



WILLIAMSBURGH
HOUSING ASSOCIATION LTD

**EXTRACT FROM
FINANCIAL REGULATIONS
BUDGET PREPARATION**

1. BUSINESS PLANNING AND FORECASTING

WHA will make financial planning an integral part of its overall strategic planning.

- 1.2 The Chief Executive Officer (CEO) will be responsible for preparing the Business Plan with input from the Management Team. Responsibility for approving the plan will lie with the Management Committee.
- 1.3 WHA's Business Plan will be reviewed annually, and will include a 30 year financial plan comprising:
 - Statement of Comprehensive Income
 - Statement of Financial Position
 - Statement of Cashflow
 - Treasury Management Statement

The long term financial planning model will be capable of being subjected to sensitivity analyses and scenario planning on a range of key assumptions and risks such as changes in rent levels, changes in fiscal assumptions, changes to the development programme, planned maintenance etc. The sensitivity analyses will form part of the Business Plan document.

- 1.4 The Head of Finance will be responsible for co-ordinating and producing The Scottish Housing Regulator 5 year financial viability projections. The projections will be presented to the Finance and Audit Sub Committee or Management Committee for approval prior to submission.
 - 1.5 The Scottish Housing Regulator 5 year financial viability projections will be derived from the 30 year business plan and updated with the most recent data available to represent the most accurate and up to date forecast position available.
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2. BUDGET PREPARATION

- 2.1 WHA's financial year runs from 1st April to 31st March. Each year, before 31st March, the Management Committee will consider income and expenditure proposals for the coming year. The Head of Finance will prepare budget proposals in consultation with the CEO and other senior staff and submit to the Committee for approval.
 - 2.2 Once approved, the budget will be the basis for authority to incur expenditure and for comparisons between budgeted and actual results. A revised budget may also be approved by the Finance and Audit Sub Committee should the estimated opening balance sheet be significantly different from the actual **and/or** to bring into line with the 5 year plans.
 - 2.3 Nothing in the Financial Regulations will prevent a member of staff from incurring expenditure that is essential to meet any immediate needs of WHA which may arise but are out with agreed budget levels. Such action must be agreed beforehand with the CEO or Head of Finance.
 - 2.4 The budget should be flexible and be able to adapt to the changing requirements of WHA. in the coming financial year. In this respect, virement between budgets (being the ability to transfer budget from one allocated budget line to another) is permitted - will be reported to Sub-Committee and should be kept to a minimum.
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