



Governance Regulations:

**How the Board conducts its
business**

CONTENTS

| | Page No. |
|--|----------|
| Governance Regulations | 2 |
| Introduction | 2 |
| Recruitment and admission to membership | 4 |
| Conduct of business by the Board | 5 |
| Administration of meetings | 5 |
| Decision making process | 6 |
| Conduct at meetings | 7 |
| Essential functions of the Board | 8 |
| Openness, Transparency and Accountability | 9 |
| | |
| Appendix 1 Financial Regulations | 10 |
| Introduction | 10 |
| Statutory and regulatory compliance | 11 |
| Risk Management | 11 |
| Financial Management | 12 |
| Treasury and banking | 13 |
| Development and new initiatives | 14 |
| Land, property and other assets | 14 |
| Procurement and contracts | 15 |
| Income | 15 |
| Staffing and salaries | 15 |
| Financial systems and procedures | 16 |
| | |
| Appendix 2 Delegated Authorities | 17 - 36 |
| | |
| Appendix 3 Board and Committee Terms of Reference | 37 - 44 |
| | |
| Appendix 4 Shareholding Membership Policy and Procedure | 45 - 47 |
| | |
| Appendix 5 Board Membership and Remuneration Policy | 48 - 54 |
| | |
| Appendix 6 Board Code of Conduct and Team Charter | 55 - 57 |

Governance Regulations

1. Introduction

1.1 The Board has ultimate responsibility for the control of the affairs of Westfield Housing Association Limited ("the Association"), including the Footsteps Nursery. It exercises this responsibility in accordance with the National Housing Federation's (NHF's) Code of Governance 2015, the main principles of which the Board has adopted, with derogations necessary to ensure compliance with the Rules of the Association and the needs of the Association.

1.2 The National Housing Federation has issued a new Code of Governance (2020), and the Board is working towards this code with the aim of confirming compliance by April 2022. Achieving compliance will require that:

- The views and needs of residents and other customers are at the heart of strategic decision- making, as also reflected in the NHF's Together with Tenants initiative.
- There is robust oversight of measures to keep residents, other customers and staff safe
- A firm grip of risk is maintained, including thoroughly testing the impact of potential risk scenarios on future plans.

Underpinning the new code are four key principles that the Association will work to:

1, Mission and values:

The board sets and actively drives the organisation's social purpose, mission, values and ambitions, and through these embeds within the organisation resident focus, inclusion, integrity, openness and accountability.

2, Strategy and delivery:

The board sets ambitions, plans and strategies which enable the organisation to fulfil its social purpose and remain viable and sustainable, and exercises demonstrable and effective oversight of its delivery.

3, Board effectiveness:

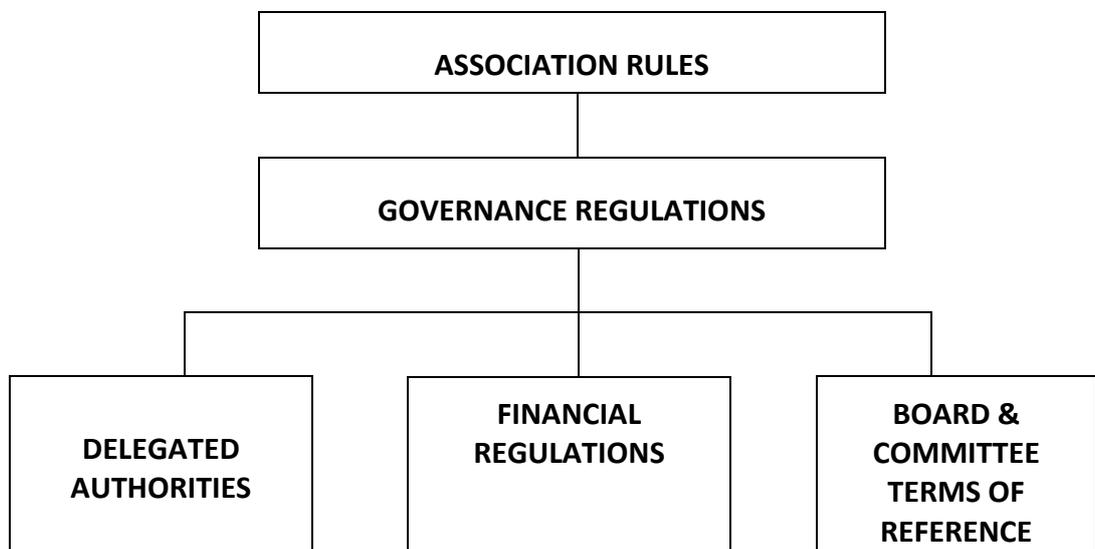
The organisation is led by a skilled and diverse board which regularly reviews and capably manages its own performance and effectiveness, and ensures that it complies with the code.

4, Control and assurance:

The board actively manages the risks faced by the organisation, and obtains robust assurance that controls are effective, that plans and compliance obligations are being delivered, and that the organisation is financially viable.

- 1.3 The Rules of the Association represent the objects and formal constitution of the Association. The Rules of the Association can only be amended through a meeting of shareholding members at a general meeting properly convened and held in accordance with the Rules.
- 1.4 The Governance Regulations, which incorporate the Terms of Reference of the Board and its Committees, the Financial Regulations and the Delegated Authorities, outline how the Association will be controlled and run. The Board is responsible for approving and amending these documents.
- 1.5 The Financial Regulations and the Delegated Authorities cover the arrangements for supervision and control of the finances, assets, and other resources of the Association. The Chief Executive is responsible for ensuring that these arrangements are effective. The Audit Committee, via the work programme approved for the Internal Auditors, monitors this effectiveness.

The inter-relationship of documents is as follows:-



- 1.6 In addition to the Financial Regulations, there are other operational policies, financial policies and detailed internal procedures that ensure the effective day-to-day running of the Association.
- 1.7 Nothing in the Governance Regulations, Delegated Authorities or Financial Regulations shall override conditions imposed by Statute. Where conditions or instructions issued by the Regulator for Social Housing (or any successor that delivers its regulatory functions), Department of Communities and Local Government, Financial Conduct Authority or the Financial Reporting Council contradict the provisions of these Regulations, the Board shall determine whether or not to vary these Regulations. Nothing in internal procedures will override the principles embodied in the Governance Regulations, Delegated Authorities and Financial Regulations. Items covered by these Regulations shall take precedence over the NHF Code of Governance.

2 Recruitment and composition

- 2.1 A policy and procedure for the admission of shareholding members shall be approved by the Board and publicised on the Association's website (Appendix 4). Approval of admission to shareholding membership shall be by the Board.
- 2.2 The policy and procedure for the recruitment and expected standards of conduct of Board members shall be approved by the Board and publicised to the Association's shareholding members and on the Association's website (Appendix 5). The policy shall retain the following principles:
- 2.2.1 Board members shall be elected through a vote by eligible shareholding members at the Annual General Meeting; assessment process to establish their suitability.
- 2.2.2 Prospective board and committee members undergo an open and merit based. Nominated members will be assessed for having the necessary attributes and qualities, for awareness of the responsibilities of the role and the requirement to exercise independent judgement.
- 2.2.3 Not more than half of all Board Members, including co-optees, may be tenants of the Association;

- 2.2.4 The board has between 5 and 12 members, including any co-optees.
 - 2.2.5 One place on the Board is reserved for a co-optee nominated by Allerdale Borough Council.
 - 2.2.6 Board members shall comprise people with diverse backgrounds and attributes, having regard to the diversity of the local community.
- 2.3 The Board shall elect a Chair and Vice-Chair at the first meeting after each Annual General Meeting. The chair of the board will not chair the Audit and Risk or Remuneration Committees.

3. Conduct of business by the Board

Administration of meetings

- 3.1 The Board shall meet for the transaction of business at least three times every calendar year in accordance with the Rules (D27).
- 3.2 The Board may establish sub-committees and working groups to support the performance of its duties. Committees may include, but not be limited to, an Audit and Risk Committee and a Remuneration Committee. The terms of reference for each committee shall be approved by the Board and are set out in Appendix 3. Each sub-committee shall have a Chairman appointed in line with the relevant Committee Terms of Reference.

Working groups shall be established to consider and support specific operational issues (e.g. Chief Executive recruitment). Any such groups shall have Terms of Reference approved by the Board.
- 3.3 Agendas for each Board and sub-committee meeting shall be prepared by the relevant Chairman, in consultation with the Chief Executive or Operations Manager, and circulated to all Board or sub-committee members at least 7 calendar days prior to the meeting.
- 3.4 The minutes of any Board or sub-committee meeting will be confirmed at each subsequent meeting by a resolution of members present. The minutes of any sub-committee will be presented to a subsequent Board meeting for notification.
- 3.5 The approved minutes are to be signed by the Chairman of the subsequent meeting.

3.6 All decisions made by the Board or sub-committee shall be formally minuted. Minutes shall contain sufficient information to enable a Board member not in attendance to understand the decision and the reasons for the decision being made. Minutes shall not be verbatim accounts of meetings.

3.7 The Company Secretary is to arrange for the keeping and safe custody of minutes so that their correctness can be easily verified.

Decision-making process

3.8 A decision shall be made through one the following processes:

3.8.1 At a formal meeting of the Board, through a show of hands of those present. Approval requires a simple majority of those present and voting and the Chairman shall have a casting vote;

3.8.2 Through electronic responses to an e-mail circulation of a “decision-sheet”. Approval requires a three-quarters majority of those circulated and the Chairman shall have a casting vote. If three or more Board members request a “decision-sheet” to be considered at a formal Board meeting, then the item shall not be decided upon until such a discussion has taken place. Matters for decision in this way shall be circulated between formal Board meetings. All decisions reached in this way shall be reported to the next formal Board meeting for ratification. The purpose of this mechanism is to create time for debate on more important matters at formal Board meetings;

3.8.3 Where a decision is required that requires urgent Board approval and that decision cannot be postponed until the next scheduled meeting of the Board, then the Chief Executive (or, in their absence, the Operations Manager) shall submit an “Urgent Decision Request” form to the Chairman (or in their absence, the Vice Chairman), supported as appropriate by additional documentation. The Chairman or Corporate Services Officer shall circulate the request to all Board members, stating a date by which a response is required. Upon receipt of sufficient responses to form a quorate decision, the Chairman shall inform the Chief Executive or Operations Manager of the Board’s decision. All decisions reached in this way shall be reported to the next formal Board meeting for ratification;

3.8.4 Where there is immediate threat to the health and safety of tenants, other customers, staff or members of the public, or where the financial viability of the association is at immediate risk, then a decision may be made by any

two of the Chairman, Vice Chairman and Chief Executive. All decisions reached in this way shall be reported to the next formal Board meeting for ratification;

Items for Board comment or information may be circulated by e-mail together with a cover sheet explaining the purpose of the item and, where appropriate, the date by which comments are required.

Conduct at meetings

3.9 Board members shall at all times conduct themselves in accordance with the Code of Conduct.

3.10 Board members shall at all times comply with the relevant policies on conduct and probity designed to protect the reputation, effective governance and viability of the Association. These may include, but not be limited to:

- Board Code of Conduct
- Declarations of Interest
- Gifts and Hospitality Policy
- Bribery and Anti-fraud Policy
- Whistle-blowing Policy

3.11 Debate will be conducted through the Chairman. The Chairman shall facilitate and encourage all members to have opportunity to contribute to debate. The Chairman shall determine when a debate on a matter should be ended and whether a vote is required.

3.12 In the event of misconduct or behaviour which obstructs business, the Chairman shall either:-

- Put a motion to the meeting that the offending Board member leave the meeting; or
- Adjourn the meeting according to his/her discretion.

3.13 Attendance at Board or Committee meetings shall be reported to the board annually. A member who has absented themselves from four consecutive meetings of the Board without special leave of absence may cease to be a Board member in accordance with the Rules (D8.4).

3.14 The Board shall put into place arrangements for the assessment of Board Members' performance and contribution to the governance of the association on an annual basis. All Board members are expected to participate in their own assessment and of the Board collectively.

4 Essential functions of the Board

4.1 The Board has overall control of the activities of the Association but delegates day-to-day responsibility for carrying out those activities to the Chief Executive. The matters specifically reserved for Board approval are set out below and in the Delegated Authorities.

4.2 The Board shall:

4.2.1 Establish and approve the strategic direction of the Association, including its mission and values, strategic objectives and business plan.

4.2.2 Ensure compliance with the Association's objects, in particular that the Association maintains its strong community and customer focus;

4.2.3 Establish a culture that is positive, focused on the needs of current and future residents, other customers and key stakeholders, and embeds equality, diversity, and inclusion in the organisation;

4.2.4 Ensure appropriate systems of control exist to ensure the health and safety of tenants, other customers, staff, Board members and those working in partnership with the Association;

4.2.5 Ensure a risk management framework and appropriate systems of control exist to protect the assets and reputation of the Association;

4.2.6 Ensure appropriate systems of control and reporting exist to enable the Board to evaluate whether the Association is operating effectively, efficiently and economically;

4.2.7 Satisfy itself as to the integrity of financial information, and setting and approving each year's budget, business plan and annual accounts prior to publication;

- 4.2.8 Providing oversight, support, direction and constructive challenge to the organisation's chief executive and other executives;
- 4.2.9 Appoint, direct and, if necessary, dismiss the Chief Executive;
- 4.2.10 Establishing, overseeing and regularly reviewing a framework of delegations to committees and staff;
- 4.2.11 Holding to account the organisation's committees and senior staff for the exercise of any powers delegated to them;
- 4.2.12 Review these Governance Regulations at least every two years and approve amendments to them as necessary.

5. Openness, Transparency and Accountability

- 5.1 The Board shall conduct its business in an open and transparent way, ensuring that it is at all times accountable to tenants and other customers. This shall include, but not be limited to:
 - Preparing an annual report on its activities as part of the annual Financial Statements;
 - Publishing Chief Executive remuneration details as part of the annual Financial Statements.
 - Publishing an Annual Report to Tenants that includes information about activities, performance and plans and including delivery of resident focused activities and information about board and committee members.
- 5.2 The Board shall seek comment, feedback and, where relevant, representation from tenants and / or customers of Footsteps Nursery before taking decisions fundamental to the Association's provision of homes and services.

APPENDIX 1

FINANCIAL REGULATIONS

1. Introduction

1.1. A key role of the Board is to ensure that appropriate systems and controls exist to protect the assets and reputation of the Association. The Board will do this by:

1.1.1. Establishing a schedule of high-level financial policies and controls that staff are required to implement (section 2 below);

1.1.2. Approving appropriate levels of delegated authority to apply throughout the Association (Appendix 2);

1.1.3. Receiving reports on the implementation of these systems, controls and delegated authorities;

1.2. The Board shall receive reports on the implementation of these controls and delegated authorities through:

1.2.1. An annual statement of internal controls assurance from the Chief Executive, prepared to accompany the annual Financial Statements;

1.2.2. A programme of internal audit reviews conducted by independent auditors. The programme of reviews is to be agreed by the Audit and Risk Committee;

1.3. Responsibility for implementing these Financial Regulations is delegated to the Chief Executive. Responsibility for monitoring their implementation is delegated to the Audit and Risk Committee (through a programme of internal audit reviews and financial statements) and the Board (through Management Accounts and Treasury Reports).

2. Statutory and regulatory compliance

- 2.1. The Chief Executive shall prepare financial statements each year for the period to 31st March that comply with accounting and regulatory guidance and best practice. The financial statements will be presented to the Board for approval and then to the Annual General Meeting of shareholding members for adoption.
- 2.2. Accounting policies shall be adopted by the Association that ensure the financial statements provide a true and fair view of the Association's activities. Policies will be agreed by the Audit and Risk Committee, after appropriate discussion with the external auditors.
- 2.3. An independent external audit of the financial statements shall be carried out in accordance with statute and the Rules. The report of the auditors, including any management letter, shall be presented to the Audit and Risk Committee and to the Board for review.
- 2.4. The external auditors shall have the opportunity to meet the Audit and Risk Committee and / or the Board without any employees in attendance at least once each year.
- 2.5. If required, regulatory returns to the Regulator for Social Housing (or any successor body) shall be submitted by the Chief Executive. Where required by the regulator, the returns shall be authorised by the Board.
- 2.6. Financial documents shall be retained in accordance with existing statute and best practice.

3. Risk management

- 3.1. The Board shall approve a Risk Management Strategy that includes how the Association will manage financial and other risks. Monitoring of the strategy and controls assurance shall be undertaken by the Board through regular reports from the Chief Executive.
- 3.2. The Board shall receive an annual Internal Controls Assurance statement from the Chief Executive at the same time as the financial statements are presented for Board approval.

- 3.3. The Audit and Risk Committee shall appoint independent internal auditors. A programme of audit reviews will be agreed between the auditors and the Audit and Risk Committee. Reports from the auditors shall be reviewed, and the implementation of recommendations monitored, by the Board.
- 3.4. The internal auditors shall have the opportunity to meet the Audit and Risk Committee and / or the Board without any employees in attendance at least once each year.
- 3.5. The Board shall approve policies concerning probity and the reporting of suspected fraud. The Company Secretary shall maintain a Fraud Register that shall be presented to each Audit and Risk Committee meeting and be signed by the Chairman.
- 3.6. The Operations Manager shall ensure that adequate and appropriate insurance is arranged to protect the Association's assets and mitigate losses.
- 3.7. The Chief Executive shall ensure that a register of the assets and liabilities of the Association is maintained. A summary of the register will be reported to the Board at least annually.

4. Financial Management

- 4.1. The Board shall approve a Financial Business Plan each year that demonstrates financial viability and complies with existing loan facility contracts. The Plan shall reflect strategic priorities as set out in the Association's Corporate Strategy. Key assumptions used within the Plan shall be approved by the Board prior to the Plan being presented for approval. Sufficient stress-testing and sensitivity analysis on the Plan shall be presented to the Board to enable potential risks to be identified and remedial action considered and planned. The Plan shall contain, as a minimum, a forecast of cashflows, income & expenditure and balance sheet positions.
- 4.2. The Board shall approve a budget no later than 31st March each year that sets out the detailed income and expenditure for the budget period. The budget shall be prepared after discussion with budget-holders. The budget shall be consistent with the Financial Business Plan.

4.3. Management accounts shall be prepared each quarter for budget-holders and the Board to enable monitoring of cashflows, income and expenditure and to enable any required action to be taken to comply with loan covenants and to protect the financial viability of the Association. Management accounts will contain sufficient analysis to enable informed decisions to be taken by the Board.

5. **Treasury and banking**

5.1. The Board shall approve a Treasury Management Policy that covers, amongst other matters, interest rate risk management, counter-party risk management and liquidity risk management.

5.2. The Board shall ensure that the appropriate level of expertise in treasury matters is available to the Association, whether through the direct employment of suitable skilled staff or through external consultancy advice.

5.3. The Board shall receive reports each quarter on compliance with financial loan covenants and the implementation of the Treasury Management Policy.

5.4. The Board shall receive reports at least annually on compliance with non-financial loan covenants.

5.5. The Board shall approve all new borrowing or investment counter-parties.

5.6. The Chief Executive is responsible for implementation of the Treasury Management Policy and the management of relationships with lending institutions.

5.7. All on-line banking transactions shall be authorised by at least two persons in accordance with the bank mandate.

5.8. Cheques shall be signed in accordance with the bank mandate and the Delegated Authorities.

5.9. Properties held as security for loans shall be reconciled at least annually between records maintained by the lender / security trustee and those maintained by the Association.

6. **Development and new initiatives**

6.1. Any new type of activity or any proposed major activity or project that may expose the Association to abnormal or new risks shall require a financial and risk evaluation. The Board shall be required to approve any such new activity. This will include, but not necessarily be limited to, the following:

- Property development of a new type, geographical area or tenant group
- Regeneration schemes
- Changes in use and / or client group for multiple homes
- New trading activities

6.2. Financial appraisal criteria for new property purchases and / or developments shall be approved by the Board.

6.3. Financial evaluation shall consider the impact upon the Financial Business Plan, as well as the viability of the activity / development itself.

6.4. Development Sub Committee will review appraisals for schemes of £500,000 and over for recommendation or approval by Board.

7. **Land, property and other assets**

7.1. A register of all properties owned, leased or managed by the Association, including all commercial and non-housing properties, shall be maintained.

7.2. All land and property shall be registered with the Land Registry.

7.3. Disposals of land and / or property shall be approved in accordance with the Delegated Authorities.

7.4. Criteria for the appraisal of the acquisition, disposal, development or re-modelling of properties shall be approved by the Board.

7.5. A fixed asset register of all non-property assets with a value in excess of £1,000 shall be maintained.

7.6. Cash, cheques and related financial instruments received shall be banked as soon as practicable and at least weekly. Such assets shall be held in a suitable locked safe.

8. **Procurement and contracts**

8.1. Board members, staff and tenants and leaseholders involved in procurement must at all time comply with policies on probity, including Declaration of Interest and Gifts & Hospitality policies. A Whistle-blowing Policy shall be approved by the Board.

8.2. The Operations Manager shall ensure that detailed procurement procedures are prepared and shall include:

- Procedures to ensure compliance with legal requirements, including UK public procurement legislation requirements
- Procedures for tendering
- The role of tenants and leaseholders in procurement
- The use of local contractors
- Contract requirements for performance bonds, provision for liquidated and ascertained damages and early termination

8.3. Payments to contractors on account during a development contract shall only be made based on a certificate issued by a suitably qualified person.

8.4. Standard forms of contract shall be used, except where a more suitable alternative has been recommended by a suitably qualified person.

9. **Income**

9.1. The Board shall approve policies concerning the setting of rents, service charges, other property-related income, nursery fee income and any other income of the Association.

9.2. The Operations Manager shall ensure that there are effective policies and procedures to allow the effective collection of rent and service charge income, including the management of arrears.

10. **Staffing and Salaries**

10.1. The Board delegates to the Chief Executive the authority to establish appropriate staffing structures, with appropriate consultation with the Board, Operations Manager and other staff as necessary. Staffing structures must be within the Board approved budget.

10.2. Pay setting principles, key terms and conditions and expenses policies shall be approved by the Board.

11. Financial systems and procedures

11.1. The Chief Executive shall have responsibility for ensuring that accounting records are maintained that enable the proper preparation of statutory and management accounts and that meet legal and tax authority requirements.

11.2. Appropriate segregation of duties shall be maintained to ensure that:

- the ordering, authorisation and payment for goods or services are performed by at least two persons.
- the creation of payment instructions (whether on-line or by cheque / direct debit) and the authorisation of such payments are performed by at least two persons.
- the recording of bank transactions and the reconciliation of bank transactions to financial records are performed by at least two persons.
- the maintenance of payroll records and the payment of salaries are performed by at least two persons.

11.3 Reconciliations shall be performed at least monthly for:

- All bank accounts in the Association's name;
- Salary and related payroll control accounts;
- Rent and other debtor control accounts;

And at least quarterly for:

- VAT and other tax control accounts;
- Fixed asset control accounts;

11.4 Procedures for recording orders placed for goods and services, and for matching these to invoiced sums, shall be established by the Operations Manager.

APPENDIX 2

WESTFIELD HOUSING ASSOCIATION LIMITED

DELEGATED AUTHORITIES

Effective from 1st December 2018

v 1.0 dated November 2018

Version 2.0 February 2021

INTRODUCTION

This document sets out the authorities delegated by the Board. It also sets out, for ease of reference, the matters that remain the sole authority of the Board and any of its sub-committees.

The summary does not cover the detailed procedures that each team will need to establish to ensure compliance with the delegated authorities, including the need to establish deputising arrangements. Neither does it cover the details of Association Policies, which are contained in separate documents. These should be read in conjunction with this document.

To delegate authority beyond the limits set out in this document, approval must be obtained from the Board.

INDEX OF CONTENTS

| | Page |
|--|-------|
| GUIDE TO ABBREVIATIONS | 20 |
| GENERAL PRINCIPLES | 21-22 |
| CONSTITUTION AND STRUCTURE | 23 |
| CONTRACTUAL AND LEGAL ARRANGEMENTS | 24-25 |
| POLICY, SERVICE DEVELOPMENT AND HOUSING MANAGEMENT | 26 |
| EMPLOYMENT MATTERS | 27 |
| FINANCIAL STANDING ORDERS | 28-31 |
| AUTHORITIES NOT DELEGATED BY THE BOARD | 32-34 |
| POLICIES THAT REQUIRE BOARD APPROVAL | 35 |

GUIDE TO ABBREVIATIONS

| | |
|----------|---|
| Members | Shareholding Members of Westfield Housing Association Limited |
| BOARD | Board of Westfield Housing Association Limited |
| SEC | Company Secretary |
| CEO | Chief Executive |
| OM | Operations Manager |
| PSO | Property Services Officer |
| NM | Nursery Manager |
| DNM | Deputy Nursery Manager |
| FSO | Financial Services Officer |
| Group 1 | Business Support Officer, Financial Services Officer |
| Group 2 | Corporate Services Officer, Nursery Admin Officer, Maintenance Services Officer, Housing Services Officer, Nursery Finance Officer. Deputy Nursery Manager |
| Group 3 | Customer Services Officer, Senior Early Years Practitioner |
| Bankline | Staff authorised to conduct Bankline payment transactions: CEO, Operations Manager, Financial Services Officer, Corporate Services Officer, Nominated Housing Services Officer |

GENERAL PRINCIPLES

| | |
|--|--|
| <p>Relationship with other documents</p> | <p>The “Delegated Authorities” should be used in conjunction with other documents that govern the operations of the Association. These include:</p> <ul style="list-style-type: none"> • Rules of the Association; • Governance Regulations • Financial Regulations • Procurement Regulations • Terms of Reference for the Board, Board Sub- Committees; • Association policy documents, including financial policies; • Procedure guides for each team; • External procedure guides (e.g. from the Regulator for Social Housing, OFSTED); • Statutory and regulatory requirements, especially in respect of procurement legislation; |
| <p>Limits to delegation</p> | <p>All authority remains with the Board unless specifically delegated. Delegation may be through the “Delegated Authorities” document or through specific approval by the Board, either in meeting or by electronic approval.</p> <p>The delegated authorities set out in this document are the maximum levels that may be applied without further Board approval. Line managers may, if appropriate, apply limits that are more restrictive.</p> <p>Employees may exercise authorities delegated to more junior members of their department / team.</p> |
| <p>Consultation</p> | <p>Where authority is delegated to a specific post-holder, then that person will consult with tenants and other employees as appropriate when exercising that authority.</p> |
| <p>Deputising arrangements</p> | <p>All employees must establish procedures for authority to be exercised in their absence. These authorities are to apply only to extended absence (e.g. holidays, sickness, carer’s leave etc.) or in emergencies.</p> <p>The employee’s line manager must approve procedures.</p> <p>Deputising arrangements should not exceed the authority delegated in this document, unless approved by the Board.</p> |

GENERAL PRINCIPLES (continued)

| | |
|---------------------------------|---|
| Risk Management | <p>All areas of risk to the Association, both financial and non-financial, are to be managed in accordance with the Risk Management Strategy approved by the Board. The exercising of the delegated authorities should at all times comply with this strategy.</p> <p>The Board considers new areas of risk and new activities.</p> <p>Financial Risk is normally managed by limiting authority to commit expenditure or generate income. The Association uses a budget to define the broad limits within which such authority is exercised.</p> <p>Where Financial Risk is not contained within the budget, specific delegated authorities will apply. These will cover:</p> <ul style="list-style-type: none">• New business initiatives• Expenditure in excess of that within the budget <p>Limit is also placed on the ability to commit the Association under contract and to provide information to third parties. This includes the commitment to provide services and submit statutory / regulatory returns.</p> |
| Review of delegated authorities | The Board will review this document at least every two years. |
| Breach of delegated authorities | Should an employee exceed the level of authority set out in this document without proper approval having been given, this may be treated as a disciplinary matter. |

CONSTITUTION AND STRUCTURE

| | | |
|--------------------------|---|---------|
| Delegated authority | Authority to approve or amend this document | Board |
| | Authority to add / delete posts from Group 1 / Group 2 / Group 3 (any changes to be reported to the Board) | OM / NM |
| Rules of the Association | Amend the Rules of the Association | Members |
| | Approve applications for membership of the Association | Board |
| | Expel Members of the Association | Members |
| Board | Elect Board Members | Members |
| | Co-opt members onto the Board and make temporary appointments to the Board | Board |
| | Determine the structure of the Board and any sub-committees | Board |
| | Elect Chairman, Vice-Chairman and other officers as necessary | Board |
| Executive Officers | Appoint or dismiss the Company Secretary | Board |
| | Appoint or dismiss the Chief Executive | Board |
| Urgent decisions | Items that under these delegated authorities require Board approval are delegated to any two of the Chairman, Vice-Chairman and Chief Executive in the event that an urgent decision is required prior to the next Board meeting. | |
| | In such circumstances, any such action taken by the Chairman, Vice-Chairman and Chief Executive must be reported to the next Board meeting for ratification. | |

CONTRACTUAL AND LEGAL ARRANGEMENTS

| | | |
|-------------------------------------|---|---|
| Company Seal | <p>Authorise the use of the Company Seal (by way of retrospective ratification of use)</p> <p>Witness the use of the Company Seal</p> | <p>Board</p> <p>Any two of Board, SEC</p> |
| Appointment of advisers | <p>Appoint the Association’s external auditors</p> <p>Appoint the Association’s internal auditors</p> <p>Make appointments in accordance with procurement procedures and subject to commitment of expenditure authority limits:</p> <ul style="list-style-type: none"> • Contractors • Technical consultants • Solicitors / legal advisors • Consultants / specialist advisors | <p>Members</p> <p>Audit and Risk Committee</p> <p>OM</p> <p>OM</p> <p>OM</p> <p>CEO</p> |
| Property contracts | <p>Authorise the disposal of property, including land:</p> <ul style="list-style-type: none"> • Over £100,000 • Up to £100,000 <p>Sign property contracts in the Association’s name:</p> <ul style="list-style-type: none"> • Over £250,000; • Up to £250,000; <p>“Property contracts” include purchases, disposals, shared ownership sales and staircasing, conveyances, mortgages, development of new properties, leases and rental agreements for housing, office space or other purposes.</p> | <p>Board</p> <p>CEO</p> <p>Board</p> <p>CEO</p> |
| Major works / maintenance contracts | <p>Sign major works / maintenance contracts in the Association’s name:</p> <ul style="list-style-type: none"> • Over £250,000; • Up to £250,000; • Up to £75,000 | <p>Board</p> <p>CEO</p> <p>OM</p> |
| Framework Agreements | <p>Approve the use of specific procurement framework agreements to procure works, goods or services.</p> <p>The approval of any contracts or commitments will follow the agreed thresholds</p> | <p>Board</p> |
| Insurance contracts | <p>Placement of contracts of insurance for the Association’s property and potential liabilities.</p> | <p>OM</p> |

CONTRACTUAL AND LEGAL ARRANGEMENTS (continued)

| | | |
|--------------------------------|---|--|
| Service provision contracts | Enter into or terminate contracts relating to the provision of services to other organisations (e.g. Community Call, maintenance services): <ul style="list-style-type: none"> • New initiatives • Existing areas of work | Board CEO |
| Grant Funding | Authority to sign contracts relating to the receipt of grant funding: <ul style="list-style-type: none"> • Grants from Homes England • Other grants | CEO CEO |
| Treasury Management | Amendments to approved counter-party borrowing / lending institutions | Board |
| | Approval of loan finance contracts, including the amendments to existing contracts | Board |
| | Negotiation of loan finance contracts | CEO |
| | Draw down of monies from existing loan finance facilities | CEO |
| | Investment of monies with approved institutions | FSO |
| Banking arrangements | Appoint bankers for the Association | Board |
| | Authority to open or close a bank account in the Association's name at an approved counter-party institution and in accordance with approved Treasury Policy | CEO |
| Breach of Contract | Approve legal action by the Association to enforce contract / obtain compensation | CEO |
| | Approve defence of action against the Association | CEO |
| | Approve out of court settlements: <ul style="list-style-type: none"> • Up to £50,000; • Over £50,000; | CEO Board |
| Statutory / Regulatory Returns | Authorise returns to: <ul style="list-style-type: none"> • Financial Conduct Authority • Regulator of Social Housing / Homes England <ul style="list-style-type: none"> • Corporate matters (if required) • Financial returns • Grant claims • Tax Authorities • Funding Institutions | SEC Board CEO PSO FSO FSO |

POLICY, SERVICE DEVELOPMENT AND HOUSING MANAGEMENT

| | | |
|---|--|--------------------------|
| Corporate policies | Approve strategic and key operational policies, as set out in Appendix 2 | Board |
| Business Planning | Approve the 5-Year Corporate Business Plan and milestones | Board |
| New initiatives | Authority to commit the Association to the provision of services not previously provided by the Association | Board |
| Changes to property structures / use | Approve structural alterations to individual homes that impact upon future income generation or changes to client groups for individual homes | OM |
| | Approve changes to client groups or tenure type that impact upon future income generation from multiple homes, including sheltered housing schemes | Board |
| Tenancy Agreements | Issue tenancy agreements | Housing Services Officer |
| | Approve notice seeking possession | Housing Services Officer |
| | Approve court action | Housing Services Officer |
| | Approve evictions | OM |
| Right to Buy / Right to Acquire sales | Approve sales under Right to Buy / Right to Acquire legislation | OM |
| Childcare Agreements | Issue childcare agreements | DNM |
| | Exclude a child from the nursery | NM |
| Location and nature of office accommodation | Approve the purchase, lease or rental of offices for the purposes of service delivery | Board |

EMPLOYMENT MATTERS

| | | |
|------------------------------|--|--------------|
| Terms and conditions | Approve standard terms and conditions | Board |
| | Approve pay settlements | Board |
| Appointments | Employee appointments | Line Manager |
| | Changes to job descriptions | Line Manager |
| | Re-grading of jobs | CEO |
| Disciplinary action | Complete investigations and recommend appropriate action | Line Manager |
| | Conduct disciplinary hearings (Appropriate HR advice to be sought as required) | OM /NM |
| Dismissal | Authority to dismiss the Chief Executive or Company Secretary | Board |
| | Authority to dismiss any other employee (Appropriate employment advice should be sought as required) | CEO |
| Creation / deletion of posts | Approval of overall department / team structures | CEO |
| | Authority to create or delete an employment position, whilst maintaining the overall department / team structure | OM / NM |
| | Consultation with Staff should take place where appropriate. All approvals must ensure that approved budgets are not exceeded. | |
| Volunteers | Approval for the introduction of a new volunteer initiative | Board |
| | Authority to employ volunteers | OM / NM |

FINANCIAL STANDING ORDERS

| | | |
|---|--|--|
| Annual Report and Accounts | <p>Approve the annual report and accounts</p> <p>Receive the annual report and accounts</p> | <p>Board</p> <p>Members</p> |
| Financial Plan | <p>Approve the Financial Business Plan</p> <p>Approve the budget</p> <p>Approve a salary budget</p> | <p>Board</p> <p>Board</p> <p>Board</p> |
| “At Risk” expenditure | Approve limits to exposure to “at risk” expenditure, including land banking, development costs and new business development | Board |
| Virement of expenditure | <p>Once the budget is approved, there may need to be virement of expenditure between years and between departments. Approval of such virements is delegated as follows:</p> <ul style="list-style-type: none"> • Between operational budgets; • Between business plan years: <ul style="list-style-type: none"> ➤ Up to £50,000; ➤ Over £50,000; <p>Virement sums relate to the total amount for each budget line, rather than individual transactions.</p> | <p>OM</p> <p>CEO Board</p> |
| Commitment of expenditure outside the budget | <p>Authority to commit expenditure outside budget and outside the virement limits:</p> <ul style="list-style-type: none"> • Up to £50,000; • Over £50,000; | CEO Board |
| Commitment of development expenditure “at risk” | <p>Authority to commit “at risk” expenditure within limits approved by the Board:</p> <ul style="list-style-type: none"> • Up to £50,000; • Over £50,000; | CEO Board |
| Commitment of Neighbourhood Investment Fund expenditure | <p>Authority to approve expenditure on any one project</p> <ul style="list-style-type: none"> • Up to £5,000 • Over £5,000 | <p>Neighbourhood Investment Panel</p> <p>Board</p> |

FINANCIAL STANDING ORDERS (continued)

| | | |
|----------------------------------|---|--|
| <p>Commitment of expenditure</p> | <p>“Commitment of expenditure” includes the ordering of goods and services, signing contracts, approving invoices for payment and approving the release of payments under existing contracts. Authority relates to the full value of the contract, including VAT and the sums for multiple years where applicable.</p> <p>Separate delegated authorities apply to the actual payments by on-line banking systems, cheque etc.</p> <p><u>Development expenditure:</u> Authority to commit expenditure within the budget in total and:</p> <ul style="list-style-type: none"> • Over £250,000 per transaction; • Up to £500,000 per transaction on a pre-approved Board contract, otherwise £250,000 • Up to £250,000 per transaction • Up to £75,000 <p><u>Operating expenditure:</u></p> <ul style="list-style-type: none"> • Over £150,000 per transaction; • Up to £150,000 per transaction • Up to £75,000 • Up to £10,000 per transaction • Up to £10,000 per transaction • Up to £5,000 per transaction; • Up to £1,500 per transaction; | <p>Board</p> <p>CEO</p> <p>CEO</p> <p>OM</p> <p>Board</p> <p>CEO</p> <p>OM</p> <p>PSO, NM</p> <p>Group 1</p> <p>Group 2</p> <p>Group 3</p> |
|----------------------------------|---|--|

| | | |
|----------------------------|--|--|
| | <p>Contractor and Consultants without going through a tender process. Selection will be based on recommendation, reputation and general knowledge of the Contractor and Consultants.</p> <p>Separate Board approval will be sought prior to entering in to any contract and will be fully costed. Consultants rates and Contractor pricing will be benchmarked by independent assessment to ensure the costs are competitive.</p> <p>Negotiated Contracts</p> <p>Negotiated Contracts are to be used only in exceptional circumstances and always to be approved by Board as appropriate before any negotiations are commenced. Current use is restricted to New Build development on the Westfield Estate post Phase 1 of development.</p> | |
| <p>Contract variations</p> | <p>Where actual contract costs vary from the anticipated costs, approval of the variation is:</p> <ul style="list-style-type: none"> • Over £5,000 or 5% or the contract sum, whichever is the greater; • Up to £5,000 or 5% or the contract sum, whichever is the greater; | <p>OM / NM</p> <p>Authoriser of the contract</p> |
| <p>Payment limits</p> | <p>Transfer funds between Association bank accounts</p> <p>Payments by on-line banking systems:</p> <ul style="list-style-type: none"> • Payroll payments • Other payments (in total per BACS run / CHAPS transfer): <p style="padding-left: 40px;">£50,000 or over</p> <p style="padding-left: 40px;">Up to £50,000</p> <p>Establish Direct Debits / Standing Orders</p> <p>Cheque payments:</p> <ul style="list-style-type: none"> • Up to £10,000 • Unlimited <p>Approve issue of Association credit cards and associated expenditure limits</p> <p>Approval of Bank Mandate</p> | <p>Financial Services Officer</p> <p>OM plus one other Bankline</p> <p>OM plus one other Bankline</p> <p>Any 2 Bankline</p> <p>Any 2 cheque signatories</p> <p>Any 1 cheque signatory</p> <p>Any 2 cheque signatories</p> <p>OM</p> <p>Board</p> |

FINANCIAL STANDING ORDERS (continued)

| | | |
|---|--|--|
| Raise invoices for services / recharges | Because of the potential VAT implications, all invoices must be raised in line with agreed procedures. | Financial Services Officer / Nursery Finance Officer / Customer Services Officer / Group 2 |
| Write off debts / costs | <p>Write-off debts</p> <ul style="list-style-type: none"> • Up to £100 • Up to £1,000 • Over £1,000 <p>Write-offs over £1,000 are to be reported to the Board</p> | Group 2 OM / NM CEO |
| Insurance claims | Authorise submission of insurance claims | Financial Services Officer |

AUTHORITIES NOT DELEGATED BY THE BOARD

| | |
|--------------------------|--|
| Delegated authority | Authority to approve or amend this document |
| Rules of the Association | Approve applications for membership of the Association |
| Board | <p>Co-opt members onto the Board</p> <p>Determine the structure of the Board and any sub-committees</p> <p>Elect Chairman, Vice-Chairman and other officers as necessary</p> |
| Executive Officers | <p>Appoint or dismiss the Company Secretary</p> <p>Appoint or dismiss the Chief Executive</p> |
| Company Seal | Authorise the use of the Company Seal (by way of retrospective ratification of use) |
| Property contracts | <p>Authorise the disposal of property, including land:</p> <ul style="list-style-type: none"> • Over £10,000 • Up to £10,000 <p>Sign property contracts in the Association's name over £250,000;</p> |

| | |
|---|--|
| | <p>“Property contracts” include purchases, disposals, conveyances, mortgages, development of new properties, leases and rental agreements for housing, office space or other purposes.</p> |
| Major works / maintenance contracts | <p>Sign major works / maintenance contracts in the Association’s name over £250,000;</p> |
| Service provision contracts | <p>Enter into contracts relating to the provision of services to other organisations (e.g. maintenance services) of a type not currently provided</p> |
| Location and nature of office accommodation | <p>Approve the purchase, lease or rental of offices for the purposes of service delivery</p> |

AUTHORITIES NOT DELEGATED BY THE BOARD (contd.)

| | |
|--------------------------------------|---|
| Treasury Management | Amendments to approved counter-party borrowing / lending institutions Approval of loan finance contracts |
| Banking arrangements | Appoint corporate bankers for the Association |
| Breach of Contract | Approve out of court settlements over £50,000 |
| Statutory / Regulatory Returns | Authorise general regulatory returns to the Regulator of Social Housing (if required by the regulator) |
| Corporate policies | Approve strategic and key operational policies as set out in Appendix 2 |
| Business Planning | Approve the Corporate Strategy and Action Plan |
| New initiatives | Authority to commit the Association to the provision of services not previously provided by the Association |
| Changes to property structures / use | Approve changes to client groups or tenure type that impact upon future income generation from multiple homes, including sheltered housing schemes |
| Employment matters | Approve pay settlements Authority to appoint or dismiss the Chief Executive and Company Secretary or appoint other EMT members Approval of overall department / team structures |
| Annual Report and Accounts | Approve the annual report and accounts |
| Financial Plan | Approve the Financial Business Plan Approve the budget Approve a salary budget |

AUTHORITIES NOT DELEGATED BY THE BOARD (contd.)

| | |
|---|---|
| Commitment of Neighbourhood Investment Fund expenditure | Authority to approve expenditure over £5,000 as recommended by the Neighbourhood Investment Panel |
| “At Risk” expenditure | Approve limits to exposure to “at risk” expenditure, including land banking, development costs and new business development |
| Commitment of expenditure | Authority to commit development expenditure over £250,000; Authority to commit operating expenditure over £150,000; Authority to commit expenditure outside the budget and over £50,000; Authority to commit “at risk” expenditure over £50,000; |
| Payment limits | Approval of bank mandate |

POLICIES / STRATEGIES THAT REQUIRE FORMAL BOARD APPROVAL

- Mission, vision and values
- Corporate Strategy
- Tenant Engagement Strategy
- Rent Setting Policy / Nursery Fee Policy
- Access to Homes Policy
- Procurement Strategy
- Treasury Management Policy
- Strategic Approach to Risk Management
- Value for Money Strategy
- Code of Conduct and related Probity Policies??
- Board Membership and Remuneration Policy
- Development Strategy
- Asset Management Strategy

This list is not necessarily exhaustive and the Board reserve the right to require that the Board approve any policy of the Association

APPENDIX 3: BOARD AND COMMITTEE TERMS OF REFERENCE

1. The Board has overall control of the activities of the Association but delegates day-to-day responsibility for carrying out those activities to the Chief Executive. The matters specifically reserved for Board approval are set out below and in the Delegated Authorities.
2. The Board shall:
 - 2.1 Establish and approve the strategic direction of the Association, including its mission and values, strategic objectives and business plan.
 - 2.2 Ensure compliance with the Association's objects, in particular that the Association maintains its strong community and customer focus;
 - 2.3 Establish a culture that is positive, focused on the needs of current and future residents, other customers and key stakeholders, and embeds equality, diversity, and inclusion in the organisation.
 - 2.4 Ensure appropriate systems of control exist to ensure the health and safety of tenants, other customers, staff, Board members and those working in partnership with the Association;
 - 2.5 Ensure a risk management framework and appropriate systems of control exist to protect the assets and reputation of the Association;
 - 2.6 Ensure appropriate systems of control and reporting exist to enable the Board to evaluate whether the Association is operating effectively, efficiently and economically;
 - 2.7 Satisfy itself as to the integrity of financial information, and setting and approving each year's budget, business plan and annual accounts prior to publication;
 - 2.8 Providing oversight, support, direction and constructive challenge to the organisation's Chief Executive and other executives;
 - 2.9 Appoint, direct and, if necessary, dismiss the Chief Executive;
 - 2.10 Establishing, overseeing and regularly reviewing a framework of delegations to committees and staff;
 - 2.11 Holding to account the organisation's committees and senior staff for the exercise of any powers delegated to them;
 - 2.12 Review these Governance Regulations at least every two years and approve amendments to them as necessary.

AUDIT AND RISK COMMITTEE TERMS OF REFERENCE

| | |
|------------------------------|--|
| <p>Purpose</p> | <p>To provide the Board with assurance as to the effectiveness of the Association’s risk and internal control frameworks; financial reporting and accounting issues in the Association and oversee both internal and external audit functions.</p> |
| <p>Chair</p> | <p>The Committee chair will be a non-executive director of Westfield Housing Association (WHA) appointed by the Board. In the chair’s absence, the remaining members present can elect a chair, who must be a non-executive director.</p> |
| <p>Secretary</p> | <p>The Company Secretary or their nominee. Agenda and reports to be circulated to committee members (and other attendees if appropriate) at least 5 working days before the meeting. Minutes will record proceedings, resolutions, those present/in attendance and will be circulated to the Committee and all members of the board and subsidiary committees. Confidential Items, not for general circulation will be redacted or not circulated as appropriate.</p> |
| <p>Term of office</p> | <p>A term of office for committee members will be 3 years but can be extended in accordance with the Governance Framework.</p> |
| <p>Reporting</p> | <p>Minutes of the committee meetings will be circulated to the Board. The Committee Chair will also be responsible for reporting to the Board on the work of the Committee after each meeting. The report shall include: the significant issues that it considered in relation to the financial statements, and how these were addressed any significant issues considered in relation to risks its assessment of the effectiveness of the external audit process, the approach taken to the appointment or re-appointment of the external auditor, length of tenure of audit firm, when a tender was last conducted and advance notice of any re-tendering plans; An assessment of Internal Control based on the work of internal audit and other assurance reports; and any other issues on which the board has requested the committee’s opinion; and</p> <p>The Committee will produce a report to be included in the WHA annual report about their activities.</p> |

| | |
|------------------|--|
| Authority | <p>To act in accordance with its terms of reference taking into account statutory and regulatory requirements and best practice;</p> <p>To ask for any information it requires from any WHA colleague in order to perform its duties;</p> <p>To take external legal or other professional advice on any matter within its terms of reference;</p> <p>To annually review its own performance, composition and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board;</p> <p>In relation to all the matters for which the Committee has responsibility, the Committee has the power to approve all documentation which it considers necessary; authorise a signatory or signatories to sign or execute such documentation on behalf of WHA; authorise the use of company seals for WHA and signatories to attest such seals in relation to such documentation or otherwise to authorise execution of any document requiring execution as a deed; and authorise any person to do any act, matter or thing which the Committee consider in its absolute discretion is appropriate in relation to its powers.</p> |
|------------------|--|

| | |
|---|---|
| <p>-</p> <p>AUDIT AND RISK COMMITTEE</p> | |
| MEMBERSHIP | <p>Up to 4 Non-Executive Directors with a minimum of 3. At least one member of the Committee will have competence in accounting/and or auditing and committee members as a whole shall have competence relevant to the sectors WHA operates in.</p> <p>The WHA Chair will not be a member of the Committee.</p> <p>Attendees will comprise the CEO, Operations Manager, Financial Accountant and Secretary and any other by invitation.</p> |
| MEETINGS | <p>Meetings of the Committee shall be held at least 4 times a year with dates set and agreed by Board for any calendar year at the end of the previous year. Only members of the Committee have the right to attend meetings. Alongside attendees, others may be invited to attend for all or part of any meeting.</p> |

| | |
|--|--|
| QUORUM | 3 Non-Executive Directors. |
| APPROVAL OUTSIDE OF THE MEETING CYCLE | A resolution agreed by email by at least 2 Non-Executive Directors shall be valid and effective as if it had been passed at a properly called and constituted meeting of the Committee. |
| EXTERNAL ADVICE & TRAINING | May appoint Advisors or seek external legal or other professional advice on any matter within its terms of reference. The Committee shall have access to sufficient resources to carry out its duties and be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members. |
| PLANS AND POLICIES | <p>Keep under review and advise Board on the effectiveness of the following policies:</p> <ul style="list-style-type: none"> Money Laundering Policy; Whistleblowing Policy; Governance Regulations and Financial Regulations of WHA (including financial authorisation limits at Executive level and above); Anti-Fraud Policy; Probity Policy; and Authorised Expenditure Levels and Orders Procedure. <p>The Committee may from time to time address other policies as delegated by the Board.</p> <p>Review and make recommendations to the Board:</p> <ul style="list-style-type: none"> Risk Management Policies and Frameworks and the strategic Risk Register; Governance Framework and policies; and Delegation framework |

| | |
|---|---|
| <p>FINANCIAL REPORTING</p> | <p>Monitor and review the integrity of the financial statements of the Association, including the annual report and accounts, reviewing significant financial reporting issues and the judgments, which they contain.</p> <p>Review and challenge where necessary;</p> <ul style="list-style-type: none"> significant financial returns to Regulators; the consistency of, and any changes to, accounting policies on a year on year basis making recommendations to the Board on any proposed significant changes in accounting policies or practices; the methods used to account for significant or unusual transactions where different approaches are possible; whether the Association has followed appropriate accounting standards and made appropriate estimates and judgments considering the views of the external auditors; the clarity of disclosure in the Association’s financial reports and the context in which statements are made and all material information presented with the financial statements, such as the operating and financial review and the corporate governance statement (insofar as it relates to the audit and risk management). |
| <p>INTERNAL CONTROLS AND RISK MANAGEMENT</p> | <p>Review and approve, and make recommendations to the Board on, the statements to be included in the annual report concerning internal controls and risk management and advise the Board whether the Annual Report, taken as a whole is fair, balanced and understandable and provides the information necessary for stakeholders to assess the Association’s achievement of its strategy objectives and value for money.</p> <p>Keep under review, and report to / make recommendations to the Board in relation to, the adequacy and effectiveness of the Association’s internal financial controls and internal control and risk management systems which will include:</p> <ul style="list-style-type: none"> reports on risk management and updates on the Association’s strategic risk register and control frameworks the Association’s risk processes including risk appetite the risk management framework and its operation any legal action being taken by or against the Association which could have a material impact financially on WHA’S reputation. |

| | |
|--|--|
| <p>COMPLIANCE, WHISTLEBLOWING & FRAUD</p> | <p>Whistleblowing - review the arrangements for colleagues to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. Ensure that these arrangements allow proportionate and independent investigation, with unfettered access, of such matters and appropriate follow up action.</p> <p>Probity – Consider and make a recommendation to the Board on any contracts proposed to be granted to Board members (or Connected Persons) (see Probity Policy). Ensure that a record is kept of any such contracts.</p> <p>Fraud - review and advise Board on the policy for detecting fraud.</p> <p>Bribery - review the adequacy and effectiveness of the prevention of bribery systems and controls.</p> <p>Anti-money laundering responsibilities–</p> <ul style="list-style-type: none"> lead on risk management, internal control, probity and whistleblowing, including making sure there are appropriate and effective systems in place to prevent, detect and report instances of money laundering; make sure a MLRO has been appointed; <p>Declarations of Interest</p> |
| <p>STATUTORY AND REGULATORY COMPLIANCE</p> | <p>Statutory and regulatory - monitor through internal audit reports the Association’s compliance with statutory and regulatory requirements including those of the Regulator of Social Housing and the Financial Conduct Authority.</p> <p>This includes:</p> <ul style="list-style-type: none"> providing assurance to the Board on self-assessment of performance against the Economic Standards and in particular the Governance & Financial Viability standards in the Regulatory Code and compliance against the relevant Governance Code providing assurance to the Board on compliance with all law annual Regulatory Plan together with summaries of the various regulatory reviews |

| | |
|------------------------------|---|
| <p>INTERNAL AUDIT</p> | <p>Monitor and review the effectiveness of the Group’s internal audit function in the context of the Group’s overall risk management system.</p> <p>Approve:</p> <ul style="list-style-type: none"> - the appointment and removal of the internal auditors, including their remuneration and terms of engagement approving the letter of engagement for the internal auditors. - Ensure internal audit is sufficiently resourced and has appropriate access to information to enable it to perform its function effectively and in accordance with relevant professional standards. Ensure the function is free from management or other restrictions. Internal auditors will be given the right of direct access to the Board Chair and to the Audit Committee. - the annual internal audit plan to ensure it is aligned to the key risks of the business <p>Review and assess the progress of the annual internal audit plan. Receive regular reports on work carried out and monitor management’s responsiveness to the findings and recommendations of the internal auditor.</p> <p>Monitor- the performance of internal auditors and the effectiveness of their work including meeting with internal audit at least once per year without the presence of management to discuss effectiveness.</p> |
| <p>EXTERNAL AUDIT</p> | <p>Consider and make recommendations to the Board, (to be approved at the AGM), regarding appointment, re-appointment and removal of the Association’s external auditor. Oversee the selection process for a new auditor. If an auditor resigns investigate the issues leading to this and decide whether any action is required.</p> <p>The Committee shall consider whether to re-tender the external audit at least once every 5 years, taking into account all relevant guidance regarding the rotation of external auditors.</p> <p>Oversee the selection process for a new external auditor.</p> <p>Approve the letter of engagement for the external auditor.</p> <p>Pre-approve any non-audit services.</p> |

| | |
|----------------|--|
| | <p>Oversee the relationship with the external auditor including:</p> <ul style="list-style-type: none"> approval of their remuneration, whether fees for audit or non-audit services are paid, and considering whether the level of fees is appropriate to enable an adequate audit to be conducted; approval of their terms of engagement, including any engagement letter issued at audit and the scope of the audit; assessing annually their independence and objectivity, qualifications, expertise and resources (taking into account relevant UK law, regulation, the Ethical Standard and other professional requirements) and the audit relationship, which will include a report from the external auditor on their own internal quality procedures, methodology used in testing particular areas of the accounts and changes in approach from prior year. assessing annually the effectiveness of the audit process and the overall performance of the external auditors, including any threats to the auditor’s independence and the safeguards applied to mitigate those threats, including the provision of any non-audit services <p>Review and be satisfied with the scope and planning of the External Auditor’s work, and any significant changes to its audit plans to approve these on behalf of the Board.</p> <p>Meet regularly with the external auditor, including once before the audit (planning) and once after the audit (reporting). Meet at least once a year, without management present, to discuss the auditor’s remit and any issues arising from the audit.</p> <p>Review - and approve the annual audit plan and ensure that it is consistent with the scope of the audit engagement.</p> <p>The findings of the audit with the external auditor to include: -</p> <ul style="list-style-type: none"> a discussion of any major issues which arose during the audit any accounting and audit judgements levels of errors identified during the audit the effectiveness of the audit process including an assessment of the quality of the audit, handling of key judgements by the auditor and the auditor’s response to questions from the Committee monitor the implementation of approved recommendations relating to the external audit reports and audit management letter any representation letter(s) requested by the external auditor before they are signed by Board the management letter and management’s response to the auditor’s findings and recommendations the level of co-ordination with the activities of the internal audit function. |
| GENERAL | Insurance – consider and review the annual report on the insurance portfolio, and risks covered and excluded, and advise Board. |

REMUNERATION COMMITTEE TERMS OF REFERENCE

1. The Committee shall comprise up to three members appointed by the Board. A quorum shall be two members.
2. The Chair of the Board must not also Chair the Remuneration Committee.
3. The Committee shall meet as often as required to fulfil its terms of reference, but not less than once a year.
4. The minutes of the Remuneration Committee shall be reported to the Board.
5. The functions of the Remuneration Committee shall be to:
 - 5.1. appraise of the performance of the Chief Executive, such appraisal to be carried out at least annually
 - 5.2. recommend to the Board the level and structure of remuneration for the Chief Executive, including any pension or other entitlements
 - 5.3. ensure that contractual terms on termination, and any payments made, are fair to the individual and to the Association, and having regard to the reputation of the social housing sector
 - 5.4. recommend to the Board the level and structure of remuneration for the Chair of the Board and other Board and committee members
 - 5.5. establish the selection criteria, select, appoint and set the terms of reference for any remuneration consultants who advise the committee



SHAREHOLDING MEMBERSHIP POLICY AND PROCEDURE

Westfield Housing Association is a registered society under the Co-operative and Community Benefit Societies Act 2014 operating under Charitable Rules and we are keen to ensure that people and organisations who share our ethos have the opportunity to participate in our activities.

We are controlled by Shareholding Members who agree to be bound by the obligations on them as set out in the Association's Rules 6. Part C and when acting as shareholders will act at all times in the interests of the Association and, for the benefit of the community, as guardians of the Objects of the Association.

This policy explains the role of our Shareholders and sets out the basis of their admittance and their involvement in the Association thereafter.

1. Membership of the Association

Who can become a Member?

Any individual can apply to become a member; with the exception of the following: –

- a minor;
- a person who has been expelled as a shareholder, unless authorised by special resolution at a general meeting;
- an employee of the association or an employee of any other body whose accounts must be consolidated with those of the association

We are particularly keen to encourage the following individuals and groups:

- Tenants/ Residents
- Individuals from the communities where we work;
- Shared ownership tenants;
- Individuals who have particular skills to bring;
- Local community organisations;
- Local voluntary organisations;
- Stakeholder agencies
- Partners (eg. Like minded bodies such as managing agents).

It is a requirement that former employees only become eligible for membership after 12 months have elapsed following the termination of employment.

There are some individuals and groups who we would discourage from applying:

- Any individual or organisation which does not Westfield's ethos and values.
- Any individual or organisation which gains any financial benefit from Westfield, including contractors, consultants etc.

How to become a Shareholding Member

Membership application forms are available from the Association's Company Secretary.

The completed form should be returned, with the sum of £1 (which shall be returned if the application is not approved), to the Company Secretary at the Association's registered office; details of which are included on the application form.

Every application will be considered by the board, which has the power to accept or reject the application, and will be included in the agenda for the next scheduled Board meeting.

Rather than give preference to any particular group or person, applicants will be selected on the basis of those who are supportive of our Mission, Vision, Aims and Objectives.

The Company Secretary will notify the applicant of the Board's decision within 14 days of the meeting.

If the application is approved the applicant will be issued with a share certificate, a copy of the rules and a copy of this Membership Policy.

This share does not change in value over time, it earns no dividend and, if anyone ever wishes to cease membership, their share is not returned to them. Their liability is similarly limited to £1.

Data Protection

Wesfield Housing Association is registered with the Information Commissioner's Office (ICO) as required by the Data Protection Act 1998. By applying for shareholding membership, successful applicants are deemed to be giving informed consent for their personal contact details to be shared with other shareholders for the purpose of enabling communication between members on matters of interest relating to the activities of the Association and in particular, for the purpose of securing nominations for the position of Board Member.

The Benefits of Membership

The formal benefit of membership is that members may attend, speak and vote at general meetings and are able to stand for election to the Board. However, we think that many individuals and organisations which share our purposes and ethos and which are interested in our progress will want to make the commitment of membership.

At the very least, all members receive a copy of our Annual Report and Financial Statements.



BOARD MEMBERSHIP AND REMUNERATION POLICY

This document outlines Westfield Housing Association’s policy in respect of recruiting, electing and remunerating Board members

| Version History | | |
|------------------------|--|----|
| January 2019 | Full rewrite; separate policy created following approval of the wider Governance Regulations and independent governance review | NV |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

1. Board membership roles and responsibilities

- 1.1. The role and responsibilities of each Board member, and of the Board collectively, is to:
 - i. Establish and approve the strategic direction of the Association, including its vision and values, strategic objectives and financial business plan.
 - ii. Ensure compliance with the Association's objects, in particular that the Association maintains its strong community and tenant focus;
 - iii. Ensure appropriate systems of control exist to ensure the health and safety of tenants, other customers, staff, Board members and those working in partnership with the Association;
 - iv. Ensure a risk management framework and appropriate systems of control exist to protect the assets and reputation of the Association;
 - v. Ensure appropriate systems of control and reporting exist to enable the Board to evaluate whether the Association is operating effectively, efficiently and economically;
 - vi. Ensure appropriate systems of control and reporting exist to enable the Board to approve the Annual Accounts prior to publication;
 - vii. Appoint, direct and, if necessary, dismiss the Chief Executive;

2. Board qualities, skills and experience

- 2.1. The Board shall ensure that it has the necessary range of qualities, skills and experience to enable it to uphold the Association's values, direct the Association's work and set the Association's strategic direction and policies in accordance with the Board's Terms of Reference (appendix 1).
- 2.2. The Board shall regularly review the qualities, skills and experience that it collectively requires to fulfil its duties (appendix 2).
- 2.3. Each year, the Board will assess its collective skills and experience. An assessment of the contribution of each individual Board member shall be conducted by the Chairman every two years.
- 2.4. All Board members are expected to participate in their own assessment and of the Board collectively.

- 2.5. Training, support and development will be provided to Board members, individually and collectively, to enable the Board to fulfil its duties.
- 2.6. Where a lack of skill or experience is identified, the Board may co-opt an appropriately skilled person or persons onto the Board
- 2.7. Prior to each Annual General Meeting, the Board shall identify individuals for nomination for Board membership who, together with existing Board members, ensure that it has the necessary range of qualities, skills and experience to fulfil the Board's duties.
- 2.8. Shareholders of the Association will be advised of the Board's assessment of its skills and experience in order to inform the election or re-election of Board Members.

3. Composition of the Board

- 3.1. The Board shall comprise not less than five and not more than twelve members, included co-opted members.
- 3.2. The Association values highly its community base in Westfield and encourages tenants to apply for Board membership. Under the Rules of the Association no more than one-half of the Board members may be tenants.
- 3.3. No more than three co-optees may be on the Board. The Board has resolved to co-opt one nominee from Allerdale Borough Council.

4. Election and Retirement

- 4.1. Board members shall be elected by Shareholding Members at each Annual General Meeting, in accordance with the Rules of the Association. Board members are elected for a three-year term and may serve for a maximum of three consecutive terms (i.e. nine years in total).
- 4.2. Under the Rules of the Association, not less than one-third of Board Members must retire from office each year; these shall be the longest serving Members since last elected or re-elected.
- 4.3. A member who has absented themselves from four consecutive meetings of the Board without special leave of absence may cease to be a Board member in accordance with the Rules of the Association.

5. Recruitment to the Board

- 5.1. Where the number of Board members is below the maximum number permitted, and where the Board assess that a lack of skill or experience exists, the Board shall seek to recruit additional Board members.
- 5.2. Recruitment will be through an open and transparent process. An advert will be placed in the local press and also may be advertised through, but not limited to, publicity on the Association's website, social media sites, direct communication to tenants and customers of the Association and professional networks.
- 5.3. Any person interested in joining the Board will be invited to submit an application detailing their experience and skills. The Board shall determine and publicise the selection process.
- 5.4. Successful applicants shall be appointed to the Board and, in accordance with the Association's Rules, must seek election at the Association's next Annual General Meeting.

6. Expenses incurred in performing Board duties

- 6.1. Board membership is a voluntary role for which no remuneration is made.
- 6.2. However, the Association does not wish Board members or other volunteers to be out of pocket as a result of their contribution to the Association's activities. Expenses incurred in carrying out approved duties may be claimed as follows:
 - a. *Travel to Meetings*: Reasonable travel costs will be reimbursed. Mileage is reimbursed at Approved Mileage Allowance Payment (AMAP) rates. Taxis may be used when there is no alternative. In addition, the cost of other ancillary and essential costs incurred, such as parking expenses may be claimed.
 - b. *Meals and refreshments*: Reasonable expenses may be claimed for refreshment if none is provided and the member is away from home over three hours.
 - c. *Caring responsibilities*: Board or committee members who incur child care or other care costs to enable them to carry out approved duties will be entitled to have reasonable costs reimbursed subject to the prior agreement of the Chairman.
 - d. *Conferences and Training*: Course and conference fees and accommodation booked by the Association will be paid direct. Otherwise they may be claimed on production of a booking form or receipt. Travelling expenses for such events will also be met.

Appendix 1

BOARD TERMS OF REFERENCE

1. The Board has overall control of the activities of the Association but delegates day-to-day responsibility for carrying out those activities to the Chief Executive.
2. The Board shall:
 - i. Establish and approve the strategic direction of the Association, including its vision and values, strategic objectives and financial business plan.
 - ii. Ensure compliance with the Association's objects, in particular that the Association maintains its strong community and tenant focus;
 - iii. Ensure appropriate systems of control exist to ensure the health and safety of tenants, other customers, staff, Board members and those working in partnership with the Association;
 - iv. Ensure a risk management framework and appropriate systems of control exist to protect the assets and reputation of the Association;
 - v. Ensure appropriate systems of control and reporting exist to enable the Board to evaluate whether the Association is operating effectively, efficiently and economically;
 - vi. Ensure appropriate systems of control and reporting exist to enable the Board to approve the Annual Accounts prior to publication;
 - vii. Appoint, direct and, if necessary, dismiss the Chief Executive;
 - viii. Review these Governance Regulations at least every two years and approve amendments to them as necessary.
3. The detailed matters specifically reserved for Board approval are set out in the Governance Regulations: Appendix 1 - Delegated Authorities.

Appendix 2

INDIVIDUAL AND COLLECTIVE REQUIREMENTS FOR BOARD MEMBERS

Personal qualities (all Board members)

Board members must:

Be open, honest and trustworthy, with high levels of integrity

Uphold the values of the Association in everything they do

Set a positive culture

Treat others with respect

Work as a team player

Be independent and inquisitive

Have good communication skills

Contribute to board discussions and decision-making

Provide constructive challenge

Come well prepared for Board meetings

Commit time and effort to do the role

Be competent in the use of information and communication technology (ICT)

Skills (the Board collectively)

The Board must:

Understand and relate to the local community and to all stakeholders (e.g. tenants, residents, applicants for housing, nursery parents, the local authority, funders and partner agencies)

Focus on outcomes for tenants, nursery parents, communities and the Association

Demonstrate good governance and high standards of probity and business ethics

Think strategically and be able to establish policy and long-term strategy

Exercise critical reasoning and problem-solving skills

Understand and be able to interpret financial information

Understand and oversee the management of the risks that face the Association

Understand the role of technology in service delivery

Experience (the Board collectively)

The Board must have experience of:

Community influence and connections

Social housing issues

Corporate governance in a regulated business sector

Housing and property management

Property development

Business management



BOARD CODE OF CONDUCT & TEAM CHARTER

**This document outlines Westfield Housing Association’s policy in respect of
the behaviour and conduct expected of Board members**

| Version History | | |
|------------------------|--|----|
| January 2019 | Full rewrite; separate policy created following approval of the wider Governance Regulations and independent governance review | NV |
| October 2020 | No changes | LM |
| | | |
| | | |
| | | |
| | | |
| | | |

Board Code of Conduct

In fulfilling the duties of a Board member, each individual shall:

- uphold the values and objectives of the Association;
- uphold the Association's core policies including this Code of Conduct;
- ensure the Association operates in accordance with its own Rules and within relevant laws and regulations;
- act in good faith at all times, observe high standards of probity, not seek personal gain from their role as Board member and not damage the reputation of the Association, its tenants or communities;
- declare any relevant interests and activities undertaken outside their role as a Board member; avoid conflicts of interest and actions that might reasonably be perceived as creating a conflict of interest;
- report reasonable and honest suspicions of wrong-doing within the Association;
- respect confidentiality of information and comply with relevant data protection legislation;
- act with fairness so as not to unjustly discriminate against individuals, groups or interests; promote equality and diversity in all that they do and that the Association does;
- treat others with respect and courtesy;
- contribute to and share responsibility for the board's decisions, including its duty to exercise reasonable care, skill and independent judgement;
- seek to develop their skills, knowledge and learning, including preparing adequately for Board meetings and participating in training events and in collective and individual performance reviews;

Board Team Charter

- We fulfil our Board member role by being:
 - ✓ Open-minded.
 - ✓ Honest.
 - ✓ Positive.
 - ✓ Committed to the success of Westfield Housing.
- We demonstrate respect for each other as individuals in what we say and what we do.
- We respect each other's opinions, even if we disagree with them.
- We ensure that everyone feels secure enough to speak openly without fear of any adverse reaction.
- We strive to get the best out of each other and ourselves.
- We are respectful of our customers and staff, consult tenants and nursery parents and demonstrate that we have taken their views and feedback into consideration.
- We come to meetings well prepared and start them on time. We will send apologies in advance if we are going to be absent. Meetings will take as long as they need to and will not be restricted.
- We stick to the subject in hand and do not pursue personal agendas.
- We all take our fair share of the workload and responsibilities.
- We all commit, support and deliver a consistent message on all decisions made.
- We are mindful of how others perceive us.
- We are ambassadors of Westfield Housing, including Footsteps Nursery, at all times.