

Financial Regulations



ROSEHILL HOUSING ASSOCIATION LIMITED
250 Peat Road, Glasgow, G53 6SA

Rosehill Housing Association Limited
Financial Regulations

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1. INTRODUCTION

- 1.1 These Regulations set out Rosehill's financial policies and procedures. The purpose of the Regulations is to ensure that the financial management of Rosehill is efficient, effective and properly controlled.
- 1.2 The Financial Regulations are supported by a number of other financial policies and procedures, as listed on the contents pages.
- 1.3 The Financial Regulations will be reviewed at least every three years. The Finance Manager will be responsible for recommending any changes required to the Management Committee.

2. COMPLIANCE WITH THE FINANCIAL REGULATIONS

- 2.1 All staff and committee members must comply with these Regulations. Any breach or non-compliance with the Regulations must be reported immediately to the Finance Manager or the Director.

3. RESPONSIBILITIES FOR IMPLEMENTATION

Committee Responsibilities

- 3.1 The Management Committee has ultimate responsibility for Rosehill's financial management and performance. The Management Committee will retain responsibility for policy-making and monitoring financial performance. Its most important responsibilities include:
 - Ensuring that Rosehill remains solvent and has adequate resources to meet its objectives.
 - Approving and reviewing systems of internal and external control, including external audit, internal audit, financial control and performance reporting.
 - Monitoring and assessing Rosehill's performance against its plans, budget and targets.
 - Ensuring that Rosehill meets all of its statutory obligations and acts in accordance with regulatory and accepted good practice.

Staff Responsibilities

- 3.2 The Director co-ordinates the activities of the Rosehill's staff team and reports back to the Management Committee.
- 3.3 The Finance Manager is responsible to the Director for the administration and control of the Finance Section as stated in their job description. The specific responsibilities of the Finance Manager include:
- Budget preparation and longer-term planning.
 - Presenting quarterly management accounts to the Management Committee on a timely basis, along with all other management information needed to enable the Committee to monitor financial performance.
 - Maintaining an efficient system of internal operations and control.
 - Monitoring the systems in place and improving them where required.
 - Preparing the financial statements, liaison with auditors in respect of the year-end audit and presenting the accounts to Members at the annual general meeting.
 - Monitoring and controlling the day to day running of Rosehill's finances.
 - Ensuring that the requirements of the Co-operative and Community Benefit Societies Acts and other requirements for the keeping of proper books and accounting records are met.
 - Safeguarding Rosehill's assets.
 - Updating and amending the financial regulations as necessary.
 - Preparing all statutory returns.
 - Assisting with the appraisal of major investment decisions.
 - Providing advice to the Management Committee on all matters relating to Rosehill's financial management.

4. RELEVANT LEGISLATION AND REGULATORY GUIDANCE

Rosehill's Rules

- 4.1 All activities, financial or otherwise, will be carried out in accordance with Rosehill's rules which may alter from time to time.

Accounting Standards

- 4.2 Rosehill will at all times maintain proper accounting records and prepare **financial** statements which give a true and fair view and comply with the Co-operative and Community Benefit Societies Acts, statutory accounting regulations for registered social landlords, as well as meeting accounting standards required by the Companies Acts.

Taxation and VAT

- 4.3 Rosehill will maintain the proper accounting records required for statutory purposes. Rosehill will meet its obligation to pay over taxes when due.

Mandatory Returns

- 4.4 Rosehill will prepare and submit on time the appropriate returns to the following stakeholders returns:
- Financial Conduct Authority.
 - Scottish Housing Regulator.
 - HMRC/Government Bodies.
 - Office of the Scottish Charity Regulator.
 - Banking/Financial Institutions.

Registers

- 4.5 Rosehill will keep the following Registers up to date at all times, and where appropriate with regulation, and retention periods in force:
- Seal Register
 - Committee Member Register
 - Property Register
 - Assets Register
 - Register of Disposals
 - Gifts & Hospitality Register
 - Register of Payments/Benefits
 - Register of Frauds and Attempted Frauds
 - Membership Register
 - Complaints Register

Scottish Housing Regulator Regulatory Standards

- 4.6 These regulations have been prepared to ensure compliance with the Scottish Housing Regulator's Regulatory Framework issued in February 2019.

General Data Protection Regulation

- 4.7 On the 25th of May 2018 the legislation governing data protection changed with the introduction of the General Data Protection Regulation (GDPR). Following the UK's exit from the EU, and the end of the transition period which followed, the GDPR formed part of the retained EU law and became the UK GDPR which together with the Data Protection Act 2018 constitute the UK's data protection legislation.

5. ORGANISATIONAL VALUES

Our Vision:

"We will provide excellent quality affordable and efficient homes in neighbourhoods that are well managed and maintained; we will contribute to sustaining communities where people feel safe and want to live by providing housing and other services and working with our voluntary and statutory partners."

Our Values:

Our Core Values are:

We Will

- Invest and Support

We will be

- Engaged and Responsive
- Accountable and Compliant
- Fair and Approachable
- Efficient and Responsible
- Excellent and Committed

6. BUDGETING PROCEDURES

Budget Preparation and Approval

- 6.1 Each year, the Management Committee will consider income and expenditure proposals for the following year and agree a budget. The approved budget will detail Rosehill's expenditure plans and expected income for the following year and be aligned to meeting the Associations Strategic Objectives.
- 6.2 The budget will be prepared in a format agreed by the Management Committee and in line with Rosehill's objectives.
- 6.3 The budget will be prepared by the Finance Manager in advance of the financial year end. Discussions will take place with the Director and other members of the Management Team, to understand the resources required for the coming year in order to meet the strategic objectives set by the Management Committee.
- 6.4 The budget will be discussed and approved by the Management Committee prior to the start of the financial year, and banking/loan funders deadlines to which it relates. The budget proposals will be consistent with the approved business plan. The process and timescale for giving final approval to any proposed rent increase will take account of Rosehill's legal obligations to inform and consult tenants about proposed increases in rents and service charges, therefore any budgeted increase in rent levels and other charges is always subject to consultation with tenants at the appropriate time.
- 6.5 Once approved, the budget will be used as the basis of authority to incur expenditure up to the approved budget limit.
- 6.6 The authority to spend up to the approved budget limit has been delegated to staff, except in those circumstances where authority to approve expenditure has been reserved to the Management Committee under the Scheme of Delegated Authority and Financial Procedures.

Budgetary Control

- 6.7 Variance analysis comparing the actual income and expenditure with the budget figures will be reported quarterly to the Management Committee by the Finance Manager.

- 6.8 Where additional expenditure required exceeds the approved budget, authorisation will be sought from the Management Committee. The Director can authorise expenditure in excess of the approved budget with the agreement of the Chairperson, in the period until Committee approval is received.
- 6.9 Nothing in the Financial Regulations shall prevent a member of staff from incurring expenditure that is essential to meet immediate needs of the Rosehill. Such action must be agreed with the Director and will then be reported to the next meeting of the Management Committee if levels of authority are exceeded.
- 6.10 Any new proposal to the Management Committee that involves expenditure not allowed for in the approved budget will be accompanied by a report quantifying the financial impact. If the proposal will result in the overall budgeted expenditure being exceeded, Management Committee approval will be required for the proposal to proceed.
- 6.11 Further guidance on authority to commit expenditure and to make payments is included with the Scheme of Delegated Authority and the attached Financial Procedures (Appendix 1).

7. ACCOUNTING AND FINANCIAL REPORTING PROCEDURES

Cash Management and Forecasting

7.3 Cash management is the management of activities so as to ensure the availability of sufficient funds to meet the liquidity of the organisation. The operational aspects of cash management are the responsibility of the Finance Manager. The Treasury Management Policy details the methods open to the Finance Manager.

7.4 Other forms of Cash Management and forecasting carried out will be:

- Sound budget setting and monitoring systems.
- Cashflow projections **over 30-year periods** will be carried out annually.
- Insurance reviews will take place annually.
- Risk Management will be carried out on an ongoing basis.

Statutory Financial Returns

7.5 All Statutory financial returns (see 4.4) will be prepared in advance of the submission deadlines and reported to the Management Committee for approval at the meeting closest to and prior to the deadline.

Statutory Accounts (Financial Statements)

7.6 Rosehill's financial year is 31st March.

Statutory Accounts Preparation and Audit

7.7 The Finance Manager is responsible for the planning and preparation of the annual external audit exercise and the preparation of the financial statements for audit. The financial statements shall be prepared in accordance with relevant accounting standards and the Determination of Accounting Requirements for Registered Social Landlords.

Financial Reports to the Management Committee

7.9 All Financial reports, where appropriate, will be provided to the Management Committee with a narrative document explaining/outlining the information presented.

7.10 The following financial reports will be submitted **monthly** to the Management Committee:

- A Summary Cash Income and Expenditure Account

7.11 The following financial reports will be submitted **quarterly** to the Management Committee:

- Quarterly Management Accounts (per timetable previously stated), including:
 - Statement of Comprehensive Income
 - Analysis of Turnover
 - Analysis of Operating Costs
 - Statement of Financial Position
 - Variance Analysis Report - comparison with Budget
 - Ratio Analysis
 - Key performance indicators
 - Loan Covenant Calculations
- Portfolio of loan and investment facility performance.

7.12 The following financial reports will be submitted **annually** to the Management Committee:

- Audited Financial Statements
- Proposed Budget for next financial year, including:
 - Cashflow projection
 - Statement of main assumptions
 - Statement of Comprehensive Income
 - Statement of Financial Position
 - Ratio Calculations
 - Loan Covenant Calculation
- Rent Increase proposals
- Service Charges Review
- Factoring Management Fees Review
- 5 Year Financial Projections
- 30 Year Financial Projections
- Business Plan - Performance -v- Targets
- An assessment of any risks to Rosehill's financial viability

- Going Concern Review
- Impairment Report

7.13 Other financial reports will be presented to the Management Committee as and when required. Both the Management Committee and Audit Committee will have the right to query and request backup for any item of income and expenditure contained within any report.

8. AUDIT ARRANGEMENTS

External Audit

- 8.1 Audited financial statements require approval by the Management Committee. These accounts must be in the required format and contain the report of the external auditors. In addition, the financial statements must contain a report from the Management Committee, to include a statement of the Management Committee's responsibilities, and separate Management Committee report on the systems of internal financial control.
- 8.2 The external auditor will be re-appointed annually in line with Rosehill's rules and satisfactory performance.
- 8.3 An auditor review will take place at least every ten years, in line with auditor rotation regulation.
- 8.4 The role of the auditor and of Rosehill in relation to the audit will be clearly detailed in the Engagement Letter. The audit plan and scope will be discussed in general to ensure that timing etc. is appropriate, so that the finalised financial statements are available in good time for the Annual General Meeting. The audit fee will be discussed and agreed through the tendering process and the contract obligations in advance.
- 8.5 The auditor will report to the Members at the Annual General Meeting.
- 8.6 The auditor will present a management letter within one month of the audit being completed. The Management Committee will consider the management letter and agree their response. Rosehill will then take steps to ensure that any points raised are addressed.
- 8.7 The external auditors will be provided with the opportunity to meet the Audit Committee or Management Committee at any time, if either the auditors or the Committee request this.
- 8.8 The Audit Committee has the right to meet without any members of staff being present, to discuss issues that may have arisen during the auditors' work.

Internal Audit

- 8.9 Rosehill will carry out a programme of internal audit, approved by the Audit Committee. The programme will be determined by audit needs assessments. Internal audits may be carried out in house, or Rosehill may appoint external parties where appropriate.
- 8.10 The Internal Auditor will report their findings and recommendations to the Audit Committee, Director, and responsible member of the Management Team.

9. BANKING ARRANGEMENTS

Operation of Accounts

- 9.1 Accounts will be opened and closed in line with the Scheme of Delegation
- 9.2 The Finance Manager has responsibility for the operation of Rosehill's bank accounts.
- 9.3 The Finance Manager will ensure that all bank accounts are subject to monthly reconciliation. Bank accounts and reconciliations may also be subject to independent review at any time by Rosehill's auditors.

Cheques

- 9.4 Rosehill do not issue or receive payment by Cheque. Customers and suppliers will be directed to other payment methods through digital banking in order to facilitate payments. In cases where Cheques are submitted as payment to Rosehill, the payee will be provided a Bang Giro Credit Slip (BGC) to facilitate payment.

Internet Banking and Internet Payments

- 9.6 The Director, Finance Manager and the Finance Officer are each authorised to carry out inter-account transfers using the Internet Banking system.
- 9.7 The Director, Finance Manager and the Finance Officer also have the authority to process salary payments through the Internet Banking system as and when they become due.
- 9.8 The Director, Finance Manager, Housing Manager, Corporate Services & HR Manager and the Finance Officer are authorised to process payments through the Internet Banking System for all other invoices and payment requests that have been properly authorised in accordance with the financial procedures and financial delegation limits. Dual authorisation will apply to all Internet Payments and Transfers.

Standing Orders and Direct Debits

- 9.9 The Director and the Finance Manager have the authority to set up mandates for regular payments.

10. COMMITMENT OF EXPENDITURE

- 10.1 All members of staff must ensure there is effective control over the placing of orders or other financial commitments made on Rosehill's behalf.
- 10.2 All such orders and commitments should always, where possible, be confirmed in writing, by raising an order or by issuing other documentation appropriate to the transaction involved.
- 10.3 Credit facilities arranged with contractors and suppliers must be approved in advance by the Finance Manager. The level of credit requested must not be excessive to Rosehill's requirements.
- 10.4 When making orders and commitments, staff must always adhere to Rosehill's procedures and financial delegations' limits (attached to these Regulations). These documents will be copied to all staff members, along with any future revisions.

11. TENDERS AND QUOTATIONS

- 11.1 All members of staff must manage procurement activity in a manner that avoids any conflicts of interest, actual or perceived. If any conflicts do arise, these should be declared immediately to the staff member's line manager. Additional guidance is provided in the staff Code of Conduct.
- 11.2 Rosehill's Purchasing, Procurement and Tenders Policy specifies the circumstances in which estimates, quotations and tenders are required.
- 11.3 The procurement of goods, services and works must be consistent with UK public procurement legislation, where applicable. The Technical Services Manager will be consulted on tendering procedures where necessary. The procurement of goods and services and the achievement of value for money will be the responsibility of the manager with the budget responsibility for the good or service being procured..

12. AUTHORISATION AND PAYMENT OF EXPENDITURE

Approval of Invoices and Payment Authorisations

- 12.1 The detailed procedures to be followed are set out in Rosehill's financial procedures, appended to these Regulations (Appendix 1).
- 12.2 The normal methods of payment of money payable by Rosehill shall be by internet banking, or direct debit, as approved by the Finance Manager.

13. SALARIES, WAGES AND PENSIONS

Roles and Responsibilities

13.1 Rosehill's policies for the appointment, remuneration and discipline of staff are based on the Employers in Voluntary Housing salary scales and Conditions of Service, as approved or amended by the Staffing and Health & Safety Sub Committee. Management responsibility for all of these matters, except for the appointment of senior members of staff, is delegated to the Director.

Payment of Salaries and Wages

13.2 The recording and payment of wages and salaries is delegated to the Finance Manager.

13.3 Payments such as on call allowances, overtime for attending committee meetings and for other activities will be authorised by the Director. Subsistence and mileage claims etc. will be authorised by the relevant Line Manager. Payments to the Director will be authorised by the Chairperson.

13.4 All other Payments will be authorised by the Director prior to any payment being made. (For example, first aid allowances).

13.5 The Finance Manager will ensure PAYE and Pension deductions from salaries are paid timeously. Payments shall be made by electronic transfer to employees' bank accounts.

13.6 The Finance Manager will ensure that Rosehill maintains satisfactory records in relation to the payment of salaries and any other emoluments, in particular:

- Appointments, promotions, resignations, dismissals, suspensions, secondments and transfers;
- Changes in remuneration, other than normal increments and pay awards and agreements of general application;
- Absences due to sickness or other reasons, apart from approved leave;
- Information necessary to maintain records of service for pension, income tax, national insurance and social security purposes.

Payment of Expenses to Employees and Committee Members

- 13.7 The Finance Manager shall be responsible for the administration and monitoring of claims for expenses to Rosehill's employees and Committee members.
- 13.8 The payment of Committee members' and staff expenses shall be in accordance with Rosehill's Policy on Committee and Staff Members' Expenses Policy.
- 13.9 Authorised claims will be paid to Committee members and employees via payroll, internet banking.
- 13.10 Where standard allowances rather than actual costs form the basis for paying expenses (e.g. in relation to mileage and subsistence allowances), these will be updated in accordance with amendments advised by Employers in Voluntary Housing or the relevant organisation.

Pensions

- 13.12 Rosehill is a member of the Scottish Housing Associations' Pension Scheme administered by TPT Retirement Solutions and XXXX. The Finance Manager is responsible for the deduction from salaries of the employee contributions; for calculating the employer's contributions; for timeous payment of contributions to the pension provider; and for ensuring that all returns are completed and that the rules of membership of the Scheme are adhered to, insofar as they relate to Rosehill as an employer.

14. CONTROLS

Property Register

- 14.1 A register of documents such as title deeds will be kept by Rosehill for all heritable property. Access to the register is restricted to Senior and Finance staff.

Stock Procedures

- 14.2 Stock will not be held by Rosehill and any materials purchased should be done so with the view to be consumed in the short term and allocated to the service/job immediately.

Petty Cash

- 14.5 Rosehill's petty cash is in a digital form through a ringfenced current account with attached debit cards. Cards will be held by Finance and provided to the requester with satisfactory business reasons for the purchase, within delegated financial limits.

Credit Cards

- 14.6 The Management Committee must authorise the issue of credit cards to staff. These will only be supplied and used for the purpose of valid business expenditure, where no other method is available.

15. INCOME

Control, Recording and Banking of Income

- 15.1 The Finance Manager will be responsible for the control, recording and banking of all income received, and for ensuring that they are recorded appropriately in Rosehill's accounts.
- 15.2 All monies received shall be paid into Rosehill's bank accounts at such intervals as may be approved by the Finance Manager. Receipts for payment will be issued where appropriate.

Receipt of Cash

- 15.3 Cash payments are only accepted as a form of last resort and no alternative is available, for items of a trivial nature, specifically, £1 shares. Where cash is accepted through exhausting other methods, staff must adhere to the arrangements set out in the Receipts Procedure.

Records of Monies Owed to Rosehill

- 15.4 Staff should provide Finance with details of any work done, goods supplied, or services rendered by Rosehill and of all amounts due, so that all sums due are recorded correctly. Finance will then ensure that invoices are issued for the recovery of income due.
- 15.5 The Finance Manager must be notified promptly of all money due and of any contracts, leases or other arrangements which involve the receipt of money by Rosehill.

Writing Off Irrecoverable Items of Income

- 15.6 All income due to Rosehill will be pursued promptly and all reasonable efforts made to achieve full recovery. Thereafter, Rosehill will write off all established bad debts as soon as possible in order not to distort the rent arrears and other bad debt provisions.
- 15.7 Decisions to write off income due must be approved by the Management Committee or Director under the Scheme of Delegated Authority limits.

16. DEVELOPMENT AND MAINTENANCE CONTRACTS

- 16.1 A list of approved contractors will be maintained by the Technical Services Manager.
- 16.2 All contracts or expenditure must comply with the tendering procedures, as described in the Purchasing, Procurement, and Tendering Policy.
- 16.3 All contract documentation (including signed building contracts, partnering agreements etc.) shall be retained by the relevant senior manager who will be responsible for notifying the Finance Manager of the contract details for accounting purposes.
- 16.4 A contract ledger will be kept for all building contracts detailing any grants received and the payments made. Payments to relevant contractors will be made in accordance with the signed agreement.
- 16.5 The Finance Manager shall, to the extent that is considered necessary and in addition to any verification by the Technical Services Manager examine certificates and final accounts to determine their accuracy.
- 16.6 Any additional contract expenditure on planned maintenance and development contracts will be reported to the Management Committee for approval, unless otherwise allowed for under the Scheme of Delegated Authority.
- 16.7 Any contractual claims received from contractors shall be referred to the Technical Services Manager and/or Director and Rosehill's legal advisers before a settlement is reached or before any offer of settlement is made. Under the Scheme of Delegated Authority, the settlement of contractual claims requires the approval of the Management Committee.
- 16.8 Any Partnering Agreement entered into by Rosehill will set out the objectives and key performance indicators for completion of the work. Costs will be authenticated through an open book accounting approach, and this approach may also be adopted where appropriate, through the supply chain for sub-contractors and suppliers. The process for open book accounting will be established for each Partnering Agreement.

17. TREASURY MANAGEMENT

- 17.1 The Management Committee will adopt a Treasury Management Policy which will set out Rosehill's overall strategy and approach for long-term borrowing and for cash and investment management.
- 17.2 Rosehill will seek to maximise income through its Treasury Management Policy and by ensuring value for money practices in all of its activities.
- 17.3 All loans will be consistent with Rosehill's Rules and will be approved in advance by the Management Committee, along with the basis on which security for borrowing will be provided by Rosehill.
- 17.4 Except where the Treasury Management Policy reserves matters to the Management Committee, the Finance Manager will have authority for all executive decisions relating to investments and cash management, and for meeting the information and other requirements specified by Rosehill's lenders.
- 17.5 If at any time Rosehill is unable to comply with loan covenants or conditions, the Finance Manager will notify the Director immediately.
- 17.6 The Finance Manager shall submit a report on Treasury Management operations to the Management Committee annually.
- 17.7 The Treasury Management Policy sets out the circumstances where security may be granted over Rosehill's assets. The granting of security is limited to the raising of private finance to fund future development or planned maintenance. Security will not be granted for any other reason e.g. in relation to staff pensions.
- 17.8 At no time will a floating charge be issued over any of Rosehill's assets.

18. CONTROL/DISPOSAL OF PROPERTY AND FIXED ASSETS

Property

18.1 Any disposal of property assets will require the approval of the Management Committee. Disposals shall also take account of Section 107 of the Housing (Scotland) Act 2010 and related regulatory guidance, and any requirement to obtain consent from funders.

Fixed Asset Register

18.2 A fixed asset register will be maintained recording an adequate description of fixtures and fittings, office equipment, vehicles, tools and equipment, computers and equipment owned or leased by Rosehill.

18.3 Property owned or leased by Rosehill shall only be used in accordance with Rosehill's Policies, and shall not be removed other than in the ordinary course of Rosehill's business, unless otherwise authorised by the Director.

18.4 The Finance Manager will make sure that adequate insurance is in place for all fixed assets included within the register.

Depreciation Policy

18.5 The depreciation policy for housing property and for fixed assets will be set by the Finance Manager and will reflect generally accepted accounting principles.

19 SECURITY PROCEDURES

Security of Fixed Assets, Cash and Stock

19.1 All of Rosehill's employees shall maintain proper security at all times for all buildings, stores, furniture, equipment, cash etc. under their control. The Director or Finance Manager shall be advised in any case where security has been breached or is thought to be defective, or if it is considered that special security arrangements may be needed.

Cash Security Arrangements

19.2 The security arrangements for cash, although trivial amounts only will be held will be as described in the Cash Receipts Procedure. Keys to safes or secure places will be kept on the authorised person at all times. The loss of any such keys must be reported to the Director or Finance Manager immediately. Should access be gained to a safe or secure area by an unauthorised person, through either carelessness of the key holder or with the key holder's knowledge, the key holder shall be deemed to have committed gross misconduct and be dealt with through Rosehill's disciplinary procedures.

Computer Security

19.3 Computer security is set out in the ICT Acceptable Use Policy.

Record Keeping and Management

19.4 Rosehill's accounts and accounting records shall include:

- Nominal ledger
- Cash book
- Purchase ledger and invoices
- Loan register
- Sales ledger and invoices
- Fixed asset register
- Rent ledger
- Payroll records
- Bank statements

- Record of stocks and stores
- Petty cash book
- Tender Register

19.5 Records will be kept in a way that meets statutory requirements and established accounting standards. The retention period for all books, forms and records relating to financial matters are required by law to be:

- Accounts raised (six years)
- Copies of receipts (six years)
- Payroll records (six years)
- Suppliers invoices (six years)
- VAT records (six years)

19.6 Retention periods are documented in Rosehill's Data Retention Policy

20. INSURANCE

- 20.1 The Finance Manager is responsible for ensuring that adequate insurance cover is in place for both property insurance and offices insurance.
- 20.2 A review of the insurance cover will be carried out annually. Where a long-term agreement has been reached with an insurance agent/company, the arrangements entered into will be reviewed prior to the expiry date.
- 20.3 Insurance claims may be negotiated by Finance or by other members of staff where this is more appropriate (e.g. in relation to maintenance insurance claims).
- 20.4 Rosehill's employees shall be covered by fidelity guarantee insurance or equivalent insurance.
- 20.5 Staff using their own motor vehicles shall be responsible for arranging appropriate insurance cover, including business use.
- 20.6 Committee members and employees shall be required to report immediately to the Director or in the Director's absence, the Finance Manager any events that may lead to an insurance claim by or against Rosehill.
- 20.7 Proper arrangements shall be in place at all times to ensure the physical security of staff and assets of Rosehill.

21. RISK MANAGEMENT

- 23.1 In all key areas of our business we need to consider any risks which may arise. To this end we have in place a robust Risk Management Policy and from this flows our Risk Register. We have identified our material risks which are regularly monitored by our Management Team and Audit Sub-Committee.
- 23.2 To ensure we continue to manage the associated risks we will periodically review this policy to ensure compliance with all legislative requirements and regulatory and best practice guidance.

Financial Procedures

Introduction

This document describes the controls that apply to financial transactions carried out on a day-to-day basis by Rosehill's staff.

These procedures form part of Rosehill's Financial Regulations. All staff should be aware of the procedures contained in this document, and follow them at all times.

Invoice, shall be deemed to mean any request for payment, including but not limited to; invoice, contract or contractor certificate.

Day to Day Finance Transaction Controls

A. Invoice Approval

All invoices received in the office will be processed as follows:-

1. Invoice date stamped, and grid labelled by reception staff.
2. Invoice entered onto the computerised Invoice Register by reception staff recording:
 - Supplier
 - Invoice Number
 - Repair Order Number (where applicable)
 - Invoice Date
 - Invoice Amount
 - The date and who the invoice was forwarded to
3. The reception staff will pass the invoices to the relevant department for checking and authorisation. Staff members will authorise invoices in line with their authorisation limits.
4. In authorising payment of invoices, staff members are responsible for checking that:
 - Expenditure is classed as committed at the point of order, and the financial limits apply at the point of order and authorization.

- All invoices received must be checked and approved prior to submission for payment. The checking and approving of expenditure must be done by two separate staff members, and the approver always be above the checker in the organisation structure (excluding where the Director is checker).
 - The invoice must be checked by the staff member who requested/ ordered the good/service. The checker must ensure that the goods/service has been provided in line with the contract/terms, to the outlined standard and price, and allocated to the correct budget line.
 - Invoice Checking:
 - The expenditure has been properly incurred and falls within their approved authorisation limit.
 - All goods, materials and services received agree with that, that Rosehill commissioned, in respect of price, quantity and quality and agree with the repair or purchase order.
 - The prices, tax and other charges specified in the invoice are correct.
 - The goods, materials and services have not previously been approved for payment on another invoice.
 - The invoice has not been previously approved for payment.
 - The correct budget code is applied.
 - The approver must check that the checker has carried out their part and that the purchase is appropriate and within the budgeted amount.
5. Any invoice received, which is incorrect should be annotated on the invoice and passed to finance who will place a marker to hold the invoice until credit received. Once received, the credit note should then be passed to Finance for processing and matching.
 6. Invoices for which a repair order has been issued will also be grid labelled with the maintenance label. A copy of the repair order will be attached to the invoice (where it hasn't been attached by the Contractor) before it is passed to Finance. The Technical Services Officer/ Manager will ensure that invoices are correctly coded before being passed to Finance.
 7. Authorised invoices shall be passed immediately after approval and without delay to Finance. The Finance Manager and/or Finance Officer will be entitled to request whatever information and explanations are required before an invoice is paid. If Finance has any concerns about the regularity of an approved invoice, they will refer these to the Director.
- 10.** When the Finance Officer receives the authorised invoice, the invoice will be checked for arithmetical error and to ensure that the limits of authorisation are

abided by.

- 11.** Invoices will then be processed for payment by Finance. All invoices . will be paid in accordance with any contractual obligation, or under Rosehill's standard terms of 30 days from receipt of the invoice.

B. Cheque Payments

1. Rosehill will neither receive nor issue a cheque for payment or receipt. Where a customer demands to make payment by Cheque, they will be provided a Bank Giro Credit Slip instructing where those funds should be deposited.

C. Internet Payments

1. Where payment of invoices is by internet banking a BACS payment authorisation will be completed by the Finance Officer recording the payee(s), payment amount(s), process date, payment date and authorised signatories.
2. A copy of the remittance advice forms detailing the invoices paid will be attached to the BACS payment authorisation.
3. Internet payments may also be made for other items of expenditure where no invoice is available e.g. rent refunds etc. In this event the BACS payment authorisation must be signed by the member of staff requesting payment and authorised by the budget holder. Supporting documentation must be attached in all cases.
4. It is the responsibility of the staff member requesting payment to complete the BACS payment authorisation form, to ensure that the correct bank details are recorded on the form, to provide appropriate supporting documentation and to ensure that the payment is within their limit of authorisation.
5. The BACS payment authorisation must be countersigned by one authorised signatory. Authorised signatories are any of the following:
 - The Director
 - The Finance Manager
 - Either of the Management Committee members who are approved authorised signatories
6. Once the BACS payment authorisation has been completed, the payment will then be processed through the Internet Banking System. The Internet Banking Systems require two people to process a payment. Payments can be processed by any two of the following:
 - The Finance Officer
 - The Finance Manager
 - The Housing Manager
 - The Corporate Services & HR Manager
 - The Director
7. Access to the Internet Banking System is controlled by username and passwords. Passwords must not be revealed to anyone else in any circumstance.

8. Suppliers' bank details must be verified when first entered onto the Internet Banking system. Finance shall telephone a known contact for verification where possible. If there is no known contact, the bank details should be verified by telephoning a number obtained independently of any number quoted on an invoice or email. Requests received from suppliers to change bank details must be verified in the same way.

D. Credit Card Payments

1. The Director, Corporate Services & HR Manager and Customer Services Officer hold a company credit card.
2. A Credit Card Payment Form must be completed for all payments made by credit card. Supporting documentation and receipts (where applicable) must be attached to the credit card payment form. It is the responsibility of the staff member making payment to ensure that the payment is within their limit of authorisation.
3. Credit card expenditure must be signed by the member of staff requesting payment and authorised by both the budget holder and cardholder.
4. Finance staff must not be given access to credit cards at any time. This is to ensure that there is a segregation of duties between the staff member who makes the credit card payments and the staff member who carries out the bank reconciliation.
5. The credit limit on the card will be reviewed annually to ensure that the level is still appropriate with Rosehill's needs.

E. Receipts

1. Receipts received at the office should be entered into the receipt book and the top copy given to the customer. The receipt must always be signed by the member of staff taking the payment. The entry should detail:
 - Who has made the payment
 - What the payment is for
 - The payment method i.e. cash, cheque or debit card
 - The date of receipt
 - The amount received
2. Housing Management are responsible for taking rent payments. All other payments may be taken by the Reception or Finance Staff. The Reception and Finance Staff may also take rent payments if no-one from Housing Management is available.
3. Although cash will be taken as a matter of last resort, cash payments should immediately be passed to the Finance Officer who will count the cash, in the presence of the staff member passing on the payment, and initial the receipt book. The cash should be placed in the safe. Any cash received, greater in value than £1 share membership payments, must be banked immediately by the Finance Officer.
4. Rosehill will aim to reduce cash holdings to less than £10 in change, at any given time.

F. Digital Petty Cash Procedures

1. Rosehill do not hold petty cash in physical money. The petty cash expenditure of Rosehill is administered through the dedicated current account set up to handle small value ad-hoc purchasing. Finance are responsible for administering the process.
2. The Finance Officer will administer the debit cards upon a request being submitted by the requester. The requester must provide all details on the form for the purchase before the purchase is made. The request must be approved by the Finance Officer for expenditure less than £50 or by the Finance Manager for expenditure greater than £50 prior to the issuance of the debit card.
3. The Finance Officer is responsible for the monitoring, holding sufficient funds, and reconciliation of the account and reported with the normal bank reconciliation process.
4. On returning the debit card after use, the requester shall provide a receipt that supports the purchase made, which will be verified against the requisition lodged. The receipt will be scanned and lodged in a storage folder digitally.
2. The debit cards must be kept in the safe at all times
3. The digital petty cash will be reconciled and managed in line with other banking/cash management processing and reconciliation, review, and approvals.
4. At no time should the funds be used by any Staff or Committee member for purposes other than expenditure wholly and necessarily incurred on official business.

G. Banking

1. The Finance Officer is responsible for the banking of cash if required.

All monies will be banked immediately on receipt and no later than the next business day.

For Health and Safety reasons, the Finance Officer should refrain from banking cash at the same times. The Finance Manager will be responsible for the banking of in the Finance Officer's absence.

H. Mobile Telephones

1. Mobile telephones are issued to all permanent staff.
2. The rules relating to personal calls is covered by the ICT Acceptable Use Policy.
3. It would not be practical for staff who are routinely required to have their mobile telephones with them out with office hours to have both a personal and a work mobile telephone. In these circumstances personal use of mobile telephones is permitted provided the cost of this personal use is covered within the “plan allowance”. Personal use outwith the plan allowance is permitted as long as the cost does not exceed £50.00 per staff member per financial year. Charges above this limit will be payable by the staff member concerned.

I. Financial Delegation Limits for Budgeted Expenditure

1. Financial Delegation Limits set out the financial limits that apply when financial commitments are being made on behalf of Rosehill. In addition, the Scheme of Delegated Authority describes what decisions have been reserved to the Management Committee/Sub Committees, and what decisions have been delegated by the Management Committee to staff.
2. The Financial Delegation Limits apply to budgeted expenditure only. If an item of expenditure will cause Rosehill to exceed the approved budget, the management Committee's approval is needed. If this happens, the Director has authority (with the agreement of the Chairperson) to approve expenditure in excess of the budget, until such time as Committee approval is obtained. A clear audit trail will be kept.
3. The arrangements in the following table are designed, where possible, to ensure that there is a degree of separation between the ability to commit expenditure and approval of invoices for payment. In some cases, this means that payment claims will be counter-signed by another member of staff.
4. In the absence of a member of staff to whom financial authority has been delegated, their authority shall be exercised by a more senior member of staff. In the Director's prolonged absence, the relevant Department Manager will exercise any powers delegated to the Director.
5. The expenditure limits listed below are all subject to the provisions included within the Purchasing, Procurement and Tenders Policy.

Financial Limits

Staff Grade	Office Supplies and Equipment (Non-Capital)	Housing Management Costs	Property Maintenance and repair Costs (Non-Capital)	Staff Costs (Agency, Training, Recruitment)	Property Development and Major repairs (Capital)	Capital Expenditure (Non Housing)
Grades 1-6 (Assistants)	£200	£200	£200	Nil	Nil	Nil
Grades 7-8 (Officers)	£500	£500	£1,000	£Nil	£1,000	£Nil
Grades 9-10 (Managers)	£2,000	£5,000	£20,000	£10,000	£50,000	£50,000
Grades 9-10 (Director)	£20,000	£20,000	£50,000	£30,000	£100,000	£100,000
Management Committee	>£22,000	>25,000	>70,000	>£40,000	>£150,000	>£150,000

These financial limits do not apply to the payment of salaries, pension contributions, PAYE, taxation payments and insurance premiums. The Finance Manager is responsible for the administration of all such matters.

Staff financial delegation limits are applicable only to those areas that they have responsibility to, and are not transferable to other areas of responsibility.



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The Scottish Housing Regulator (Number HAC174).