



Articles of Association March 2011

Memorandum and Articles of Association,
Standing Orders and Financial Instructions

Association of Plumbing & Heating Contractors Ltd (APHCL)
Association of Plumbing & Heating Contractors (Holdings) Ltd (APHCHL)
Association of Plumbing & Heating Contractors Certification Ltd (APHCCL)
Association of Plumbing & Heating Contractors Training Ltd (APHCTL)

Articles of Association

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1. General

1.1	In these Articles the following words have the meaning set opposite to them except where the context requires otherwise -
Act	means Companies Acts 1985 to 1989 but so that any reference in these Articles to any provision of the Act shall be deemed to include a reference to any statutory modification or re-enactment of that provision for the time being in force;
AGM	means an annual general meeting of the Members of the Association;
Articles	means these Articles of Association and the regulations of the Association from time to time in force;
APHC	means the National Association of Plumbing Heating & Mechanical Services Contractors;
Association	means the above named Association of Plumbing and Heating Contractors Limited;
Authorised Representative	means in the case of a Member which is a corporation an individual who is the authorised representative of that Member under Section 375 of the Act and in the case of a Joint Member which is a partnership the partner who has been notified to the Association as or is otherwise entitled to exercise the vote of the Joint Member in accordance with Article 2.3.
Chairman	means the chairman of the Main Board from time to time;
Chief Executive Officer	means a person appointed by the Main Board who is a full time employee of the Association and attends meetings of the Main Board at their invitation;
Director	means a director from time to time of the Main Board;
Executive Director	means any Director who is also a full time employee of the Association from time to time;
Main Board	means the main board for the time being of the Association as described in Article 7;
Member	means a member of the Association from time to time;
Memorandum	means the memorandum of association of the Association from time to time in force;
Office	means the registered office of the Association from time to time;

Regional Representative means the regional representative of each Region time to time as appointed by the Members affiliated with that Region;

Regions means the 10 geographical regions of the Association namely:-

1. the North East;
2. the North West;
3. Yorkshire;
4. East Midlands;
5. West Midlands
6. the East of England;
7. the South East;
8. the South East of England;
9. the South West of England; and
10. London.

Standing Orders means the standing orders of the Association from time to time in force.

1.2 Words importing the singular number only shall include the plural number, and vice versa, words importing the masculine gender only shall include the feminine gender and words importing persons shall include corporations.

1.3 Subject to the above any words or expressions defined in the Act or any statutory modification thereof in force at the date on which these Articles become binding on the Association shall, if not inconsistent with the subject or context, bear the same meanings in these Articles.

1.4 The provisions of Section 352 of the Act in respect of the keeping of a Register of Members shall be observed by the Association. Every Member of the Association shall either sign a written consent on becoming a Member or sign the Register of Members on becoming a Member.

1.5 These Articles shall be deemed to adopt Table C of the Companies (Tables A to F) Regulations 1985 (SI 1985/805) save to the extent that the provisions of these Articles and any Regulations and/or Standing Orders made pursuant to these Articles conflict with the said Table C in which case the provisions of these Articles and any Standing Orders made pursuant to these Articles shall take precedence.

1.6 In the case of any conflict between these Articles and any Standing Orders then these Articles shall take precedence.

2. Membership

- 2.1 Any person being engaged or associated with the Plumbing, Heating & Mechanical Services Industry may apply to become a Member provided they shall:-
- 2.1.1 apply in writing in a form prescribed by the Association;
- 2.1.2 be approved by the Main Board; and
- 2.1.3 pay the prescribed fees from time to time for membership of the Association.
- 2.2 The Subscribers to the Memorandum of Association and such other persons as the Main Board shall admit as Members in accordance with the provisions of these Articles shall be Members of the Association. There shall be the following classes of membership:-
- 2.2.1 Plumbing, Heating and Mechanical Services Members, who shall be persons carrying on the business of plumbing, heating and/or mechanical services;
- 2.2.2 Supplier Members, who shall be persons supplying goods and/or services to plumbing, heating and/or mechanical services businesses;
- 2.2.3 Honorary Members who shall comprise past National Presidents of APHC;
- 2.2.4 Individual Retired Members, who shall be individuals who were within or linked to the plumbing, heating and/or mechanical services industry for a period of at least 5 years but who have since retired [and no longer carry out plumbing, heating or mechanical work for gain].
- 2.2.5 Provisional Members who shall be persons accepted by the Main Board as eligible for membership in categories 2.2.1 or 2.2.2 above subject to their complying with the quality control criteria of the Association to the satisfaction of the Main Board and those persons falling within the classes referred to in articles 2.2.3, 2.2.4 AND 2.2.5 above shall have no voting rights under these Articles.
- 2.3.1 If two or more Partners of a single partnership or firm shall at any time be entered in the Register of Members of the Association such Partners shall be regarded for all purposes of these Articles as a single Joint Member which is entitled to one vote but all such partners shall be entitled to notice of meetings of the Association.
- 2.3.2 The Partners constituting a Joint Member of the Association may from time to time notify the Secretary in writing of the name of one

Partner who is entitled to cast the vote of such Joint Member and on request by the Secretary at any time such Partners shall provide such information to the Association in writing.

2.3.3 In default of such notification the vote of the Partner whose name appears first in order in the Register of Members shall be accepted on behalf of the Joint Member.

2.3.4 All references in these Articles to a 'Member' shall include such any Joint Member as aforesaid.

2.4 The Main Board may, in its absolute discretion, from time to time expel any Member of the Association if any such Member:-

2.4.1 is in default in the payment of any subscription or any other sum properly due to the Association;

2.4.2 is by any act and/or omission not acting in accordance with the best interests of the Association;

2.4.3 does not satisfy the quality standards set by the Main Board from time to time;

2.4.4 by reason of its conduct or the occurrence of any event may or does bring the Association into disrepute; and any such person who is expelled from membership of the Association shall cease to be a Member with immediate effect and shall not be entitled to any refund of any membership fees paid to the Association on ceasing to be a Member for any reason.

2.5 The power conferred upon the Main Board by article 2.4 above shall be absolute and the Main Board shall not be required to give its reasons in writing or otherwise upon the exercise of such power.

2.6 A Member shall be allowed a right of appeal against a decision of the Main Board to expel it in all cases except non-payment of monies owing to the Association. To exercise this right of appeal such Member must notify the Chairman within 14 days of being informed of the decision to expel it as a Member that it wishes to exercise its right of appeal. Any such appeal will be heard by a special appeal committee consisting of five Members. of any category of Member and the Chairman. Such special appeal committee shall be convened by the Chairman and shall hear any such appeal and shall make such rules and regulations for the conduct of the appeal as it considers fit in its absolute discretion. The majority decision of the special appeal committee shall be final and binding and in the event of an equality of votes the Chairman shall have a second or casting vote.

3. Subscription and fees

- 3.1 Members shall pay such fees and annual subscriptions as the Main Board may from time to time prescribe and for this purpose the fees shall be payable for each calendar year and for each Member the calendar year shall run from their date of entry into membership.

4. General meetings

- 4.1 The Association shall hold a general meeting of the Members in every calendar year as an AGM at such time and place as may be determined by the Main Board. Each notice calling an AGM shall specify that the general meeting is held as such.
- 4.2 Every AGM, except the first, shall be held not more than 15 months after the holding of the last preceding AGM.
- 4.3 All general meetings of the Members other than AGMs shall be called Extraordinary General Meetings.
- 4.4 The Main Board may whenever it thinks fit convene an Extraordinary General Meeting. Extraordinary General Meetings shall also be convened as provided by Section 368 of the Act.
- 4.5 At least 21 days' clear notice in writing of every AGM and of every general meeting convened to pass a Special Resolution or an Elective Resolution and at least 14 clear days' notice in writing of every other general meeting (exclusive in every case both of the day on which notice is served or deemed to be served and of the day for which it is given) shall be given for each general meeting.
- 4.6 A notice calling a general meeting shall specify the place, the day and the time of the meeting, and in the case of special business, the general nature of the business, and shall be given in the manner specified in these Articles to such persons (including the Auditors) as are under these Articles or under the Act entitled to receive such notices from the Association. The text of all special, extraordinary and elective resolutions to be proposed at the meeting must be set out in the notice.

- 4.7 With the consent of all the Members having the right to attend and vote at a general meeting, or of such proportion of them as is prescribed by the Act in the case of meetings other than AGMs or meetings to consider Elective Resolutions, a general meeting may be convened by such notice as those Members may consent to.
- 4.8 The accidental omission to give notice of a general meeting to, or the non-receipt of such notice by, any person entitled to receive notice of such general meeting shall not invalidate any resolution passed, or proceeding had, at any such general meeting.

5. Proceedings at general meetings

- 5.1 All business shall be deemed special that is transacted at an Extraordinary General Meeting, and all that is transacted at an AGM shall also be deemed special, with the exception of the consideration of the income and expenditure account and balance sheet, and the reports of the Main Board and of the Auditors (if any), the election of members of the Main Board in the place of those retiring, and the appointment of the Auditors.
- 5.2 No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business. Save as otherwise provided in these Articles 25 Members or their proxies present shall be a quorum.
- 5.3 If within half an hour from the time appointed for the holding of a general meeting a quorum is not present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week, at the same time and place, or at such other place as the Main Board may determine, and if at such adjourned meeting a quorum is not present within half an hour from the time appointed for holding the meeting the members present shall be a quorum.
- 5.4 The Chairman shall preside as chairman at every general meeting, but if at any general meeting he shall not be present within 15 minutes after the time appointed for holding the same, or shall be unwilling to preside, the Members present shall elect a Director of the Main Board, or if no such Director be present, or if all the Directors of the Main Board present decline to take the chair, the Members shall elect one of their number who shall be present to preside and be chairman for the purposes of that general meeting.

- 5.5 The chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time, and from place to place, but no business shall be transacted at any adjourned meeting other than business which might have been transacted at the meeting from which the adjournment took place. The Members shall not be entitled to any notice of an adjournment, or of the business to be transacted at an adjourned meeting except that whenever a meeting is adjourned for 30 days or more, notice of the adjourned meeting shall be given in the same manner as for an original meeting.
- 5.6 At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is demanded before or upon the declaration of the result of the show of hands. A poll may be demanded by:-
- 5.6.1 the chairman;
- 5.6.2 at least 3 Members having the right to vote at the meeting and being present in person or by proxy; or
- 5.6.3 a Member or Members present in person or by proxy and representing one-tenth of the total voting rights of all the Members having the right to vote at the meeting.
- 5.7 Unless a poll is demanded in accordance with article 5.6, a declaration by the chairman of the meeting that a resolution has been carried, or carried unanimously or by a particular majority, or lost, or not carried by a particular majority, and an entry to that effect in the minute book of the Association shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against that resolution. The demand for a poll may be withdrawn.
- 5.8 Subject to the provisions of article 5.11 below, if a poll is properly demanded, it shall be taken at such time and place, and in such manner, as the chairman of the meeting shall direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
- 5.9 No poll shall be demanded on the election of a chairman of a meeting or on any question of adjournment.
- 5.10 In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting shall be entitled to a second or casting vote.
- 5.11 The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

6. Votes of members

- 6.1 Subject as provided in these Articles every Member of the Association shall have one vote at every general meeting.
- 6.2 No Member other than a Member duly registered, who shall have paid every subscription and other sums (if any) which shall be due and payable to the Association in respect of his membership, shall be entitled to vote on any question either personally or by proxy, at any general meeting.
- 6.3 Votes may be given on a poll either personally or by proxy. A proxy must be a Member.
- 6.4 If a Member voting at a general meeting also acts as proxy for another Member then such Member shall only have one vote on a show of hands. On a poll, such Member may cast one vote for itself and one vote on behalf of each valid proxy.
- 6.5 A corporation may vote by its duly authorised representative appointed as provided by Section 375 of the Act. The chairman may at his discretion require the provision of evidence at a general meeting that any individual is the authorised representative of any Member which is a corporation or partnership.
- 6.6 The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing, or if such appointor is a corporation under the hand of some officer duly authorised in that behalf.
- 6.7 The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy shall be deposited at the Office not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposed to vote, or in the case of a poll not less than 24 hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution.

6.8 A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed, provided that no intimation in writing of any such death, insanity or revocation shall have been received at the Office before the commencement of the meeting or adjourned meeting at which the proxy is used.

6.9 Any instrument appointing a proxy shall be in the following form or as near to the following form as circumstances will permit:

I/We, /
of /
a member of /
hereby appoint /
of /
and failing him /
of /
to vote for me and on my behalf at the (Annual or /
Extraordinary, or Adjourned, as the case may be) /
General Meeting of the Association to be held on /
the day of /
and at every adjournment /
As witness my hand (date)

6.10 The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

7. Directors and the main board

- 7.1 The Main Board
The Main Board shall comprise the total number of Directors elected or appointed to the Main Board in accordance with these Articles together with the Executive Directors of the Association.
- 7.2 Number of Directors
Until otherwise determined by the Association in general meeting the number of Directors sitting on the Main Board shall be not less than 7 nor more than 17.
- 7.3 First Directors
The first Directors of the Association shall be those named in the statement submitted to the Registrar of Companies on the incorporation of the Association together with the members of the National Executive Committee of APHC appointed at the annual general meeting of APHC held on the 01 June 2004.
- 7.4 Directors Qualifications
No person shall be eligible for appointment election or election to the Main Board unless that person is a full time senior manager, director, controlling shareholder partner or proprietor of a Member or Joint Member and unless on his appointment to the Main Board there shall be no other serving Director on the Main Board who is either an agent employee partner or Authorised Representative of that same Member or Joint Member. The Main Board shall conclusively determine any question as to eligibility to serve on the Main Board. **Employees of the Association are not eligible for appointment, election or re-election to the main board**
- 7.5 Vacancies
If any of the First Directors shall resign, their seats on the Main Board shall remain vacant until the next annual general meeting of the Association unless the number of Directors on the Main Board is reduced to less than seven in which case the Main Board may appoint any Member or Authorised Representative as a Director to fill any vacancies.
- 7.6 Retirement by Rotation
At every annual general meeting of the Association one third of the Directors who are subject to retirement by rotation or, if their number is not three or a multiple of three the number nearest to one third, shall retire from office and if there is only one Director who is subject to retirement by rotation he shall retire. The provisions of this Article shall not apply to the Chairman and the Vice-Chairman while they hold those offices.

- 7.7 **Reappointment of Retiring Directors**
If the Association at a meeting at which a Director retires by rotation does not fill the vacancy the retiring Director shall if willing to act be deemed to have been re-appointed unless at a general meeting it is resolved not to fill the vacancy or unless a resolution for the re-appointment of the Director is put to the meeting and lost.
- 7.8 **Nomination and Recommendation of Directors**
No person who is qualified to be a Director under Article 7.4, other than a Director retiring by rotation, shall be appointed or re-appointed by the Association in any general meeting unless:-
(a) he is recommended by the Main Board or
(b) not less than 61 days before the date appointed for the holding of the general meeting notice in writing signed by not less than Five Members qualified to vote at the meeting has been given to the Association of their intention to propose that person for appointment or reappointment and such notice includes sufficient particulars of the work and experience of the candidate in the plumbing heating and mechanical services industry to enable the Members to assess his suitability for the position of Director.
- 7.9 **Power to Elect Directors**
A general meeting may elect any Member or Authorised Representative to fill any vacancies on the Main Board not filled by Executive Directors. The Region in which such Member is located shall not be relevant to the election of such individual as a Director.
- 7.10 **Casual Vacancies**
The Main Board may from time to time and at any time appoint any Member or any individual who is an Authorised Representative, as a Director of the Main Board, either to fill a casual vacancy or by way of addition to the Main Board, provided that the prescribed maximum number of Directors is not exceeded. Any individual so appointed shall retain his office as a Director of the Main Board only until the next AGM where he shall retire but may present himself for re-election.
- 7.11 **Directors Commencement to the Board**
The new or reappointed or re-elected Director shall commence re-commence his duties from January 1st following the AGM at which they were elected, re-elected or reappointed. The main Board will have the power to co-opt at its discretion

- 7.12 Chairman and Vice Chairman
The Main Board may elect two of their number (other than any Executive Directors) to be the Chairman and Vice-Chairman and may at any time remove either of them from their respective offices. The Chairman may hold that office for a maximum period of three years and from the date of his retirement shall not be eligible for re-election as Vice Chairman or Chairman for a period of six years. The Vice -Chairman may hold that office for a maximum period of three years and thereafter shall be eligible for election by the Main Board as Chairman. If he shall not be elected to that office he shall not be eligible for re-election as Vice Chairman or Chairman for a period of six years from the date of his retirement. A retiring Chairman or retiring Vice Chairman shall not be required to resign as a Director on his retirement but shall thereafter be subject to retirement by rotation in accordance with Article 7.6.
- 7.13 Powers of the Main Board
Subject to the provisions of the Act and any other statutes affecting the Association, the Memorandum and Articles and any directions prescribed by the Members in a general meeting of the Association ,the business of the Association shall be managed by the Main Board who may pay all such expenses of, and preliminary and incidental to, the promotion, formation, establishment and registration of the Association as they think fit, and may exercise all such powers of the Association, and do on behalf of the Association all such acts as may be exercised and done by the Association, and which are not by statute or by these Articles required to be exercised, or done by the Association in general meeting, No alteration to the Memorandum and Articles and no directions prescribed by the Members in general meeting shall invalidate any prior act of the Main Board which would have been valid if that alteration had not been made or that direction had not been given.
- 7.14 Disclosure of Interest
A Director, on condition that he has fully disclosed his interest in any matter and/or any conflict of interest, may participate in the discussion of any matter by the Main Board but shall not be entitled to vote on any matter in which he has an interest or conflict of interest.
- 7.15 Power to Act when Inquorate
The Directors for the time being of the Main Board may act notwithstanding any vacancy in their body, provided always that in case the Directors of the Main Board shall at any time be or be reduced in number to less than the minimum number prescribed by or in accordance with these Articles, it shall be lawful for them to act as the Main Board for the purpose of admitting persons to membership of the Association, filling up vacancies in their body, or of summoning a general meeting, but not for any other purpose.

8. Secretary

- 8.1 The Secretary shall be appointed by the Main Board for such time, and upon such conditions as the Main Board may think fit. Any Secretary so appointed may be removed by the Main Board.
- 8.2 The Secretary shall be secretary of the Association for the purposes of the Act if willing to act and duly appointed in accordance with these Articles. For the avoidance of doubt a Director may be appointed as Secretary.

9. Disqualification and suspension of Directors

- 9.1 A Director of the Main Board shall immediately cease to be a Director if:-
- 9.1.1 the Member he represents ceases to be a Member of the Association;
- 9.1.2 by notice in writing to the Association he resigns his office;
- 9.1.3 the Main Board passes a resolution to remove him as a Director of the Main Board;
- 9.1.4 he ceases to hold office by reason of any order made under the Company Directors Disqualification Act 1986 or by virtue of any other statute or rule of law; and/or
- 9.1.5 he is removed from office by a resolution duly passed pursuant to Section 303 of the Act.
- 9.2 The Main Board may resolve to remove a Director from office if he fails to attend three consecutive meetings of the Main Board without giving to the Main Board an acceptable explanation.
- 9.3 If in the opinion of a majority of the Main Board any Director is unfit to continue to serve as a Director of the Main Board he may be suspended from office by resolution of the Main Board. Provided he is not disqualified under Article 9.1 above or otherwise ineligible to serve on the Main Board in accordance with the Standing Orders of the Association for the time being, he may be reinstated as a Director of the Main Board by the Main Board.
- 9.4 **Should a director be thought to be ineligible to continue as a Director and is not covered by the above he shall remain a director until the next regular Board meeting where his/ her status will be decided by the main board**

10. Proceedings of the main board

- 10.1 The Main Board may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit, and determine the quorum necessary for the transaction of business. Unless otherwise determined the quorum for meetings of the Main Board shall be such number of Directors who represent at least 60% of the total number of Directors on the Main Board at that time. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes the Chairman shall have a second or casting vote.
- 10.2 A Director of the Main Board may, and on the request of a Director of the Main Board the Secretary shall, at any time, summon a meeting of the Main Board by notice served upon the Directors of the Main Board. A Director of the Main Board who is absent from the British Isles shall not be entitled to notice of a meeting. unless that Director prior to travelling has given to the Secretary a fax number or e-mail address to which notices may be sent electronically in which event notice of the meeting shall be given to the absent Director by fax or e-mail transmission.
- 10.3 A meeting of the Main Board at which a quorum is present shall be competent to exercise all the authorities, powers and discretions by or under the regulations of the Association for the time being vested in the Main Board generally.
- 10.4 The Main Board may delegate any of their powers to committees and/or working parties consisting of consisting of at least one Director and such Members and/or advisors as they think fit, and any committee and/or working party so formed shall, in the exercise of the power so delegated, conform to any Standing Orders imposed on it by the Main Board. The meetings and proceedings of any such committee and/or working party shall be governed by the provisions of these Articles for regulating the meetings and proceedings of the Main Board so far as applicable and so far as the same shall not be superseded by any Standing Orders made by the Main Board.
- 10.5 All acts bona fide done by any meeting of the Main Board or any committee or working party of the Main Board, or by any person acting as a Director of the Main Board, shall notwithstanding it be afterwards discovered that there was some defect in the appointment or continuance in office of any such member or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed or had duly continued in office and was qualified to be a member of the Main Board.

- 10.6 The Main Board shall cause proper minutes to be made of all appointments of officers made by the Main Board and of the proceedings of all meetings of the Association and of the Main Board and of the committees or working parties of the Main Board, and all business transacted at such meetings; and any such minutes of any meeting, if purporting to be signed by the Chairman of such meeting, or by the Chairman of the next succeeding meeting, shall be sufficient evidence without further proof of the facts therein stated.
- 10.7 A resolution in writing signed by all the Directors for the time being of the Main Board or of any committee or working party of the Main Board who are entitled to receive notice of a meeting of the Main Board or of such committee or working party shall be as valid and effectual as if it had been passed at a meeting of the Main Board or of such committee or working party duly convened and constituted.
- 10.8 An Executive Director and/or any Director of the Main Board who holds a salaried position in the Association may be excluded from any meeting of the Main Board for the purpose of reviewing their position as a servant of the Association and any associated remuneration.

11. The Chief Executive Officer

- 11.1 The Main Board shall appoint a Chief Executive Officer of the Association to exercise such powers and authority and to carry out such duties as the Main Board shall from time to time determine.
- 11.2 The Chief Executive Officer shall be responsible for the day to day management and decision making in relation to the Association.
- 11.3 The Chief Executive Officer shall not be a Director of the Association but shall be required to attend all Board meetings to which he is invited by the Main Board.
- 11.4 The Chief Executive Officer shall conform to any restrictions or limitations (whether financial, budgetary, procedural or otherwise) which the Main Board may from time to time impose upon him.
- 11.5 Unless determined otherwise by the Main Board the Chief Executive Officer shall report to the next meeting of the Main Board and whenever practicable, in writing in advance of that meeting all material matters affecting the Association and a recommended course of action.
- 11.6 The Chief Executive Officer shall not be entitled to approve and /or make any material decision without consultation of the Main Board.
- 11.7 Unless otherwise approved the form of employment contract shall not exceed 3 years and it is then subject to renewal.

12. Accounts

- 12.1 The Main Board shall cause proper books of accounts to be kept as required by Section 221 of the Act with respect to:
- 12.1.1 all sums of money received and expended by the Association and the matters in respect of which such receipts and expenditure take place.
- 12.1.2 all sales and purchases of goods by the Association and all stocks held by it; and
- 12.1.3 the assets and liabilities of the Association.
- 12.2 Proper books shall not be deemed to be kept if there are not kept such books of account as are necessary to disclose with reasonable accuracy, at any time, the financial position of the Association at that time and to enable the Directors to ensure that the annual accounts of the Association comply with the requirements of the Act.
- 12.3 The books of account shall be kept at the Office, or subject to Section 222 of the Act, at such other place or places as the Main Board shall think fit, and shall always be open to the inspection of the Directors.
- 12.4 The Main Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Association or any of them shall be open to the inspection of Members and no Member shall have any right of inspecting any account or book or document of the Association except as conferred by statute or authorised by the Main Board or by the Association in general meeting.
- 12.5 The Main Board shall cause to be prepared for each financial year such annual accounts and reports, including an auditors' report if required, as may be required by the Act. Such accounts and reports shall be sent to every Member of the Association, every holder of the Association's debentures and every person entitled to receive notice of general meetings of the Association in accordance with Section 238 of the Act and shall, subject to any Elective Resolution of Section 238 of the Act and shall, subject to any Elective Resolution time being in force under Section 252 of the Act, be laid before a general meeting in accordance with Sections 241 and 244 of the Act.

13. Audit

- 13.1 If required by the Act, Auditors shall be appointed and their duties regulated in accordance with the Act and the annual accounts shall be audited.

14. Notices

- 14.1 A notice may be served by the Association upon any Member, either personally or by sending it through the post in a prepaid letter, addressed to such Member at its registered address as appearing in the Register of Members. Where the Member has given to the Association a fax number or an e-mail address to which notices may be sent electronically, the Association may give a valid notice by means of fax or e-mail.
- 14.2 Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given to a post address. Electronic confirmation of receipt shall be conclusive evidence that a notice was given to a facsimile number or e-mail address.
- 14.3 A notice is deemed to be given at the expiration of 48 hours after it was handed to the Member, posted or, as the case may be, transmitted by fax or e-mail.

15. President and Vice President

- 15.1 The Main Board may in its discretion, appoint any Member or Authorised Representative or Director (other than an Executive Director) to the office of President of the Association.
- 15.2 The Main Board may also at its discretion, appoint any Member or Authorised Representative or Director (other than an Executive Director) to the office of Vice President of the Association.
- 15.3 A President shall remain in office as President for a maximum period of twelve months,
- 15.4 A Vice President shall remain in office as Vice President until he becomes the President or ceases to be the Vice President.

- 15.5 No person shall be eligible to be reappointed as President or Vice President of the Association within Five years of the date on which ceased to hold either of those offices provided that this shall not apply in the circumstances set out in Article 15.6 below.
- 15.6 Upon the President ceasing to be the President for any reason, the Vice President shall automatically become the President unless the Main Board resolves otherwise.
- 15.7 The Main Board may at any time remove and/or replace any President and/or Vice President.
- 15.8 A President and/or Vice President may resign from their offices by notice in writing at any time but (if either is also a Director) he shall be entitled to remain as a Director in accordance with these Articles unless he also resigns that office.
- 15.9 Any President and any Vice President may receive reasonable expenses but shall not be entitled to any fees or remuneration.

16. Regions

- 16.1 The Association shall support meetings held by Members of each Region.
- 16.2 Each Region shall appoint a Regional Representative.
- 16.3 Each Region will hold at least two meetings per year for its Members.
- 16.4 Where approved by the Main Board, APHC staff may provide services to the each of the Regions as appropriate.
- 16.5 Each Region shall be encouraged by the Main Board to establish its own identity from that of other Regions including, letter headed paper and website, but not to the extent that the Region appears to be independent of the APHC.

17. Standing orders

- 17.1 The Main Board may from time to time make such Standing Orders and Rules as it may deem necessary or expedient or convenient for the proper conduct and management of the Association and for the purposes of prescribing the classes of and conditions of membership. In particular but without prejudice to the generality of the foregoing, such Standing Orders and Rules shall regulate:-
- 17.1.1 the admission and classification of Members of the Association, and the rights and privileges of such Members;
- 17.1.2 the conditions of membership and the terms on which Members may resign or have their membership terminated and the entrance fees, subscriptions and other fees or payments to be made by Members;
- 17.1.3 the conduct of Members of the Association in relation to one another, and to the Association's employees;
- 17.1.4 the setting aside of the whole or any part or parts of the Association's premises at any particular time or times or for any particular purpose or purposes;
- 17.1.5 the procedure at general meetings and meetings of the Directors, Committees and/or working parties of Directors of the Association in so far as procedure is not regulated by these Articles;
- 17.1.6 the eligibility criteria for individuals to serve as Directors of the Main Board; and
- 17.1.7 generally, all such matters as are commonly the subject matter of company rules.
- 17.2 The Association in general meeting shall have power to alter or repeal the Standing Orders and Rules and to make additions to any Standing Orders and Rules.
- 17.3 The Main Board shall adopt such means as it deems sufficient to bring to the notice of Members of the Association all such Standing Orders and Rules, which shall be binding on all Members of the Association for so long as they shall be in force. Provided, nevertheless, that no Standing Orders or Rules made by the Main Board shall operate to override or amend anything contained in, the Memorandum or Articles of the Association and in the event of any inconsistency between the Standing Orders or Rules and the Memorandum and Articles the latter shall prevail.

18. Dissolution

- 18.1 Clause 7 of the Memorandum of Association relating to the winding up and dissolution of the Association shall have effect as if the provisions of that clause were repeated in these Articles.

19. Indemnity

- 19.1 Subject to the Act, but without affecting any indemnity to which he may otherwise be entitled, every Director and every officer of the Association, will be indemnified out of the assets of the Association against any liability incurred by him in defending any proceedings, whether civil or criminal, alleging liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Association, and in which judgment is given in his favor, or in which he is acquitted, or in connection with any application in which relief is granted to him by the Court.

Board Chairman & Vice Chairman

- 1.1 One of the Directors of the Main Board shall be elected as Chairman by the Main Board. Another of the Directors of the Main Board shall be elected as Vice Chairman by the Main Board. The election of Chairman/ Vice Chairman shall be decided by a simple majority on a postal ballot (in which all Board members are entitled to vote) prior to the meeting. In the case of equality of votes the existing Chairman shall have the casting vote.
- 1.2 The Chief Executive Officer if he is a Director may not be the Chairman of the Main Board or the Vice Chairman of the Main Board. There may not be more than one Chief Executive Officer in office at any one time.
- 1.3 The Chairman and/or Vice Chairman may resign from their respective offices by written notice to the Main Board. Such resignation shall not affect their position as a Director of the Association. Upon any such resignation the Main Board shall elect a new Chairman or Vice Chairman as a replacement.
- 1.4 Where the Chairman is not present at a Board Meeting, has died or has otherwise ceased to hold office, or where he has been unable to perform his duties as Chairman owing to illness or absence from UK or any other cause, references to the Chairman in these standing orders shall, so long as there is no Chairman able to perform his duties, be taken to include references to the Vice Chairman and the Vice Chairman shall be the acting Chairman until the Chairman shall again be able to perform his duties.
- 1.5 If at any Main Board Meeting the Chairman and Vice Chairman are absent the remaining Directors present at the Main Board Meeting shall elect one of their number to be the chairman for the purposes of that Board Meeting.

Responsibilities of the main board directors

- 1.6 The Chairman is responsible for leading the Main Board and for ensuring that it successfully discharges its overall responsibility for the Association. The Main Board and the Directors have corporate responsibility for the management of the Association.
- 1.7 An Executive Director shall act as the Chief Executive Officer of the Association shall have responsibility for the day to day management of the Association. The Chief Executive Officer shall report to the Main Board at each Main Board Meeting giving details of important events and matters requiring decisions which have arisen since the last Board Meeting.
- 1.8 Individual Directors and the Chief Executive Officer, shall not enter into any contract or other arrangement on behalf of the Association without the prior consent of the Main Board.

Limits on the Chief Executives Officer's authority

- 1.9 The Chief Executive Officer shall not, without the prior consent of the Main Board:-
- 1.9.1 make any decision which fetters the discretion of the Main Board; and/or
- 1.9.2 make any decision which is not reasonably in the best interests of the Association;
- 1.10 The Chief Executive Officer shall seek the approval of the Main Board to any material contracts or other arrangements prior to entering into any such contract or other arrangement,
- 1.11 Where in the opinion of the Chief Executive Officer urgent action is required in respect of a matter on behalf of the Association which would normally have been considered by the Main Board the Chief Executive Officer shall report to the Chairman who may take such action as he deems necessary and such actions shall be reported at the next meeting of the Main Board. In such cases the Chief Executive shall, where possible, consult with the Vice Chairman and other Directors on the issue before taking any action which the Chairman considers necessary.

Main board meetings

- 1.12 Calling Main Board Meetings
The Chairman may call a meeting of the Main Board at any time. The Chairman shall call a meeting of the Main Board at least every 3 calendar months.
- 1.13 Notice of Meetings of the Main Board
Before each meeting of the Main Board, a Notice of the Meeting specifying the business proposed to be transacted at the Board Meeting shall be sent to every Director by any means permitted under the Articles of the Association or sent by post to the Director's usual place of residence, so as to be available to him at least 5 clear days before the Meeting. Each such Notice of the Meeting shall be signed by the Chairman or by a person authorised by the Chairman to sign on his behalf.
- 1.14 With a Notice of Meeting shall also be enclosed appropriate financial information relating to the affairs of the Association including management accounts and bank balances. Lack of service of the notice on any Director shall not affect the validity of the Main Board Meeting. The business to be transacted at the Main Board Meeting shall not be limited to just those matters contained in the Notice of Meeting.
- 1.15 In the case of a Main Board Meeting called by a Director in default of the Chairman calling the meeting the Notice of Meeting shall be signed by the Director who called the Meeting and no business shall be transacted at such Main Board Meeting other than that specified in the Notice unless all of the Directors present at the Main Board Meeting agree otherwise.
- 1.16 Conduct of Meetings of the Main Board
The names of the Directors present at each Main Board Meeting shall be recorded.
- 1.17 No business shall be transacted at Main Board Meeting unless 60 percent of all the Directors are present. The quorum for Main Board Meetings shall not be less than 7 Directors.
- 1.18 The decision of the Chairman in relation to questions of order, relevancy and regularity (including procedures on handling motions) and his interpretation of the standing orders shall be final.
- 1.19 Every decision at a Main Board Meeting shall be determined by a majority of the votes of the Directors present and voting on the matter in question. In the case of equality of votes the Chairman shall have the right to have a casting vote.

- 1.20 The minutes of the proceedings of each Main Board Meeting shall be drawn up and circulated to all the Directors within 14 days of the meeting. At the next Main Board Meeting such minutes shall be submitted for approval and if they are approved they shall be signed by the Chairman.
- 1.21 Managers and others persons invited by a Director to attend Main Board Meetings shall, provided the Main Board agrees, be entitled to participate in the Meeting except that they shall have no right to vote.

Secretary

- 1.22 The Main Board shall appoint and/or remove a person to act as Secretary of the Association. The Secretary shall be entitled to attend all Main Board Meetings for the purposes of taking and keeping the minutes of Main Board Meetings.
- 1.23 The Main Board may delegate the keeping of minutes of Main Board Meetings to one of the Directors or staff or appointed agent.

Standard of business conduct

- 1.24 The Association endorses the code of accountability for members' organisations. In particular, the Association endorses the following values which must underpin, the conduct of the Association, the Main Board, individual Directors, Managers and Staff.
- 1.24.1 Accountability: Everything done by those who work at the Association must be able to stand the tests of legal scrutiny, public judgments on propriety and compliance with professional codes of conduct.
- 1.24.2 Propriety: There should be an absolute standard of honesty in dealing with the assets of the Association.
- 1.24.3 Integrity: Should be the hallmark of all personal conduct in matters affecting members and staff and in the use of information acquired while carrying out your duties for the Association.
- 1.24.4 Openness: There should be sufficient transparency about the activities of the Association to promote confidence between the Association, its staff, Members and the public.

- 1.25 The Main Board shall ensure that Members' funds are properly safeguarded and that at all times the Main Board conducts its business as efficiently and effectively as possible.
- 1.26 It is the responsibility of all those who come into contact with any person, individual, or information (by whatever means), to ensure that confidentiality is respected at all times.

Hospitality and gifts

- 1.27 Directors should set an example to the Association in the use of Members' funds and the need to obtain value for money in incurring expenditure. The use of the Association funds for hospitality and entertainment, including hospitality, conferences and seminars, should be carefully considered. All expenditure on these items should be capable of justification.
- 1.28 Directors and staff may accept gifts and hospitality of low intrinsic value such as diaries, calendars and modest working lunches. Other gifts and hospitality may be accepted if they are appropriate and reasonable to the performance of their duties. However, all such gifts and hospitality must be declared by the recipient, in addition, all offers of gifts and hospitality, which are refused, must be declared. The Chief Executive Officer shall establish a procedure for making declarations and shall keep a register.

Pecuniary interest

- 1.29 Subject to the following provision of the standing order, if a Director has any pecuniary interest, direct or indirect, in any contract, proposed contract, or other matter, and is present at a Board Meeting at which the contract or other matter is the subject of consideration, provided he shall at the Board Meeting, and as soon as practicable after its commencement, disclose his interest he may take part in the consideration or discussion of the contract, proposed contract or matter but shall not be entitled to vote on any decision in respect of or connected with it.
- 1.30 The Board may resolve to exclude a Director from a Main Board Meeting while any contract, proposed contract or other matter in which he has a pecuniary interest, direct or indirect, is under consideration or being discussed by the Main Board.

- 1.31 Any remuneration, compensation or other sums payable to a Director by the Association is not to be regarded as a pecuniary interest for the purposes of this regulation.
- 1.32 A Director shall be treated as having indirectly a pecuniary interest in a contract, proposed contract or tender, if he or a nominee of his, is a representative of the company or other body with which the contract was made, or is proposed to be made or which has a direct pecuniary interest in any matter under consideration, or he is a partner or is in the employment of a person with whom the contract was made or is proposed to be made or who has a direct pecuniary interest in the matters under consideration, and in the case of any persons living together, the interest of one spouse shall if known to the other, be deemed for the purpose of this regulation to be also an interest of the other.
- 1.33 A Director shall not be treated as having a pecuniary interest in any contract, proposed contract or other matter by reason only of his membership of a company or other body.
- 1.34 A Director shall also not be treated as having a pecuniary interest in any contract, proposed contract or other if his interest is determined by the Main Board to be so remote or insignificant that it cannot be reasonably regarded as likely to influence a Director in the consideration discussion or in voting on any question connected with that matter.
- 1.35 This standing order applies to any Committee or working party of the Association as its applies to a Director.

Staff complaints and concerns

- 1.36 The Main Board shall ensure that the Association's staff have a proper and widely published procedure for voicing complaints or concerns about administration, breaches of the staff handbook and other concerns of an ethical nature.
- 1.37 The Main Board, and the Chief Executive Officer, shall establish a climate that enables staff to have confidence in the fairness and impartiality of procedures for registering their concerns.

Committees and working parties

- 1.38 The Main Board may appoint Committees or working parties of the Association consisting wholly or partly of Directors and of persons who are not Directors.
- 1.39 The Main Board may delegate such of its powers to a Committee or working party, impose such limits of authority and set up such reporting procedures for a Committee or working party as the Main Board may determine.

Appointment

- 1.40 A Director or employee of the Association must not canvass any person for any appointment or contract of employment to be awarded by the Association or recommend any person for such an appointment but this regulation shall not preclude a Director from giving a written reference on a candidate's ability, experience or character for submission to the Association.
- 1.41 Any Director shall disclose to the Main Board if he is aware that any person with whom he is connected and/or related has applied for any position of employment with the Association.
- 1.42 The relationships to an applicant that must be disclosed include; the husband or wife, son or daughter, grandson or granddaughter, brother or sister, nephew or niece of the Director or of the Director's spouse.

Contract

- 1.43 A Director or other employee must not canvass any person, company or other organisation, for any appointment or contract to be awarded by the Association or recommend any person or company for such appointment.
- 1.44 If a Director or other employee has a pecuniary interest, direct or indirect, in any contract, proposed contract or other matter with the Association he must notify the Chief Executive and the Main Board as soon as possible.

Miscellaneous standing orders

- 1.45 The Main Board may vary or revoke these Standing Orders or it may suspend them, in either case by the resolution of a majority of the Directors present at the relevant Board Meeting. Such variation revocation or suspension may be made without the need for consultation of the Members.
- 1.46 The proceedings of the Association shall not be invalidated by any vacancy in its Main Board or by any deficit in the appointment of any Director. Signature of Documents.
- 1.47 Any document to be signed on behalf of the Association may, unless any enactment requires otherwise be signed by the Chief Executive Officer or by any other Director duly authorised for this purpose. Standing Financial Instructions.
- 1.48 Standing financial instructions adopted by the Association shall have effect as if incorporated in these Standing Orders. Interpretation of Standing Orders.
- 1.49 The Chairman shall be the final authority in the interpretation of the Standing Orders. In relation to such issues the Chairman shall consult with the Chief Executive.

2. Forward, introduction and terminology

- 2.1 Forward
 - 2.1.1 The “Directions on Financial Management in England” issued under HSG(96)12 in 1996 state that each Board must adopt Standing Financial Instructions (SFI’s) setting out the responsibilities of individuals.
 - 2.1.2 Each Board is also required to adopt Standing Orders. In addition to the Standing Orders and SFI’s there will be a Scheme of Delegation, Financial Procedural Notes and locally generated rules and instructions. Collectively these must comprehensively cover all aspects of financial management and control. In effect, they set the business rules which directors, employees and employees of third parties contracted to the Association must follow when taking action on behalf of the Association.
- 2.2 Introduction
 - 2.2.1 These Standing Financial Instructions (“SFIs”) are issued for the regulation of the conduct of the Association in relation to all financial matters. They shall have effect as if incorporated in the Standing Orders of the Association.
 - 2.2.2 These SFI’s detail the financial responsibilities, policies and procedures to be adopted by the Association. They are designed to ensure that the Association’s financial transactions are carried out in accordance with the law and the policy of the Association in order to achieve probity, accuracy, economy, efficiency and effectiveness.
 - 2.2.3 These SFI’s identify the financial responsibilities which apply to everyone working for the Association and its constituent organisations including Trading Units. They do not provide detailed procedural advice. They must therefore be read in conjunction with the detailed departmental and financial procedure notes. All financial procedures must be approved by the Accounting Officer.
 - 2.2.4 All Directors and employees of the Association must ensure that their actions comply appropriately with these procedures and the requirements of legislation or further guidance.2.2.5 Should any difficulties arise regarding the interpretation or application of any of the SFIs then the advice of the Accounting Officer MUST BE SOUGHT BEFORE YOU ACT.

- 2.2.6 FAILURE TO COMPLY WITH SFIs IS A DISCIPLINARY MATTER WHICH COULD RESULT IN DISMISSAL.
- 2.3 Terminology
- 2.3.1 Any expression to which a meaning is given in the Financial Directions shall have the same meaning in these Standing Financial Instructions; and
- 2.3.2 “THE ASSOCIATION” means the Association of Plumbing and Heating Contractors Limited.
- 2.3.3 “Budget” means a resource, expressed in financial terms, proposed by the Association for the purpose of carrying out, for a specific period, any or all of the functions of the Association.
- 2.3.4 “Budget Holder” means the Director or employee with delegated authority to manage finances (income and expenditure) for a specific area of the Association.
- 2.3.5 “Virement” is the transfer of resources from one Budget to another.
- 2.3.6 “Legal Adviser” means the properly qualified person appointed by the Association to provide legal advice.
- 2.3.7 “Head of Internal Audit” means the Financial Controller employed by the Association.
- 2.3.8 Wherever the title “Accounting Officer” is used in these Standing Financial Instructions, it shall be deemed to include such other Director or employees who have been duly authorised to represent him.
- 2.3.9 Wherever the term “employee” is used it shall be deemed to include employees of third parties contracted to the Association when acting on behalf of the Association.

3. Responsibilities and delegation

- 3.1 The board
 - 3.1.1 The responsibilities of the Main Board are:
 - 3.1.1.1 Formulating the financial strategy;
 - 3.1.1.2 Requiring the submission and approval of Budgets within overall income;
 - 3.1.1.3 Defining and approving the essential features of the management procedures and financial systems of the Association(including the need to obtain value for money); and
 - 3.1.1.4 Defining specific responsibilities placed on Directors and employees.
- 3.2 The Chief Executive Officer
 - 3.2.1 The Chief Executive Officer is accountable to the Main Board for ensuring that the Main Board meets its obligation to perform its functions within the available financial resources. The Chief Executive Officer is responsible to the Main Board for the day to day management of the activities of the Association and for ensuring that its financial obligations and targets are met. The Chief Executive Officer will, as far as possible, delegate detailed responsibilities.
 - 3.2.2 The Chief Executive Officer shall ensure that the Directors and employees and all new appointees are notified of and understand their responsibilities within these Standing Financial Instructions.
- 3.3 The Accounting Officer
 - 3.3.1 The responsibilities of the Accounting Officer are:
 - 3.3.1.1 Implementing the financial policies of the Association and for coordinating any corrective action necessary to further these policies;
 - 3.3.1.2 The preparation, documentation and maintenance of detailed financial procedures and systems incorporating the principles of separation of duties and internal checks to supplement these instructions;
 - 3.3.1.3 The provision of financial advice to the Association, its directors and employees;

- 3.3.1.4 The design, implementation and supervision of systems of financial control; and
- 3.3.1.5 The preparation and maintenance of such accounts, certificates, records and reports as the Association may require for the purpose of carrying out its statutory duties.
- 3.3.1.6 Ensuring that sufficient records are maintained to show and explain all of the foregoing;
- 3.4 All directors and employees
- 3.4.1 The Directors and all employees are individually and collectively responsible for:
 - 3.4.1.1 The security of the property of the Association;
 - 3.4.1.2 Avoiding loss;
 - 3.4.1.3 Exercising economy and efficiency in the use of resources; and
 - 3.4.1.4 Conforming with the requirements of Standing Financial Instructions and Financial Procedures.
- 3.4.2 For any and all Directors and employees who carry out a financial function, the form in which financial records are kept and the manner in which Directors and employees discharge their duties must be to the satisfaction of the Accounting Officer.
- 3.4.3 Whenever any matter arises which involves, or is thought to involve, irregularities concerning cash, stores or other property or any suspected irregularity in the exercise of any function of a pecuniary nature, the Accounting Officer must be notified immediately.
- 3.4.4 Any contractor or employee who is empowered by the Association to commit the Association to expenditure, or who is authorised to obtain income, shall be covered by these Standing Financial Instructions. It is the responsibility of the Accounting Officer to ensure that such persons are aware of this.

4. Audit

- 4.1 The audit committee
 - 4.1.1 The Main Board shall establish an Audit Committee which will provide an independent and objective view of internal control by:
 - 4.1.1.1 Overseeing internal and external Audit services;
 - 4.1.1.2 Reviewing compliance with these Standing Financial Instructions;
 - 4.1.1.3 Reviewing financial systems; and
 - 4.1.1.4 Reviewing schedules of losses and compensations and making recommendations to the Main Board.
 - 4.1.1.5 Deciding at what stage to involve the police in cases of fraud, misappropriation, and other irregularities.
 - 4.1.2 Where the Audit Committee feel there is evidence of ultra vires transactions, evidence of improper acts, or if there are other important matters that the committee wish to raise, the chairman of the Audit Committee should raise the matter at a full meeting of the Main Board. Exceptionally, the matter may need to be referred to the External Auditors.
 - 4.1.3 It is the responsibility of the Accounting Officer to ensure an adequate internal audit service is provided and the Audit Committee shall be involved in the selection process when an audit service provider is changed.
 - 4.1.4 The Audit Committee may, if appropriate, exclude from any meeting the Chairman or the Chief Executive Officer in order to discuss any matter which the Internal Audit or External Audit representative may wish to raise.
- 4.2 Accounting Officer
 - 4.2.1 The Accounting Officer is responsible for:
 - 4.2.1.1 Ensuring there are arrangements to review, evaluate and report on the effectiveness of internal financial control by establishing an internal audit function;
 - 4.2.1.2 Ensuring that the internal audit function is adequate and meets audit standards;
 - 4.2.1.3 Ensuring that an annual internal audit report is prepared for the consideration of the Audit Committee and the Main Board.

- 4.2.2 The Accounting Officer or his designated representative, or the auditors are entitled without necessarily giving prior notice to require and receive:
 - 4.2.2.1 Access to all records, documents and correspondence relating to any documents of a confidential nature (in which case they have a duty to safeguard that confidentiality);
 - 4.2.2.2 Access at all reasonable times to any land, premises, asset or employee of the Association;
 - 4.2.2.3 The production of any cash, stores or other property of the Association under an employee's control; and
 - 4.2.2.4 Explanations concerning any matter under investigation.
- 4.3 Role of internal audit
 - 4.3.1 Internal Audit will review, appraise and report upon:
 - 4.3.1.1 The extent of compliance with established policies, plans procedures and recognised "best practice";
 - 4.3.1.2 The adequacy and application of financial and other related management controls;
 - 4.3.1.3 The suitability of financial and other related management data;
 - 4.3.1.4 The extent to which the assets and interests are accounted for and safeguarded from loss of any kind, arising from:-
 - 4.3.1.4.1 Fraud and other offences;
 - 4.3.1.4.2 Waste, extravagance, inefficient administration; and/or
 - 4.3.1.4.3 Poor value for money or other causes.
 - 4.3.2 The Head of Internal Audit is responsible to, and has right of access to, the Accounting Officer at any time. If at any time the Head of Internal Audit deems that the work of Internal Audit may be compromised by the Accounting Officer, the Head of Internal Audit shall have right of access to the Chairman of the Audit Committee.
 - 4.3.3 The Head of Internal Audit will normally attend Audit Committee meetings and has right of access to all Audit Committee Members.
 - 4.3.4 The Head of Internal Audit shall report to the Accounting Officer who will refer audit reports to the appropriate Budget Holders designated by the Main Board. Budget Holders must agree appropriate responses to recommendations with the Accounting Officer within a reasonable period. Implementation of responses is the responsibility of the Budget Holder within

the resources available. It is the responsibility of the Budget Holders to identify requirements for Virement and agree these with the Accounting Officer.

- 4.4 External audit
- 4.4.1 The External Auditor is appointed by the Association in general meeting on the recommendation of the Main Board and paid for by the Association. The Audit Committee must ensure a cost-efficient service. Should there appear to be a problem, then this should be raised with the External Auditor and referred to the Main Board if the issue cannot be resolved.
- 4.4.2 The External Auditor will report all findings to the Accounting Officer. If at any time the work of the External auditor appears to be compromised by the Accounting Officer the External Auditor shall have direct access to the Chairman of the Audit Committee.
- 4.4.3 External Auditors shall address their reports to the Accounting Officer, who will refer audit reports to the appropriate Budget Holders. Budget holders must agree appropriate responses to recommendations with the Accounting Officer within a reasonable period. Implementation of responses is the responsibility of the Budget Holders as is identifying requirements for Virement and agreeing these with the Accounting Officer.

5. Business planning, budgets, budgetary control and monitoring

- 5.1 Preparation and approval of business plans and budgets.
- 5.1.1 The Chief Executive Officer will compile and submit to the Main Board an annual business plan which takes into account financial targets and forecast limits of available resources. The business plan will contain:-
 - 5.1.1.1 A statement of the significant assumptions on which the plan is based; and
 - 5.1.1.2 Details of major changes in workload, delivery of services or resources required to achieve the plan.
- 5.1.2 Prior to the start of the financial year the Accounting Officer will prepare and submit both revenue and capital income and expenditure estimates for approval by the Main Board as Budgets. Such Budgets will:-

- 5.1.2.1 Be in accordance with the aims and objectives set out in the annual Business Plan;
- 5.1.2.2 Accord with workload and manpower plans;
- 5.1.2.3 Be produced following discussions with appropriate Budget Holders;
- 5.1.2.4 Be prepared within the limits of estimated available funds; and
- 5.1.2.5 Identify potential risks.
- 5.1.3 The Accounting Officer shall monitor financial performance against Budget and business plan, periodically review them, and report to the Main Board.
- 5.1.4 All Budget Holders must provide information as required by the Accounting Officer to enable budgets to be compiled.
- 5.1.5 The Accounting Officer has a responsibility to ensure that adequate training is delivered on an on-going basis to Budget Holders to help them manage successfully.
- 5.2 Budgetary delegation
 - 5.2.1 The Chief Executive Officer may delegate the management of a Budget to permit the performance of a defined range of activities. This delegation must be in writing and be accompanied by a clear definition of:-
 - 5.2.1.1 The amount of the Budget;
 - 5.2.1.2 The purpose (s) of each Budget heading;
 - 5.2.1.3 Individual and group responsibilities;
 - 5.2.1.4 Authority to exercise virement;
 - 5.2.1.5 Achievement of planned levels of service; and
 - 5.2.1.6 The provision of regular reports.
 - 5.2.2 The Chief Executive Officer and delegated Budget Holders must not exceed the budgetary total or virement limits set by the Main Board.
 - 5.2.3 Funds may only be committed and spent on the specific purpose for which they were delegated. Any budgetary funds not required for their designated purposes may be withdrawn by the Accounting Officer and shall revert to the immediate control of the Main Board subject to any authorised use of virement.

- 5.2.4 Non-recurring Budgets must not be used to finance recurring expenditure without the authority in writing of the Accounting Officer.
- 5.3 Budgetary control and reporting
 - 5.3.1 The Accounting Officer is responsible for identifying and implementing cost improvements and income generation initiatives in accordance with the requirements of the annual Business Plan and a balanced budget.
 - 5.3.2 The Accounting Officer will devise and maintain systems of budgetary control. These will include:-
 - 5.3.2.1 Regular financial reports to the Main Board in a form and frequency approved by the Main Board containing:
 - 5.3.2.1.1 Income and expenditure to date showing trends and forecast year-end position;
 - 5.3.2.1.2 Movements in working capital;
 - 5.3.2.1.3 Capital project spend and projected out-turn against plan;
 - 5.3.2.1.4 Explanations of any material variances from plan;
 - 5.3.2.1.5 Details of any corrective action where necessary and the Accounting Officer's view of whether such actions are sufficient to correct the situation;
 - 5.3.2.1.6 Compliance with statutory financial duties; and
 - 5.3.2.1.7 The issue of timely, accurate and comprehensible advice and financial reports to each Budget Holder,
 - 5.3.2.2 Investigation and reporting of variances from financial, workload and manpower budgets;
 - 5.3.2.3 Monitoring of management action to correct variances; and
 - 5.3.2.4 Arrangements for the authorisation of budget transfers.
 - 5.3.3 Responsibility for managing Budgets is delegated to responsible officers of the Association ("Budget Holders"). Each Budget Holder is responsible for ensuring that:
 - 5.3.3.1 Any likely overspending or reduction of income, which cannot be met by Virement is not incurred without the prior consent of the Main Board;
 - 5.3.3.2 The amount provided in the approved Budget is not used in whole or in part for any purpose other than that specifically authorised subject to any permitted Virement; and

- 5.3.3.3 No employees are appointed without the approval of the Accounting Officer other than those provided for in the budgetary establishment approved by the Main Board.
- 5.4 Pay expenditure
 - 5.4.1 The Main Board shall establish a Remuneration Panel which shall provide an independent and objective view in relation to the Terms and Conditions of the employees of the Association by;
 - 5.4.1.1 Overseeing and negotiating Terms and Conditions including all salaries, bonuses and incremental benefits made available to the Accounting Officer; and
 - 5.4.1.2 Overseeing and negotiating Terms and Conditions with the Accounting Officer including all salaries, bonuses and incremental benefits made available to the employees of the Association, through the Accounting Officer.
 - 5.4.2 The Remuneration Panel have no authority to implement any changes or amendments in the current Terms and Conditions without the full approval of the Main Board.
 - 5.4.3 The Accounting Officer should hold a standing automatic position on the Remuneration Panel to provide a natural channel of communication via the Accounting Officer to all relevant employees.
- 5.5 Non pay expenditure
 - 5.5.1 All items of expenditure must be met from within available resources. All Budget Holders wishing to incur expenditure must consider:-
 - 5.5.1.1 Whether they have a Budget which specifically covers the type of expenditure to be incurred;
 - 5.5.1.2 Whether there are sufficient funds remaining within their Budget; and
 - 5.5.1.3 Whether the expenditure is within the limit set by the Scheme of Delegation. If these conditions cannot be met approval must be sought from the Accounting Officer.
- 5.6 Capital expenditure
 - 5.6.1 The general rules applying to delegation and reporting shall also apply to capital expenditure.
- 5.7 Statutory returns
 - 5.7.1 The Accounting Officer is responsible for ensuring that the appropriate statutory forms are submitted as required to the relevant authorities.

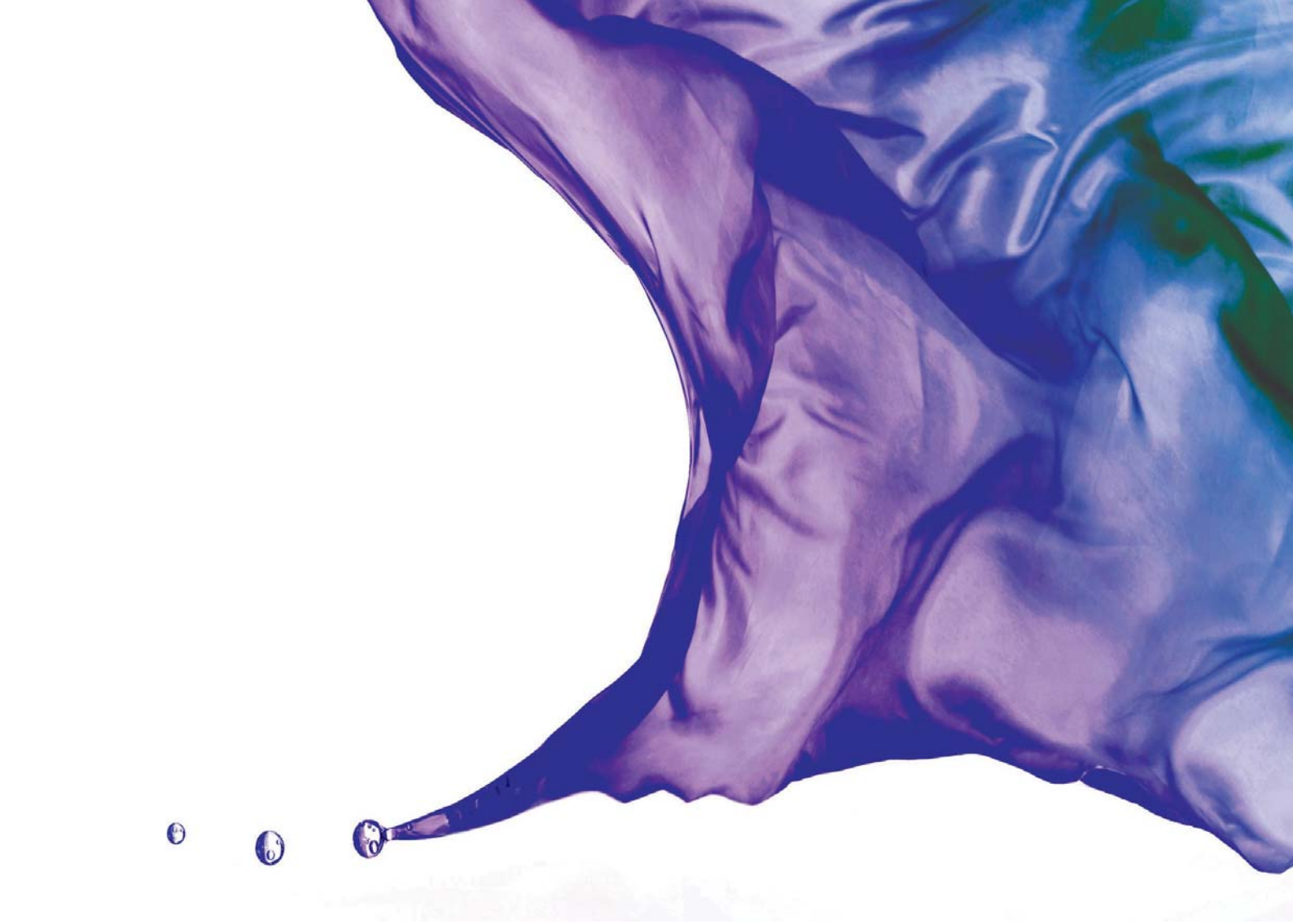
6. Annual accounts and reports

- 6.1 The Accounting Officer will prepare annual financial returns in accordance with the issued guidance; the accounting policies of the Association and generally accepted accounting principles. These returns will be submitted in accordance with the prescribed timetables.
- 6.2 The Association will publish an Annual Report, in accordance with guidelines on accountability. The report must conform to the requirements of the Companies Acts. The document will include inter alia:-
 - 6.2.1 The Annual Accounts of the Association or a summary of the financial statements approved by the External Auditor;
 - 6.2.2 Details of relevant directorships and other significant interests held by the Directors;
 - 6.2.3 The Composition of the Remuneration Panel;
 - 6.2.4 Remuneration of the Chairman (if any), the highest paid Director, and other Directors and highly-paid employees;
 - 6.2.5 Details of the Association's policy in relation to the payment of trade creditors; and
 - 6.2.6 Details of the management cost of the Association.

7. Bank accounts

- 7.1 General
 - 7.1.1 The Accounting Officer is responsible for managing the banking arrangements of the Association and for advising the Association on the provision of banking services and the operation of accounts;
 - 7.1.2 The Accounting Officer must implement appropriate security procedures in respect of all payments.
 - 7.1.3 The approval of the Main Board shall be required for the banking arrangements and any proposed alterations.
- 7.2 Bank accounts

- 7.2.1 The Accounting Officer must establish and shall be responsible for the operation of:-
 - 7.2.1.1 Ensuring payments made from the bank accounts do not exceed the amount credited to the account except where prior arrangements have been made: and
 - 7.2.1.2 Reporting to the Main Board all arrangements made with the Association's bankers for accounts to be overdrawn.
- 7.3 Bank procedures
 - 7.3.1 The Accounting Officer will prepare a detailed mandate on the operation of each bank account which must include:-
 - 7.3.1.1 The conditions under which each bank account is to be operated;
 - 7.3.1.2 The limit to be applied to any overdraft: and
 - 7.3.1.3 Those authorised to sign cheques or other orders drawn on account.
 - 7.3.2 The Accounting Officer must advise the Association's bankers in writing of the conditions under which each account will be operated.
- 7.4 Tendering and review of banking services
 - 7.4.1 The Accounting Officer will review the banking arrangements of the Association at regular intervals to ensure they reflect best practice and represent best value for money by seeking competitive tenders for the Association's banking business at least every 5 years.
 - 7.4.2 The results of the tendering exercise shall be reported to the Main Board.



APHC Group of Companies
12 The Pavilions. T: 0121 711 5030 • E: info@aphc.co.uk •
www.aphc.co.uk