

 <p>Northwards Housing North Manchester's Council Homes</p>		Report to: Northwards Housing Board 20 January 2016		Item No: <h1>13a</h1>	
Title:		Scheme of Delegations			
Date:		12 January 2016			
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Confidential:		No			
For: (Please tick action required)		NOTING ✓	DISCUSSION		APPROVAL
PURPOSE OF REPORT					
To provide a reminder to Board Members of their responsibilities as set out in the Scheme of Delegations, Matters Reserved for the Board and within the Standing Orders.					
RECOMMENDATION					
Newly appointed and existing Board Members are asked to ensure that they are familiar with the Scheme of Delegations, Matters Reserved for the Board and the responsibilities delegated and reserved by the Board as set out in the Standing Orders.					
IMPLICATIONS					
Risk Management		RR08 Effective Governance			
Regulatory & legal compliance		The NHF Code of Governance states that there must be clear arrangements between the board and chief executive and clear delegation of authority.			

Consultation/Consideration:

	Yes, No or N/A:	Name:	Date:
Sub-Committee:	N/A		
Area Panel:	N/A		
Task Groups:	N/A		
Ward Councillors:	N/A		

Scheme of Delegations

1.0 Background

- 1.1 The National Housing Federation (NHF) Code of Governance states that there must be clear arrangements between the board and chief executive, and clear delegation of authority.

2.0 Scheme of Delegations

- 2.1 Northwards recently revised its [Financial Regulations](#) and Standing Financial Instructions (SFIs), and these were approved by the Resources Sub-Committee and presented to Board for information in November 2014. The Scheme of Delegation and Matters reserved by the Board were attached as an Appendix to the SFIs. They have also been attached to this report for information to newly appointed Board Members, and as a reminder to existing Board Members.
- 2.2 Northwards also reviewed and updated its Standing Orders in September 2015. The Standing Orders set out the responsibilities delegated by the Board to the Chief Executive and the Executive Management Team (EMT). The updated [Standing Orders](#) have now been published on the Governance Website.

3.0 Recommendation

- 3.1 Newly appointed and existing Board Members are asked to ensure that they are familiar with the Scheme of Delegations, Matters Reserved for the Board/EMT and the responsibilities delegated and reserved by the Board as set out in the Standing Orders.

Appendix A – Matters reserved for the Board and EMT

1. Matters Reserved for the Board

1.1. Strategy & Management

1.1.1. Setting of the Company's strategic aims and objectives.

1.1.2. Oversight of the Company's operations ensuring:

- competent and prudent management;
- sound planning;
- maintenance of sound management and internal control systems;
- adequate accounting and other records; and
- compliance with statutory and regulatory obligations.

1.1.3. Review of performance in the light of the Company's values, strategic aims, objectives, business plans and budgets and ensuring that any necessary corrective action is taken.

1.1.4. Approval of any decision to cease to operate all or any material part of the Company's business.

1.1.5. Approval of changes to the Company's management and control structure.

1.2. Financial reporting and controls

1.2.1. Approval of all company policies, including Financial Regulations and these Standing Financial Instructions.

1.2.2. Approval of the annual budgets and any material changes to them.

1.2.3. Approval of the Company's annual report and financial statements.

1.2.4. Appointment of the Company's external auditors.

1.2.5. Responsible for ensuring a sound system of internal control and risk management including:

- Receiving reports on, and reviewing the effectiveness of, the Company's risk and control processes to support its strategy and objectives;
- Approving procedures for the detection of fraud and the prevention of bribery;
- Undertaking an annual assessment of these processes; and
- Approving an appropriate statement for inclusion in the annual report.

1.3. Board membership and other appointments

- 1.3.1. Ensuring adequate succession planning for the board and senior management so as to maintain an appropriate balance of skills and experience within the company and on the board.
- 1.3.2. Selection of the chairperson of the board and the chief executive.
- 1.3.3. Appointment of any independent board members and co-optees.
- 1.3.4. Appointment or removal of the company secretary.
- 1.4. Remuneration
 - 1.4.1. Determining the remuneration policy for the Chief Executive directors and other senior members of staff.
- 1.5. Delegation of authority
 - 1.5.1. Approval of the directors' authority limits.
 - 1.5.2. Establishing board committees and approving their terms of reference, and approving material changes thereto.
 - 1.5.3. Appointment of Board members and co-optees to sub-committees.
 - 1.5.4. Receiving reports from board sub-committees on their activities.
- 1.6. Corporate governance matters
 - 1.6.1. Undertaking a formal and rigorous annual review of its own performance, that of its committees and individual directors.
 - 1.6.2. Determining the independence of non-executive directors in light of their character, judgment and relationships.
 - 1.6.3. Review of the Company's overall corporate governance arrangements.
 - 1.6.4. Compliance with Company Law.

2. Matters Reserved for Executive Management Team

- 2.1. Strategy & Management
 - 2.1.1. Formulate the vision and strategy of the Company, for approval by the Board, and initiate reviews, as appropriate.
 - 2.1.2. Develop actions with heads of service to achieve the vision and implement the strategy.

- 2.1.3. Negotiate terms and conditions of appointment of executive directors to be approved by the Board.
- 2.1.4. Develop succession plan and executive director development programmes.
- 2.1.5. Approve general conditions of employment of all other staff members.
- 2.1.6. Provide strong leadership to the heads of service and ensure all employees understand the vision and strategy and their part in its achievement.
- 2.1.7. Ensure procedures and training are in place to provide a safe work environment.
- 2.1.8. Ensure employees are educated on legal requirements and company policies such that compliance is the culture and a high level of ethical behaviour is expected.
- 2.2. Financial reporting and controls
 - 2.2.1. Formulate all company policies, including Financial Regulations and these Standing Financial Instructions, for approval by the Board
 - 2.2.2. Formulate annual budgets, and any material changes to them, for approval by the Board.
 - 2.2.3. Ensuring completion and successful audit of the Company's annual report and financial statements.
 - 2.2.4. Recommendation to the Board regarding appointment of Company's external audit.
 - 2.2.5. Formulate and maintain the Company's system of internal control and risk management.
 - 2.2.6. Formulate and approve delegated authorities of all staff.

Appendix B – Scheme of Delegation

DELEGATED MATTER	Ref: SFIs	AUTHORITY DELEGATED TO
RESPONSIBILITIES OF THE DIRECTOR OF BUSINESS SERVICES	Section 4	
Northwards' Financial Regulations and these SFIs present key rules and procedures in regard to all financial matters. However, the Director of Business Services may prepare, document and maintain more detailed financial procedures and systems incorporating the principles of separation of duties and internal check to supplement these instructions. Further to these SFIs, the Director of Business Services may require, of any officer who carries out a financial function, that the form in which the records are kept and the manner in which the officer discharges his/her duties shall be to the satisfaction of the Director of Business Services.	4.1	Head of Finance
The Director of Business Services shall ensure appropriate arrangements are in place to pay and recover tax, and shall be responsible for seeking professional advice in this regard, as necessary.	4.2	Head of Finance
The Director of Business Services shall ensure that insurance arrangements exist in accordance with the risk management programme, and that documented procedures cover these arrangements.	4.5	Head of Finance
In addition to the instructions specified in Section 12 of these instructions, the Director of Business Services is responsible for designing, maintaining and ensuring compliance with systems for the proper recording, invoicing, collection and coding of all monies due, including income from Manchester City Council. The Director of Business Services is also responsible for the prompt banking of all monies received.	4.6	Head of Finance
All employees must inform the Director of Business Services promptly of money due arising from transactions which they initiate/ deal with.	4.7	Head of Finance
The Director of Business Services, on behalf of Northwards, will prepare financial returns in accordance with the requirements of the law, Northwards' accounting policies, and generally accepted accounting principles.	4.12	Head of Finance
The Director of Business Services, on behalf of Northwards, will prepare and certify	4.13	Head of Finance

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annual accounts, and submit them, and any report of the auditor on them, to Companies House.		
The Director of Business Services is responsible for managing Northwards' banking arrangements, and for advising the Board on the provision of banking services and operation of accounts.	4.16	Head of Finance
The Director of Business Services is responsible for ensuring payments made from bank accounts do not exceed the amount credited to the account except where arrangements have been made. Further he/she must report to the Board all arrangements made with the company's bankers for accounts to be overdrawn.	4.17	Head of Finance
The Director of Business Services shall be responsible for the proper payment of all accounts and claims. The Director of Business Services shall establish and communicate procedures to ensure that all officers provide prompt notification of all money payable by Northwards arising from transactions which they initiate.	4.29	Head of Finance
PURCHASE AND CREDIT CARDS	Section 6	
The number and credit limit of purchase cards for each business unit is at the discretion of the Director of Business Services but the combined credit limit of all users must not exceed the credit limit of Northwards as a company (currently £400k).	6.2	Head of Finance
If an individual user exceeds their monthly limit their Line Manager may request a temporary extension of credit but only at the discretion of the Director of Business Services.	6.4	Head of Finance
In cases of emergency the Director of Business Services, or his delegated authority, can increase the individual limits of a card user and remove any blocked categories for a limited period of time.	6.10	Head of Finance
EMPLOYEE EXPENSES	Section 10	
In exceptional circumstances the Director of Business Services may approve an employee's expense claim to be reimbursed through petty cash but only to a maximum of £50.	10.7	Head of Finance
PETTY CASH	Section	

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Advances from petty cash may be made by the Director of Business Services, or his delegated authority, in certain circumstances. However, this should only occur when it is not possible to go through normal procurement routes. Receipts should be provided of any expenditure incurred using these advances and any unused funds returned.	11.4	Head of Finance
In exceptional circumstances the Director of Business Services may approve an employee's expense claim to be reimbursed through petty cash but only to a maximum of £50.	11.9	Head of Finance
The number and value of petty cash floats will be determined by the Director of Business Services.	11.10	Head of Finance
On the first Friday of every month Finance will reimburse each of the petty cash floats to the level specified by the Director of Business Services.	11.15	Head of Finance
INCOME AND BANKING	Section 12	
The number of collections shall be specified by the Director Business Services but there should never be more than a 6 week gap between any collection.	12.9	Head of Finance
Prior to any collection the designated officer should make a record of all cash collected. After the cash is collected by Finance they will count the cash and reconcile it to the record supplied by the designated officer. If there are any queries these should be directed to the designated officer in the first instance but if there are any concerns this must be reported immediately to the Director of Business Services.	12.12	Head of Finance