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# **SFHA Model Scheme of Delegated Authority**

This template is intended to provide a high-level Framework for RSLs who are reviewing and/or developing their delegated authorities. Ensuring that there are clear arrangements for delegation and effective reporting arrangements will support RSLs in operating to high standards of governance and demonstrating compliance with Regulatory Standards, specifically Standards 1.2 and 1.5.[[1]](#footnote-1)

This template focusses on the division of responsibilities between the governing body (GB) and the senior officer. There is, of course, scope for further delegation from the governing body to sub-committees and working groups and from the senior officer to members of the senior management team (and further onward delegation of operational authorities), depending on the governance and organisational structures of individual RSLs.

This model Framework is, by necessity, high-level. Each RSL will wish to customise their Scheme of Delegated Authority (SoDA) to reflect their individual governance and organisational structures (e.g. by defining the level of the GB’s involvement in staffing/employment matters, arrangements for wage negotiations (and taking account of any collective membership / negotiating bodies); sub-committee structure; number of office-bearers; senior management structure etc). The GB may delegate some of its responsibilities to the Chair and other office bearers (OBs) such as annual reviews, dealing with complaints relating to Code of Conduct. Similarly, the senior officer will delegate specific responsibilities to senior management colleagues, in accordance with approved role descriptions & organisational structure.

The model is not intended to be prescriptive; it reflects the SFHA model Rules and existing good governance guidance, as well as Regulatory Standards. It does not extend to those matters normally contained within financial regulations which, like the SoDA, normally form part of an RSL’s Standing Orders. All of these documents must be specific to each individual RSL: the model SoDA is intended to be used as a reference point for review and development of the specific arrangements that each SFHA member requires to support good governance and effective operations. In presenting their specific framework, individual organisations may find it useful to link, electronically, their SoDA to relevant key internal documents, such as Rules and Financial Regulations.

| **Area of Responsibility** | **Governing Body** | **Senior Officer** |
| --- | --- | --- |
| Role | Approval for strategy, policy, performance, implementation and variation  | Accountable to GB and responsible providing advice and support by producing reports, discussion documents, strategies etc; ensuring the provision of appropriate/relevant professional and independent advice |
| Mission, Vision, Values | Purpose and focusAim(s)Principles (e.g. fairness, transparency, engagement, accountability) | Operational deliveryEvidencing implementation via operating practices |
| Organisational Culture | Defining expectations as to how the values will be exhibited in e.g. service delivery, communication, employment – reflected in policies and organisational practice | Evidencing implementationAdvising GB on policy considerations /implicationsOverseeing effective implementation throughout organisation (policy development, implementation, practice)Effective/appropriate delegation to senior staff |
| Strategic/Business/Corporate Plan | Approving long- and medium-term strategic plan(s)Business planningStrategy and Development Funding Plan (SDFP)Oversight/monitoring implementation & outcomesApproving/overseeing recovery/remedial actionApproving & overseeing implementation of business development plans | Advising GBAccessing appropriate specialist/ professional adviceDeveloping/drafting plans and strategies for considerationSupporting effective GB engagement in planningEvidencing/reporting to GB on implementation/performance/ outcomesExercising operational control and direction Initiating actions; monitoring outcomes;  |
| Long-and short-term financial planning/ management | Financial forecasts demonstrating viabilityAssumptions – ensuring reasonablenessScenario planning & stress testingTreasury management policy/strategy & planningApproving investment institutions, instruments and termsApproving borrowing terms Approving the opening and closing of bank accountsAgreeing thresholds for executive delegation (e.g. short-term deposits)Approving application(s) for company credit card(s); authorising users; agreement of individual and collective thresholds | Advising and supporting GBAccessing appropriate specialist / professional adviceDeveloping policies and strategiesEvidencing/reporting to GB on implementationMonitoring performance / trends / outcomesMaintaining covenant complianceManaging borrowing and investmentsOverseeing SMT exercise of delegated authoritiesEvidencing compliance with policy & GB decision-making |
| Risk | Identification & review of key strategic/ operational risksIdentification of risk appetiteApproval of risk management framework | Implementing operational risk managementEvidencing effective implementationManagement; mitigation & monitoring of all risksMaintaining adequate insurance Maintenance of up-to-date stock condition information |
| Finance & Budget | Recommend appointment of Auditors to AGMConsider annual Management letter/Letter of RepresentationAnnual budget approvalAnnual rent increasePeriodic budget oversight & monitoringApproval of budget variances above agreed thresholds | Implementing and ensuring achievement of budgetPreparation of all management reportsPresentation of supporting information/evidence to inform GB decision-making Approving budget virement within delegated authority |
| Legal Compliance | Health and safety EmploymentTenancy (including allocations & lettings)HomelessnessEnvironmentalEqualitiesFreedom of InformationCharitiesWhistleblowingContractual termsPublic ProcurementStatutory Consent | Advising GB on all obligationsEnsuring and evidencing organisational complianceEffective delegationEnsuring access to required knowledge & expertise (internal & external sources)Maintenance & implementation of all organisational policiesImplementing & observing all safety requirements Maintaining all necessary certificatesEnsuring implementation of all necessary procedures (internal and external) to achieve compliance |
| Regulatory Compliance | Ensuring compliance with Regulatory Standards of Governance and Financial Management; overseeing/maintaining evidence of complianceApproving Annual Assurance Statement; oversight of implementation of improvement plansEnsuring timely submission of all required regulatory returnsAppointing internal auditors[[2]](#footnote-2); approval of annual IA planApproving: * ARC
* Five/Thirty Year Financial Projections
* Loan Portfolio Return(s)

Ensuring compliance with Notifiable Events requirements; overseeing resolution of NEsObtaining required regulatory Consent(s)Ensuring compliance with OSCR reporting requirementsEnsuring compliance with Companies House requirements | Preparation of all required submissionsEnsuring timely GB consideration Provision of all supporting information Obtaining and reporting on independent validationDevelopment & maintenance of assurance evidence bankManagement of internal audit programme; development of management responses; reporting to GBImplementation of IA recommendationsPreparation of all regulatory returnsLiaison with SHR |
| Constitutional Compliance | Ensuring compliance with: Co-operative and Community Benefits Act (2014)Companies Act (2006)Charity Trustees and Investment (Scotland) Act (2005)Approving Rules and amendmentsConduct of GB meetings in accordance with rules (e.g. quorum, minutes, conflicts of interest)Conduct of AGM in accordance with RulesOversight of elections and retirals from the GB Election of Chair and other office-bearersCompliance with 9-year ‘rule’ | Ensuring & evidencing complianceSupporting OBs & GB in fulfilling constitutional responsibilitiesObtaining legal/specialist advice to support complianceEnsuring AGM and GB elections conducted as requiredEnsuring all GB meetings are appropriately constituted, conducted & recordedSupporting annual programme of GB reviews/appraisalsSupporting pro-active GB recruitment & succession planning |
| Tenant and Resident Safety & Quality Compliance | Ensuring compliance with:* Health and Safety obligations
* SHQS
* EESSH (and subsequent development)
* SSHC

Oversight of Tenant Satisfaction Survey(s) | Delivery of all plans, strategies & actions to achieve & maintain standardsPreparation of all required records & returnsEvidencing/reporting compliance Conduct of Tenant Satisfaction Surveys; reporting & acting on outcomes |
| Contract Compliance | Agreeing contract terms above executive thresholds (reactive & planned maintenance; energy efficiency; construction &/or development)Oversight of contractual terms and their fulfilmentAgreeing litigation/contract challenge/ pursuing legal remedies for loss/damage | Negotiating contractsConducting due diligence Obtaining professional/specialist advice, warranties etc.Reporting to GBManaging & monitoring contractor performance/delivery; instructing & overseeing remedial action as required |
| Employer Responsibilities | Approving Terms and Conditions of EmploymentRecruiting CEO/Senior OfficerAppraising the CEO/senior officer’s performanceRecruitment to SMT posts (Tier 2)Approving external accreditation strategies; overseeing maintenanceEnsuring disciplinary and grievance actions are conducted in accordance with agreed policies; participating as required by policies and operational delegation Defending/pursuing employment-related litigation (e.g. Employment Tribunal | Monitoring/overseeing effective performanceManaging & supporting staffImplementing staff appraisal programmeImplementing grievance and disciplinary processes as required |
| Performance Oversight | Agreeing performance standardsReporting standards (frequency, scope, format)Benchmarking; peer group selection | Delivery of services to tenants and other customers in accordance with all requirements & expectationsSupporting & acting on customer feedback; reporting to GBManaging performance; evidencing & reporting to GB |
| Governance | Governance structure (establishment of sub-committee(s); agreement/variation of remits; establishment of working groups & agreement of remitsApproval and implementation of GB Code of ConductImplementation of processes to investigate complaints/alleged breaches of CodeEnsuring maintenance of Registers of InterestEnsuring compliant management of potential conflicts of interestApproving Standing OrdersApproving delegated authoritiesConduct of annual GB appraisals/reviews and action plansEnsuring effectiveness of governance arrangementsLeadership of GB Recruitment and succession planning | Advising & supporting GB and sub-committeesPreparation of all reports & minutesImplementation of GB learning & development and annual review programmesMaintenance of all required recordsSupporting GB in fulfilling governance responsibilities  |
| Resource Planning / Management | Approval of organisational structureApproval & oversight of implementation of employment policiesEnsuring the provision/availability of effective staff support and appraisal arrangements | Advising GB on resource requirementsEnsuring necessary staff complement, equipped with required knowledge, experience, skillsProvision of effective support, development, appraisal systems |
| Public Statements | Agreeing public statements Determining/approving corporate publication style | Making public statements on behalf of organisation in accordance with agreed policy & strategy |

1. 1.2: The RSL’s governance policies and arrangements set out the respective roles, responsibilities and accountabilities of the governing body and senior officers, and the governing body exercises overall responsibility and control of the strategic leadership of the RSL

1.5: All governing body members and senior officers understand their respective roles, and working relationships are constructive, professional and effective [↑](#footnote-ref-1)
2. Further guidance on internal audit available in [SFHA Internal Audit guidance (updated June 2021)](https://www.sfha.co.uk/our-work/policy-category/governance-and-regulation/sub-category/governance/policy-article/sfha-internal-audit-guidance-now-available) [↑](#footnote-ref-2)