislation in force at the time, subject to the advice of the Company's Data Protection Officer.

Inventories

- 6.8 In addition to the Asset Register, the members of the Senior Management Team are responsible for maintaining inventories for all plant and equipment, furniture and stores in their Departments with a value in excess of £100.
- 6.9 The inventory must include items donated or held in trust.

- 6.10 Inventories must be checked at least annually and retained in the form prescribed by the Company Accountant.

Asset Disposal

- 6.11 Disposal of equipment and furniture over £5,000 and deemed as capital (on the Fixed Asset Register) must be agreed by the Board. Disposals below £5,000 may be authorised by a Senior Management Team in line with the register of authorised signatories.
- 6.12 Disposal of land and buildings must only take place with the authorisation of the Board.

Treasury Management (Investments and Borrowings)

- 6.13 All executive decisions concerning borrowing, investment or financing (within policy parameters) shall be delegated to the Company Accountant and an appropriate reporting system established. All borrowing and investments shall be in the name of the Company, and shall conform to any relevant regulatory requirements. The Company Accountant and his or her employees are required to act in accordance with the Company's Annual Investment Strategy, as approved by the Board.

Security

- 6.14 Members of the Senior Management Team are responsible for maintaining proper security at all times for all buildings, stock, stores, furniture, cash, etc. under their control. They shall report to Senior Management Team any case where security is thought to be defective or where it is considered that special security arrangements may be needed.
- 6.15 The loss of safe keys must be reported to the Company Accountant immediately.
- 6.16 An employee shall be responsible for maintaining proper security and privacy of information. Access to areas where data is stored will be restricted to authorised persons. Information relating to individuals held on computer will be subject to the provisions of the Data Protection Act. The Company Solicitor and Secretary will act as the Data Protection Officer to ensure compliance with the Act.

7. Insurance and Taxation

Insurance

- 7.1 The Company Accountant is responsible to the Chief Executive for effecting insurance cover as determined by the Board. He or she is, therefore, responsible for obtaining quotes, negotiating claims, and maintaining the necessary records. He or she will also deal with the Company's Insurers and advisors about specific insurance problems.
- 7.2 Members of the Senior Management Team must ensure that any agreements negotiated within their Departments with external bodies cover any legal liabilities to which the Company may be exposed. The Company Accountant and the Company Solicitor and Secretary's advice should be sought to ensure that this is the case. Members of the Senior Management Team must give prompt notification to the Company Accountant of any potential new risks and additional property equipment that may require insurance, and any alterations affecting existing risks.
- 7.3 Members of the Senior Management Team must advise the Company Accountant immediately of any event that may give rise to an insurance claim. The Company Accountant will notify the Company's insurers and, if appropriate, prepare a claim in conjunction with the relevant Senior Management Team member for transmission to the insurers.
- 7.4 The Company Accountant will keep a register of all insurances effected by the Company and the property and risks covered.
- 7.5 The Director of Operations and Assistant Director of Technical Services are responsible for keeping suitable records of plant that is subject to inspection by an insurance company, and for ensuring that inspection is carried out in the periods prescribed.
- 7.6 Members of the Senior Management Team and other relevant employees shall consult the Company Solicitor and Secretary regarding the terms of any indemnity that the Company is requested to give.
- 7.7 The appropriate member of the Senior Management Team, in consultation with the Company Accountant, shall ensure that all contractors have adequate employees and third party liability insurance before contracts are carried out on behalf of the Company.
- 7.8 If the Company appoints Brokers to negotiate and place its insurance portfolio and deal with all claims handling, the Brokers shall be subject to an annual review and a periodic tendering exercise.

Taxation

- 7.9 The Company Accountant is responsible for advising the Senior Management Team on all taxation issues in the light of guidance issued by the appropriate bodies, and the relevant legislation as it applies to the Company. Therefore, the Company Accountant will issue instructions to Departments on compliance with statutory requirements, including those concerning VAT, PAYE, National Insurance, and Corporation Tax.
- 7.10 The Company Accountant is responsible for maintaining the Company's tax records, making all tax payments, receiving tax credits, and submitting tax returns by their due date, as appropriate. He or she is also responsible for developing an effective taxation strategy that will minimise the tax burden to the Company.

8. Contracts and Tendering

Generally

- 8.1 The interpretation and implementation of these Financial Regulations relating to Contracts and Tendering, and all practices on behalf of the Company involving the supply of goods, services, materials, or works, shall comply with the expressed intention of the Company that the principles of fairness, openness, and best value shall apply in all respects.
- 8.2 Transactions shall not be divided into lots to avoid complying with the requirements of these Financial Regulations relating to Contracts and Tendering.

EU Procurement

- 8.3 The Company's tendering and acceptance procedures practice is subject to EU procurement rules that apply to public authorities. EU procurement rules set out detailed procedures for the tendering of services, supplies and works that exceed specific thresholds. These thresholds are reviewed on a regular basis by the European Parliament.

At January 2008, the thresholds stood at:

<u>Supplies</u>	<u>Services</u>	<u>Works</u>
£139,893	£139,893	£3,497,313
(€206,000 (Euros))	(€206,000 (Euros))	(€5,150,000 (Euros))

Tenders for supplies, services and works that exceed the above thresholds are required to be advertised in the Official Journal of the European Union (OJEU)

Tendering Procedure

- 8.4 Alternative procedures are in place for obtaining tenders dependant upon the value and nature of the goods, materials, services or works to be obtained (any of which may be subject to any additional requirements, EC Directives or English Law)

Tenders for goods, materials, services or works (where the reasonably anticipated value of the tender is less than £15,000)

- 8.5 Where the value of any goods, materials, services or works has a reasonably anticipated value of less than £15,000, then these may be awarded without completing a formal tender process at the discretion of the Chief Executive or the Director of Operations, who must be satisfied that it represents good value for money and is the most advantageous to the Company.

Tenders for construction related services or works (where the reasonably anticipated value of the tender is £15,000 or more)

- 8.6 Where the appropriate member of the Senior Management Team has decided that a tender is for construction related services or works, the Approved list of Company's who will be invited to tender are to be selected from Constructionline (www.constructionline.co.uk) the Company's approved selection list and shall be composed of a minimum of 3 contractors and suppliers who:
- a) Meet the requirements of the appropriate member of the Senior Management Team as to:
 - i) their suitability;
 - ii) their operational capacity;
 - iii) their Health and Safety policy;
 - iv) their Equal Opportunities policy.
 - b) Meet the requirements of the Company Accountant as to their financial stability and insurance levels.
- 8.7 Should at anytime it be necessary to select Contractors or Companies from any other source than those recorded on the Company's approved selection list then this must be brought to the appropriate member of the Senior Management Team and written permission should be obtained prior to any tenders being distributed. A record of any such permission should be kept on the appropriate tender file for future reference.
- 8.8 If there are less than 3 contractors and suppliers who meet the requirements of the appropriate Senior Management Team Member and the reasonably anticipated value of the tender is less than £75,000, then the appropriate Senior Management Team Member may authorise the Tender to be issued.
- 8.9 If there are less than 3 contractors and suppliers who meet the requirements of the appropriate Senior Management Team Member and the reasonably anticipated value of the tender is in excess of £75,000 then the appropriate Senior Management Team Member shall report to the next relevant board meeting and seek approval before proceeding with the Tender.
- 8.10 The appropriate Senior Management Team member will, where possible, ensure reasonable rotation of contractors/suppliers invited to tender. However, it is accepted that this may not always be possible due to the strength of the Construction Industry at any one time or alternatively due to the type or specialist nature of works.
- 8.11 Where tenders for services or works of a similar nature have been received within the previous 9 months, the appropriate Senior Management Team member will ensure, wherever possible, that the previous winning contractor/supplier shall be included on the Approved Tender List, providing the contractor/supplier complies with the requirements for inclusion on such an Approved Tender List.
- 8.12 A register shall be maintained by the Company Accountant for all tenders issued whose reasonably anticipated value is in excess of £15,000.

Tenders for goods, materials, services or works, other than construction related (where the reasonably anticipated value of the tender is £15,000 or more)

- 8.13 Where the appropriate Senior Management Team Member has decided that Invitations to tender for goods, materials, services or works are to be made to some or all of the interested parties who have replied to a public notice, then a public advertisement giving at least ten working days notice shall be placed in one or more newspapers circulating in the area and/or in such trade journals as the relevant member of the Senior Management Team considers appropriate.
- 8.14 The Approved Tender List shall be selected by the appropriate Senior Management Team member from those contractors and suppliers who respond to the appropriate public advertisement and shall be composed of a minimum of 3 contractors and suppliers who:
- a) Meet the requirements of the appropriate member of the Senior Management Team as to:
 - i) their suitability;
 - ii) their operational capacity;
 - iii) their Health and Safety policy;
 - iv) their Equal Opportunities policy.
 - b) Meet the requirements of the Company Accountant as to their financial stability and insurance levels.
- 8.15 If there are less than 3 contractors and suppliers who meet the requirements of the appropriate Senior Management Team Member and the reasonably anticipated value of the tender is less than £75,000, then the appropriate Senior Management Team Member may authorise the Tender to be issued.
- 8.16 If there are less than 3 contractors and suppliers who meet the requirements of the appropriate Senior Management Team Member and the reasonably anticipated value of the tender is in excess of £75,000, then the appropriate Senior Management Team Member shall report to the next relevant board meeting and seek approval before proceeding with the Tender.
- 8.17 The appropriate Senior Management Team member will, where possible, ensure reasonable rotation of contractors/suppliers invited to tender.
- 8.18 A register shall be maintained by the Company Accountant for all tenders issued whose reasonably anticipated value is in excess of £15,000.

Consultants (where the reasonably anticipated value of the tender is in excess of £15,000)

8.19 For Consultants of a specialist nature, or working within a specialist area of activity, the relevant member of the Senior Management Team shall select from the list of Consultants maintained by the Chief Executive and comply with the terms set out in 4.21. The Tendering procedure for services to be undertaken by Consultants will be in accordance with 8.13 to 8.16 (inclusive).

Contents of Tenders

8.20 The Tender documentation should include/specify (as appropriate):

- (a) a statement that the Company is not obliged to accept the lowest, or any Tender;
- (b) a statement that the Company may accept the most economically advantageous Tender;
- (c) a statement that the Company will not be responsible for any costs incurred in the preparation of the Tender;
- (d) a declaration for the supplier/contractor to confirm that the Tender price has not been adjusted to the detriment of the Employer by reference directly or indirectly to the prices of any other Tender or proposed Tender;
- (d) the arrangements for the return of tender and any associated documents to the appropriate Senior Management Team Member;
- (e) that the endorsed envelope, or any additional packaging, shall not bear any distinguishing matter or mark intended to indicate the identity of the sender;
- (f) a statement highlighting that failure to return a completed Permit to Work or Health and Safety Plan with tender submissions, when requested to do so by the Company, shall result in the automatic disqualification of the tender concerned;
- (g) a statement indicating that the Tender is to remain open for acceptance for a minimum period of twelve weeks from the date of submission;
- (h) a statement indicating that the value of goods, materials, services or works to which the tender relates will exclude Value Added Tax, as applicable;
- (h) the standard form of contract that is to be used;
- (i) the quantity of goods, materials or services to be supplied and the work to be executed;
- (j) the period(s) during which the contract is to be performed;
- (k) provision of liquidated damages;
- (l) the extent/levels of insurances to be provided by the Contractor/supplier;
- (m) where the reasonably anticipated value of the tender is in excess of £250,000, that a Performance Bond or Company Guarantee (or both) be provided. The form of which is to be approved by the Company Solicitor/Secretary;
- (n) the provision of incentives, where applicable
- (o) TUPE clause, if applicable;
- (p) a statement in relation to the Freedom of Information Act, if applicable;
- (q) a statement indicating the relevant termination procedure.

8.21 In every written tender, a clause shall be inserted to ensure that the Company shall be entitled to cancel any contract and recover from the contractor the amount of any loss resulting from cancellation due to inducement. The tender shall be endorsed with a note as follows:

- “a) No Officer shall invite or accept any gift or reward in respect of the award or performance of any contract or agreement. It will be for the Officer to prove that anything received was not received corruptly. High standards of conduct are obligatory; corrupt behaviour will lead to dismissal and is a crime under statutes referred to in (ii) below.*
- (b) Ashfield Homes may terminate this contract or agreement and recover all its losses if the Contractor, its employees or anyone acting on the Contractor’s behalf do either of the following things:*
 - (i) offer, give or agree to give to anyone, any inducement or reward in respect of this or any other contract or agreement (even if the Contractor does not know what has been done);*
or
 - (ii) commit an offence under the Prevention of Corruption Acts 1889 to 1916 or Section 17(2) of the Local Government Act 1972.*

“Any clause limiting the contractor’s liability shall not apply to this clause”

Receipt and Opening of Tenders

8.22 Tenders shall be enclosed in a plain envelope securely sealed and shall bear the word ‘Tender’ followed by the subject to which the tender relates or reference number, but shall not bear any distinguishing matter or mark intended to indicate the identity of the sender.

8.23 Tenders shall be addressed to the relevant member of the Senior Management Team and shall be returned to the Registered Office of the Company, unless the reasonably anticipated value of a Tender is not in excess of £15,000 and the Tender is for goods, services, materials, or works that are associated with the allocation of work to sub contractors, and forms part of the works carried out by the Company’s Technical Services Department, in which case the Tenders may be returned directly to the office used by the Assistant Director of Technical Services within the relevant section of the Technical Services Department.

8.24 The Company Accountant or their nominated representative shall ensure that Tenders, when received, are marked clearly with the date and time they are received, be kept in a safe or locked cabinet and remain unopened until the time of opening.

8.25 Tenders will not be considered unless returned to the specified place by the specified time and in the specified manner.

- 8.26 Tenders returned to the registered office of the Company shall be opened at one time and in the presence of the appropriate member of the Senior Management Team, or their representative, and the Company Accountant, or their representative. A member of the Senior Management Team must be present at the opening of any such tender. In the case of tenders reasonably anticipated to be in excess of £250,000, a member of the Board shall also be present.
- 8.27 Tenders returned to the office used by the Assistant Director of Technical Services within the relevant section of the Technical Services Department, shall be opened at one time by the Assistant Director of Technical Services in the presence of the Company Accountant, or their representative.
- 8.28 When tenders are being evaluated on both quality and price each part of the bid will be separated and returned to the Company's registered office at the same time but in separate sealed envelopes. The sealed envelopes must identify which is the quality and price part of the bid. The quality element will be opened in accordance with normal procedures as set out in 9.20 – 9.25 and forwarded to the relevant Senior Management Team member to allow preparation for the quality evaluation. The price element will not be opened but will be stored in the Company's safe by the Company Accountant and shall not be opened until the quality element of the bid has been fully evaluated.

Acceptance of Tenders

- 8.29 For tenders over £15,000 and under £250,000, a tender, other than the most advantageous (either price or quality) shall only be accepted following the approval of the Chief Executive or Director of Operations. A written report from the appropriate member of the Senior Management Team on the circumstances must be made to the to the next Board meeting.
- 8.30 For tenders over £250,000, a tender, other than the most advantageous (either price or quality) shall only be accepted following the approval of the Chair of the Board. A written report from the appropriate member of the Senior Management Team on the circumstances must be made to the next Board meeting.
- 8.31 Should less than three Tenders be returned, and the value of the tender is between £15,000 and £75,000, then the appropriate member of the Senior Management Team may accept the tender and report the matter to the next Board meeting.
- 8.32 Should less than three Tenders be returned, and the value of the tender is in excess of £75,000, then the appropriate member of the Senior Management Team shall seek approval of the Board prior to awarding the tender.
- 8.33 Where examination of tenders reveals errors or discrepancies that would affect the successful offer, the person or organisation that made the tender shall be given details of such errors and discrepancies and afforded an opportunity of confirming, correcting or withdrawing the offer. The relevant position of the tenders received shall, wherever possible, be reviewed by the Officers present at the opening of the tender.

- 8.34 A member of the Senior Management Team may, at their discretion, disregard a tender that contains errors or arrives late and shall make a record of the reasons for so doing. The relevant position of the tenders received shall then be reviewed by the Officers present at the opening of the tender.
- 8.35 Should the tender proposed for acceptance be in excess of any budget or financial constraint then the appropriate member of the Senior Management Team shall report to the next board meeting

Exemptions from Tendering

- 8.36 In the situations given below, the Financial Regulations in relation to tendering may not apply. Provided that the goods, materials, services or works have a reasonably anticipated value of more than £15,000 and less than £75,000 and that either the Chief Executive, or the Director of Operations, is satisfied that it represents good value for money and is the most advantageous to the Company. Where such goods, materials, services or works have a reasonably anticipated value of £75,000 or more, Board approval shall be sought as to how to proceed:
- a) The goods, materials, services or works are proprietary, or are supplied only at a fixed price and no reasonably satisfactory alternative is available, or are controlled by trade organisations or, if for other reasons, there would be no genuine competition;
 - b) Renewal for a further term of an existing contract where this is provided for within the original contract or agreement, subject to satisfactory performance;
 - c) The goods, materials, services or works are required as a result of an emergency requiring immediate attention;
 - d) The goods, materials, services, or works, comprise the maintenance or repair to, or parts for, existing machinery or plant.
- 8.37 In the situations given below, the Financial Regulations in relation to tendering may not apply for the supply of goods, materials, services or works, whose reasonably anticipated value is in excess of £15,000. The appropriate Senior Management Team Member shall seek the approval of the Board before Proceeding:
- a) The relevant suppliers and/or consultants will be, or have been, appointed under a Partnering Agreement approved by the Board to govern the award of relevant supply contracts or building contracts, or consultancy appointments, and that the award of the Partnering Agreement, or the first supply contract or consultancy, has been made in accordance with procedures as approved by the Board in accordance with good practice. Provided that the Board is satisfied that, in relation to each contract or appointment, other than the first one awarded in pursuance of a Partnering Agreement, the costs have not risen above the costs of the last actual contract awarded or more than the equivalent of the relevance of the Retail Price Index, or other pre-determined price fluctuation mechanism, over the period since the contract was let. Where the Company is acting as an agent for the Council, the Council's approval will be obtained before proceeding.

- b) Competitive tenders have been obtained within the previous 12 months for goods, or services of a substantially similar nature and the successful contractor or supplier is willing to extend the contract on the same or better rate.
- c) An instance may arise whereby an organisation goes into liquidation and can no longer fulfil its contractual obligations to the Company. In such instances if competitive tenders have been obtained within the previous 12 months for goods or services of a substantially similar nature and a contractor or supplier who submitted a tender at that time is willing to provide those goods or services at the same rate to that quoted at the time, then this can be considered as an alternative to retendering for the specific contract(s) affected, subject to the requirements of 8.29 -8.35 "Acceptance of Tenders" being fulfilled.
- d) An instance may arise whereby an organisation goes into liquidation and can no longer fulfil its contractual obligations to the Company. In such instances, if competitive tenders have not been obtained within the previous 12 months for goods or services of a substantially similar nature and whereby the value of works is greater than £75,000. The Chief Executive or Director of Operations in consultation with the Chair or Vice Chair of the Board will take the necessary emergency steps to ensure that the Company's services, in the short term, continue to be delivered, up to the value of £250,000.

In the event of c) and d) above, a written report from the appropriate member of the Senior Management Team on the circumstances must be made to the next Board meeting.

Suspension or Exclusion from Tender Lists

- 8.38 Organisations declining or failing to submit a tender without good reason, having been formally invited, may be suspended or excluded from the Approved Tender Lists future tenders.

Contracts and Agreements

- 8.39 Whilst every transaction shall normally be evidenced in writing, every written contract and agreement in excess of £75,000 shall be in a form approved by the Company Solicitor and Secretary, and shall incorporate the appropriate items listed in "Contents of Tenders"

Signing or Sealing of Contract Documents

- 8.40 The Board of Non-Executive Directors has resolved that one from the Chief Executive, Director of Operations, Assistant Director of Technical Services, Assistant Director of Housing Services and the Company Accountant, together with one from the Chair or Vice Chair of the Board, or the Chair of the Audit Committee, be authorised to attest the use of the Company Seal in accordance

with the Memorandum and Articles of Association of the Company on the following documents executed as deeds under seal:

- a) JCT and PPC 2000 contracts and other contracts executed under seal, which have been procured in accordance with the provisions of these Financial Regulations.

- 8.41 All contracts or agreements not required to be under seal, but which have been procured in accordance with the provisions of these Financial Regulations, shall be signed by one from the Chief Executive, Director of Operations, Assistant Director of Technical Services, Assistant Director of Housing Services and the Company Accountant, together with one from the Chair or Vice Chair of the Board, or the Chair of the Audit Committee.
- 8.42 A Register shall be maintained, by the Company Accountant, of all signed, or sealed, Contracts, or Agreements. The Company Accountant shall also store, within a safe or secure locked cabinet, copies of the relevant documentation relating to these Contracts, or Agreements.

Annual Preferred Contractor Agreements

- 8.43 Tendering for the Annual Preferred Contractor Agreements shall follow the formal tender procedure in order to determine the preferred contractors to be utilised in support of the Repairs and Cyclical Maintenance Section for Technical Services for the forthcoming year. The annual returns shall be opened by the Director of Operations or the Assistant Director of Technical Services in the presence of the Company Accountant or his or her representative. This tendering process is to determine a maximum of 6 contractors, per trade discipline, to be placed in the Company's database to receive works under a call-off capacity process. Each allocation called off shall be allocated to the Contractor with the most advantageous rate against each trade discipline for each individual schedule of rates code/task.

Performance Bonds & Guarantees

- 8.44 Where a contract is estimated to exceed £250,000 a Performance Bond or Company Guarantee, or both, shall be provided. The wording and form of the Performance Bond or Company Guarantee shall be approved by the Company Solicitor and Company Accountant.

Liquidations and Bankruptcies

- 8.45 Where a contractor, or supplier, ceases to trade during the currency of a contract or agreement, the appropriate member of the Senior Management Team shall take the appropriate steps to minimise the possible loss to the company. In all

cases the appropriate member of the Senior Management Team shall consult with the Company Accountant or Company Solicitor and Secretary.

Exception to Financial Regulations in Relation to Contracts and Tendering

- 8.46 Every tender issued and contract awarded shall comply with the Financial Regulations and no exemption from any of the provisions shall be made otherwise than by direction of the Board, or Chief Executive, who shall be personally satisfied that the exception is urgent and justified. Every exception shall be recorded in the minutes of the Board.

Framework Agreements

- 8.47 Senior Management Team members may, subject to complying with EU requirements, authorise participation in a framework agreement where it can be shown that the framework offers value for money.
- 8.48 Authority to participate in a framework agreement must comply with the values defined in the authorised signatory list, maintained by the Company Accountant. Participation in framework agreements with a value in excess of £500,000 shall only be authorised following approval of the Chair of the Board. After receiving such approval a written report from the appropriate Senior Management Team member must be made to the next board meeting.
- 8.49 Where the terms and conditions of the framework agreement match the Company's requirements, the relevant Senior Management Team member may enter into an appropriate agreement with a supplier for goods and/or services under the agreement, providing that the supplier's offer is in accordance with the terms, conditions and pricing structure of the relevant framework agreement. If there is more than one supplier meeting the above criteria then the relevant Senior Management Team member may select the most economically advantageous supplier.

