



Greener Ealing Ltd

Financial Regulations

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1. Introduction

- 1.1. The purpose of these Financial Regulations is to define the principal policies and procedures that must be followed by all staff/consultants when dealing with Greener Ealing's financial affairs.
- 1.2. These Regulations were approved by the Board on 22nd October 2020 and will be reviewed at least every two years. The absence of such a formal review will not, however, cause these Regulations to lapse.
- 1.3. The Managing Director shall be responsible for ensuring that these Regulations are adhered to by all members of staff including Directors within Greener Ealing and any consultants working on behalf of Greener Ealing. Failure to comply with these Regulations may lead to disciplinary action being taken against the employee, Director or consultant concerned.
- 1.4. A copy of these regulations will be made available to staff and consultants and it is each individual's responsibility to ensure that they have read and understood them. It is the responsibility of the Managing Director to advise all other Directors that the Regulations have been updated and are available. It is the responsibility of Managing Director to ensure that members of staff and consultants are provided with access to the latest version of these Regulations and that they are aware of the implications for their work.

2. Abbreviations/Definitions

- 2.1. "Board" means the Board of Directors of Greener Ealing Ltd.
- 2.2. "SMT" means the Senior Management Team consisting of the Managing Director, Head of Finance, Senior Managers and other individuals where appropriate.
- 2.3. "Council" means Ealing Borough Council.
- 2.4. "Director of the Company" means a statutory director of Greener Ealing Ltd.
- 2.5. "Company Secretary" means the company secretary of the Company as appointed by the Board.
- 2.6. "Finance Team" means the Finance Team of Greener Ealing Ltd.
- 2.7. "Council Finance Department" means Council Finance Department Team
- 2.8. "Internal Auditor" means the internal auditor of the Council which has agreed to provide Greener Ealing with an internal audit service.
- 2.9. "Managing Director" means the person appointed who is responsible for the day to day running of the business.

3. Financial Control

- 3.1. The Board of Directors has the ultimate responsibility for Greener Ealing's resources.

4. Responsibilities

4.1. Managing Director

- 4.1.1. The Managing Director is responsible for the operational management of Greener Ealing's business. The Managing Director will assist the Board in determining its strategic objectives and promote the achievement of such objectives through the effective deployment of Greener Ealing's resources.

4.2. **The Finance Team**

- 4.2.1. The Finance Team is responsible to the Board for the administration and control of the finances of the Company and other support functions. Responsibilities include:
- Assisting in long-term planning
 - Presenting management accounts to the Board on a timely basis
 - Maintaining an efficient system of operations and controls
 - Preparing the annual accounts, liaising with Greener Ealing's auditors in respect of the year-end audit and arranging the final presentation of such accounts to the Annual General Meeting
 - Monitoring the day to day running of Greener Ealing's finances
 - Ensuring compliance with the requirements of regulating authorities
 - Safeguarding the assets of Greener Ealing
 - Reviewing the Financial Regulations as necessary from time to time but at least every two years
 - Maintaining statutory records other than those maintained by the Company Secretary
 - IT systems and equipment
- 4.3. The Finance Team reports to the Board on the level of resources proposed to be utilised in each financial year and keeps the Board regularly informed on Greener Ealing's finances and financial performance.

5. **Business Planning, Budgets and Management Accounting**

5.1. **Business Planning**

- 5.1.1. It is the responsibility of the Managing Director and Finance Team to ensure that a 5 - year Business Plan is prepared for Greener Ealing. The Business Plan will include the financial forecasts and plan for Greener Ealing's operations for at least five years and will be agreed by the Council in addition to the funding prospectus.
- 5.1.2. Following approval of the 5-year plan it is the responsibility of the Managing Director and Finance Team to ensure that the 5-year plan is updated on an annual basis to include annual KPIs for quarterly monitoring. The annual Business Plan should be reported to the quarter one Board meeting for approval.

5.2. **Budgets**

- 5.2.1. The Finance Team is responsible for preparing the Annual Budget for Greener Ealing.
- 5.2.2. The budget is to be prepared in a form agreed by the Board and is to be in line with the objectives of Greener Ealing and its Business Plan.
- 5.2.3. The annual budget should be presented to the Board at a Board meeting held during the last quarter of the year and the Board should approve the main underlying working assumptions for setting the following year's budget. These should include the level of profit/loss, the inflation rate, borrowing rates, salary increases, rent increases and the level of development activity.
- 5.2.4. Once approved, the budget is to be used as the basis for authority to incur expenditure in accordance with the Expenditure Authorisation limits (Appendix 1) and other approved procedures.
- 5.3. The inclusion of items in approved revenue estimates shall constitute authority to incur such expenditure in accordance with the Expenditure Authorisation Limits and other approved

procedures, save to the extent to which the Board shall have placed a reservation on any such item or items. Expenditure on any such reserved items may be incurred only when and to the extent that such reservation has been removed.

5.4. Accounts

- 5.4.1. The Finance Team will ensure that the Board is presented with management accounting information on a monthly basis.
- 5.5. All reports to the Board, other than those for information only, will have a section on financial implications, and if there are none, state the fact. Where the paper identifies that there will be an implication for the finances of Greener Ealing, the Finance Team will be asked to provide comments for inclusion in the report. These comments will include, inter alia, the anticipated cost in the financial year under review and the anticipated cost for a full financial year. Where there will be a substantial long-term commitment, the effect on Greener Ealing's longer-term forecasts will also be identified.

6. Accounting Policies

- 6.1. All accounting procedures and records of Greener Ealing and its staff shall be determined by the Finance Team in accordance with requirements of statutory agencies and regulatory authorities or otherwise in accordance with good accounting practice and on the advice of the external and internal auditors.
- 6.2. Greener Ealing's financial statements will be prepared in accordance with International Accounting Standard (IAS).
- 6.3. All accounts and accounting records of Greener Ealing shall be compiled under the supervision of the Finance Team.
- 6.4. Records to be kept and the format thereof will be determined by the Finance Team from time to time but would normally include the nominal, rent control account, sales and purchase ledgers, payroll records, cashbook, fixed asset register, contracts register and loan register. By law Greener Ealing is required to retain the following documents:
 - o Accounts raised (six years)
 - o Invoices and Receipts (six years)
 - o Payroll records (six years)
 - o VAT records (six years)

7. Audit

- 7.1. Preparation of annual accounts is to commence within one month of the financial year end each year and draft accounts (together with lead schedules) are to be prepared for the auditors by the time the audit commences.
- 7.2. A timetable is to be agreed with the auditors and every effort should be made to keep to the schedule.
- 7.3. Draft accounts are to be submitted to the Board for approval and signing at the meeting three to four months after the financial year-end and adopted at the Annual General Meeting
- 7.4. Final audited and signed accounts should be submitted to Companies House within nine months of the financial year end.

7.5. Internal audit

- 7.5.1. An internal audit should be arranged on a regular basis, which will usually be annually, to carry out an examination of accounting, financial and other operations of Greener Ealing. The Internal Auditor reports directly to the Managing Director, Finance Team and Board.
- 7.5.2. The main responsibility of internal audit is to provide the Board with assurance on the adequacy of the internal control systems, the risk management framework and compliance with internal and external regulations.
- 7.5.3. The Internal Auditor and his/her authorised representative shall have authority to:
- Enter at all reasonable times any Greener Ealing premises or land
 - Inspect all records, documents and correspondence relating to any financial and other transactions of Greener Ealing
 - Require and receive such explanations as are necessary concerning any matter under examination
 - Require any employee or consultant working on behalf of Greener Ealing to produce cash, or any other Greener Ealing property under his/her control.
- 7.6. Whenever any matter arises which involves, or is thought to involve, irregularities concerning cash, or other property of Greener Ealing or any suspected irregularity in the exercise of the functions of Greener Ealing, the officer concerned shall forthwith notify the Finance Team or Director of the Company who shall take such steps as he/she considers necessary by way of investigation and report. There is a specific procedure relating to whistle blowing and fraud.

7.7. External Audit

- 7.7.1. The primary role of external audit is to report on Greener Ealing's financial statements, and to carry out such examination of the statements and underlying records and control systems as are necessary to reach their opinion on the statements and to report on the appropriate use of funds. Their duties will be in accordance with advice set out in the Code of Audit Practice and Auditing Practices Board's auditing standards.
- 7.7.2. Each year the Board will review the effectiveness of external audit and determine if value for money is being provided and whether the external audit is independent and effective and make decisions regarding their re-appointment.
- 7.7.3. The Board will carry out a comprehensive review of the service together with a competitive tendering exercise at least every three years.

8. Income and Write Offs

8.1. General

- 8.1.1. The collection of all money due to Greener Ealing shall be under the supervision of the Finance Team.
- 8.1.2. All employees and consultants working on behalf of Greener Ealing shall provide the Finance Team with such particulars in connection with work done, goods supplied or services rendered and of all other amounts due as may be required by him/her to record correctly all sums due to Greener Ealing and to ensure that invoices are rendered for the recovery of income due.
- 8.1.3. The Finance Team shall be notified promptly of all money due to Greener Ealing and of contracts, leases and other agreements and arrangements entered into which involve the receipt of money by Greener Ealing.

8.1.4. All receipt forms, books, tickets and other such items shall be ordered and supplied by the Finance Team who will also specify the arrangements for their control.

8.2. Cash Receipts

8.2.1. All income of more than £250 received by any officer on behalf of Greener Ealing shall immediately be passed to the Finance Team who will ensure these sums are banked, wherever possible on the day of receipt. All income not banked on the day of receipt must be banked by the end of the following working day.

8.2.2. No deduction may be made from such money except to the extent that the Finance Team may specifically authorise. Each officer who so banks money shall enter on the paying-in slip a reference to the related debt.

8.3. Gifts & Hospitality shall only be accepted in accordance with the Code of Conduct and all instances recorded in line with that policy.

8.4. Rents and Service charges

8.4.1. The policy for determining the rent for different property types and/or categories of tenant must be approved by the Board. The Managing Director has overall responsibility for the operation of the policy.

8.4.2. The level of any general increase in rents to be charged under the agreed policy will be determined by the Board in accordance with market trends. The Managing Director has overall responsibility for implementing any agreed general increase in rent levels.

8.4.3. The policy for the calculation and collection of any service charges will be agreed by the Board and the actual charge to be recovered from individual tenants will be determined by the Managing Director and included in the level of rent payable by that tenant (and not as a separate service charge). The Managing Director will be responsible for distributing the service charge element of the rent to the Council or any external management companies as required.

8.5. Write off of Arrears and Debts

8.6. Greener Ealing will write off all established bad debts as soon as possible in order not to distort the current rent and service charges arrears and other bad debts position. Consideration should be given as to whether or not the present abode of ex-tenants in arrears is known to establish whether the doubtful debts are collectable or not.

8.7. The prior approval of the Board is required to write off rental income debts. Certain procedures must be exhausted before approval for write off is sought.

9. Purchase Orders

9.1. Official orders shall be in a form approved by the Finance Team.

9.2. Official orders must be signed by Directors or other authorised staff/consultants and must be issued for all work, goods or services to be supplied to Greener Ealing except for the supplies of public utility services, for periodic payments such as rent or rates or for petty cash purchases.

9.3. Staff/consultants authorising any order must ensure that the expenditure to be incurred is covered by an approved budgetary provision.

9.4. Before placing any orders, the member of staff concerned must ensure that Greener Ealing's Contract Procedure Rules have been followed.

- 9.5. All orders will show the agreed price or, in cases where this is not practical, the estimated price. In the event that the subsequent invoice does not accord with the agreed price or exceeds an estimate by more than 10% the reason for this must be identified, noted on the order and initialled by the member of staff responsible for placing the order.
- 9.6. Goods may not be taken on trial or loan in circumstances that could commit Greener Ealing to a future uncompetitive purchase.

10. Payments

- 10.1. The normal method of payment of money due from Greener Ealing will be by BACS payment or cheque drawn on Greener Ealing's bank account. BACS will be used where possible.
- 10.2. Individuals authorised to approve payments for either goods or services are listed in Appendix 1.
- 10.3. The approval of accounts for payment will be evidenced by the relevant member of staff signing and dating the original invoice. The signing off of an invoice for payment means that:
- the goods have been duly received, examined and approved in accordance with the specification and are satisfactory and in accordance with the contract or order;
 - the work done or services rendered have been satisfactorily carried out and where applicable the materials used were of the requisite standard, although in the case of maintenance invoices it is understood that this check can only be applied on a sample basis;
 - the account is arithmetically correct and prices are in accordance with the order;
 - no other account has been paid in respect of the goods received or work done;
 - the relevant expenditure has been properly incurred on Greener Ealing's business; and
 - the relevant expenditure has been properly coded.
- 10.4. The expenditure codes must be in accordance with the approved budget heading and not changed because other original budget head is being used in order to "vire" expenditure.
- 10.5. All invoices and statements should be sent directly by suppliers to the Council Finance Department who will process them for payments.
- 10.6. Photocopies (including fax copies) of invoices will not normally be accepted for processing apart from in exceptional circumstances.
- 10.7. No amendment to an account shall be made. In the event of an account being incorrect, the supplier should be notified in writing stating the reasons and a credit note and/or replacement invoice obtained.
- 10.8. It is Greener Ealing's policy to make payments to suppliers as per agreed payment terms.

11. Credit Card

- 11.1. Request to use company credit card should be approved by Managing Director.
- 11.2. The Company credit card should only be used where the standard payment using purchase order can't be made.

12. Salaries, Wages and Pensions

- 12.1. The Board each year approves the annual increment for staff. The Board shall have regard to any arrangements with trade unions and to any increases in the public scale to which Greener Ealing may be linked as well as the terms and conditions of employment.

13. Expenses

- 13.1. Items regarded as expenses for the purposes of these Regulations are specified in the Company Expenses Policy and Procedure.
- 13.2. All claims by employees or consultants working on Greener Ealing's behalf for payment of car allowances, travelling expenses, subsistence allowances or any other incidental expenses shall be submitted in a form acceptable to the Finance Team and comply with the Regulations laid down from time to time. Expense claims must be submitted on a regular basis but no more frequently than monthly.

14. Banking

- 14.1. All arrangements with Greener Ealing's bankers will be made by the Finance Team with the approval of the Board. Banking services will be reviewed in agreement with the Council as major shareholder of the Company.
- 14.2. All cheque books and collection cards will be ordered only on the authority of the Finance Team. The Finance Team will be responsible for ensuring that proper arrangements are made for their safe custody.
- 14.3. The Board shall approve any new banking arrangements or accounts.
- 14.4. Authority to sign cheques or authorise other payments either by standing order or direct debit is detailed in the Appendix 1 to these Regulations. For the purpose of deciding the value of the standing order or direct debit, the annual amount payable should be used.
- 14.5. All bank accounts must be reconciled to their respective cash books and the nominal ledger at least monthly.

15. Insurances

- 15.1. The Managing Director will be responsible for ensuring that Greener Ealing is properly insured.
- 15.2. Greener Ealing will ensure that all risks are underwritten by well-established reputable offices.
- 15.3. Greener Ealing will ensure that all of its properties are insured against the usual risks required by lenders securing their funds on the property concerned.
- 15.4. Insurances will also be maintained against the following risks:
 - Motor vehicle and plant insurance
 - Public liability
 - Directors and Officers Insurance
 - Professional indemnity insurance
 - Company equipment
 - Structural insurance if required

16. Control of Cash, Stocks, etc.

- 16.1. Cash floats and balances will be maintained on the designated system and will be reimbursed by the submission of an authorised expense analysis to the Finance Team.

16.2. The issue of credit cards to staff members must be approved by the Board in advance. Only valid business expenditure should be charged and must be fully supported by invoices. The Finance Team must approve any increases in the credit limit.

17. Title Documents

17.1.1. The Company Secretary will maintain a register of all properties owned by Greener Ealing in a form approved by the Finance Team, recording location, extent and plan reference, purchase details, particulars of nature of interest and rents payable and particulars of tenancies granted

17.1.2. Greener Ealing or its bankers or solicitors will have custody of all title deeds under secure arrangements where such title deeds are not held by a security agent acting on behalf of Greener Ealing's funders.

18. Depreciation Policy

18.1. Any fixed asset owned by Greener Ealing will be depreciated over the expected useful life of the asset, in accordance with generally accepted accounting principles.

18.2. Small items of capital expenditure, such as office equipment costing below an agreed amount are treated as repairs or replacements and written off in the year of purchase.

19. Taxation

19.1. The Finance Team is responsible for advising on all tax issues and for ensuring compliance with statutory requirements with regards to CIS, VAT, SDLT and Corporation tax.

19.2. The Council Payroll Team is responsible for advising on all tax issues and for ensuring compliance with statutory requirements with regards to PAYE and National Insurance.

19.3. The Finance Team is responsible for maintaining all tax records, making all tax payments when due and submitting tax returns by their due dates.

19.4. The Finance Team is responsible for developing an effective tax strategy in consultation with professional advisors.

20. Expenditure Authorisations

20.1. The Board has approved the following procedures and Appendix 1 for the authorisation of expenditure commitments and invoices for payment. This is an important internal control of Greener Ealing's expenditure and all staff and consultants should have a good working knowledge of the content. It is the responsibility of Directors to ensure that all staff and consultants under their control are fully aware of their own authority levels and limits.

21. Emergency Authorised Signatory

21.1 The Directors authorise the Managing Director to sign any document requiring the signature of a director, in the absence of all Director (such absence being as a result of being incapacitated or on holiday and unreachable), providing that the signing of the document cannot be delayed until the return of one of the Directors.

21.2 Under no circumstances, shall the Managing Director be authorised to sign such documents if any of the directors can be available to sign the required document without prejudice to the interests of the Company.

21.3 This authorisation shall not extend to the signing of documents that are required to be executed as a deed, as under the Companies Acts, deeds may only be signed by two directors or one director and the Company Secretary.

APPENDIX 1

Section 1- Capital Expenditure

Office Premises Acquisition
Office Premises Improvements
Office Furniture, fittings and equipment

Section 2 - Revenue Expenditure

Running costs
Budget/Business Plan
Cheque and Bank Instruction Signature levels
Overhead costs

Expenditure Authorisation Limits Greener Ealing Ltd

SECTION 1: CAPITAL EXPENDITURE

Category	Type of Authorisation	Limits	Authoriser	2nd Authoriser
Capital Expenditure	Office Premises - Acquisition	Over £100,000 Over £0 - £100,000 (inclusive)	Shareholder Rep Managing Director	GEL Board GEL Board
	Office Premises - Improvements	Over £500,000 Over £250,000 - £500,000 (inclusive) Over £0 - £250,000 (inclusive)	Shareholder Rep GEL Board Managing Director	Head of Finance Head of Finance Head of Finance
	Office furniture, fittings and equipment and computer equipment	Over £500,000 Over £250,000 - £500,000 (inclusive) Over £0 - £250,000 (inclusive)	Shareholder Rep GEL Board Managing Director	Head of Finance Head of Finance Head of Finance

SECTION 2: REVENUE EXPENDITURE

Category	Type of Authorisation	Limits	Authoriser	2nd Authoriser	
Financial	Purchase Orders	Over £500,000 Over £250,000 - £500,000 (inclusive) Over £100,000 - £250,000 (inclusive) £0 - £100,000 (inclusive)	Shareholder Rep GEL Board Managing Director Manager	Head of Finance Head of Finance Head of Finance Head of Finance	
	Sales Invoices/Credit Notes	Over £500,000 Over £250,000 - £500,000 (inclusive) Over £0 - £250,000 (inclusive)	Shareholder Rep GEL Board Managing Director	Head of Finance Head of Finance Head of Finance	
	Cheques or Bank Transfers	Over £500,000 Over £250,000 - £500,000 (inclusive) Over £0 - £250,000 (inclusive)	Shareholder Rep GEL Board Managing Director	Head of Finance Head of Finance Head of Finance	
	Loans	All loans other than standard trade credit on no more than thirty days terms are reserved to the LBE Cabinet	GEL Board	LBE Cabinet	
	BACS Payments	As set out in GEL Business Plan and in accordance with GEL Budget	Managing Director/Head of Finance	Council Payment Team	
	BACS Salary Payments		Managing Director/Head of Finance	Council Payroll Team	
	Write down of Asset Value		GEL Board	LBE Cabinet	
	Write off of Arreas and Debts		GEL Board	Managing Director	
	Budget/Business Plan	Approval, Amendment		GEL Board	LBE Cabinet
	Bank Instruction Signature Levels	Changes to Authorisation Levels	No Limit	GEL Board	GEL Board
Bank Account		GEL Board		Head of Finance	
Direct Debit/Standing Order		GEL Board		Head of Finance	
Staff Appointments, Salaries And Staff Costs	New Appointments/ Replacement Staff	As set out in GEL Business Plan and in accordance with GEL Budget	Managing Director	Member of SMT	
	Temporary Staff cover		Managing Director	Member of SMT	
	Annual Salary Reward		GEL Board	Managing Director	
	Board Members Expenses		GEL Board	Managing Director	