

# Assets and Liabilities Register Policy

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## Prepared By

Document Owner(s)	Organisation Role
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## Manual Version Control

Version	Date	Author	Change Description
5.0	Jan 2020	LH	Review
6.0	Jan 2021	LH	Review
7.0	Mar 2022	LH	Review – Minor update
8.0	Mar 2023	LH	Review – Minor update
9.0	May 2024	LH	Review – Minor update, changes highlighted

# **ASSETS AND LIABILITIES REGISTER POLICY**

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## **INTRODUCTION**

The requirement for registered providers to maintain an assets and liabilities register was introduced in April 2015 by the Homes and Communities Agency as part of an update to its regulatory framework, the aim being to help the Regulator or a rescuing organisation to assess the viability of a registered provider, and to enable swift and effective rescue plans to be effected. However, the assets and liabilities register is also becoming accepted as a management tool that assists board and executive in running a viable business, as well as being a regulatory requirement.

## **BUSINESS BENEFITS**

A comprehensive, accurate and up-to-date assets and liabilities register is essential to any well-run, asset-based, capital-intensive business. It enables re-valuation exercises, accurate rent calculations, swift charging of security, active disposal programmes, lender/investor due diligence and careful monitoring of covenants. In addition, in the event of financial crisis it would enable the regulator and potential rescuers to quickly value the business and thus hasten an orderly resolution.

Several providers have encountered financial difficulties in recent years triggered by difficulties in charging security which would have been mitigated or avoided altogether if their register had been comprehensive, accurate and up-to-date.

## **REGULATORY EXPECTATIONS**

In order to comply with the Governance and Financial Viability Standard, all registered providers are required to ensure their long-term viability by “maintaining a thorough, accurate and up to date record of assets and liabilities and particularly those liabilities that may have recourse to social housing assets.”

Whilst the standards do apply to all housing associations regardless of size, organisations should respond in a way that is proportionate to their circumstances.

The Code of Practice further elaborates on this requirement by suggesting that:

- The primary purpose is to ensure that registered providers understand their housing assets and security position and have swift access to this information in decision making and risk management.
- Such information needs to be readily available in the event of a potential or actual failure of the registered provider.
- The assets and liabilities register should contain sufficient information to enable a potential buyer to accurately price the value of the business and/or the value of the social housing assets in the event of distress.
- A registered provider’s board will oversee the maintenance of these records and that they are readily reconcilable and regularly reconciled.

PFH is not required to submit its assets and liabilities registers to the regulator for

scrutiny. Rather in certifying in the annual financial statements that it complies with all regulatory standards - confirming that such records are maintained. In addition, the Regulator may ask to verify the register if it has concerns about PFH's risk profile, even if these are within the compliant grades i.e. V2 or above. At this point the regulator will expect PFH to be able to produce a comprehensive, accurate and up-to-date register at short notice.

### **ELEMENTS OF PFH'S ASSETS AND LIABILITIES REGISTER**

PFH has constructed its own assets and liabilities register using a Microsoft Access Database. The database is stored in PFH's Sharepoint cloud environment with access restricted to the following staff:

- Business Services Director
- Head of Finance
- Finance Manager
- IT Manager

The register is backed-up daily in accordance with our IT back-up policy and procedure.

Set out in Schedule A is a sample list of Tables and Fields that currently appear in the Register. Schedule B is a list of changes made to the register during the course of the financial year.

### **ROLES, RESPONSIBILITY AND AUTHORITY**

The effective implementation of this policy is the responsibility of the Business Services Director.

Access to the Register is restricted to the following staff who have authority to update the data in the tables held within the Register:

- Business Services Director
- Head of Finance
- Finance Manager
- IT Manager

A register of changes to the data is maintained within the database to enable tracking of updates by the above staff. All changes to the register are to be authorised by the Business Services Director, Head of Finance or the Finance Manager using the appropriate approval form.

An Assets and liabilities Champion has been appointed in each team within the business. These team members meet on an annual basis and are responsible for providing the authorised users (shown above) key information / data that needs storing in the register.

### **POLICY MANAGEMENT**

General requirements:

- Effective systems, procedures and processes will be in place for managing the Asset and Liabilities register.
- PFH will self-assess compliance against the Governance and Financial Viability

Standards.

**Implementation, monitoring and reviewing**

An annual report on the Assets and liabilities Register will be presented to the Senior Leadership Team to support its confirmation of PFH's compliance against the Regulatory Standards.

This policy will be reviewed every year to ensure that it continues to represent best practice, and is aligned to PFH's objectives and regulatory requirements.

In addition, the register will be reviewed every 3 years by PFH's internal auditors. The last review took place in February 2023 and the following recommendation for improvement was made by TIAA and has been actioned by the Business Services Director:

*That the following details be included in the Assets and Liabilities Register:*

- *outstanding insurance claims,*
- *financial covenants and*
- *contractual redundancy payments.*

SCHEDULE A  
SAMPLE LIST OF TABLES AND FIELDS

Tables	Description
AandLPoliciesProcedures	Asset and Liabilities Register Documentation
ChangesTracker	Audit record of any changes made to database
PFHFinancialStatements	Scheme contacts, valuation reports and other documents
Asset-Cash	Qtrly Cash Balance and BOT Cash Balance Report
Asset-Debtors	Quarterly Debtors Schedule
Asset-Castleton Data	Exports from Castleton's property grid
Asset-Development	Active New Development Documents
Asset-FIT	PV Register of Installations and Tariffs
Asset-Governance	Charity Scheme Documents
Asset-Insurance Policies	All Insurance policy documentation and claims reports
Asset-Insurance Building Warrantees	Valid new build warrantee documents
Asset-Investments	Quarterly Investment Values and Schedule
Asset-Leases	Income generating lease documents - Offices
Asset-Management Agreements	Mrs DL Richardsons Management Agreement
Asset-Property	Register of all PFH properties
Asset-Property Disposals	Register of PFH properties removed on conversion
Asset-Property-Titles	Copies of all Title documents
Asset-Property-Valuation Reports	Copies of official valuation reports
Asset-Property-ValuationData	Register of property valuation amounts, date, valuer
Asset-Property-ValuationData Disposals	Register of property values removed on conversion
Asset-Property-ValuationData Insurance	Register of property insurance values, date and amount
RAM Register	Snapshop of Real Asset Management Data at year end
CastletonData15092022	Castleton Housing Data Snapshot
CastletonData20032023	Castleton Housing Data Snapshot
KyperaData03042018	Castleton Housing Data Snapshot
KyperaData05102020	Castleton Housing Data Snapshot
KyperaData10082020	Castleton Housing Data Snapshot
KyperaData15112021	Castleton Housing Data Snapshot
KyperaData18072019	Castleton Housing Data Snapshot
KyperaData25012019	Castleton Housing Data Snapshot
KyperaData25072017	Castleton Housing Data Snapshot
Misc-RentData	RentData Scheme contacts, valuation reports and other documents
Liability-Contracts Register	IT and Comms Contracts Plus links to All key Contracts Folders
Liability-Creditors	Quarterly Creditors Schedule
Liability-Leases	Operating Lease documentation, Item, location, amounts and dates
Liability-Loans	Register of loan providers, contact details, loan documents
Liability-Loans Covenants	Quarterly Loan Covenant reports and calculations
Liability-Loans Misc	Repayment Schedules - at year end
Liability-Pension	Pension Scheme contacts, valuation reports and other documents
Liability-Risk Assessments	Risk Assessments - zipped system folder

Liability-Risk Register	Risk Register - zipped system folder
Liability-SHG	Social Housing Grant Records - year end
Liability – Statutory Redundancy Pay	Redundancy pay calculation (required annually)