Policy Owner	Zoe Field	Business Area	Finance
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Group Financial Regulations

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Foreword

This document outlines the responsibility for financial matters within Coastline Housing Group which includes Coastline Housing Limited and its subsidiaries (Coastline). The Group Structure is as set out in the 'Group Structure' worksheet in the 'Asset and Liability Register' file which can be found on Coastnet.

Coastline has registrations with the Charity Commission (charitable company), with the Regulator for Social Housing (as a registered provider of social housing), with Companies House (registered companies) and the Care Quality Commission (registered care provider re Miners Court).

Financial regulations are part of the framework for providing sound financial management and effective financial control, incorporating the requirements of the Agencies we are registered with. These regulations aim to translate Coastline's broad policies relating to financial control into practical guidance.

The Directors and members of staff are expected to interpret the regulations reasonably and in the spirit of the best interests of Coastline at all times. The regulations will inevitably not cover every possible situation and it is important that in cases of doubt advice is sought in the first instance from your Line Manager or a member of the Executive Team.

This document is also a statement of intent and should uphold Coastline's values in all interactions with suppliers and stakeholders.

1. Financial Regulations

Scope

1.1 These regulations apply to all the activities of Coastline and as they cover all Group companies any intra-group agreements should be noted. All income and expenditure is covered, no matter what the source and all assets and liabilities irrespective of their nature.

1.2 Compliance with the financial regulations is compulsory for all individuals directly engaged in any capacity by Coastline, including all paid staff, volunteers, involved customers and Board and Committee members.

1.3 Temporary staff and consultants, while not employees of Coastline, are expected to behave in a manner consistent with these regulations.

1.4 It is the responsibility of managers to ensure that their colleagues and direct reports are made aware of the existence and the content of the financial regulations and related documents and it is expected that this would normally be covered as part of any new colleague induction process and as part of normal team meetings.

2. Financial Control

2.1 Principles of good conduct

All directors and staff are responsible for observing the highest standards with respect to the fundamental principles of

- integrity

- objectivity
- selflessness
- accountability
- openness
- honesty
- leadership with probity and propriety

Colleagues should seek the advice of their Line Manager in the first instance or a member of the Executive Team immediately should they suspect that any of the fundamental principles of good conduct have been called into question.

2.2 Values of the Group

Our values underpin everything that we do, from how we work with customers and each other on a day to day basis to how we make long term strategic decisions. Our values are:

- Put our customers first
- Be open, honest and accountable
- Strive to be the best
- Value each other

2.3 Value for Money

All individuals directly engaged in any capacity by Coastline should ensure that they achieve optimum economy, efficiency and effectiveness in delivery of their strategic objectives recognising the need to balance factors such as available resources, risks and other duties that the Group must comply with (such as health and safety requirements) to ensure long-term financial viability.

2.4 Conflicts of interest

The integrity of Coastline colleagues can be called into question in a number of ways.

The Group Code of Conduct Policy and Group Standing Orders cover some areas such as Declarations of Interest and Gifts & Hospitality.

2.5 Register of Interests

Additionally, members of the Boards of Directors and Staff are required to disclose interests in the Register of Interests and as part of any meeting where the interest may be relevant as detailed in the Group Standing Orders.

3. Introduction

3.1 Coastline is governed by its Board of Management. The Board has responsibility for the overall operation of the Group including the Boards of all Subsidiary companies and oversees the role of such Committees as it shall have established. The Board also has responsibility for approving these Financial Regulations.

3.2 The Board has the responsibility for regulating and controlling the finances of Coastline. The Board will agree the financial framework to meet its overall financial objectives and will monitor performance to ensure that Coastline is equipped and administered to provide efficient, effective and economic services to its customers.

3.3 The financial regulations define the working arrangements for conducting Coastline's financial transactions and will be subject to periodic review. The over-arching requirement of all managers and staff is to seek value for money in exercising their powers to spend money and to ensure that controls are in place to prevent unnecessary expenditure.

3.4 The following is a glossary of terms used in the document:

- Executive Team i.e. at the current time the Chief Executive Officer; Deputy Chief Executive, Director of Finance; Director of Development & Commercial Services and any others defined as such by the Board or a Committee of the Board.

- Director of Finance: references to this post also refer to the postholder's authorised deputy for the specific area in their absence.

- Managers i.e. anyone with responsibility for colleagues in their role profile or who have a supervisory relationship with other members of staff e.g. Team Leaders.

- Budget Holders: As agreed from time to time by the Director of Finance.

3.5 The Financial Regulations should be read in conjunction with other relevant documents some of which are detailed in Appendix A - Suggested Further Reading List.

3.6 Each section starts with a 'Principle' paragraph, which should provide an overview of the section.

4. Financial Administration and Planning

4.1 Financial Administration

Principle

The Director of Finance will be responsible to the Chief Executive Officer and the Board for the proper administration of Coastline's financial affairs.

General

4.1.1 The Director of Finance will be responsible for advising on the financial organisation and accounting procedures, any changes such as introduction of any accounts, documents or procedures relating to payment of employees, cash, the keeping of stores, and collection of income or any other accounting matters will be subject to approval by the

Director of Finance. Policies on the retention and destruction of financial records will be approved by the Director of Finance.

4.1.2 Each Budget Holder will comply with the requirements of the Director of Finance to ensure that as far as possible arrangements to ensure segregation of duties for the following functions:

- provide information regarding sums due to or from Coastline and calculate, check, record and examine these;
- collect or disburse amounts due to or from Coastline;
- certify / approve documents for payment in the case of payments.

4.1.3 Each Budget Holder will submit to the Director of Finance as required all information which the latter considers necessary for costing, accounting and financial control purposes and will afford to the Director of Finance access to all accounts, records and documents. Every member of staff will deliver up, on request and as necessary, all items of cash held by them on behalf of Coastline and all items of equipment and other assets that belong to Coastline.

4.1.4 The Director of Finance will be responsible for supplying financial information to The Executive team and Senior Managers in such form and frequency as will be agreed with them.

4.1.5 In addition, Coastline's internal and external auditors will have access rights to any documentation, books of account and other company records for the purposes of their audit.

4.1.6 The Director of Finance will prepare the financial accounts of Coastline and its subsidiaries as soon as possible after the end of the financial year to comply with all relevant statutory and regulatory requirements.

4.2 Financial Planning

Principle

The Director of Finance, with the approval of the Board, will establish a strategic financial framework as part of the Business Plan to incorporate the main issues facing Coastline and to match strategies/policies with resources. Such financial planning will involve consideration of medium and longer-term commitments and forecasts, together with the annual budget.

General

4.2.1 The strategic financial plan must ensure that Coastline remains financially viable and adheres to its financial loan covenants. At the same time the plan must interpret the implication of the current financial regime affecting rents and other best practice principles and be built on reasonable business assumptions.

4.2.2 The strategic plan is known as the Business Plan and sets the parameters for the budget for the forthcoming financial years and is approved by the Board before the end of March each year.

4.2.3 The Property & Investment Committee receives a Quarterly Treasury Report that includes consideration of potential impacts on the 30 year Business Plan each quarter for review. If there are any material/significant changes to the performance of the plan, a revised Business Plan will be presented to the Board for approval.

4.2.4 The Director of Finance will ensure that any significant issues affecting the achievement of the Business Plan (or the year's budget) will be reported to the Board as soon as possible. Significant issues might include problems arising from delivering the agreed operational programme, or from the occurrence of an unplanned event, or change in the financial environment, or change in a key business/accounting policy.

4.2.5 The plan will distinguish between already approved strategies/policies and those where expenditure is foreseen but not yet approved. The Director of Finance will report to the Board details of the level of resources required to service these proposals, in the context of the overall financial strategy of the Board, and the accomplishment of strategic objectives.

5. The Budgetary System

Principle

The Director of Finance will be responsible for establishing a timetable for the preparation of each year's budget. This process will commence with the Board setting out expectations at its Strategy Day (usually in November) and formally approving the annual budget before the end of March.

5.1 General

5.1.1 Every Budget Holder is required to manage a budget in accordance with the guidance contained in the following regulations. In general terms, a Budget Holder is accountable for setting a budget, controlling how the budget is committed, incurring expenditure and generating income. They must also explain the reasons for income and expenditure which is higher or lower than the budget (i.e. explain the variance) as well as forecasting the outturn on a regular basis. Coastline's Business Plan will fix the overall parameters within which the annual budget must be set.

5.1.2 It is the Budget Holder's responsibility to achieve the budget targets for the year, bearing in mind at all times the need to secure value for money (which should balance cost/quality and consider customer service implications). Variations between budgets is covered in Regulations 5.1.3-5.1.4 below and the procedure to deal with any unbudgeted item is covered in Regulation 5.3.

5.1.3 An Executive Team member can approve changes within a budget area provided the total is unaltered. The budget can be flexed and move within capital or revenue but not across these.

5.1.4 Staffing establishment is subject to Board approval.

5.1.5 Where there are is any Health & Safety related works or spend required that would exceed budgets that this is reported to the Executive Team immediately and subject to materiality, spend will not be unduly delayed.

5.2 Budgetary Control

5.2.1 Monitoring of all budgets will be undertaken by the Executive Team, with responsibility being devolved on a day to day basis to nominated Budget Holders for their own areas of activity.

5.2.2 The Director of Finance will report on the state of Coastline's finances on a regular basis, no less than quarterly, to the Board.

5.2.3 Budget monitoring reports will be circulated to budget holders every month for discussion with the relevant finance lead and comment.

5.2.4 Where a material error is identified in the original budget, this will be explained and corrected as soon as possible and the budget will then be revised as necessary, following disclosure and approval by the Board.

5.2.5 The monthly management accounts will also include a rolling 36 month and 13 week cash flow forecast that will highlight the cash inflows and outflows of Coastline and show if Coastline needs to draw-down any new loan advances (or can afford to repay any loans previously drawn). Cash flow will be monitored on a weekly (and daily basis where necessary) to ensure that Coastline has access to sufficient liquid resources at all times and that it properly invests excess funds appropriately in accordance with the Treasury Management Policy.

5.3 Unbudgeted Items

5.3.1 Any proposal to incur expenditure not provided for in the original budget and which cannot be met by re-allocation in accordance with Financial Regulations 5.1.3 or 5.1.4, will be referred in writing by the appropriate Budget Holder to the Director of Finance prior to its inclusion in any report to be considered by the Executive Team.

5.3.2 Requests for approval of an unbudgeted item which cannot be met from existing revenue resources will be referred to the Board with a recommendation from the Executive Team.

6. Orders for Work, Goods And Services

Principle

Orders relating to contracts must be placed in accordance with Group Contract Standing Orders (covering the invitation of tenders and quotations).

6.1 Purchase Orders

6.1.1 All orders raised for property related goods and services will be issued on consecutively numbered purchase orders on Connect (Total Mobile).

6.1.2 Orders will be completed in sufficient detail to identify accurately the materials, work or service required and will specify where applicable the quotation, contract or other agreement, the price agreed and the approved budget expenditure code against which costs will be charged.

6.1.3 Overhead and non-property related spend will not have purchase orders raised for them, approval to spend will be sought from the relevant member of staff with the relevant financial authority in that area as per the authorised signatory list, this shall then go through the dual approval process on the payment request form attached to the invoice. Should a manual purchase order be required then this can be obtained from the Purchase Ledger team. Responsibility for ensuring compliance with contract standing orders will lie with the relevant Senior Manager and Budget Holder.

6.2 Leases

6.2.1 Leases cover entering into financial commitments, under contract, to secure the use of land and buildings or vehicles, plant and equipment for the purposes of the business of Coastline.

6.2.2 The procedures governing entering into contracts are dealt with by the Contract Standing Orders.

6.2.3 Where the purpose is for use of land or buildings this would cover both residential and office requirements. Residential leasing schemes must accord with the overall operational strategy of Coastline and adhere to strict development scheme appraisal requirements, to ensure that costs are covered by income over the life of the scheme.

6.2.4 Where the purpose is for the use of offices (or other administrational premises) of the business then the Chief Executive Officer, in consultation with the Director of Finance, must ensure that it accords with the Business Plan and annual budget before proceeding with the lease.

6.2.5 Where the purpose is vehicles, plant or equipment then the Budget Holder responsible must ensure that the item is included in the annual budget and that the conditions of the lease contains no inappropriate clauses before proceeding with it

6.2.6 The Director of Finance is responsible for writing-off the cost of the lease over its useful life, where applicable, and to ensuring that any regular payments under the terms of the lease are properly met and charged to the appropriate budget.

6.3 Authorised Signatory List

6.3.1 A list of authorised signatories will be maintained by the Purchase Ledger team, any new starters will need to sign an authorised signatory form, if a replacement role then this will default to the limits of the previous employee, if a new role then this will need to be approved by the Director of Finance. Any changes to existing levels will result in a new authorised signatory form being completed and will be approved by the Director of Finance. An annual review of the authorised signatory list will be completed by the Director of Finance.

6.3.2 The authorised signatory list can be found in the Procedures and Guides section of the Finance & Performance team on Coastnet or by searching for 'Authorised Signatory List'.

7. Payment Of Accounts

Principle

The usual method of payment will be by electronic payment from Coastline's account direct to the account of the vendor or by other transfer instrument drawn on Coastline's bank account. The only payment by cheque drawn on Coastline's bank account will be restricted to occasions for withdrawing cash from our bank. In exceptional cases, a cheque may be drawn for payment to a third party. All payments of fees and expenses due from Coastline will be made by or under arrangements approved by the Director of Finance.

7.1 Certification for payment

7.1.1 All accounts for payment (other than payments that have been workflowed and approved via Connect) will be first stage approved on Invu by the relevant person (usually a Budget Holder) before the second stage approval on Invu by the appropriate manager or other authorised senior officer (the expectation would be in most circumstances that a more senior member of the team, line manager, or a member of the senior management team or executive team as appropriate would approve the invoice, i.e. approved through an escalation process). Authorising signatories should ensure that a separation of duties exists between the ordering of goods and the approval of invoices for payment, approvers also need to satisfy themselves that the goods and services have been received through questioning/ obtaining sufficient evidence, such as a completion certificate or goods received note to approve the invoice, as by signing as approver they are taking full responsibility for the approval of the invoice. Each officer approving an invoice for payment will only approve expenditure against budget areas for which they have responsibility, or for which they have delegated authority.

7.1.2 Payments will only be made on proper tax invoices (when applicable) that display the VAT registration number. Any payment made on a pro-forma invoice must be followed up by the issue of a proper tax invoice in due course.

7.1.3 In approving a payment certifying officers will satisfy themselves that:

- the works, goods or services to which the account relates have been carried out, received, examined and approved, are fit for the purpose and where appropriate comply with predetermined standards;
- that the Group Contract Standing Orders have been complied with;
- the relevant expenditure has been properly ordered, authorised or incurred, is properly chargeable to the correct expenditure code and is within the relevant estimate provision;
- the invoices are arithmetically correct and discounts, allowances, credits and tax are correct;
- the account has not previously been passed for payment;
- in the case of computer-produced job tickets or orders, the order has been designated as “complete” on the screen to prevent possible future duplicate payments; and
- appropriate entries have been made in inventories and stores records.

7.1.4 Photocopied or fax copies of invoices are not acceptable, except in extreme circumstances and then only if the copy has been certified by a member of the finance team.

7.2 Processing

7.2.1 Vendors are to be instructed to forward invoices, credit notes, statements and other documents of account directly to Finance & Performance Department at Coastline House. All Coastline invoices received (whether via the post system or electronically) should be forwarded on immediately to the Finance team. The correspondence e-mail addresses for vendor communications (including electronic invoices etc.) is - accounts@coastlinehousing.co.uk.

7.2.2 Upon receipt at the Finance & Performance Department, all documents are to be scanned and entered onto Invu which acts as both invoice register and approval system before interface posting of transactions into the financial systems under direction of the Director of Finance or Deputy.

7.3 Approval

7.3.1 Weekly payment runs, made via NatWest Autopay, will be reviewed and approved by the appropriate authorised individuals before being released for payment.

7.4 Urgent and Ad hoc processing

7.4.1 Certified invoices due for payment but which require payment in advance of normal processing may in exceptional circumstances be processed through the urgent payment system (Bankline), with the approval of the appropriate authorised individuals.

7.5 Company Credit Cards

7.5.1 Issue of company credit cards must be approved by the Director of Finance in advance. Only budgeted and pre-authorised expenditures will be accepted and must be fully supported by invoices. Any increases in the credit limit must be approved by the Director of Finance. Periodic review of the credit card holders and limits will be completed by the Director of Finance.

7.5.2 The holder of the company credit card must ensure that any expenditure incurred on the card is in line with the spirit and principles in this document and always in accordance with the Group expenses policy.

7.5.3 Company credit cards are typically paid by direct debit and therefore not subject to the same review process before funds are sent, however the credit card statements will be subject to review by the Director of Finance or Deputy each month.

8. Travel and Subsistence

Please refer to 'Group Expenses Policy'

9. Advance Accounts

Principle

In exceptional circumstances advances maybe authorised by the Director of Finance, the process for managing this will be ascertained at the time of the advance.

10. Salaries and Wages

Principle

The Director of Finance will make arrangements to pay all salaries, wages, allowances and expenses properly payable by Coastline to its employees and its Board Members.

10.1 General

10.1.1 The People and Culture team will notify the Head of Finance of any changes affecting the payment of salaries, wages and emoluments as soon as is practicable. Where appropriate this will be certified by the Head of People and Culture.

10.1.2 Line Managers, with the approval of the relevant Senior Manager or the Executive Team will notify the Head of People and Culture immediately in writing of all matters affecting the payment of salaries, wages and emoluments, and in particular:

- appointments, resignations, dismissals, suspensions, secondments, retirements and redundancies;
- absences from duty for sickness or other reason apart from approved leave;
- changes in remuneration other than normal increments and pay awards (any increases in hours and/ or hourly rate will require approval from the Executive Team); and
- any information necessary to maintain records of service for pensions, income tax, national insurance and the like;

10.1.3 Statutory deductions must be paid over to HM Revenue & Customs promptly after the end of each calendar month and no later than 19th of the following month.

10.1.4 Real time information will be submitted to HM Revenue & Customs prior to payments being made to employees, i.e. the 15th of the month, or previous working day when required.

10.2 New appointments

Appointments of all employees, following Executive Team approval, will be made in accordance with the approved establishment, grades and rates of pay, and within any statutory requirement.

10.3 Form

All timesheets, overtime approvals and other pay documents will be in a form as prescribed by the Director of Finance.

10.4 Approval

Payroll costs will be reviewed and approved by the Director of Finance or Deputy each month prior to payment. Payrolls are separated out into different areas of the business and will be subject to approval by a senior manager from these areas.

11. Contracts For Building, Constructional Or Engineering Work

Principle

All contracts relating to building, constructional or engineering work made by Coastline or on its behalf will comply with Coastline's Group Contract Standing Orders.

11.1 Register

11.1.1 Senior Managers will keep a central register (known as the "contracts register") of all formal contracts relevant to their activities in a form specified by the Director of Finance.

11.1.2 The Head of Finance will maintain a record of payments made to contractors and tax deducted, in accordance with the requirements of the Construction Industry Scheme.

11.1.3 The Head of Finance will review the financial standing of all new contractors before they are added to the approved contractors list. Any review will include reference to information from a credit rating agency or the use of bankers references, supplemented, where necessary, by analysis of annual report accounts and other financial data to determine ongoing financial health as appropriate.

11.1.4 The Head of Finance will also carry out regular financial appraisals on existing contractors and suppliers, this will be based on the level of contract awarded under the Group Contract Standing Orders (Above threshold one - annually, above threshold two – quarterly and above threshold three - monthly).

11.1.5 The financial standing of a supplier or contractor will be established during the tender process as described in the Group Contract Standing Orders, this will be determined based on the level of the contract likely to be entered into, along with the nature of the work/ service being procured. Generally a score of 50 and over on the Credit safe rating will be sufficient (Low risk and upwards), scores lower than this will be investigated further with additional information being sought as required by the Head of Finance.

12. Income

Principle

The Director of Finance will be responsible for maintaining prompt and proper arrangements for the collection, custody, control, disposal and accounting of all cash and remittances due to Coastline.

12.1 General

12.1.1 Budget holders will ensure that all sums due to Coastline in respect of payment for goods and services or other transactions involving the receipt of money are notified in a manner as prescribed by the Director of Finance.

12.1.2 All sums due from sundry debtors will be raised promptly Head of Finance and regular review of balances undertaken thereby enabling prompt reminder action to be taken. Whenever appropriate, payment in advance should be obtained.

12.2 Paying in

12.2.1 All money received on behalf of Coastline will without delay be paid into the daily banking's via the Customer Service desk, or, if instructed by the Director of Finance direct to Coastline's bank account or other approved or authorised agent.

12.2.1 The amount so banked under 12.2.1 must be the gross sum without any deduction for any money that may be due from Coastline. In other words, there will be no right of set off.

12.3 Official receipts

12.3.1 All official receipts, forms, tickets, vouchers and similar documents will be ordered and stored by the Director of Finance or Deputy and issued in accordance with approved procedures.

12.3.2 No receipt given by an officer for money received will be in a form other than an official receipt.

12.4 Cashing cheques

No personal cheques will be cashed out of money held on behalf of Coastline or advance accounts.

12.5 Transfer of remittances

12.5.1 Every transfer of money held on behalf of Coastline from one member of staff to another will be evidenced by the signature of the receiving officer in a register or pro forma maintained for this purpose.

12.5.2 Cheques received will be crossed with the official stamp immediately on receipt as part of the post opening procedure.

12.6 Write offs

12.6.1 The Group Standing Orders provide for the following levels of delegation: Heads of Service may authorise the write-off of individual debts of up to £5,000.

12.6.2 The write-off of debts of more than £5,000 and under £10,000 will require the authorisation of the Executive Team.

12.6.3 The write-off of debts of more than £10,000 will require the authorisation of the Board.

12.7 Rent Refunds

12.7.1 Where a customer requests the repayment of any credit balance on their rent account, this will follow the procedure documented in the Income Management Policy and in accordance with the spirit of these regulations.

13. Banking, Petty Cash, Cheques & Automated Payments

Principle

The Director of Finance will operate bank accounts to carry out Coastline's banking transactions at the bank nominated by the Board, and will be responsible for the authorised operation of all bank accounts, bank transfers and the issue of all payments on behalf of Coastline.

No account will be opened on behalf of or in the name of Coastline or any other Group company except on the authority of the Coastline Board. Accounts will only be opened when authorised by the personal signature of the Chief Executive Officer or other Officer so authorised by the Board.

13.1 Security Procedures

13.2.1 Adequate precautions must be taken at all times to safeguard Coastline's monies and related items wherever held.

13.1.2 All monies and other 'security' items must be held in cash boxes or cash drawers (where available) that shall be locked when not in use. Out of business hours, monies and security items shall be locked in a safe. Other arrangements must be approved by the Director of Finance.

13.1.3 Monies must not be counted in public view or left unattended, even temporarily.

13.1.4 Monies received must be reconciled with receipts issued on a daily basis.

13.1.5 Daily summaries of receipts and banking's, together with all supporting documentation, including copies of cancelled receipts and/or relevant cancellation documentation, should be passed to the Finance & Performance Department.

13.1.6 Records of individual 'discrepancies' are to be maintained by the Finance & Performance Department.

13.1.7 Any changes to vendor bank accounts notified to Coastline will be independently verified by the Head of Finance before being amended in the payment system.

13.1.8 Any new vendor accounts or increases in credit limit will need to be approved by the Director of Finance or authorised Deputy.

13.3 Signatures

Authorised signatories for all the bank accounts of Coastline will be maintained with the restriction of the list to the Executive Team and Head of Finance.

13.4 Automated Payments

13.4.1 Payments made via an automated bank process (e.g. BACS) should be authorised by the Director of Finance or Deputy. Segregation of duties between the person setting up and authorising payments should be maintained at all times.

14. Audit & Fraud

Principle

The Executive Team shall be responsible for recommending the appointment of external and internal auditors to Coastline in accordance with its Rules. The Chief Executive Officer, Executive Team, Senior Managers and their colleagues will ensure the Auditors (internal and external) gain access to all records, data and documents that are required in the course of their audit. The auditors shall be appointed in accordance with any guidance from the Group's regulatory bodies.

14.1 Internal Audit

14.1.1 The Executive Team shall ensure that an adequate and effective system of continuous internal audit will carry out an examination of accounting, financial and other operations together with all systems employed in the effective delivery of services by Coastline. The Head of Governance, Risk and Assurance shall report regularly to the Audit, Risk and Assurance Committee on internal audit activities, findings and recommendations.

14.1.2 Internal Audit shall independently examine, evaluate and report upon the effectiveness of internal controls, financial and operational, in order to ensure that they are both efficient and effective, that they remain adequate in the light of changing circumstances and are adhered to in practice. Internal Audit shall help to ensure the protection of the assets and interests of Coastline by carrying out a continuous examination of activities in line with an audit programme agreed with Coastline.

14.1.3 The internal auditors shall be responsible on a day to day basis to the Head of Governance, Risk and Assurance but shall have direct access, where appropriate, to the Chief Executive Officer and the Chair of the Audit, Risk and Assurance Committee.

14.2 Fraud and Irregularity

14.2.1 Group policy on Fraud and Irregularity is covered under 'Business Ethics Anti-Fraud and Bribery Group Policy'.

14.2.2 The Group's 'Whistleblowing Policy' sets out more details on how concerns can be raised anonymously if appropriate.

15. Assets (Including Inventories)

Principle

Each Senior Manager will maintain an inventory of all plant, vehicles, machinery, tools and other movable property under their control. The Facilities Manager will oversee Premises including any furniture therein. The ICT team will oversee all ICT equipment. The inventory records items owned by Coastline and as such these must be used in relation to Coastline's business only and accounted for periodically. Such inventories are subject to annual verification by the relevant Senior Manager.

15.1 Control

Each Senior Manager will be responsible for ensuring that inventories are continuously updated, and that appropriate action is taken on the discovery of deficiencies and surpluses. Stocks and stores will be subject to periodic test checks by officers other than the storekeepers and all stocks and stores will be checked at least annually, to include a review of the level and condition of stock.

15.2 Capitalisation Of Assets

15.2.1 Coastline will only capitalise any single asset worth £1,000 or over and the useful life of the asset will be determined by the relevant accounting policies.

15.2.2 With regards to computer equipment, such as laptops and desktop computers, these assets will not be capitalised as due to technological advances, most equipment is purchased for a small value and becomes obsolete before the value of the asset has been written off.

15.3 Write offs

15.3.1 No item will be written off other than as a result of fair wear and tear except on the authority of:

- The Director of Finance on the recommendations of the Senior Manager if the item is estimated not to exceed £5,000.
- The Board if the value exceeds £5,000.

15.3.2 Each Senior Manager will be responsible for advising the Director of Finance of damage to any asset that renders it unusable and therefore requiring it to be written-off.

15.4 Removal of property

15.4.1 Coastline's property will not be removed other than in accordance with the ordinary course of Coastline's purposes except in accordance with specific directions issued by the appropriate Senior Manager.

15.4.2 Loan items of clothing, equipment etc., will be signed for by the recipient and returned when leaving Coastline's employment. This will be in accordance with the Group 'Asset Security Policy'.

15.5 Disposal of Assets

An asset which has become surplus to Coastline's requirements may be sold or otherwise disposed of (except for properties sold under the Statutory Purchase Grant or Voluntary Purchase Grant Schemes, preserved Right to Buy or Right to Acquire provisions) as follows:

- For an asset or groups of assets whose net book value does not exceed £5,000 by sale or disposal to an arm's length purchaser so as to obtain best value for money for Coastline. The basis for deciding the purchaser and sale price of assets with a net book value over £100 should be recorded on the file and approved by the Budget Holder.
- For an asset or groups of assets whose net book value is greater than £5,000 but not greater than £20,000, by advertising the property on the open market and obtaining written bids from at least three prospective purchasers (or if less, then at the Board's discretion). The asset, or group of assets, will be sold to the highest bidder.
- For an asset or groups of assets with a net book value of greater than £20,000, tender bids will be invited from at least three prospective purchasers in accordance with the spirit of tendering procedures described in Coastline's Contract Standing Orders, where practical.

15.6 Other Disposals

15.6.1 Assets sold under Statutory Purchase Grant, Voluntary Purchase Grant, Preserved Right to Buy or Right to Acquire will be disposed of in accordance with the statutory provisions and/or relevant Authority's regulations.

15.6.2 Disposals will follow the relevant policy i.e. Asset Investment and Viability- Disposal Policy.

15.6.3 All disposals of Property will require Board approval and will follow Charity Commission guidance.

16. Insurance and Insurance Claims

Principle

The Director of Finance will arrange all necessary insurances for Coastline in accordance with guidance published by regulatory bodies/best practice and on the advice of Coastline's insurance brokers/ advisors. A record of all properties and risks covered must be kept, and a review will take place at least annually to ensure that all insurances remain adequate.

General

The procedures for insurance renewal and claims are documented in the 'Insurance Procedures' guide available on Coastnet. Any claims should be notified to Director of Finance.

17. Taxation

Principle

The Director of Finance will ensure compliance with tax regulations and provide assurance that relevant frameworks and controls are in place to facilitate compliance.

17.1 Value Added Tax

17.1.1 All enquiries as to the liability for VAT, whether in respect of payment for services received or invoices for supplies by Coastline should be referred to the Director of Finance or Deputy.

17.1.2 The Director of Finance or Deputy shall make arrangement for maintaining the VAT records for Coastline and shall make all VAT payments and receive all VAT refunds as appropriate.

17.1.3 Guidance relating to the identification of VAT and submission of appropriate documentation will be issued by the Director of Finance or Deputy.

17.2 Construction Industry Scheme

17.2.1 Coastline will maintain records to comply with the requirements of the Construction Industry Scheme covering the engagement of contractors and the proper accounting for tax deduction or receipt of tax exemption certificates.

17.2.2 The administration of this scheme is referred to in 11.1.2.

17.3 Income Tax

Accounting for Income Tax and National Insurance under the PAYE scheme of HM Revenue & Customs is referred to 9.1.2. Statutory Deductions from staff wages and salaries under the scheme must be paid over to HM Revenue & Customs by 19th of each month following the payroll month.

17.4 Corporation Tax

As Coastline Housing Limited is a charitable body its charitable surpluses are not subject to Corporation Tax (CT). However, surpluses generated from certain commercial activities, and those generated by CSL or other Group companies may be subject to CT and the Director of Finance will keep the Coastline board informed of CT issues and arrangements. An annual review of income within Coastline Housing Limited will be undertaken by the Director of Finance or Deputy to ensure that relevant income is lower than £50,000, if not then suitable professional advice will be sought.

18. Authority to Tender and Quote for Business

Principle

The authorisation levels for tendering or quoting for Business based on Full Contract value, not annual limits are as set out below:

Authorisation level	Delegated authority to:
Up to £25,000 per tender or quote for Business	Head of Service
Up to £500,000 per tender or quote for Business	Executive Team
Up to £1,000,000 per tender or quote for Business	Committee or Subsidiary Board
Above £1.000,000 per tender or quote for Business	Group Board

APPENDIX A

Suggested Further Reading List

- Group Expenses Policy
- Group Procurement Strategy
- Income Management Strategy
- Group Standing Orders
- Probity Standard
- Value For Money Framework
- Data Protection Policy
- Treasury Management Policy
- Development Schemes Financial assumptions approvals and monitoring policy
- Business Ethics Anti-Fraud and Bribery Policy
- Gifts and Hospitality Policy
- Whistleblowing Policy
- Asset Security Policy
- Group Contract Standing Orders
- Insurance Procedure
- Authorised Signatory List
- Asset Liability Register
- Asset Investment and Viability- Disposal Policy