

# HOMES FOR LIFE HOUSING PARTNERSHIP

## STANDING ORDERS

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Objective:	To describe the Company's Standing Orders
Responsible:	Business Manager

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### 1 INTRODUCTION

1.1 The objects of the Company, its authority to establish a Management Board of Directors and Committee structure, as well as its key regulations are outlined in the Company's Memorandum & Articles of Association. These include provisions on:- the number and powers of Directors; their appointment, retirement and removal; their interests; their remuneration, expenses, payments, benefits, gratuities and pensions; proceedings of their meetings; the Offices of Chair and Secretary; Minutes Accounting Records and other books or documents; and Notices.

1.2 These Standing Orders:

- do not restate regulations already covered in the Memorandum & Articles, but provide supplementary detail;
- establish guidelines for conducting Company business- including how business structures, proceedings, responsibilities and delegated powers to Office Bearers and Senior Staff will operate;
- provide a flexible framework within which authorised decisions can be taken, enabling the Company's aims and objectives to be met.

### 2 POLICY DETAILS

#### 2.1 *General*

Nothing in these Standing Orders permits or requires the Board, Officers, directors, or staff to contravene the Memorandum and Articles of Association or any statutory obligations.

#### 2.2 *Definitions*

AGM Annual General Meeting of the Company

Association Rules A Company limited by Guarantee No 188299

Board	The Board of Directors of Homes For Life Housing Partnership.
Chairperson	The member of the Board elected to lead the Board in accordance with the Company's Memorandum and Articles of Association.
Company	Homes for Life Housing Partnership.
Delegated	Remitted with power to exercise a specified function on behalf of the Board.
Meetings	All meetings of the Board including any Committees.
Referred	Remitted for consideration and report but without the power to exercise any functions on behalf of the Board or Committee.
SFHA	Scottish Federation of Housing Associations, which represents and campaigns on issues of common interest for Registered Social Landlords in Scotland.
SHR	The Scottish Housing Regulator, the statutory body regulating Registered Social Landlords in Scotland.
Staff	Those persons directly appointed by Homes for Life Housing Partnership or who are contracted from others to provide Agency Services to Homes for Life Housing Partnership.
Vice-chairperson	The member of the Board elected to lead the Board if the Chairperson is not available to do so.

### **3.0 BOARD STRUCTURE AND REMITS**

3.1 The current business structure consists of:

- the Board of Directors, and
- an Audit & Risk Committee.

The Company also has an inter staff and employer management Committee to ensure Health & Safety compliance.

3.2 The Board retains the right to establish:

- any other Committees necessary to enable it to effectively carry out its business, including any Appeals, Grievance or Disciplinary Committees;
- adhoc, working or other special purpose groups of limited time duration to carry out specific tasks at the request of the Board.

3.3 The Standing Orders govern how each of these groups will operate. The remits for the Board and Audit & Risk Committee are detailed in Appendices 1 and 2. The Roles of the Chair and Vice Chair are outlined in Appendix 3, the Role of Directors at Appendix 4, and the scheme of delegation to Office Bearers and staff is detailed in Appendix 5. The remit

of the Health & Safety Committee and any Appeals, Grievance or Disciplinary Committees are outlined in the relevant Policies.

#### **4.0 DIRECTORS, BOARD MEMBERSHIP, MEETINGS AND QUORUMS**

##### **Directors**

All directors have the same rights and obligations whether- elected or appointed; members or specialist co-options; tenants or not- except that:

- Co-opted Directors:
  - cannot vote in matters relating to membership or Office Bearers- as they are not members;
  - cannot be elected as either Chair or Vice Chair- as election to these Offices are for a minimum of two years, whereas appointments of Co-opted Directors do not exceed the next Annual General Meeting.
- The director elected as Chairperson of the Board cannot also be elected as Chairperson of the Audit & Risk Committee.

##### **Board Membership**

4.1 The Board will act swiftly to ensure any vacancies are filled as soon as possible. In doing so it will:

- seek to maintain an appropriate mix of skills and experience;
- ensure its composition adequately reflects the diversity of its customers and the communities in which it operates;
- ensure Co-opted Directors do not comprise more than one third of the Board;
- maintain a majority of Tenant Directors.

The Board will arrange annual reviews to assess the continued contribution and effectiveness of all Directors; as well as the continued objectivity and challenge of any Directors seeking to continue in office beyond 9 years. Appropriate Training will be arranged for all directors to ensure they can develop necessary skills.

##### **Committee Membership**

4.2 The Board retains the right to review and amend its Committee structure as necessary and to refer work to Committees - whether standing or adhoc/ working/ special purpose Committees.

4.3 All Committees will have a minimum of 3 and a maximum of 8 directors, (except for the Health & Safety Committee which will have not less than 2 directors and 2 staff).

4.4 The Board will appoint directors to particular Committees, and will review these appointments annually or as circumstances require. In doing so, the Board will seek to ensure an appropriate mix of skills, experience and diversity within each Committee. Preferences will be taken into account, and no director will be compelled to join any Committee. Where necessary elections will take place to agree membership of each Committee.

- 4.5 Any director may request papers for, attend, or make representations to any Committee meeting - whether a member of that Committee or not, with the exception of Appeals and Grievance Committees (for which this would not be appropriate). However, only members of a Committee may vote at its meetings.

**Frequency of Meetings**

- 4.6 There will be no fewer than 6 meetings of the Board in any one calendar year. A calendar of meetings will be agreed during the 3<sup>rd</sup> Quarter of each financial year for the next financial year. Dates of meetings may be altered and additional meetings called by arrangement between the Chairperson and the Business Manager (Secretary).
- 4.7 Additional meetings may be added as necessary, either by Additional meetings may be called by any director, while the number of meetings held can be increased to any amount necessary above the minimum requirement.
- 4.8 A special meeting may be requested by any director submitting notice in writing or by email to the Business Manager (Secretary). That notice must specify the business to be transacted. Arrangements for holding the meeting are as contained in the Company's Articles.
- 4.9 The frequency of meetings of Committees will be determined as necessary. However, the Audit & Risk Committee will meet at least three times per year.

**Quorums**

- 4.10 The quorum for a Board meeting will be four directors, of whom at least two must not be Co-opted Directors. However, for any item on which a director would not be entitled to vote, including due to a declaration of interest, then that director cannot be counted in determining the quorum required for that part of the meeting.
- 4.11 The quorum for Committees will be any three directors, (or in the case of the Health & Safety Committee any three members of that Committee).
- 4.12 Where there are insufficient directors present to form a quorum within half an hour of the agreed starting time for the meeting to commence, no business may be transacted other than for the Board to fill any vacancies or call a general meeting Adjourned meetings will be re-scheduled by the Business Manager (Secretary) in arrangement with the Chairperson, taking account of the urgency of business.
- 4.13 In exceptional circumstances, where there is no quorum, and a decision on a particular matter is required that day, the Chairperson of the Board/Committee (or in the absence of the Board Chairperson, the Vice Chairperson) may authorise the action required under the scheme of delegations of authority detailed in the Appendices subject to homologation by the next meeting.

## 5.0 OFFICE BEARERS and COMMITTEE CHAIRPERSONS

- 5.1 The Company's Office Bearers are the Chairperson and Vice Chairperson. They will be elected by the Board from amongst and by the directors. Elections will generally take place at the first Board Meeting after an AGM, unless no elections are actually required at that time  
Elected Office Bearers will initially serve until the next but one AGM, unless they cease to be a director or a majority of the Board vote for their earlier removal.
- Office Bearers re-elected to the same post without a break will then serve until the next AGM, unless they cease to be a member of the Board or a majority of the Board vote for their earlier removal.
- 5.2 Should an Office Bearer position become vacant during the year, the Board will elect a replacement Office Bearer who will serve until the next but one AGM unless they cease to be a member of the Board or a majority of the Board vote for their earlier removal.
- 5.3 The Chairperson and Vice Chairperson can normally each only serve for a maximum term including not more than 4 AGM's, and will then not be able to stand for the same post until a further year has elapsed. However, they will be eligible for election to other posts. In exceptional circumstances however where the Board determine that it is necessary, in the best interests of the Company, Office Bearers may stand for re-election, until the next AGM.
- 5.4 The Board will delegate all of the duties and responsibilities of the Secretary to the Company's Business Manager.
- 5.5 All Committees, adhoc, working or other special purpose groups will elect a Chairperson from its members, who will then serve until the next AGM.

## 6.0 CONDUCT OF BUSINESS

### **Agenda and Papers**

- 6.1 The agenda and papers for each Board or Committee meeting will be sent out no less than five working days beforehand by the Business Manager, in his/her capacity as Company Secretary. The Business Manager/Secretary will agree the composition of the agenda with the appropriate Chairperson, and thereafter ensure that all minutes, reports and papers are produced in the current approved format for issue.
- 6.2 The circulation or "tabling" of late papers will not normally be permitted. However, the Chairperson may allow the addition of a late item to the agenda where the matter is considered urgent and requires a report to be received or a decision made at that meeting.
- 6.3 The proceedings of any meeting will not be invalidated by the non-receipt of the agenda and papers by any director.

### **Chairing of Meetings**

- 6.4 In the Chairperson's absence, or where the Chairperson is unable to participate due to a declaration of interest, the Vice Chairperson will chair the meeting. Where the Vice Chairperson is also absent, the directors present will appoint one of their number to chair that meeting.
- 6.5 Where the Chairperson arrives after the commencement of a meeting at which the Vice Chairperson or other director has taken the chair, that person will continue to chair the meeting until the agenda item under discussion has been completed, when the Chairperson will take over.
- 6.6 The same process will relate to the chairing of Committee meetings, except that in the absence of the Chairperson, the appointed directors will appoint one of their number to chair that meeting.

### **Length of Meetings and Adjournments**

- 6.7 Board meetings or Committee meetings should not last for longer than 2 hours. At the end of that time the meeting will end unless there is support from at least two thirds of those present for it to continue until either all the business, or the business requiring to be resolved that day, is completed. The maximum additional time allowed, under this agreed suspension of standing orders is thirty minutes.
- 6.8 Where there is still insufficient time to conclude all business the meeting will be either:-
- formally closed, with remaining business being added to the agenda for the next scheduled meeting; OR
  - adjourned to the same day and time the following week.
- 6.9 An adjourned meeting will be regarded as a continuation of the original meeting and decisions reached then will be recorded as having occurred then. No business will be dealt with at the additional meeting, other than the unfinished business from the original meeting.

### **Order of Business**

- 6.10 Meetings will follow the order of the agenda, unless the Chair determines that there is good reason to change this.
- 6.11 Any business which is not on the agenda, but which a director or officer wishes to raise (normally under Any Other Competent Business), should generally be discussed with the Business Manager or Chairperson as far as possible in advance of the meeting, but in any case prior to commencement of the meeting. The Chairperson will have discretion as to whether or not items are added to the agenda. Urgent items of a serious nature will generally be included. However, as neither directors nor staff directors will have had the opportunity to prepare in advance, then decisions should generally not be taken until subsequent meetings.
- 6.12 Where any request for inclusion in the agenda is turned down, the business will be included in the agenda for the next scheduled meeting.

### **Declarations of Interest**

- 6.13 A standard item will be included on the agenda for all meetings asking directors to declare whether they have an interest in any items of business about to be discussed.
- 6.14 Any director declaring an interest will take no part in the discussion or decision on the item(s) concerned and may also be requested to leave the meeting for the duration of the item(s)-should a majority of directors present and eligible to vote on that item so require.
- 6.15 Any declaration of interests raised during a meeting will be recorded in the minutes of that meeting. If not already covered by an entry in the Company's Register of Interests a relevant entry will also be made.

### **Motions and Amendments - Current Agenda**

- 6.16 Any item of business that requires to be formally adopted, approved or decided by vote, will be done so by the submission of a formal motion that will require to be seconded. The names of the proposer and seconder will be minuted, and in the absence of further discussion, will be voted on by the directors. Where further discussion is required, the Chairperson will determine whom, and in what order, directors can speak.
- 6.17 An amendment to a motion can be proposed by any director at any time and, to be considered, will require to be seconded. Where there is more than one amendment, each one will be considered and voted on in the order in which they are raised. If an amendment is approved, it will become the motion on which further amendments may be proposed.
- 6.18 All speakers will address the Chairperson and all other directors will observe order when a director is speaking. The time limit for individual speakers, and for a discussion of a particular item, will be at the discretion of the Chairperson.
- 6.19 All amendments must be relevant to the subject under discussion, and the Chairperson of any meeting will have the power to rule out of order any motion or amendment which is, in their opinion, irrelevant or incompetent.

### **Motions for Inclusion in a Future Agenda**

- 6.20 Notice of a motion for consideration at a future meeting should generally be given at any ordinary meeting of the Board/Committee, or in writing to the Company Secretary or appropriate Chairperson as far as possible in advance of that future meeting, but not later than 10 days before it.
- 6.21 If the director submitting the motion is absent at the next meeting when the motion is due to be considered, the motion shall be carried forward to the following meeting. If the director is absent again the motion will fall.
- 6.22 A motion proposing an amendment or contradiction to a previous Board decision will require to be submitted in writing for inclusion on the appropriate agenda and be supported by at least one third of the directors. Such motions will not generally be permitted until at least six months has elapsed from the date of the adoption of the original decision. However, exceptions include:

- introduction of new legislation or regulations; or
- new pertinent facts, as confirmed by the Chairperson, have come to light

### **Voting**

- 6.23 Voting will normally be by a show of hands. A simple majority of those present and voting will decide the matter, except where the Company's Articles require a different majority. In the event of a tie, the Chairperson will have an additional casting vote.
- 6.24 Any director present may propose that a vote be taken by secret ballot. To be considered, such a proposal will require a seconder. There will be no discussion on the proposal and a vote by show of hands will take place. To be carried, a simple majority of those present and eligible to vote will require to vote in favour.
- 6.25 Directors will not be included or counted if the matter under consideration is one on which they are not entitled to vote.
- 6.26 The Company does not at present have facilities for technology to allow participation in meetings through tele or video conferencing. Voting therefore requires attendance at the meeting and participation in any discussion. Proxy voting is not possible, however directors unable to attend are encouraged to make representations to the Business Manager or Chairperson in advance of the meeting, and these will be brought to the attention of other directors.

### **Points of Order**

- 6.27 Any director may raise a point of order at any time during a meeting. All questions of order will be decided by the Chairperson having due regard to the advice of staff, consultants, or specialist co-opted directors present at the meeting. This ruling will be final. No other director will be able to speak to the point of order without the Chairperson's consent.

### **Suspension of Standing Orders**

- 6.28 Any motion to suspend Standing Orders will require to be proposed and seconded. To succeed, the motion will require to be supported by two thirds of directors present.

### **Confidentiality**

- 6.29 Directors and staff will regard all matters discussed at Board/Committee Meetings or in any other arena as strictly confidential.
- 6.30 When/if it proves necessary to formally speak to the media about the Company's business, this should be carried out by the Business Manager or Chairperson, as agreed between them as most appropriate to the enquiry, and subsequently reported to Board.

### **Minutes**

- 6.31 The Business Manager, as Secretary, will normally be responsible for ensuring that the business of each Board or Committee meeting is properly minuted. An exception would be where the Board has agreed to exclude staff, when the meeting will elect a minute taker who will be responsible for producing a minute of that meeting or item. The minutes will include:-

- names of directors present; any staff or others in attendance and any apologies received
  - approval of the minutes of the previous meeting
  - description of each item of business considered, major points raised on each item including who made them and the Board/Committee's eventual decision
  - names of those proposing or seconding any motion or amendment
  - result of any vote and whether by show of hands or secret ballot
  - any declarations of interests by members
- 6.32 The draft of the minutes will be circulated to Board/Committee directors as appropriate, with the agenda and papers for the following meeting. To be adopted, the minutes will require to be proposed and seconded by any two directors who attended the previous meeting, and approved by the majority of those present. Minutes may be adopted subject to the inclusion of an amendment to correct or clarify a point. Any amendment(s) required must be proposed, seconded and approved by a majority of directors present, prior to the formal adoption of the minutes.
- 6.33 The original copy of the minutes (where appropriate, with any amendments included) will be signed by the Chairperson of the meeting at which they were approved.
- 6.34 The minutes of Committee meetings, or working groups, will be submitted to the next scheduled meeting of the Board "for information". The minutes will be formally adopted at the next meeting of that Committee or working group.
- 6.35 Any director who disagrees with a majority decision made at a Board/Committee meeting may request that their dissent be recorded in the minutes. However, such directors will accept the will of the majority of directors and collective responsibility for ensuring successful implementation of such decisions.
- 6.36 A director who was not present at a particular Board/Committee meeting, may request clarification of a point in the minutes at the following meeting, but may not re-open discussion on any item where a decision was made at the previous meeting unless that item had not been included in the agenda circulated prior to the meeting.
- 6.37 A director who does not serve on a particular Committee may request clarification of a point in the Committee minutes but may not re-open the discussion of that item, except where the Committee has referred an item back to the Board for consideration.
- Conduct of Board Members**
- 6.38 In conducting the Company's business, directors will adhere to these Standing Orders; the Company's Memorandum and Articles of Association, and the Company's Code of Conduct, as well as relevant good practice guidance from the Scottish Housing Regulator and others, including Performance Standards. The Business Manager as Secretary will ensure that each year following the AGM, directors are reminded of the Code of Conduct and that any new directors sign the Code.

- 6.39 The Board and Committees' re-affirm that they will not take any decisions which contravene current legislation, statutory regulations, any approved codes of practice or their Memorandum and Articles of Association.
- 6.40 The Board will assess annually the skills, knowledge, diversity, and objectivity required to achieve and maintain good governance. This will include appraisal of both the collective performance of the Board and the individual contributions and effectiveness of each director.
- 6.41 Each year, the Chair will issue questionnaires to, interview and agree assessment summaries with each director - including any training and other actions required to maximise their contributions. The Chair will then collate and report findings and any recommendations for consideration by the Board. This annual cycle will be completed in time to inform preparations for each AGM, including succession planning to publicise and fill vacancies on the Board. Appropriate induction training, information and support will be arranged for each new director - to ensure they understand and can effectively exercise their role, powers and duties.
- 6.42 Where any director would have served for 9 years or more if re-appointed at the end of their current term, then their last Appraisal within their current term shall include assessment as to whether that director would be able to demonstrate sufficient objectivity, independent challenge, and effectiveness as a director.

## **7.0 INTERIM AND EMERGENCY DECISIONS**

- 7.1 It is recognised that effective prosecution of the Company's work will require decisions to be taken between meetings. The scheme of delegated authorities outlined in the Appendices provides delegated authority to the chairperson, vice chairperson and secretary to take appropriate action, subject to the principle that use of such interim decisions will be minimised, that they will be reported to the next meeting for homologation and the underlying principle that these will involve the minimum necessary commitment on behalf of the Company.

## **8.0 REVIEW**

- 8.1 The Business Manager will ensure that the Board reviews these Standing Orders as necessary but at least every five years.

**Attached Appendices:**

**Appendix 1:  
Remit of the Board**

**APPENDIX 2  
Terms of Reference of the Audit & Risk Committee**

**Appendix 3:  
Role Description for Chairperson & Vice Chairperson**

**Appendix 4:  
Role Description for Board Directors**

**Appendix 6  
Delegated Levels of Authority**

**Homes for Life Housing Partnership  
Standing Orders: Appendix 1:**

## **REMIT OF THE BOARD**

- 1.0 The Board is responsible for exercising efficient and effective control over the activities of the Company, in the interests of tenants, members, staff, lenders and the wider community.
- 2.0 The Board will ensure that the Company complies with:-
  - all relevant legislation, statutory regulation and related Codes of Practice
  - its Memorandum and Articles
  - SHR's general guidance and funding conditions, if applicable
  - The Regulatory Code of Governance, Performance Standards and Raising Standards in Housing
- 3.0 The Board's remit is to:-
  - approve membership applications and consider appeals where applications not approved
  - determine and regularly review the Company's aims and objectives
  - determine the Company's overall strategy and priorities, ensuring they are annually updated
  - set objectives, targets and standards by which the strategy and priorities will be achieved, monitoring performance through receipt of regular reports
  - establish a Committee structure and scheme of delegations of authority with clear remits and standing orders appropriate to the Company's needs and which are the subject of regular review

- buy, sell, build upon, lease any land, and accept responsibility for any related contracts and expenses
- agree terms of engagement and remuneration of anyone employed in connection with the Company's business
- grant securities over any land owned and floating charges over any or all of the Company's property and assets, both present and future, including responsibility for any related expenses
- decide, monitor and vary the terms and conditions under which the Company's property is to be let, managed, used or disposed of
- authorise the signing of certain documents
- approve policies covering all activities and ensure that these are regularly reviewed, updated and amended as necessary
- monitor policy compliance through receipt of regular reports
- establish an appropriate staffing structure for the Company and suitable arrangements for recruitment and selection of staff, including directors participation as required
- set terms and conditions for all staff
- appoint and remove all providers of services as required by the Company's business
- approve the Business Plan, Strategy and Development Funding Plan, Internal Management Plan, Budget, Rents, Annual Accounts, Annual Performance and Statistical Return and other key items as necessary
- monitor the Company's financial position through receipt of regular reports
- approve expenditure, if agreed, for any items not contained within the annual budget
- monitor and approve the use of virement transfers, where expenditure which exceeds budget in one heading is met from an underspend in another heading
- approve the writing-off of bad debts
- establish arrangements for hearing appeals by tenants against decisions made by staff or Committee, and for hearing appeals by staff
- agree and approve the response to the auditor's Management Letter in liaison with the Audit & Risk Committee
- establish arrangements for refunding expenses wholly and necessarily incurred by directors in conjunction with their duties
- compromise, settle, conduct, enforce, or resist in a Court of Law or by arbitration any suit, debt, liability or claim by or against the Company
- approve the formal notice calling each Annual General Meeting
- ensure that the Company does everything possible to comply with SHR's regulatory requirements

## **TERMS OF REFERENCE OF THE AUDIT & RISK COMMITTEE**

### **1. ROLE**

The Audit & Risk Committee is appointed by the Board to discharge the Company's responsibilities in the areas of financial reporting, internal control, risk management and investment.

### **2. OBJECTIVES**

The Audit & Risk Committee provides advice to give assurance to the Board, the Business Manager and Finance Agent that:

- a) Risk Assessment and Mitigation is embedded into financial and non-financial management processes;
- b) Overall Governance Arrangements are appropriate and operating effectively;
- c) Legislative and regulatory requirements governing activities as a Company, Registered Social Landlord, Charity and Employer are being complied with, including all necessary returns;
- d) The Financial Control Framework is effective and supported by an appropriate compliance culture;
- e) External Financial Reporting is prudent, accurate, appropriate and consistent with accounting policies;
- f) Internal Financial and Management Reporting is timely, prudent, appropriate and consistent with the external financial reports; and
- g) Internal Audit Assurance provides an appropriate level of comfort

### **3. SPECIFIC RESPONSIBILITIES**

This section highlights the most significant responsibilities of the Committee; it can be amended at the Committee's discretion, subject to agreement of the Board, to ensure the objectives are met.

#### **3.1 Financial Reporting**

To review the Annual Financial Statements, before their submission to the Board, ensuring that they are prudent, accurate, appropriate and consistent with the Company's Accounting policies.

To meet with the External Auditors to review the Annual Financial Statements, review the Key Accounting Policies and take judgements on the treatment of unusual items.

To review relevant sections of the Annual Report ensuring the information is adequate, consistent and easily understood.

To recommend the adoptions of the Annual Financial Statements to the Board and Members of the Company. In doing this the Audit & Risk Committee will pay particular attention to:

- Accounting policies and practices;
- Decisions involving a major element of judgement;
- Accounting treatment and disclosure of any unusual transactions in the year;
- The clarity of disclosures in the Annual Financial Statements;
- Assurances about the financial systems which provide the figures for the Annual Financial Statements
- Significant adjustments resulting from the External Audit.

To consider and make recommendations to the Board in relation to the appointment, reappointment and removal of Finance Agents. To oversee the relationship with Finance Agents including the approval of their terms of engagement and remuneration. To meet with and assess the performance of Finance Agent.

### **3.2 Internal Control**

To consider the Company's Financial Control Framework, including financial authorities, management accountabilities and the main financial controls relating to the key financial and operational processes.

To consider sensitive audit findings, any matters which the internal and external auditors may wish to raise, and any other matters of major importance, and to report if appropriate to the Finance Agent, Business Manager and Board thereon together with any recommendations for improvements. Where deemed necessary and appropriate such consideration will be in the absence of management.

To consider the adequacy of management responses to any major Internal Audit or External Audit recommendations.

To consider and advise the Board and Business Manager on the adequacy of the annual and medium term Work Plans of Internal Audit and ensure it links appropriately to that of the External Auditors.

To consider all reports from the Internal Auditor and to discuss as appropriate any issue relating to these reports. Where deemed necessary and appropriate such consideration will be in the absence of management. The Audit & Risk Committee may also direct Internal Audit to carry out work in any area where they believe further/additional assurance is required.

To consider and make recommendations to the Board in relation to the appointment, reappointment and removal of Internal Auditors.

To oversee the relationship with Internal Auditors including the approval of the terms of engagement and remuneration.

To meet with and assess the performance of Internal Auditor.

### **3.3 Risk Management**

To independently monitor and assess the effectiveness of systems established by management to identify, assess and manage Risk. Particular focus is given to assessing:

- The Risk Management Strategy adopted for the management of the Company's key risks and processes. This should encompass all kinds of risks. (e.g. strategic, operational, financial, reputation, and compliance with relevant legislation and good practice guidance-including

but not restricted to - Housing, Environmental, Employment, Health & Safety Equality and Diversity.)

- Management's ownership and accountability in relation to these risks;
- The level of assurance provided relating to the management of the key risks including those identified by the Company in Business Plans and Risk Registers;
- To review and approve the statements included within the Company's Annual Financial Statements concerning Risk Management.

To consider and make recommendations to the Board in relation to the appointment, reappointment and removal of Risk Management Consultants.

To oversee the relationship with Risk Management Consultants including the approval of the terms of engagement and remuneration. To meet with and assess the performance of Risk Management Consultants.

### **3.4 Governance arrangements**

To review and advise on the adequacy of the Company's Anti-Fraud Policies and Whistle-Blowing Processes. This should include ensuring that appropriate arrangements are in place for staff, in confidence, to raise concerns about possible improprieties (e.g. in financial reporting or re possible fraud), and ensuring that adequate arrangements are in place for proportionate and independent investigation of such matters and for appropriate follow-up action.

### **3.5 External Auditor**

To review any progress reports from the External Auditor on work that they are performing including audit of Annual Financial Statements and any interim or other reviews.

To discuss with External Auditor as appropriate any issue arising from the audit or relating to their reports. Where deemed necessary and appropriate such consideration will be in the absence of management.

To consider and make recommendations to the Board in relation to the appointment, reappointment and removal of the External Auditors. To oversee the relationship with the external auditors including the approval of the terms of engagement and remuneration. To review and approve any Annual Audit Plan.

### **3.6 Health & Safety**

To nominate 2 directors from the ARC to represent the Board on the statutory Health & Safety Management Committee, which also includes 2 staff representatives (Business Manager and Corporate Services Officer as Health and Safety Co-ordinator.)The terms of reference of this statutory Management Committee are detailed within the Company's Health & Safety Policy. However for the avoidance of doubt, it has authority delegated directly from and reports directly to the Board, not the Audit and Risk Committee.

## **4 REPORTING**

To regularly update the Board on its activities or matters arising during the year.

The Chair of ARC will produce and present to the Board an annual report summarising the activities of the Committee and the outcomes of its work.

## **5 MEMBERSHIP**

Members of the Committee will act with independence and objectivity in the conduct of their responsibilities. In addition, each member should have a sound understanding of the objectives and priorities of the Company and of their role as a Committee member.

A Committee member or attendee who becomes aware of a potential conflict of interest relating to matters being discussed by the Committee should give prior notification to the Chair or, if this is not possible, declare this at the meeting and, where necessary, withdraw during discussion of the relevant agenda item.

The Board will be responsible for the appointment and removal of members of the Audit & Risk Committee.

The Audit & Risk Committee will consist of not less than three and not more than eight directors of the Board.

The Audit & Risk Committee will also be attended and serviced by the Business Manager and as deemed necessary and appropriate by the Finance Agent. Other staff, or consultants, or advisors may also be invited to attend, at the discretion of the Chair.

Members of the Audit & Risk Committee will normally serve for a term of three years, unless they retire or are removed from the Board or are otherwise unable to continue serving on the Committee. Reappointment by the Board for further terms is permitted, to ensure development and continuity of relevant expertise.

The Chair of the Audit & Risk Committee shall generally be the most suitably qualified and experienced member, preferably a member of a recognised accountancy body.

The Chair will attend the Company's AGM and He/she will be prepared to answer any questions raised by the members on matters within the Audit & Risk Committee's area of responsibility. For the avoidance of doubt presentation of the Company's Annual Financial Statements to the members is within the remit of the Finance Agent, and the Annual Report will generally be presented by the Business Manager or Chair of the Board.

## **6 MEETINGS**

The Audit & Risk Committee will meet at least three times a year at appropriate times in the Company's Financial Reporting cycle.

At least once a year the Audit & Risk Committee should offer Internal and External Auditors the opportunity to meet without Management present, even if they do not themselves deem this necessary. If neither the Auditors nor Audit & Risk Committee members deem it necessary, then Management may otherwise attend meetings

A minimum of three members of the Committee must be present for the meeting to be declared quorate. In the absence of the Chair the meeting may be chaired by another member.

Written agendas and supporting papers will, wherever possible, be produced and distributed at least one week (5 working days) before meetings- to members, other necessary attendees, and any other director requesting the opportunity to attend Minutes will be promptly produced and circulated to Committee members and all other attendees, and will subsequently be distributed to other directors along with any reports back to the Board on the Audit & Risk Committee.

### **Indicative Audit & Risk Committee Agenda Items (to be included as appropriate)**

#### **Minutes of previous meeting**

- approval and matters arising

#### **Risk Assessment and mitigation**

- Updates re: Key Risks
- Review Risk Management Strategy

#### **Overall Governance Arrangements**

- Report on outcome of reviews of Internal Controls
- Review Statement on Internal Control
- Review anti-fraud policy and fraud risks

#### **Financial Control Framework**

- Review Financial Control Framework
- Review Regulatory and other Compliance

#### **External Financial Reporting**

- Consider accounting issues and policy papers
- Review reporting timetable/process/ audit plan
- Review draft Annual Report & Financial Statements
- Consider External Auditor's Management Letters

#### **Internal Audit assurance**

- Review Internal Audit Plans (annual and medium term)
- Review Internal Audit expertise, effectiveness and resources
- Consider Internal Audit progress reports

#### **Any other business**

#### **Date of next meeting**

## **7 ANNUAL REVIEW OF REMIT AND PERFORMANCE**

The Committee will assess its effectiveness, and will also review these Terms of Reference, annually. It will submit recommendations for any proposed changes to the Board for approval.

*Homes for Life Housing Partnership*

*Standing Orders Appendix 3:*

## **ROLE DESCRIPTION FOR CHAIRPERSON AND VICE CHAIRPERSON**

### **Section 1: Introduction**

This purpose of this document is to clearly define the functions and roles of the Chairperson and Vice Chairperson, consistent with the principles set out in the Regulatory Code of Governance, published by the Scottish Housing Regulator, and with associated regulatory requirements.

The Chairperson of the Board has particular duties and responsibilities, and should always remember that he/she is acting on behalf of the Board and not in isolation.

The position of Chairperson is referred to in the Company's Articles of Association, Standing Orders, and other policies. It is also referred to in relevant legislative and regulatory requirements governing Companies, Charities, and Registered Social Landlords. The Chairperson must always act in accordance with the requirements of the Company's own governing documents and Policies, as well as with applicable legislative and regulatory requirements.

### **Section 2: Responsibilities of the Chairperson**

The overall responsibilities of the Chairperson are to provide leadership to the Board of Directors, and to ensure the efficient and proper conduct of the Board's business, acting on occasions under delegated authority on behalf of the Board.

The specific responsibilities of the Chairperson are as follows:

#### **A - Providing leadership to the Board**

- Represent the Company and present constructive views on its behalf;
- Keep the composition, skills and effectiveness of the Board under review, and recommend action to remedy any deficiencies;
- Ensure that the Board receives and takes due account of appropriate professional advice;
- Ensure, in the event of a vacancy, in conjunction with other members of the Board, that the post of Business Manager is filled in a timely and orderly fashion, in accordance with

employment legislation, good practice, Employers in Voluntary Housing guidance, and the Company's own recruitment policies;

- Ensure, in conjunction with other members of the Board, that the remuneration of the Business Manager is considered, and recommendations made to the Board;
- Arrange, with other members of the Board, for the annual appraisal of the Business Manager, and report results to the Board;
- Provide ongoing support and guidance to the Business Manager and (where necessary) initiate any disciplinary action, in accordance with employment legislation, good practice, Employers in Voluntary Housing Terms and Conditions, and any specific terms agreed for the post.

#### **B - Ensuring the efficient and proper conduct of the Board's business**

- Chair all general meetings of the Company in accordance with its Articles of Association, Standing Orders, and the requirements of the Companies Acts;
- Chair all meetings of the Board, in accordance with its Standing Orders, and ensure the efficient and proper conduct of the Board's business;
- Ensure that the views of all Board members are sought before any important decision is taken at meetings;
- Decide on any points of order arising at any meetings of the Board;
- Keep order and make sure that every member has a fair hearing and an opportunity to express their views on the subject under discussion;
- Decide all matters of order, relevancy and at his/her discretion, alter the order of business at any stage of the meeting;
- Exercise a second and deciding vote in the event of a tie in the vote of the Board.

#### **C - Acting under delegated authority on behalf of the Board**

- Initiate any investigation under the terms of the Company's Code of Governance;
- Ensure that the Company's business is efficiently and accountably conducted between Board meetings;
- Act as the final authority in relation to appeals and complaints, in accordance with the Company's policies;
- Sign cheques and documents requiring the Board or the Chairperson's authorisation;
- Take decisions on behalf of the organisation in the event of emergencies that occur out-with the regular Board cycle, reporting these back to the Board for ratification.

Specific provisions relating to the use of delegated authority are outlined in the Standing Orders, Financial Regulations, and Authorised signatories Policies.

The Chairperson is offered training where appropriate to help him/her develop his/her skills in relation to the responsibilities associated with the post.

In exercising his/her responsibilities, the Chairperson may seek the advice and support of the Vice Chairperson, Chairpersons of Committees, other office bearers or their directors with relevant knowledge or expertise, and will seek and take due account of the advice of the Business Manager, other staff, Finance Agent, Auditors or other consultants- as appropriate. However, the Chairperson remains solely responsible for the decisions which lie within the responsibilities of the post, and his/her decisions in these matters are final.

The relationship between the Chairperson and Business Manager, as leaders of the Board and of the Staff respectively, is vital to the effective governance of the Company. The relationship must be based on good and regular communication, mutual trust and support and an understanding of the respective roles and responsibilities.

### **Section 3: Vice Chairperson**

The overall responsibilities of the Vice Chairperson, or any other Director nominated by the Board to do so on a contingency basis, are to stand in for the Chairperson in his/her absence, and to execute the duties and responsibilities outlined above, on a temporary basis, pending the return of the Chairperson, or election by the Board of a new Chairperson should circumstances require.

The purpose of this post is to ensure continuity of good governance. The Vice Chairperson will not seek to implement material changes in policy or direction when acting as stand in for the Chairperson, except where exceptional circumstances require such immediate action and this has first been discussed with and due account taken for the advice of the Business Manager, Regulator, Auditor, Finance Agent, consultants or other staff - as appropriate to the circumstances.

## **ROLE DESCRIPTION FOR BOARD DIRECTORS**

### **Purpose of document**

This document provides a statement of the responsibilities of the Board as governing body - both collectively and of its individual directors. It is intended to act as a reference for all those involved in the governance of the Company, including new and established Board directors and senior members of staff.

The statement is consistent with the principle set out in the Regulatory Code of Governance, published by the SHR, that 'good governance means performing effectively in clearly defined functions and roles', and with the associated regulatory requirements.

The statement is also consistent with the guidance for Scottish Charity Trustees, issued by the Office of the Scottish Charity Regulator (OSCR), which sets out the formal responsibilities of trustees in ensuring that the Company acts in line with its charitable objects.

### **Section 1: Introduction**

The Board is ultimately responsible for the work of the Company. For the Board to be effective, it is essential that the role and responsibilities of the Board are understood and observed (section 2). Being a member of the Board carries important responsibilities; individuals require to understand and accept these responsibilities (Section 3). Being a member of the Board involves making a time commitment and being willing to learn (Section 4). In return for that commitment, the Company has a responsibility to support Board directors to enable them to carry out their role effectively (Section 5).

### **Section 2: What the Board is responsible for**

The function of the Board as a whole is two-fold:

- to provide leadership to the Company and determine its strategy, and
- to control the Company's affairs and ensure compliance.

The operational management of the Company is delegated to staff, within a framework of controls established by the Board. In practice this distinction involves a strong element of partnership between the Board and staff, and demands mutual respect, trust and support.

In relation to its **strategic and leadership** function, the core responsibilities of the Board are to:

- Determine the Company's central purpose, its values and its culture, and ensure that they are consistent with the Company's constitution.

- Determine and keep under review the Company's strategic direction and its business objectives.
- Develop and maintain an understanding of the operating environment of the Company, and take this into account in assessing the association's strategy.
- Disseminate and ensure compliance with the values of the Company
- Establish a framework for the development, approval and review of policies and plans to achieve the Company's business objectives.
- Ensure that the organisation is adequately resourced to meet its business objectives.
- Identify and manage the risks associated with the association's strategy.
- Decide on and keep under review formal partnerships and alliances with other organisations.
- Build up strategic links with external bodies and foster relationships with senior staff to enable them to discharge their strategic and leadership duties.

In relation to its **control and compliance** function, the core responsibilities of the Board are to:

- Establish and oversee a framework for delegation to office bearers, to committees and to staff.
- Establish and regularly review systems of internal and external control, including Standing Orders, external audit, internal audit, financial control and performance reporting.
- Establish and oversee a framework for the identification and management of risk, in order to protect the Company and its assets.
- Ensure the solvency of the Company, approve the annual budget, and approve the annual accounts prior to publication
- Monitor and assess the Company's performance against plans, budgets, controls and targets, taking into account customer feedback and the performance of comparable Registered Social Landlords.
- Establish and oversee a framework for the employment of staff.
- Appoint, support, appraise and (if necessary) dismiss the Business Manager, and determine his/her remuneration.
- Ensure that the Company meets all its statutory obligations and acts in accordance with regulatory expectations and accepted good practice standards.
- Ensure that the Company acts in accordance with its own constitution
- Assess periodically the Board's own effectiveness.
- Assess how well the Board directors follow its Code of Governance.

In both sets of responsibilities, the Board is informed, advised and supported by the staff group. The core responsibilities are central to the Board's role and cannot be delegated.

### **Section 3: What the Company expects of individual Board Directors**

Each individual director is expected to contribute constructively to the work of the Board. The effective collective performance of the Board depends on directors recognising and fulfilling their individual responsibilities.

All directors share and must accept collective responsibility for the decisions properly made by the Board. All directors are equally responsible in law for the decisions made. Each must act only in the interests of the Company and its customers, and not on behalf of any constituency, other organisation or interest group. Although directors may have been elected, nominated or appointed by a particular stakeholder group, their overriding loyalty must be to the Company as a whole. Directors should refer to the SFHA Code of Governance for Governing Body Members which is re-produced in part below:

Every director is expected to:

1. Uphold the values, objectives and policies of the Company.
2. Contribute to and accept responsibility for the Board's decisions.
3. Uphold and promote the principles of equality and diversity in the governance of the Company.
4. Treat all colleagues on the Board with consideration, and foster mutual respect and trust.
5. Prepare for meetings and attend regularly and punctually.
6. Attend relevant training sessions and events.
7. Attend and participate in reviews of the performance and effectiveness of the Board.
8. Represent the Company positively and appropriately.
9. Be aware of the restrictions on payments and benefits and follow the Company's policy on managing these restrictions.
10. Not accept any offers of gifts and hospitality which could be seen as a way of exercising an improper influence over decision making.
11. Declare any personal or other interests which could potentially conflict with those of the Company.
12. Not engage in any activity which could be detrimental to the interests of the Company.
13. Respect confidentiality of information where appropriate.
14. Keep his or her own learning and knowledge of their local and national operating environment and the impact that this has on the association, as up to date as possible, in order to make well informed decisions.
15. Adhere to the principles and the expectations set out in SHR's Regulatory Code of Governance and other regulatory codes that apply to the Company.

The individual responsibilities listed form the basis of the Code of Governance for Directors. On becoming a director and serving on a Board, each director is given a letter of appointment, containing the Code of Governance, and is asked by signing to confirm their acceptance of the responsibilities. Directors are also asked to re-confirm their acceptance on an annual basis.

#### Section 4: What being a Director involves

An estimate of the annual time commitment which is expected of Board directors is as follows:

<i>Attendance at up to 10 Board meetings</i>	<i>20 hours, plus travel</i>
<i>Reading and preparation for Board meetings</i>	<i>15 hours</i>
<i>Attendance at up to 5 Committee meetings</i>	<i>10 hours, plus travel</i>
<i>Reading and preparation for committee meetings</i>	<i>8 hours</i>
<i>Attendance at annual planning day</i>	<i>6 hours, plus travel</i>
<i>Serving on occasional/ad hoc working groups</i>	<i>4 hours, plus travel</i>
<i>Training and conferences</i>	<i>24 hours plus travel</i>
<b>Total</b>	<b>87 hours plus travel</b>

It is stressed the above time commitments are illustrative only and actual time commitment required may vary. Office bearers have additional responsibilities.

#### Section 5: How the Company supports Board Directors

The Company is committed to ensuring that the Board and its directors are able to exercise their roles and responsibilities. It recognises that directors require support and assistance to carry out their responsibilities, and to make their role a rewarding and satisfying one.

In return for their commitment and time, the Company provides its Board directors with:

- A welcome and introduction when they first join and ongoing support thereafter.
- Clear guidance, information and advice on their responsibilities and on the work of the Company.
- Formal induction training to assist them to settle in.
- The support of a more experienced director as a mentor for a period of six months after joining.
- Papers which are clearly written and presented, and circulated in advance of meetings.
- The opportunity to put directors' experience, skills and knowledge to constructive use.
- The opportunity to develop directors' own knowledge and personal skills.
- The opportunity to work in a stimulating and mutually supportive environment.
- The chance to network with others with shared commitment and ideals.
- The opportunity to stand for one of the office bearer positions.

All directors of the Board are volunteers and receive no payment for their contribution. There are restrictions set out in legislation which prevent Board directors or their relatives benefiting personally from their involvement with the Company. However, all expenses associated with

the role of Board director are fully met and promptly reimbursed. No Board director is expected to be out of pocket as a result of any work on behalf of the Company.

In carrying out periodic reviews of its governance arrangements, the Company examines the effectiveness of these support arrangements.

## **Section 6: Where to find out more**

The following documents are relevant to your role as a Board member, and form part of the package given to you when you become a director.

### **Memorandum and Articles**

These represent the constitution of the Company. They can only be changed with the agreement of the shareholding membership of the Company, of SHR, Companies House, and OSCR.

### **Standing Orders**

These are the procedures agreed by the Company for the discharge of its business through the Board, its committees and the staff, including the formal arrangements for the delegation of authority.

### **Regulatory Code of Governance**

The Code published by SHR, sets out the regulatory standards which apply to the Board as a whole and to individual Board directors.

### **Financial Regulations**

This policy sets out regulations on the Company's financial affairs

### **Policy on Expenses to Board Directors**

This policy sets out the circumstances under which Board directors can claim or receive expenses, and the limits to those expenses.

### **Policy on Payments and Benefits to Board Directors**

This policy sets out how the Company interprets the statutory restrictions on the payments and benefits which Board directors can receive, and the exceptions to those restrictions.

### **Policy on Gifts and Hospitality**

This document sets out how the Board and its directors should respond to offers of gifts and hospitality offered by third parties.

Finally, the Business Manager, any member of the Management Team or any current Board Director will be happy to provide any further information if required.

## **DELEGATED LEVELS OF AUTHORITY**

### **1.0 General Principles**

It is recognised that the effective prosecution of the Company's work requires decisions to be taken without awaiting Board approval, and that many routine matters will fall to be decided by members of staff, in accordance with approved policy. Accordingly, this Scheme of Delegation sets out the basis on which delegated powers shall be exercised by office bearers and senior staff. The Board's purpose in approving this Scheme of Delegation of Powers is to ensure that the work of the Company is not unnecessarily delayed for decisions which are clearly within the general terms of Company policy. Accordingly, the office bearers and staff shall, in all cases, seek to use delegated powers to maintain progress in the various areas of work, provided that no policy decisions are taken or major financial commitments entered into without the approval of the Board.

### **2.0 Office Bearers**

The Chairperson or in his/her absence, the Vice Chairperson, shall have a general remit to consult with the Business Manager to ensure that all necessary decisions are taken in between meetings of the Board. The Chairperson of any Committees with delegated powers on the issue requiring decisions, in consultation with the Business Manager, shall have discretion to authorise such actions or decisions as may be necessary to avoid delays in prosecuting the work of the Company, provided that all matters on which the Chairperson, Vice Chairperson has authorised action shall be reported to and homologated by the following meeting of the Board.

It shall be understood that, in all cases where discretionary authority is delegated to the Chairperson, the same authority shall be delegated to the Vice Chairperson in the absence of the Chairperson.

### **3.0 Secretary**

The Business Manager as Secretary shall have authority -

- to carry out the duties of Secretary as laid down in the Company's Memorandum and Articles and to ensure the proper completion and security of all legal documents
- to accept tenant applications for Company membership and to report them to the following meeting of the Board. Discretion on ordinary membership applications will be retained by the Board

The Chairperson and Vice Chairperson shall have authority -

- to authorise expenditure in excess of budget in accordance with limits set out in the financial regulations

### **4.0 Emergency Arrangements**

Where urgent decisions with policy implications become necessary and when it is impracticable to call a special Board meeting, the Chairperson [or the Vice Chairperson if the Chairperson is not

available] shall consult with such other office bearers [including the chair of any relevant committee] and the Business Manager as are available. Any such decisions must be reported to and homologated at the following Board meeting.

## **5.0 Staff**

Except for the statutory duties of the Secretary which are covered above, staff shall have authority to carry out their duties as detailed in their job descriptions, or as otherwise directed by the Business Manager [or such other person as may be authorised to deputise in his/her absence, or in the case of the Business Manager, by the Chairperson or Vice Chairperson in his/her absence], subject to compliance with agreed policy and procedures, these standing orders and financial regulations.

For the avoidance of doubt, no commitment shall be made by staff on any of the following without specific Board approval -

- acquisition or disposal of properties [including leases and securities] [disposals will also require Communities Scotland consent]
- changes to terms and conditions of staff
- appointment of permanent or temporary staff at EVH grade 5 or above
- entry into contracts or appointments with commitment values exceeding the levels of delegated authority stipulated in the relevant appendix to the Financial Regulations and related Authorised Signatories Procedure. These generally limit discretion without prior Board Approval to not more than £10,000 for the Business Manager, £5,000 for the Customer Services Manager and less for other staff. However, for the avoidance of doubt, this does not preclude action under the emergency procedures outlined at section 4 above, where essential works would otherwise be unnecessarily delayed whilst awaiting decisions which are clearly within the general terms of Company Policy.