

Loreburn Group
Standing Orders



Creating Great Places to Live

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| Policy | Standing Orders | | | | | | | | | |
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Content page to be reviewed prior to release once amendments agreed.

Introduction

The Rules of the Association and the Standing Orders outline how Loreburn Group will be controlled and run. The Financial Regulations, which sit alongside the Standing Orders incorporate the financial policies and cover the arrangements for supervision and control of finances, assets and other resources of the Association.

The Management Committee is ultimately responsible for the overall control of the affairs of Loreburn Group. It exercises this responsibility in accordance with guidance on good governance issued by the Scottish Housing Regulator.

The Management Committee is responsible for approving and amending the Standing Orders and Financial Regulations. There is a Schedule of Operational Delegations, part of the Standing Orders, and also a Schedule of Authority Limits, part of the Financial Regulations, which provides a usable summary of the most common needed authorities.

In addition to the Financial Regulations, there are other detailed internal financial policies and procedures that mirror best practice, reflecting regulatory requirements and industry norms.

Nothing in the Standing Orders or Financial Regulations shall override instructions or conditions imposed by the appropriate regulator or Government department, the Accounting Standards Board or through statute.

The Convener of the Management Committee is chair of Management Committee meetings.

Corporate Governance

Corporate governance describes the processes, practices and structures through which a company manages its business and affairs and works to meet its financial, operational and strategic objectives to achieve long-term sustainability.

Good corporate governance is not solely the duty of the Management Committee, it is the responsibility of everyone in the organisation, to ensure we:

- are appropriately constituted, structured and operate within appropriate governance processes
- support good practice financial reporting as well as a system of internal controls
- exemplify standards of behaviour as a way of enabling good governance

Good governance practices positively impact long-term on corporate performance. Loreburn Group have designed and implemented governance that complies with legal requirements and meets their particular needs which includes:

- *Strong Management Committee* – comprising of Members who are knowledgeable and have expertise relevant to the business, qualified and competent with strong ethics and integrity, diverse backgrounds and skills sets with sufficient time to commit.

- *Defined roles and responsibilities* – established clear lines of accountability within the Management Committee and between the Management Committee and the Chief Executive and Directors.
- *Robust integrity and ethical approach* – open, transparent procedures and a general culture of integrity and professional business dealings in respect of compliance with laws, policy and guidance documents.
- *Effective risk management* – regularly identifying and assessing risks including financial, safety/compliance, reputational, service delivery/development and strategic/governance.

1 Rules and Standing Orders

Loreburn Housing Association and Dumfries and Galloway Homes

- 1.1 Loreburn has adopted the SFHA Charitable Model Rules (Scotland) 2020. The Rules set out the objects and overall governance for Loreburn.
- 1.2 These Standing Orders set out additional governance procedures and provide a framework for effective management of the business.
- 1.3 The Management Committee may not exercise any powers which are reserved to Loreburn in general meetings either by the Rules or by statute.
- 1.4 In the event of a conflict between the Rules and these Standing Orders, the Rules will take precedence.
- 1.5 A Scheme of Operational Authorities is maintained as part of the Financial Regulations.
- 1.6 Loreburn is the parent body of its subsidiary Dumfries and Galloway Homes (“DGH”) which is incorporated as a company limited by shares. Loreburn, as parent body, has determined that the directors of DGH shall implement and comply with the terms of these Standing Orders in so far as it is applicable and appropriate to do so, in the conduct of the business of DGH.

2 Management Committee: Role and Membership

- 2.1 The purpose of the Management Committee is to direct the affairs of Loreburn Housing Association, to set the strategic objectives and determine strategy and high level policies. All members share responsibility for the Associations’ decisions.
- 2.2 The essential functions of the Management Committee are defined in Section 9 of the Standing Orders. The Powers of the Management Committee are defined within Sections 45, 46 and 47 of the Rules.
- 2.3 The requirements for the composition of the Management Committee are set out within Section 37 of the Rules. The role of co-optees is defined in Section 42 of the Rules.
- 2.4 The Management Committee will agree a policy and procedure for member recruitment and retention.
- 2.5 In addition to the powers and responsibilities listed in the Rules all Committee Members are required to follow the Code of Conduct.
- 2.6 Each Committee Member shall be given a copy Loreburn’s Code of Conduct and the Entitlements, Payments and Benefits Policy (including Declaration of Interest Form) and shall return a signed copy within one month of their election/appointment to the Committee. Committee Members will update their returns annually and declare any interests at the start of each meeting.

- 2.7 Individual members of the Management Committee must comply with the Scottish Housing Regulator's "Regulatory Standards of Governance and Financial Management" (or its successor) which sets out the regulatory standards of governance and financial management and constitutional requirements for registered social landlords.
- 2.8 As Loreburn is a charity, Members should also be mindful of the Guidance and Good Practice for Charity Trustees, issued by the Office of the Scottish Charity Regulator (OSCR).

3 Management Committee Procedures

The Convener & Office Bearers: Responsibilities and Duties

- 3.1.1 The roles and responsibility of the Convener and Office Bearers are defined in Section 59 of the Rules.
- 3.1.2 The overall responsibilities of the Convener are to provide leadership to the Management Committee, and to ensure the efficient and proper conduct of the Committee's business, acting on occasions under delegated authority on behalf of the Management Committee.
- 3.1.3 The Convener shall not be a member of the Executive Team.
- 3.1.4 The Management Committee will appoint a Vice Convener who will assist the Convener and act with under delegated authority of the Convener when the Convener is not available.
- 3.1.5 The duties of the Convener and Office Bearers are detailed further within in the Role Profiles.

Meetings of the Management Committee

- 3.2.1 The dates and timings of meetings will be agreed by the Management Committee annually at the meeting preceding the Annual General Meeting. At least 6 ordinary committee meetings of the Management Committee will be held in each calendar year.
- 3.2.2 Arrangements for special meetings are set out in the Rules at Section 56-57.

Quorum

- 3.3.1 As specified in Rule 48, there must be at least 4 Committee Members present for a meeting to take place with a majority of the Committee Members present being Elected Committee Members. The Management Committee may increase this number.

Notice of Committee Meetings

- 3.4.1 The Procedure for setting meetings is detailed in Section 50 and 51 of the Rules.

Agenda

- 3.5.1 Committee decisions should, whenever possible, be based on full agendas and documents circulated to Committee Members in advance of meetings. Points for decision should be clearly identified in the documents. Reports will include the monitoring of the Association's performance in relation to the strategies, plans, budgets, controls and decisions agreed by the Management Committee.
- 3.5.2 Performance will be considered in light of customer feedback and the performance of comparable organisations.

Business at Committee Meetings

- 3.6.1 The order of business at every meeting (subject to any change agreed with the chair of the meeting) shall be:
- (a) Election of chair (in the absence of the Convener and Vice-convener)
 - (b) Receipt of apologies for absence
 - (c) Declarations of interest
 - (d) Approve as a fair and correct record and sign the minute of the previous meeting
 - (e) Reports/actions requested at previous meetings
 - (f) Receipt and approval of any sub-committee reports (if appropriate) from meetings held since the last meeting
 - (g) Reports from staff or commissioned from third parties
 - (h) Such other business as the Committee considers helpful to carry out its functions and activities
 - (i) Date of next meeting
- 3.6.2 The Convener shall have power to determine the order of business at any point during the meeting. The Committee shall have power to adjourn any meeting to such a date and time as it, or the Convener, may determine. On the resumption of the meeting, the proceedings shall commence at the point at which they were adjourned.

Notices of Motion

- 3.7.1 A notice of motion may be given at an ordinary meeting of the Committee for consideration at the following ordinary meeting. A motion may also be submitted in writing to the Convener on the receipt of the agenda with a minimum of 48 hours notice. If the Committee Member giving notice of the motion is absent when it is to be considered, it shall be placed on the agenda for the following ordinary meeting. If the Committee Member is again absent the motion shall fall.

Any Other Business

- 3.8.1 If any Committee Member, or the Chief Executive (or their nominee), wishes to raise items in this category, the Convener (or in their absence the Secretary) must be advised accordingly prior to the meeting at which the business is to be raised.
- 3.8.2 Matter of urgency (or business critical issues) may be notified to the Convener at any time who will take a common-sense approach to dealing with such matters.
- 3.8.3 The Convener shall have sole discretion in determining acceptance or otherwise of these items.

Voting

- 3.9.1 The process for voting is detailed within Sections 27 to 28 of the Rules.

Motions and Amendments

- 3.10.1 All motions and amendments must be relevant to the agenda item under discussion and the chair of the meeting shall have the power to deem incompetent any motion or amendment which is, in their opinion, irrelevant. Any motion or amendment must be proposed and seconded before being put to the meeting.

Order and Rules of Debate

- 3.11.1 The chair of the meeting shall determine the order of debate. A Committee Member, other than the proposer of a motion, shall not normally be permitted to speak more than once on any agenda issue. Committee Members may be allowed to reply to a question or, with the permission of the chair, to make a further contribution to discussion. At the end of discussion, the proposer of a motion shall have the right to make a final submission before a vote is taken but may not introduce any new matter at this stage. After the proposer of the motion has exercised their right of final submission, no further discussion shall take place, though Committee Members may raise a point of order.
- 3.11.2 The following will apply
 - (a) A Committee Member, when speaking, shall address the chair. If 2 or more members wish to speak, the chair shall decide the order.
 - (b) Committee Members will refrain from discussion while another member is addressing the chair.
 - (c) A Committee Member shall restrict him/herself to the matter under debate, a personal explanation or a point of order.
 - (d) A point of order shall relate only to an alleged breach of a Standing Order and the way in which it is said to have been broken.

- (e) The chair's ruling on a point of order or on the admissibility of a personal explanation shall not be open to discussion.

Conduct at Meetings

3.12.1 The following will apply:

- (a) Should any Committee Member misconduct him/herself by persistently disregarding the ruling of the chair or by irregular behaviour which obstructs business, the chair (or any Committee Members) may press a Conduct Motion to be put, if seconded without further discussion.
- (b) If the same Committee Member continues his/her misconduct after a Conduct Motion has been carried the chair shall:
- Either put a motion that the Committee Member leave the meeting – which can be determined without seconding or discussion OR
 - Adjourn the meeting according to his/her discretion.

3.12.2 In the event of a general disturbance which, in the opinion of the chair, renders conduct of business impossible, he/she will adjourn the meeting for a necessary period.

3.12.3 Any such matters will be handled in line with the process detailed in the Code of Conduct.

Attendance

3.13.1 Every Committee Member, on attending a Committee meeting, shall have his or her name recorded, and attendance will be reported to the Management Committee and Membership annually to monitor attendance.

3.13.2 The Chief Executive, or nominated depute, will attend all Committee meetings. Staff will attend meetings as required by the Chief Executive or at the request of the Convener of the Management Committee. Consultants, or representative of other agencies, may attend Committee meetings for the relevant items, provided that the prior agreement of the Convener or Secretary has been obtained.

Duration of Meetings

3.14.1 Committee meetings shall be allocated a maximum time of 2 hours. On the expiry of that period of time, two thirds of Committee Members present must agree to suspend Standing Orders in order to continue the meeting. A meeting shall be automatically adjourned after 4 hours from the time for which it was called and shall resume on such date and time as the meeting shall determine.

Enforcement of Standing Orders

3.15.1 It shall be the duty of the chair of any meeting, in consultation with the Convener or Vice-Convener, to ensure that the Standing Orders are observed and enforced.

Urgent Business

3.16.1 Business can only be considered “urgent” if there is an immediate threat to the health or safety of employees, or the public, or to the property, or to the financial viability of the Association or where a decision cannot await the next meeting of the relevant committee because to do so would incur financial loss or significant impact on operational efficiency or organisational reputation.

3.16.2 Where the Chief Executive (or in their absence a Director) considers that such a matter is so urgent that a decision cannot await the next meeting of the Management Committee or appropriate sub-committee, he or she shall have authority, after due consultation with the Convener of the Management Committee or Chair of the appropriate sub-committee (or in the Convener’s absence the Vice-convener of the Management Committee or appropriate sub-committee) and one other Office Bearer to determine the matter on behalf of the Association provide that:

(a) A record of the 2 consultations shall be kept and the decision shall be reported to the next meeting of the Management Committee or subcommittee AND

(b) If the Convener (or in the Convener’s absence the Vice-Convener) so requires, the question shall instead be referred for decision to a special meeting of the Management Committee or appropriate sub-committee.

3.16.3 Any such action is to be reported to the next Management Committee meeting.

Decisions Contradictory to Previous Decisions

3.17.1 The Committee may not overturn a previous decision within a period of 6 months without support of two thirds of the Committee Members present.

Minutes

3.18.1 The requirements for minute taking are detailed within Section 62 of the Rules.

3.18.2 The Secretary, or a nominated depute, in consultation with the chair of the meeting, shall prepare a minute of that meeting. Wherever possible the minute

will be issued within 7 days of the meeting and submitted to the following ordinary meeting of the Committee.

4 Management Committee Succession Planning and Recruitment

- 4.1 Succession planning and recruitment will be carried out in line with the Governing Body Members Succession Planning and Recruitment Policy. This process will be informed by the annual review process in line with the Annual Review Policy for Governing Body Members.
- 4.2 If Office Bearers are due to step down or intend to resign at the AGM, where possible they should notify the Convener (or in the case of the Convener the Vice-Convener) in advance so a process of identify a successor may commence. Wherever possible a designate will be identified prior to the AGM, usually through the appraisal process, so a period of handover can be implemented. A handover period of 2 months will be preferred.
- 4.3 Where possible any Management Committee Member planning to stand down at the AGM, should notify the Convener in advance, in order to identify the number of vacancies to be filled at the AGM. Two months' notice is preferred.
- 4.4 Office Bearers are elected at the Management Committee meeting following the AGM.

5 Entitlements, Payments and Benefits and Declarations of Interest

- 5.1 Any Committee Member who is personally interested in any way whatsoever in a contract or other transaction which is to be discussed by the Management Committee or sub-committees shall immediately disclose such an interest. If there is any doubt as to whether a conflict of interest has arisen, then the Management Committee will decide on the matter. The Committee Member will not be allowed to vote on the issue or remain during its discussion. This applies in like manner to a Committee Member who has a close relative so interested. All such declarations shall be recorded in the minute of the meeting.
- 5.2 Further details on the declaration and management of such conflicts are detailed within the Entitlements, Payments and Benefits Policy.
- 5.3 No Committee Member, by virtue of office or employment, may accept any fee or reward for work undertaken on behalf of Loreburn unless a policy is in place for Management Committee remuneration which has been agreed by the Regulatory Body.
- 5.4 Any instances of non-compliance shall be reported to the next meeting of the relevant committee.

6 Employees Interests

- 6.1 All employee interests will be declared and managed in line with the Entitlements, Payments and Benefits Policy.

- 6.2 No Committee Member of the Association may recommend anyone for appointment or promotion (except as part of a formally appointed interview panel); although, if requested a written reference can be given.
- 6.3 No candidates who were employees in the last 12 months may be reappointed or engaged as self-employed contractors. This may occur after that period has elapsed with such appointment required to be approved by the relevant Director who will keep a record justifying why the appointment was made. Such cases must be entered into the record as set out in 8.1.

7 Essential Functions of the Management Committee

- 7.1 The Management Committee is responsible for directing and controlling the organisation in compliance with the standards set by Scottish Ministers, the Scottish Housing Regulator, Care Inspectorate and the Office of the Scottish Charity Regulator amongst others.
- 7.2 The Management Committee is responsible for the:
- (a) Approval of, and ensuring compliance with, the Association's mission, values, strategies and strategic objectives including putting in place a framework for approving policies, procedures and plans to achieve these to ensure the Association's long term success.
 - (b) Appointment of (and if necessary dismissal of) the Chief Executive and Directors.
 - (c) Approval of the salary, benefits and terms of employment of the Chief Executive and Directors.
 - (d) Approval, annually of a financial budget and long-term business plan and monitoring the performance of the Association in accordance with the plans, budgets, controls and decisions.
 - (e) Satisfying itself as to the integrity of financial information and approve the annual Financial Statements prior to publication, including the Corporate Governance Statement, compliance with internal controls and the assessment of compliance with the Regulatory Code.
 - (f) Establishing, overseeing and reviewing annually a framework of delegation and systems of internal control.
 - (g) Approval of the framework for the identification and management of risk including the reporting of these to the Management Committee, to safeguard the assets of the Association.
 - (h) Agreement or ratification of all policies and decisions that might create significant financial or other risk to the Association or which raise material issues of principle.
 - (i) Assessing how the Association follows the recommendations of the Regulatory Code of Governance and state compliance and noncompliance in its annual review and accounts.
 - (j) Satisfying the Management Committee that the organisation's affairs are conducted lawfully and in accordance with generally accepted standards of performance, probity, good practice and regulatory requirements. At all times when the Association is regulated as a provider of social housing the Management Committee shall ensure that the Association takes account of any obligation imposed by the Regulator in exercise of its powers.
 - (k) Approving responses to national consultations.

- (l) Provide timely and constructive challenge to the Executive Officers, holding them accountable for delivery of their agreed work plans, and providing such advice and support as shall be necessary.

8 Matters Reserved for the Management Committee

8.1 The following items are not delegated to a sub-committee:

- (a) Approval of new business activities or cessation of a material existing business.
- (b) Approval of changes to the corporate structure, including any new subsidiaries.
- (c) Approval of resolutions to be put forward by the Management Committee at a general meeting.
- (d) Changes to the structure, size and composition of the Management Committee.
- (e) Approval of Committee membership, including Convener and Committee/sub-committee Terms of Reference.
- (f) Where the Association has a right to make an appointment to the Board of another organisation the person(s) who shall fulfil such a role.
- (g) Approval for development of new housing for rent or sale or other major capital projects including setting budgets and monitoring performance against budget.
- (h) Agreement of all new funding and loan hedging arrangements.
- (i) Appointment of External Auditors (for approval at a general meeting).
- (j) Approval of the Association's Rent and Service Charge Policies.
- (k) Any changes to the Association's registration under the Financial Conduct Authority Co-operative and Community Benefit Societies Act 2014 Registration number 2110R(S) or its status as a charity and registered social landlord.
- (l) Ensuring adequate succession planning for Management Committee and senior management appointments.
- (m) Any conflicts of interest arising for individual Committee Members.
- (n) Changes to this schedule of matters reserved for Committee decisions.

9 Committee Delegations to Chief Executive and other officers

9.1 The Chief Executive shall be responsible for ensuring that remits from Management Committee are carried out in line with current policy and procedures.

10 Delegation to Sub-committees

10.1 The Management Committee can delegate its powers to sub-committees made up of Committee Members, except items reserved for the Management Committee.

10.2 The role of the sub-committees is to be set out in their Terms of Reference (as per Section 14 of the Standing Orders) which will be agreed by the

Management Committee. The Terms of Reference will be reviewed by the Management Committee at least annually.

- 10.3 The Management Committee agrees the members of sub-committees. Responsibility for selecting and appointing the chair is delegated to the subcommittees.

11 Sub-committee Roles and Remits

- 11.1 A list of sub-committees and their membership will be agreed at the meeting following the AGM. The Management Committee will delegate election of the chair to the committee members of the sub-committee.
- 11.2 The Committee is not obliged to maintain sub-committees and may dissolve or create sub-committees during the business year.
- 11.3 Sub-committee procedures will follow those of the Management Committee as set out in the Standing Orders.
- 11.4 Sub-committees will elect a depute chair from their membership.
- 11.5 Where there is a requirement for a particular issue to be addressed the Management Committee or relevant Sub-Committee may request for a Task and Finish Group to be established that will report to the Management Committee. This group may be made up of Committee Members as well as staff depending on the scope of the task and will procure external expertise where required. Task and Finish Groups can be disbanded at any time with the agreement of the Management Committee/relevant sub-committee.

Achieving Outcomes

- 11.6 In order to achieve the outcomes, sub-committees shall conduct themselves in the following manner and will minimise the work of the Executive Team required to service the Committees by:
- a) requesting verbal updates on issues
 - b) requesting short papers submitted in the agreed format.
 - c) reading papers prior to the meeting to allow time for debate and decision making.
 - d) Paper "To Note" are simply noted unless issues are raised in advance or key matters are highlighted by author
 - e) Set up Task and Finish groups to address key short-term issues.
- 11.7 In order to support the committee and achieve outcomes the Executive Team and staff will conduct themselves in the following manner:
- a) produce papers for approval in the agreed format.
 - b) only produce papers in line with the terms of reference of the relevant sub-committee.

- c) produce papers that consider trends and projections rather than information at a point in time.
- d) keep the number of items on the agenda minimal and only include items that add value to the business.
- e) Present further detail on the paper for approval at the meeting covering only additional themes not already covered in the paper or to highlight key issues and/or risks.
- f) If a paper is for noting, then attendance of author is not required at the meeting unless requested by a Member of the sub-committee in advance.

12 Sub-committees Terms of Reference

People and Culture Sub-committee

- 12.1 The role of the People & Culture Sub-Committee is to champion, support and oversee new ideas and approaches to promote continual improvement relating to people, culture and organisation development and to review the Group's performance in these areas. The People & Culture Sub-Committee will report to the Management Committee making recommendations as required and act with delegated authority on matters as defined within the Terms of Reference.

The People & Culture Sub-Committee are responsible for overseeing and monitoring progress and performance of human resource and culture related matters against the Key Performance Indicators and the People & Culture Strategy outcomes.

12.1.1 Terms of Reference

The sub-committee will have authority to make recommendations to Management Committee for:

- (a) Remuneration and succession planning of the Chief Executive and Directors
- (b) Rewards and Remuneration Policy and framework and associated annual budget proposals
- (c) The People & Culture Strategy.
- (d) Contractual issues including optional amendments to terms and conditions and pensions affecting 10% or more full time equivalent posts
- (e) Remodelling the organisational structure to achieve the Group's objectives where 10% or more full time equivalent posts will be affected.
- (f) Hear appeals relating to HR investigations or enquiries and present findings and recommendations to the Management Committee
- (g) Any strategic matter or policy amendment which might create significant remuneration or human resource risk or benefit to the Group and/or its employees as identified by the Management Committee, the People & Culture Sub-Committee or the Executive Team.

The sub-committee will have delegated authority to approve:

- (a) Organisational staffing and H R issues relating to 10% or fewer posts (excluding executive level posts) including remuneration, redundancy and

- severance payments. Where such matters cannot be accommodated within meeting schedules, matters will be dealt with under the Urgent Business procedure of these Standing Orders.
- (b) Remodelling the organisational structure to achieve the Group's objectives where fewer than 10% of full time equivalent posts will be affected.
 - (c) Organisational development such as culture change programmes and training, development and accreditation programmes in line with agreed strategic objectives of the Corporate Plan.
 - (d) Succession planning excluding Executive level posts
 - (e) recommendations from the Executive Team to tackle under performance or address culture issues (excluding actions relating to the Groups reward and remuneration policies and framework which will be reserved for the Management Committee).
 - (f) Nonmaterial Amendments to the staff handbook and associated guidance documents for Heads of Service relating to HR and organisational culture (i.e where contractual conditions and remuneration are not impacted and proposals are in line with agreed strategic direction of the Corporate Plan).
 - (g) The Sub-Committee will have delegated authority to represent the Management Committee on recruitment and disciplinary panels where agreed with the Convener.

12.1.2 Quorum

The sub-committee will comprise of up to 5 Committee Members and the quorum will be 3.

Where a quorum is not achieved, the Members present may informally discuss what would have been the business of the meeting. The Members present will not have the authority to reach any decisions on the relevant matters. It will be open to the Members present to propose to the Convenor any relevant matters of business for inclusion on the agenda of the Management Committee at their next available meeting. Where the Members present are concerned that certain decisions require urgent resolution those Members can propose to the Chief Executive or Convener that those decisions should be referred to Office Bearers in line with the Urgent Business procedure of these Standing Orders.

12.1.3 Management Committee

Recommendations from the People and Culture sub-committee will be presented to Management Committee as required in line with the Terms of reference set out at 12.1.1.

Minutes of meetings will be submitted to the next Management Committee meeting. Items will not be redacted within the minutes.

Audit and Compliance Sub-committee

- 12.2 The primary role of the Audit & Compliance Sub-committee is to provide assurance to all stakeholders that Loreburn's financial and internal control processes are robust and effective and compliant. The sub-committee will ensure that there is a long-term sustainable business plan that is flexible to meet the changing strategic needs of the business. The sub-committee will monitor, manage and ultimately seek to reduce risk to an agreed acceptable level whilst driving the delivery of a culture of value added economy, efficiency and effectiveness to the customer.

12.2.1 Terms of Reference

The Audit and Compliance sub-committee is responsible for:

External Audit

- (a) Recommending to the Management Committee, following an approved tendering process the appointment of the External Auditor, their reappointment or removal.
- (b) Approving the remuneration and terms of engagement of the External Auditor.
- (c) Annually review the External Auditor's performance and consider their objectivity, effectiveness, value for money and independence, taking into consideration relevant U K professional and regulatory requirements.
- (d) Monitoring that approved recommendations in External Audit Reports and Audit Management Letters are implemented.
- (e) Meeting with the auditor prior to the annual audit commencing to discuss the audit planning memorandum to ensure all key risk areas are covered in the forthcoming audit
- (f) Holding at least one meeting a year with the External Auditors without the Chief Executive present.
- (g) The Audit Committee's will review in detail the audit findings prior to presentation to the Management Committee

Internal Audit

Internal Auditors will be appointed primarily to undertake reviews of financial processes and systems. Other approaches will be considered for the review of non financial systems and processes.

- a) Recommending to the Management Committee, following an approved tendering process, the appointment of the Internal Auditor, their reappointment or removal. It is recommended good practice that your internal and external audit auditor are not the same firm.
- b) Approving the remuneration and terms of engagement of the Internal Auditor.
- c) Annually review the Internal Auditor's performance and consider their objectivity, effectiveness, value for money and independence. The review

should determine if value for money is being provided and whether the Internal Auditor is effective and independent and in particular that the Internal Auditor has no conflicts of interest with the External Auditor.

- d) Approving the annual Internal Audit Plan and if needed directly commission work.
- e) Meeting with the Internal Auditor for consultation, with or without the presence of officers and for dealing with any serious reservations which the Auditor may express arising from their work plan, particularly in relation to the control environment.
- f) Considering the finding of Internal Audit Reports and the officers' responses to recommendations, ensuring that the compliance action is appropriate and timely, monitoring progress as appropriate.
- g) Holding at least one meeting a year with the Internal Auditors without officers present.

Treasury

- a) Approve the annual treasury strategy and policy
- b) Annually review long term financial requirements (> 5 Years)
- c) Review of short and medium terms (< 5 years) financial requirements. This will be reported on a quarterly basis to the board.
- d) Annually review NPV assumptions and recovery period
- e) Annual explore ways of increasing covenant headroom capacity. Ensure that the covenant headroom supports the ambitions of the organisation.

Accountability and Internal Control

- (a) Reviewing the annual Financial Statements before they are presented to the Management Committee, particularly selection and monitoring compliance with accounting standards.
- (b) Reviewing an annual report on internal controls prior to the Management Committee approving the Financial Statements focussing on:
 - State of control systems
 - State of reporting processes
 - Performance of External Auditors
 - External Audit Management letters
 - Performance of Internal Auditors
 - Major issues arising from Internal Audit Reports
 - Regulatory Audit Reports – if any.
- (c) Ensuring that appropriate internal controls and risk management procedures are in place.

Risk

- (a) Assisting the Management Committee in providing a sound approach to risk management and monitoring by:

- Promoting a culture of risk management
- Monitor the Association's risk strategy and regularly review the Risk Map
- Consider and advise the Management Committee on risks relating to new initiatives.

(b) Reporting to the governing body, identifying any matters in respect of which it considers that action or improvement is needed and making recommendations as to steps to be taken.

Monitor and review policies and practices for the prevention and detection of fraud.
Customer Satisfaction

a) Quarterly review of complaints and seeking assurance of improvement plans

Regulatory Compliance

a) Quarterly review of key sector trends and seeking assurance of organisational compliance

Affordability

- a) Setting an agenda for defining affordability in use.
- b) Annual review of rent and services charges in line with affordability calculation.

Benchmarking & VFM

a) Understanding and interpret benchmarking data - addressing issues identified.

12.2.2 Quorum

The sub-committee will comprise of up to 5 Committee Members and the quorum will be 3.

Where a quorum is not achieved, the Members present may informally discuss what would have been the business of the meeting. The Members present will not have the authority to reach any decisions on the relevant matters. It will be open to the Members present to propose to the Convenor any relevant matters of business for inclusion on the agenda of the Management Committee at their next available meeting. Where the Members present are concerned that certain decisions require urgent resolution those Members can propose to the Chief Executive or Convener that those decisions should be referred to Office Bearers in line with the Urgent Business procedure of these Standing Orders.

12.2.3 Management Committee

Recommendations from the Audit and Compliance Sub-committee will be presented to Management Committee as required as set out under terms of reference (12.3.1).

Minutes of meetings will be submitted to the next Management Committee meeting. Items will not be redacted within the minutes.

Dumfries & Galloway Homes

Dumfries & Galloway Homes (D&G Homes) is a wholly owned subsidiary of Loreburn Housing Association. The role of D&G Homes is to deliver activities and innovation that complement and support the parent company.

The Independence Agreement details the responsibilities of the Parent and Subsidiary company. In line with the Independence Agreement D&G Homes will comply with all reasonable advice from the Parent company in relation to probity and management.

12.4.1 Terms of Reference for D&G Homes Board

The Board will have authority to make recommendations to Management Committee for:

- (a) Appointment and removal of Directors
- (b) Approval of the Business Plan and Corporate Plan including strategic objectives
- (c) Approval of the budget
- (d) Approval of the 30 year stock investment programme

- (e) Transfer and/or disposal of properties from DG Homes portfolio
- (f) Organisational structure, introduction of new services and cessation of services
- (g) Acquisition and development programme
- (h) Matters relating to management fees including any associated write-offs or amendments
- (i) Any strategic matter which might create significant risk or benefit to the Group and/or its employees as identified by the Management Committee, the Board or the Executive Team including but not limited to financial and loan agreements and securitisation or properties.

The Board will have delegated authority to approve:

- (a) Statutory accounts
- (b) Organisational matters that align with the approved strategic objectives of the Group and which can be accommodated within the approved budget and risk appetite of the Group (excluding matters referred to at 12.4.1 a – h)
- (c) Appointment of consultants/agents
- (d) Lease agreements

- (e) Key Performance Indicators
- (f) Approval of tenders in line with Financial Regulations
- (g) Take action on internal and external audit findings

Quorum

The quorum will be 3 Directors for the fixed period of these Standing Orders.

12.4.2 Management Committee

Recommendations from the Board will be presented to Management Committee in line with the authority set out under the terms of reference (12.4.1). As a subsidiary of Loreburn Housing Association with a core purpose to support the objectives of the parent body, D&G Homes will not propose recommendations that expose the parent body to an unacceptable level of financial or reputational risk and will seek advice from the Executive Team of the parent body with regards to levels of risk deemed acceptable to the Group. Non-independent Members of the Board will not be required to abstain from discussions or decisions relating to DG Homes activities when acting as Members of Loreburn Housing Association's Management Committee.

Minutes of meetings will be submitted to the next Management Committee meeting. Items will not be redacted within the minutes.

13 Loreburn Executive Team

- 13.1 The Loreburn Executive Team comprises the Chief Executive, the Director of Finance & Corporate Service, the Director of Housing Services and the Director of Property & Development. The Executive Team will meet every 4 weeks.
- 13.2 The Executive Team are responsible for the effective operation of the business in line with the Delegated Authorities set out within the Standing Orders and Financial Regulations. The Executive Team cannot approve any matters reserved for the Management Committee or Sub-Committee as defined by the Rules, Standing Orders and Financial Regulations (except under extreme circumstances and where such powers are deemed a necessity in line with the Business Continuity Policy).
- 13.3 The purpose of the Executive Team is to:
 - manage the business effectively to fulfil the strategic ambitions of the Management Committee
 - ensure the Management Committee has the relevant information to set and monitor the strategic objectives of the organisation including the effective management of risk

- reduce the level of operational direction from Management Committee.

13.3.1 Terms of Reference

The Executive Team have delegated authority to approve:

- (h) Tenders (in line with authorisation levels set within the Financial Regulations (i.e up to £500K)
- (i) Procurement Project Plans (in line with authorisation levels set within the Financial Regulations (i.e up to £500K)
- (j) Action Plans supporting Strategies
- (k) Operational Polices (including delegation of approval to Management Team for Operational Polices as deemed appropriate).
- (l) Bad Debt Write-Offs (in line with Income Maximisation Policy)
- (m) Preparation and submission of statutory financial returns (Delegated to Director of Finance & Corporate Services)
- (n) Health & Safety matters in line with the remits of the Health & Safety Executive Group.
 - (o) Staffing and organisational matters excluding matters reserved for the Management Committee or delegated to the People & culture Sub-Committee.
- (p) Recommendations to the Management Committee/relevant Sub-Committee in line with the Standing Orders.
- (q) All matters not reserved for Management Committee or Sub-Committees within the Rules or Standing Orders and in line with authorisation levels set within the Financial Regulations

12.1.2 Quorum

The Executive Team comprises 4 Members and the quorum will be 3. Where the Chief Executive is not present the meeting shall only proceed where there Chief Executive has agreed and appointed a depute for the purposes of the meeting. In such circumstances the Chief Executive may remove any items from the agenda until a they can be presented at a meeting with the Chief Executive present.

12.1.3 Management Committee

Recommendations from the Executive Team will be provided to the Management Committee/relevant Sub-Committee as required in line with the Standing Orders.

Operational updates will be provided to Management Committee as required as verbal updates or reports for noting. The Executive Team will agree at every meeting the requirement for information to be shared with Management

Committee at the next available meeting. This will include any information that could impact Management Committee's ability to make informed decisions on strategic matters and effectively manage risk. Minutes of Executive Meetings will be available upon request.

13 Use of the Seal

- 13.1 The Seal must be used in accordance with Section 62 of the Rules.
- 13.2 Loreburn Housing Association adopts a policy of express Management Committee authorisation, regularly updated, for named individuals as authorised persons to sign on authority of any resolution. A registration is kept by the Chief Executive, or delegated officer, listing all documents signed on behalf of the Association.
- 13.3 Loreburn Housing Association set out in the Financial Regulations, the authorised signatories for important documents which are reviewed regularly. The arrangement is used to allow Loreburn Executive Team to also sign documents with the safeguard of a prior resolution of the Committee.
- 13.4 However, it is important to note, these safeguards will not prevent a document being legally binding on the Association if a Committee Member or the Secretary or an apparently authorised person does sign it and the signature is witnessed.
- 13.5 Due to the high risk, Loreburn Housing Association ensures all Committee Members; including the Secretary if he/she is a Committee Member fully understand the implications of signing any deed or document on behalf of the Association and having it witnessed.

14 Insurances

- 14.1 The Director of Finance and Corporate Services shall maintain, in the name of the Association insurances in respect of:
 - (a) Employer's liability
 - (b) Public liability
 - (c) All buildings and structures in the Association's ownership
 - (d) Professional indemnity
 - (e) Buildings contents (including furniture and equipment)
 - (f) Information technology equipment
 - (g) Motor vehicles owned or leased by the Association
 - (h) Lifts and other plant (i) Libel and slander
 - (j) Contractor's liability
 - (k) Directors and officers liability
 - (l) Any other insurance which the Director considers to be necessary as a cost effective method of risk management.

- 14.2 The Director of Finance and Corporate Services shall review annually the level of the Association's insurances in accordance with Chapter 23 of the Financial Regulations.

15 Amendment and Revocation

- 15.1 The Management Committee may alter, rescind or add to any part or element of these Standing Orders, provided there is no conflict with the Rules, by a simple majority vote of those present. The Chief Executive is to consider, periodically the need for amendments to Standing Orders and report on this matter to the Management Committee.
- 15.2 A copy of these Standing Orders and the Financial Regulations is to be available to Committee Members and staff of the Association.

16 Interpretation

- 16.1 Interpretation of terms in these Standing Orders shall be provided in accordance with the Rules of the Association.
- 16.2 The ruling of the Convener of the Management Committee as to the meaning or application of these Standing Orders shall be final.

Appendix 1 – Schedule of Operational Delegations

| Item | Management Team | Chief Executive/ LET | Management Committee or Subcommittee |
|----------------------------------|--|--|--|
| Scottish Housing Regulator | <ul style="list-style-type: none"> • Collate information for the ARC. | <ul style="list-style-type: none"> • Approve ARC information and EESSH and submission recommendation. • Support the Management Committee with governance issues. • Support Management Committee with notifiable events, advising office bearers of actions and reporting to SHR when necessary. | <ul style="list-style-type: none"> • Approve the ARC and authorise CE to submit. • Sign off EESSH returns. • Respond to governance queries. • Report notifiable events, advising office bearers of actions. |
| Tenders and Framework Agreements | <ul style="list-style-type: none"> • Dealing with the day to day administration and writing of tenders. | <ul style="list-style-type: none"> • Approve tender content. • Approve framework adverts and procurement/tenders (OJEU) etc. Opening, acceptance and award of tenders up to authorised limits as set out in the Financial Regulations. | <ul style="list-style-type: none"> • Review and authorise LET recommendations for tender/ procurement approach (i.e. quality/cost split) and/or acceptance above LET authorisation limits • When necessary involvement in procurement panels. • Opening and acceptance of tenders above LET authorisation limits. |

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| Acquisitions | <ul style="list-style-type: none"> Identify opportunities and deal with the day to day administration. | <ul style="list-style-type: none"> Review recommendations for site acquisition. Make recommendations to Management Committee for appropriate acquisitions. | <ul style="list-style-type: none"> Approve recommendations for acquisition. |
|--------------|---|--|--|

| Item | Management Team | Chief Executive/LET | Management Committee or Sub-committee |
|-----------------------|--|---|---|
| Disposal | <ul style="list-style-type: none"> Identify and make recommendations for disposal of properties. Lead consultation in line with SHR requirements | <ul style="list-style-type: none"> Approve disposals within the normal course of business e.g. stair casing and make recommendations to the Management Committee. Sign legal documentation in line with Association guidance. Ensure consultation is completed in line with SHR requirements ahead of any recommendation being made to MC. | <ul style="list-style-type: none"> Approve all disposals. Approve ad-hoc disposals outside the course of business. Sign legal documentation in line with Association guidance. <p>NB Due to sporadic nature of ad-hoc disposals (purchasing shares of shared ownership properties) approval may be sought from OBs due to the timeframe of the offer and MC meeting schedules.</p> |
| Development Programme | <ul style="list-style-type: none"> Shape annual development programme/SHIP. | <ul style="list-style-type: none"> Make recommendation regarding SHIP and annual development programme. Sign off grant award from Scottish Government. | <ul style="list-style-type: none"> Approval of Development Programme Letter/SHIP/ allocation of grant funding. Approval of all new developments. |

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| EESHS/Major Repairs | <ul style="list-style-type: none"> Recommendations for investment priorities for period of EESHS strategy and zero carbon ambitions in line with Asset Management Strategy. | <ul style="list-style-type: none"> Review and recommend EESHS/zero carbon/major repairs programmes in line with financial viability. | <ul style="list-style-type: none"> Approve EESHS/zero carbon and major repairs programme. |
| Policy and Procedure | <ul style="list-style-type: none"> Policy champion(s). Policy authors. Review policy and procedure in line with timescales. Responsibility for day to day adherence of policy. Approve policies in line with delegated authority for approval within the Policy Review & Implementation Procedure Framework | <ul style="list-style-type: none"> Lead on shaping corporate operational policies and procedures to ensure they reflect strategic vision/priorities. Approve policies in line with delegated authority for approval within the Policy Review & Implementation Procedure Framework Devise and write strategies. Responsibility to ensure adherence to SHR and other regulatory/legislative requirements. | <ul style="list-style-type: none"> Set Vision, mission and corporate plans. Approve strategies Approve strategic policies presented for approval |
| Contract Approval | As per Financial Regulations | As per Financial Regulations | As per Financial Regulations |

| Item | Management Team | Chief Executive/LET | Management Committee or Sub-committee |
|--|---|--|--|
| Consultation Documents (national consultations i.e Scottish Housing Regulator) | <ul style="list-style-type: none"> Recommendations for external consultation. Shape consultation process. | <ul style="list-style-type: none"> Agree proposed consultation submissions. | <ul style="list-style-type: none"> Approve/authorise national consultation results and reports. |

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| Budget | <ul style="list-style-type: none"> Budget requests. | <ul style="list-style-type: none"> Budget recommendations. | <ul style="list-style-type: none"> Budget approval. Review and agree budget assumptions. |
| Financial Returns | | <ul style="list-style-type: none"> Make recommendations and submit Financial Returns. | <ul style="list-style-type: none"> Approve financial returns by the shareholders (i.e. statutory accounts; 5 year financial projections; loan portfolio; economic assumptions). Approve the Letter of Representation and recommend sign off by the Convener and Chair of the Audit and Compliance Committee. |
| Treasury Management | | <ul style="list-style-type: none"> Negotiation of new funding. Implementation of strategy. | <ul style="list-style-type: none"> Approve all new funding and loan hedging arrangements. Approve Annual Treasury Strategy. |
| Bad debts | <ul style="list-style-type: none"> Make recommendations for write off of bad debts. | <ul style="list-style-type: none"> Authorise recommendation for write off up to £5k. | <ul style="list-style-type: none"> Approve recommendations for write offs over £5k. |
| Business Plan | | <ul style="list-style-type: none"> Prepare and recommend business plan for approval | <ul style="list-style-type: none"> Approve assumptions and annual business plan. |
| Risk | <ul style="list-style-type: none"> Manage operational risk maps. Ensure a collaborative approach is adopted to risk management. | <ul style="list-style-type: none"> Lead operational risk management for directorates. Manage strategic corporate risk working with the Audit and Compliance Committee | <ul style="list-style-type: none"> Responsibility for corporate risk, overseeing the actions of CE and LET. |

| Item | Management Team | Chief Executive/LET | Management Committee or Sub-committee |
|--|--|---|--|
| External Auditors | | | <ul style="list-style-type: none"> Recommend appointment of external auditors (A&C). |
| Rent Charges | <ul style="list-style-type: none"> Lead rent consultation exercise. | <ul style="list-style-type: none"> Review and shape recommendations on rent levels making reference to customer views. | <ul style="list-style-type: none"> Approve annual rent levels. |
| Financial Limits | As per Financial Regulations | As per Financial Regulations | As per Financial Regulations |
| Authorised Payments without an invoice | As per Financial Regulations | As per Financial Regulations | As per Financial Regulations |
| Payment signatories | As per Financial Regulations | As per Financial Regulations | As per Financial Regulations |
| Choice Based Lettings | <ul style="list-style-type: none"> Manage day to day process. | <ul style="list-style-type: none"> Lead Policy decisions. Review and make recommendations for approval of CBL allocations to MC as required Identify any internal conflicts. | <ul style="list-style-type: none"> Approve recommendation for CBL allocations with identified internal conflicts. |
| Sub-committee Membership | <ul style="list-style-type: none"> Provision of relevant information to CE and LET. | <ul style="list-style-type: none"> Support to Management Committee members and sub-committees. | <ul style="list-style-type: none"> Decide and approve membership of subcommittees and terms of reference for groups (set out in Standing Orders). |

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| Membership (shareholder and Management Committee) | | <ul style="list-style-type: none"> • Provide support to the Management Committee to identify new members. • Monitor shareholder | <ul style="list-style-type: none"> • Interview, approve and appoint applications from new shareholders and appoint Management Committee. |
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| Item | Management Team | Chief Executive/LET | Management Committee or Sub-committee |
|----------------------|---|--|--|
| | | <p>membership/attendance.</p> <ul style="list-style-type: none"> • Support the Management Committee to ensure the correct skill set and identify and address any gaps. | <ul style="list-style-type: none"> • Approve resolutions to remove shareholders in line with policy requirements. • Ensure success planning in place. • Ensure the Management Committee has the correct skills set and identify and address any gaps. |
| Registers | <ul style="list-style-type: none"> • Ensure all staff in their area of responsibility sign appropriate documentation at induction and annual review. | <ul style="list-style-type: none"> • Collate and review information for registers. • CEO to sign off employees' declaration of interests forms. • Maintain the relevant organisation registers. | <ul style="list-style-type: none"> • Approve signing of the following registers: ➤ <ul style="list-style-type: none"> ➤ Register of interests – Committee Members and staff. ➤ Benefits received Register. ➤ Fraud Register. ➤ Hospitality Register. |
| Office closure dates | | <ul style="list-style-type: none"> • Agree office closure dates for training, away days etc and notify Management Committee. | |

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| Leases | <ul style="list-style-type: none"> • Monitor day to day leases/ renewals. • Ensure health and safety and other responsibilities are adhered to by Loreburn and partner agency. | <ul style="list-style-type: none"> • Recommendations for lease renewal in line with Financial regulations. • Sign lease renewal in line with Financial regulations | <ul style="list-style-type: none"> • Authorisation of lease renewals in line with Financial regulations |
| Recruitment and Selection | <p>Provide justification from a value for money perspective for each role (Assistant Manager and below).</p> <ul style="list-style-type: none"> • Lead on recruitment and selection ensuring all legislative and policy requirements are met (team leader and below). | <ul style="list-style-type: none"> • Provide justification from a value for money perspective for each role (manager and above). • Lead on recruitment and selection ensuring all legislative and policy requirements are met (manager and above). | <ul style="list-style-type: none"> • Lead on recruitment and selection of LET and Chief Executive ensuring all legislative and policy requirements are met |
| Learning and Development | <ul style="list-style-type: none"> • Agree learning and development requirements through learning and development analysis. | <ul style="list-style-type: none"> • Agree annual plan and content of corporate learning and development. | <ul style="list-style-type: none"> • Agreed recommendations from People and Culture Sub-Committee on organisation wide annual learning and development priorities in line with the People & Culture Strategy. |

Appendix 2 – List of Associated Documents

- 1 Loreburn Rules
- 2 Financial Regulations
- 3 Entitlements, Payments and Benefits Policy
- 4 Declaration of Interest Form
- 5 Management Committee Members Code of Conduct

