

# **Sanctuary Group**

## **Financial Regulations (Scotland)**

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## General Introduction

### What are the Financial Regulations (Scotland)?

All activities of the Group's Scottish subsidiaries must be in accordance with statutory requirements and with the requirements of the Scottish Housing Regulator. In cases of conflict such requirements shall supersede any provision of these Financial Regulations.

The Financial Regulations (Scotland) form an integral part of the control environment within the Group's Scottish subsidiaries by providing a framework for managing the finances and to ensure the safeguarding of assets. The Financial Regulations (Scotland) should be read in conjunction with Standing Orders – Scotland and other applicable policies.

### Who do Financial Regulations (Scotland) apply to?

Compliance with the Financial Regulations is compulsory for all employees connected with the Group. It is the responsibility of the Director - Sanctuary Scotland and Heads of Departments to ensure all staff are made aware of the existence and content of the Financial Regulations (Scotland) and that all employees are aware of where to obtain information on the Financial Regulations (Scotland).

#### FR1 Interpretation

- 1.1 Interpretation and application of these Financial Regulations shall be under the ruling of the Chair of the Group Board, or the person presiding as the Chair of the Group Board at the relevant time.
- 1.2 All monetary limits included in these Financial Regulations are inclusive of Value Added Tax unless specifically noted otherwise.
- 1.3 Where the law permits, the Group Board has the authority to change any sum, number or quantity contained within these Financial Regulations.
- 1.4 Reference to any Member or Officer by his or her function shall, where the context and law permit, include any person for the time being allowed by the Group Board to perform such function.
- 1.5 Any of these Financial Regulations may be suspended at a meeting of the Group Board providing that the meeting is quorate.

“Administrator” means any officer appointed to the post of Administrator;

“Administration Assistant” means any officer appointed to the post of Administration Assistant;

“Administration Officer/Senior Administration Assistant” means any officer appointed to the post of Administration Officer/Senior Administration Assistant;

“Area Manager” means an officer whose job title is Area Manager;

“Asset Director - Care” means the officer appointed to the post of Asset Director - Care;

“Care Regional Maintenance Managers” means any officer appointed to the post of Care Regional Maintenance Managers;

“Chair” means the person holding the office of Chair or Chair of Sanctuary Housing Association or Sanctuary Scotland Housing Association Limited (Sanctuary Scotland Housing Association);

“Chief Customer Officer” means the officer appointed to the post of Chief Customer Officer;

“Chief Financial Officer” means the officer appointed to the post of Chief Financial Officer;

“Chief Information Officer” means the officer appointed to the post of Chief Information Officer

“Chief Operating Officer - Commercial” means any officer of the Association or a Subsidiary whose job title is Chief Operating Officer – Commercial;

“Committee” includes the Group Audit and Risk Committee and any other committees formed in accordance with the Rules of the Association;

“Construction Director” means the officer appointed to the post of Construction Director or Construction Director - Scotland;

“Contract Manager - Care” means the officer appointed to the post of Contract Manager - Care;

“Customer Care Manager” means any officer appointed to the post of Customer Care Manager;

“Customer Contact Manager” means any officer appointed to the post of Customer Contact Manager;

“Customer Delivery Manager” means any officer appointed to the post of Customer Delivery Manager;

“Deputy Heads of (Property)” means any officer appointed to the post of Deputy Head of within Property Services;

“Designated Staff Member” means any officer with delegated authority for a specific activity. The delegated authority, specific activity and level of delegated authority (£) must be in writing from a Director (apart from GPC cards where requests may be made by a staff member) and be addressed to the Company Secretary and approved by either the Group Chief Executive or Chief Financial Officer. Where no authority level is stipulated, the authority levels will be as designated within the Group Financial Regulations;

“Director” means any officer of the Group whose job title is “Director” and includes the Group Chief Executive, Chief Financial Officer, Chief Information Officer, Chief Customer Officer and Chief Operating Officer - Commercial;

“Director of Corporate Finance” means the officer appointed to the post of Director of Corporate Finance;

“Director of Finance - Care & SSL” means the officer appointed to the post of Director of Finance - Care & SSL;

“Director - Financial Planning and Analysis” means the officer appointed to the post of Director - Financial Planning and Analysis;

“Director of Group Finance” means the officer appointed to the post of Director of Group Finance;

“Director of Customer Experience and Compliance” means the officer appointed to the post of Director of Customer Experience and Compliance

“Director of Technology Operations” means the Officer appointed to the post of Director of Technology Operations;

“Development Director - England” means the officer appointed to the post of Development Director - England;

“Development Director - National means the officer appointed to the post Development Director National;

“Development Director - Scotland” means the officer appointed to the post of Development Director - Scotland;

“Director - Sanctuary Scotland” means the officer appointed to the post of Director - Sanctuary Scotland;

“Director of Property Management - Care” means any officer appointed to the post of Director of Property Management - Care;

“Director of Property Services” means the officer appointed to the post of Director of Property Services;

“Director - Sanctuary Students” means any officer appointed to the post of Director - Sanctuary Students;

“Director - Treasury Services” means the officer appointed to the post of Director of Treasury Services;

“Director of Building Remediation” means the officer appointed to the post of Director of Building Remediation;

“Director of Quality and Chief Nurse” means the officer appointed to the post of Director of Quality and Chief Nurse;

“Director of Property Performance” means the officer appointed to the post of Director of Property Performance;

“Executive Committee” is the Executive Committee of the Group, membership of which is determined by the Group Chief Executive;

“Executive Director - Corporate Services” means the officer appointed to the post of Executive Director - Corporate Services;

“Finance Director - Affordable Housing” means the officer appointed to the post of Finance Director - Affordable Housing;

“Financial Year” means the year beginning on the first day of April and ending the last day of March;

“Finance Director - Development” means the officer appointed to the post of Finance Director - Development;

“Finance Manager” means any officer appointed to the post of Finance Manager;

“Gas Resource Planner” means any officer appointed to the post of Gas Resource Planner;

“General Meeting” is a meeting of the shareholders/guarantors of Sanctuary Scotland called in accordance with its Rules;

“Governing body” means the Board of Management of Sanctuary Scotland;

“Group Audit and Risk Committee” means the Audit and Risk Committee of the Group, appointed by the Group Board;

“Group Board” means the governing body of Sanctuary Housing Association;

“Group Chief Executive” means the officer appointed to the post of Group Chief Executive;

“Group Director” means any officer appointed to the post of; Chief Financial Officer, Chief Operating Officer – Commercial, Chief Information Officer, Chief Customer Officer, Group Managing Director - Asset Strategy and Development, Executive Director - Corporate Services, Group Director - Growth & Partnerships or Group Director - Sustainability & Climate Change;

“Group Facilities Manager” means any officer appointed to the post of Group Facilities Manager;

“Group Managing Director - Asset Strategy and Development” means the officer appointed to the post of Group Managing Director - Asset Strategy and Development;

“Group Procurement” means the central Group Procurement team based in Worcester;

“Head of Asset Sustainability” means the person appointed to the post of Head of Asset Sustainability;

“Head of Business Information” means the Officer appointed to the post of Head of Business Information;

“Head of Construction” means the officer appointed to the post of Head of Construction;

“Head of Customer Contact Centre” means the officer appointed to the post of Head of Customer Contact Centre;

“Head of Compliance Delivery” means the officer appointed to the post of Head of Compliance Delivery;

“Head of Housing” means an officer whose job title is Head of Housing;

“Head of Operations - Gas and National” means the officer appointed to the post of Head of Operations - Gas and National;

“Heads of Finance” means any officer whose job title is Head of Finance;

“Head of Financial Analysis” means the officer appointed to the post of Head of Financial Analysis;

“Head of Financial Reporting” means the officer appointed to the post of Head of Financial Reporting;

“Head of Operations - Fire and Security” means the officer appointed to the post of Head of Operations - Fire and Security;

“Head of Operations - Property” means the officer appointed to the post of Head of Operations - Property;

Head of Regeneration” means the officer appointed to the post of Head of Regeneration;

“Head of Shared Service Centre” means the officer appointed to the post of Head of Shared Service Centre;

Head of Technical and Design” means the officer appointed to the post of Head of Technical and Design;

“Head of Development – Programme Delivery” means the officer appointed to the post of Head of Development – Programme Delivery;

“Housing Manager” means an officer whose job title is Housing Manager;

“Managing Director – Care” means the officer appointed to the post of Managing Director – Care;

“Member” means a member of the Board of Management of Sanctuary Scotland;

“National Head of Asset Sustainability” means the officer appointed to the post of National Head of Asset Sustainability;

“National Head of Compliance Delivery” means the officer appointed to the post of National Head of Compliance Delivery;

“National Head of Property Services Hub” means the officer appointed to the post of National Head of Property Services Hub;

“Officer” means an employee of Sanctuary Scotland;

“Operations Director” means any officer appointed to the post of Operations Director;

“Performance Improvement Manager” means any officer appointed to the post of Performance Improvement Manager;

“Performance Improvement Officer” means any officer appointed to the post of Performance Improvement Officer;

“Programme Management Team Members” means any officer reporting to the Head of Development – Programme Delivery or Head of Development - Programmes; “Senior Staff Member (Property)” covers grades 9 to 14;

“Property Surveyors” means any officer appointed to the post of Property Surveyor within Assets, Maintenance and Seniors;

“Purchase Officer” means an officer responsible for raising purchase requisitions and receipting of purchase orders;

“Regional Head of Customer Delivery (Property)” means any officer appointed to the post of Regional Head of Customer Delivery;

“Regional Maintenance Manager” means any officer appointed to the post of Regional Maintenance Manager;

“Resource and Scheduling Manager” means any officer appointed to the post of Resource and Scheduling Manager;

“Resource Planner” means any officer appointed to the post of Resource Planner;

“Rules” means the Rules or Memorandum and Articles of Association of the Association (as the context requires);

“Scheduling Manager” means any officer appointed to the post of Scheduling Manager;

“Senior Administrator” means any officer appointed to the post of Senior Administrator;

“Senior Customer Care Manager” means any officer appointed to the post of Senior Customer Care Manager;

“Senior Customer Contact Manager” means any officer appointed to the post of Senior Customer Contact Manager;

“Senior Field Workforce Planner” means any officer appointed to the post of Senior Field Workforce Planner;

“Senior Finance Manager” covers grades 10 to 13 inclusive;

“Senior Manager” means any officer appointed to the post of Senior Managers in Housing, Sanctuary Care, Supported Living, Home Care, Extra Care, Student and Market Rented;

“Service Delivery Manager” means any officer appointed to the post of Service Delivery Manager;

“Shares” includes stock and the expression “share capital” shall be construed accordingly;

“Statutory enactment” means, as well as any Act of Parliament, any Order, Rule, Regulation or Scheme made by the authority of Parliament;

“Sub committee” means any sub committee of the Board of Management of Sanctuary Scotland;

“Team Manager” means any officer appointed to the post of Team Manager;

“Trade Supervisor” means any officer appointed to the post of Trade Supervisor;

“Vice Chair” means the person appointed to the post of Vice Chair of Sanctuary Housing Association or Sanctuary Scotland;

**FR2            Budgets**

- 2.1    The Director - Sanctuary Scotland will prepare an annual budget each year for detailed consideration and approval by the governing body prior to submission to the Executive Committee and Group Board for ratification. The annual budget shall cover all areas of activity and shall show income and expenditure in detail well as capital expenditure planned for the year.
- 2.2    The governing body delegate to the Director - Sanctuary Scotland the authority to spend up to the approved Budget limit.
- 2.3    Variations in actual income and expenditure against budget shall be reported to the governing bodies no less frequently than quarterly.
- 2.4    The Director - Sanctuary Scotland may, with the approval of the Chief Financial Officer, switch budget amounts between different budget headings.

**FR3            Financial and Management Accounting**

3.1    The following information, as far as available, shall be reported to the governing body or to any Sub Committee to which the governing body has specifically delegated authority to consider this information at the frequency in the table shown below unless agreed in advance with the Chief Executive:

	<b>At least</b>
Audited Accounts	Yearly
Rent Arrears	Quarterly
Cash flow and Financing	Quarterly
Budgets - Capital and Resources	Yearly
Management Accounts	Quarterly
Property Sales	Half yearly

- 3.2 The governing body and the Group Board can request additional reports as deemed necessary from time to time.

**FR4 Registers and Books of Record**

- 4.1 The Director - Sanctuary Scotland is responsible to the governing body for ensuring appropriate financial records are kept which meet legislative and regulatory requirements.

**FR5 Orders for Goods and Services**

- 5.1 All requests for goods and services must conform to the Procurement of Goods and Services Policy and Procedure.
- 5.2 No order shall be issued for goods or services unless the cost is covered by an approved annual revenue or capital budget, except as permitted under FR7.
- 5.3 All purchase orders must be authorised in accordance with the authorisation levels set out in FR7 below.
- 5.4 No request for goods or services shall be made to a supplier who has not been pre-approved through the Group's supplier set up process and authorised for use by Group Procurement. Exceptions to this require approval in writing from the Group Chief Executive.
- 5.5 No request for goods or services shall be made without an authorised purchase order number issued in advance of supply. All purchase orders shall indicate clearly the nature and quantity of the work or service required and any contract or agreed price except for where a purchase order is not required.
- 5.6 A purchase order is not required for the following expenditure:
- a) Utilities;
  - b) General rates, water rates;
  - c) Government Procurement Cards;
  - d) Company Credit Cards;
  - e) Council tax;
  - f) Rent due to third party landlords;
  - g) Intercompany trading;
  - h) One Time Non Vendors; and
  - i) Consolidated Invoices.
- 5.6.1 Other exceptions, including transitional arrangements for acquisitions and other new entrants to the Group, require the approval of the Group Chief Executive, or Chief Financial Officer, or Director - Treasury Services, or Director of Group Finance or Director - Financial Planning and Analysis.

5.6.2 An exception to this relates to Government Procurement Cards (GPC). Employees that are in receipt of a GPC (in line with Sanctuary GPC requisition policy) are able to expend in accordance with their agreed limits. The standard default limits are detailed in the table below.

<b>Business Division</b>	<b>Role</b>	<b>Monthly credit limit (£)</b>	<b>Transaction limit (£)</b>	<b>Cash limit (£)</b>
Asset Management and Development.	All	1,500	300	N/A
	Sales and Marketing	1,500	1,000	N/A
	Directors	5,000	1,000	N/A
Care	All	500	100	N/A
	Care Home Manager	1,000	100	N/A
	Administrators	500	100	200
Birch House & Millport (SSL)	Care Home Manager	2,000	350	N/A
	Administrators	500	100	200
SSL	Supported Living / Sanctuary 365 / Retirement Living	500	100	200
	Area Service Manager / Contracts Manager	3,000	500	N/A
	Deputy Head of Service / Head of Service	5,000	1,500	N/A
Property & Compliance	Operatives/ Fire Services	250	100	N/A
	Supervisors/ Ops Managers	1,000	300	N/A
Property	Heads of	5,000	1,500	N/A
	Assistant Heads of	2,500	750	N/A
	Estates	1,400	250	N/A
Housing	Housing Officer	500	100	N/A
	Area Manager	3,000	500	500
	Housing Manager/ Heads of	5,000	1,500	1,500
	Decants (Customer Case Manager)	25,000	5,000	5,000
Students	All	1,000	500	N/A
Corporate Services	Executives	10,000	10,000	N/A
	Finance, Central functions and Technology	500	100	N/A
	Business Managers/	1,500	300	N/A

	Heads of			
All	Directors	5,000	1,000	N/A
Governance and Legal	All	1,000	500	N/A

5.7 Cardholder default limits can be exceeded on a temporary basis (maximum 3 months) if approved in line with the limits set out in Appendix 1 (Table 1). Delegated authority as set out in Appendix 1 (Table 1) is applied to the cardholder as appropriate .

#### 5.8 Trade Card Usage

Employees issued with a Trade Card are responsible for its secure and appropriate use. The card must only be used for work related purchases by the card holder only. Wherever possible, purchase orders should be used as the preferred method of procurement. If a trade card is lost, stolen, or damaged, users must report it as such immediately. If a trade card user leaves Sanctuary or no longer requires the card, it must be returned without delay.

The standard default limits are detailed in the table below.

Supplier	Job Title	Transaction limit	Daily Limit	Weekly Limit	Monthly Limit
Travis Perkins	Operative	360	500	1,000	4,000
	Gas Operations / Engineers	360	N/A	1,000	4,000
	Service Delivery Manager (Trade Supervisor)/ Assistant Operations Manager	1,800	2,000	5,000	10,000
	Operations Manager	4,000	4,000	10,000	40,000
Huws Gray	Operative/Gas Engineer	300	N/A	N/A	N/A
	Service Delivery Manager (Trade Supervisor)/ Assistant Operations Manager	1,800	N/A	N/A	N/A
	Operations Manager	4,000	N/A	N/A	N/A

Edmundson Electrical	Operative/ Electrician/ Gas Engineer/ Installer/ Fire & Security Engineer	N/A	300	1,000	4,000
	Service Delivery Manager/ Trade Supervisor/ Quantity Surveyor/ Assistant Operations Manager/ Regional Service Manager	N/A	1,800	5,000	10,000
	Operations Manager/ Regional Operations Manager	N/A	4,000	10,000	40,000
	Head of Operations/Gas	N/A	20,000	20,000	80,000
Bradfords	Operative/Gas Engineer	300	N/A	N/A	N/A
	Service Delivery Manager (Trade Supervisor)/ Assistant Operations Manager	1,800	N/A	N/A	N/A
	Operations Manager	4,000	N/A	N/A	N/A
Jewsons	Operative/Gas Engineer	300	N/A	N/A	N/A
	Service Delivery Manager (Trade Supervisor)/ Assistant Operations Manager	1,800	N/A	N/A	N/A
	Operations Manager	4,000	N/A	N/A	N/A

Wolseley purchases can be made up to a value of £300, any spend exceeding this will require approval prior to purchase.

Cardholder default limits can be exceeded on a temporary basis (maximum 3 months) if approved in line with the limits set out in Appendix 1 (Table 1). Delegated authority as set out in Appendix 1 (Table 1) is applied to the cardholder as appropriate.

**FR6 Certification of Goods and Services Received**

- 6.1 All documents sent either electronically or on paper to the Group Finance Department for processing for payment, with the exceptions of items covered in 5.6, must be matched to an authorised purchase order approved by an Officer with the appropriate level of authority as set out in FR7. Authorisation is deemed to certify that:
- a) the goods have been received, examined and approved as to the quality and quantity, or that the work/service has been carried out satisfactorily in accordance with the order;
  - b) the prices and expenditure codes are correct; and
  - c) the account has not previously been authorised for payment and is to be paid.
- 6.2 Once goods or services have been received, Purchase Officers will receipt against the purchase order in a timely fashion that allows suppliers to be paid on time in accordance with the Group's standard payment terms.
- 6.3 The Group Finance Department will not accept statements or photocopies of accounts for processing unless instructed to do so by the Group Chief Executive, or Chief Financial Officer, or Director - Treasury Services, or Director of Group Finance or Director - Financial Planning and Analysis.
- 6.4 The officer who authorises the payment is responsible for certifying the accuracy of an account for payment, except for payments due under a contract that provides for independent certification.
- 6.5 Invoices shall be paid in accordance with the Group's standard terms of business with the exception of:
- a) Capital works certificates which shall be paid by their contractual date which is assumed to be 21 days after the issue date;
  - b) Public Utilities invoices (e.g. Electricity, Gas, telephones etc.) which shall be paid in accordance with the supplier terms and conditions;

- c) General Rates, water rates and loan repayments shall be paid by the due by date;
- d) Government Procurement Cards; direct debit as laid down by terms and conditions with the card provider (all expenditure being approved in line with these regulations);
- e) Company Credit Cards; direct debit as laid down by terms and conditions with the card provider; and
- f) Other direct debit payments, where the total cost for the duration of the direct debit has been approved in accordance with section FR7.

6.6 Other exceptions to these terms require the approval of the Group Chief Executive, or Chief Financial Officer, or Director - Treasury Services, or Director of Group Finance, or Director - Financial Planning and Analysis.

**FR7 Authorisation Levels for revenue expenditure**

- 7.1 Staff are authorised to approve levels of revenue expenditure as set out by **Appendix 1** Table 1 (all amounts include Value Added Tax).
- 7.2 The approval levels shown in Appendix 1 also apply to the risk matrix expenditure authorised by the Group Managing Director - Asset Strategy and Development, Development Director - National, Development Director – Scotland and Finance Director – Development as outlined in the unapproved/pre contract matrix shown in the table below. Abortive costs in excess of the annual budget must be authorised by the Chief Financial Officer or the Group Chief Executive.

Project Status	Code	Definition	Requires Chief Financial Officer sign off
Feasible	FEAS	Investigatory stage	Any item of expenditure exceeding £10,000 once total project expenditure exceeds £50,000
Bid submitted	BIDS	Bid submitted for acquisition	Any item of expenditure exceeding £10,000 once total project expenditure exceeds £50,000

Bid accepted	BIDA	Bid accepted for acquisition – subject to Board/treasury approval	Any item of expenditure exceeding £10,000 once total project expenditure exceeds £50,000
Existing asset	FIXA	Existing asset development – pre contract	Any item of expenditure exceeding £10,000 once total project expenditure exceeds £50,000
Committed – without land	APPR	Board/Treasury approved	Any item of expenditure exceeding £10,000 once total project expenditure exceeds £50,000
Committed – with land	ACQD	Land purchase completed	NO – expenditure sign off in line with <b>Appendix 2</b>
In contract	CNTR	In contract, not yet on site	NO – expenditure sign off in line with <b>Appendix 2</b>
On site – main contractor	ONST	On site	NO – expenditure sign off in line with <b>Appendix 2</b>
On site – in house	ONST	On site	NO – expenditure sign off in line with <b>Appendix 2</b>
Complete	PCOM	Full scheme reached practical completion	
Post completion	POST	Last sales complete/retention paid	

- 7.3 Entering into a contract for the purchase of the property at a regeneration scheme (buy back), can be treated as contracted expenditure for the purposes of approval and does not need to be approved by the Chief Financial Officer, provided the expenditure is still approved inline with financial regulations.
- 7.4 Property staff can use the delegated approval levels shown in **Appendix 1** (Table 2) provided prior written approval has been obtained from the appropriate level of seniority.
- 7.5 All leases can only be signed as outlined in SO10 of the Scotland Standing Orders.

- 7.6 Staff are authorised to approve levels of expenditure for capital expenditure, development and reinvestment as set out by **Appendix 2** (all amounts include Value Added Tax).
- 7.7 Expenditure incurred in the construction, remodelling or remediation of a property, for rent or sale, is to be treated as capital expenditure for the purpose of approvals within Finance Regulations, although the expenditure may ultimately be incurred through the income and expenditure account.
- 7.8 Prior to contract being agreed between Group entities a budget of up to £250,000 to be allocated to internal construction to facilitate enabling works.
- 7.9 In order to ensure the continuity of service during a significant incident, authority can be delegated to cover for staff absence using the Delegation of Approval Authority form attached at **Appendix 3**. This must be authorised by the Group Chief Executive or the Chief Financial Officer. This is a temporary measure and will be removed once conditions allow.

**FR8 Banking Arrangements and Bank Mandates**

- 8.1 Barclay's Bank plc is the Group's main clearing bank, the governing body of Sanctuary Scotland has delegated authority to establish and maintain bank accounts with the following:

Barclays Bank plc.

- 8.2 Investments are placed with financial institutions as approved by the governing body. The credit rating of all financial institutions with whom the Group has an exposure are monitored on a monthly basis and reported to the Group Audit and Risk Committee on a quarterly basis. The following are approved institutions for the investment of surplus funds;

Nationwide Building Society.

- 8.3 Any cheques, electronic payments, drafts, bills, promissory notes, acceptances, negotiable instruments, orders and instruction for Group accounts (except those covered by 9.5) where pre-approval does not exist may be signed by the Group Officers referred to in Table C below, subject to the limits in Table A. Where revenue expenditure has been pre-approved in line with these regulations (e.g. approved PO; approved Non-PO; OTV; approved Value Added Tax payments; approved payroll related payments and so on), the submission of the total 'request to pay' to the bank may be approved by Group Officers referred to below in line with Table B.

Table A

£1,000 or less	Any 1 signature from either List A or List B
£1,000.01 to £15,000	Any 2 signatures from either List A or List B
£15,000.01 to £999,999.99	2 signatures with a least one being from List A
£1,000,000 or more	2 signatures from List A
All other total payment amounts	2 signatures with a least one being from List A
Any invoices included in the above £1,000,000 or more	1 signature from List A for each invoice

Table B

£50,000 or less	Any 1 signature from either List A or List B
All other total payment amounts	2 signatures with at least one being from List A
Any invoices included in the above £1,000,000 or more	1 signature from List A for each invoice

Table C

List A	List B
Group Chief Executive	Heads of Finance
Chief Financial Officer	Senior Finance Managers
Director of Group Finance	Finance Manager
Director - Financial Planning and Analysis	
Director - Treasury Services	
Director - Corporate Finance	
Director of Finance – Care & SSL	
Finance Director - Affordable Housing	
Finance Director - Development	
Finance Director – Homes and Customers	

- 8.4 The authorisation levels in the tables above will also apply to new payments and the amendment or removal of existing payment direct debits or standing orders. The levels will apply to the estimated annual cost of the goods or services. The authority will automatically renew each year providing the expected cost is covered by an approved budget. If the spend is expected to exceed the approved budget, additional authorisation must be obtained in line with the tables at 8.3.
- 8.5 Approval of contractual interest payments and repayment of principal in line with signed loan facilities subject to tables D and E shown below.

Table D

£1,000 or less	Any 1 signature from either List A or List B
£1,000.01 to £15,000	Any 2 signatures from either List A or List B
£15,000.01 to £999,999.99	2 signatures with at least 1 being from List A
£1,000,000 or more	2 signatures from List A

Table E

List A	List B
Group Chief Executive	Heads of Finance
Chief Financial Officer	Senior Finance Managers
Director - Treasury Services	
Director of Group Finance	
Director - Financial Planning and Analysis	
Director - Corporate Finance	
Director of Finance – Care & SSL	
Finance Director - Affordable Housing	
Finance Director - Development	
Finance Director – Homes and Customers	

8.6 Authority to incur redemption penalties requires Group Board approval.

8.7 Investment of surplus funds with approved financial institutions to be approved as in 8.5 above.

#### FR9 **Petty Cash Imprests**

9.1 The Director - Sanctuary Scotland is authorised to establish petty cash imprests in offices and/or schemes in accordance with the approved policy on petty cash.

#### FR10 **Writing Off Irrecoverable Income**

10.1 Income is written off in accordance with the accounting policies of the Group when the debt is deemed to be irrecoverable. Before any income is written off in the financial records of Sanctuary Scotland, the approval of the Governing body must be

obtained. The Governing body shall also approve the writing off of any arrears of rent and sundry debts. All write offs shall also require the authorisation of the Chief Financial Officer, or Director - Treasury Services, or Director of Group Finance or Director - Financial Planning and Analysis or Director of Finance – Care & SSL or Finance Director – Homes and Customers or Finance Director - Affordable Housing or Finance Director - Development. Write offs individually over £100,000 also require approval from either the Group Chief Executive or the Chief Financial Officer.

- 10.2 A report will be provided to the Governing body at its first meeting after 31 March each year to outline the value of debts written in the financial year just ended along with details of any individually significant items.
- 10.3 Where it is possible to recover some, but not all outstanding former tenant arrears, settlements can be approved as shown in Table F below;

Table F

Grade	Level	Proportion of Write Off
M6+	Head of Service	Up to 90%
M3+	Regional Manager	Up to 75%
M2+	Team Leader	Up to 50%
H6+	Customer Account Assistant	Up to 30%

#### FR11 **Depreciation and Amortisation Policy**

- 11.1 Depreciation and amortisation rates will be as set out in specific Capital policies and set out in the Group financial statements.
- 11.2 The Group Chief Executive and the Chief Financial Officer are authorised to apply different depreciation/amortisation rates when the specific nature of the asset so requires it.

#### FR12 **Pay and Expenses - Officers**

- 12.1 Wages and salaries will be paid in accordance with the approved Group policy on pay and benefits. All salaries shall be paid through the payroll and not through petty cash, regardless of how small the payment or how short the period of employment.
- 12.2 The monthly and lunar payrolls shall be authorised by one of Group A shown in Table G and released on Webseries by a different member of Group B shown in Table H where:

Table G

<b>Group A</b>
Group Chief Executive
Chief Financial Officer
Director - Treasury Services
Director of Group Finance
Executive Director - Corporate Services
Director - Financial Planning and Analysis
Director - Corporate Finance

Table H

<b>Group B</b>
Chief Financial Officer
Director – Corporate Finance
Director of Group Finance
Director – Financial Planning and Analysis
Head of Financial Analysis
Head of Financial Reporting
Head of Shared Service Centre
Senior Finance Manager - Group Reporting

- 12.3 Requests for manual payments outside of the monthly pay runs should be requested via a Manual Payment request form available on Solis. This form is reviewed and approved by the payroll team. The payment will be approved and paid in line with FR8.3.
- 12.4 Sanctuary Scotland shall pay travel expenses and subsistence to Officers accordance with the approved Travel, Subsistence and Expenses policy. Line managers shall approve all expenses. Any expense claims of £750 or above shall be approved in addition by a Director.
- 12.5 Annual salary increases shall be determined in accordance with the Group policy on pay and remuneration.

**FR13 Members' Expenses**

- 13.1 While the provisions of Schedule 7 to the Housing (Scotland) Act 2001 were repealed in April 2010, the spirit of Schedule 7 is still applied in order to maintain high levels of probity.
- 13.2 Sanctuary Scotland's policy is to pay expenses to Members necessarily incurred on their business. "Sanctuary Scotland's business" is defined as follows:
  - a) Any properly convened and recorded Meeting of the Board, a Committee, Sub Committee or Working Group of the Sanctuary Scotland with an Officer in attendance; or

- b) Any training event, seminar or conference authorised in advance by the Director - Sanctuary Scotland: or
- c) Any properly convened meeting of any other organisation or body which Members are required to attend as delegates or representatives of Sanctuary Scotland and where expenses cannot be claimed from that other organisation or body; or
- d) Any other meeting or event authorised in advance by the Director - Sanctuary Scotland.

13.3 The circumstances in which Members can claim for reimbursement of expenses and the procedure for applying for such expenses is set out in the Sanctuary Housing Association policy and procedure entitled "Gifts, Hospitality and other Benefits". It is the responsibility of Members to comply with this policy and procedure.

**FR14 Cash Receipts and Payment**

14.1 All cash collected shall be recorded on a standard cash sheet. Issue of these sheets shall be recorded. All cash so received should be banked without delay in accordance with instructions issued by the Chief Financial Officer.

**FR15 Collection and Banking of Income**

- 15.1 The arrangements for the collection of all monies due to Sanctuary Scotland shall be under the control of the Chief Financial Officer but with delegation given to the Director - Sanctuary Scotland.
- 15.2 All monies received on behalf of Sanctuary Scotland shall be banked in the relevant account.
- 15.3 The Chief Financial Officer may require the Director - Sanctuary Scotland to furnish such particulars of charges for work done, goods supplied and services rendered and of amounts accruing due, in order to ensure that there is prompt recording of all sums receivable.

**FR16 Rent Setting and Reviewing**

16.1 Sanctuary Scotland's policy statement on Rent Setting determines the way in which rents for Scottish Secure Tenancies and Short Scottish Secure Tenancies are set and reviewed.

- 16.2 Tenancy agreements shall contain a rent review clause which allows the rent to be reviewed annually, normally on the first Monday in July each year.

**FR17 Interim and Final Certificates**

17.1 Major Repairs, Renewals and Improvements Contracts

The following officers are authorised to sign *interim and final* certificates in relation to major repairs, renewals and improvement contracts being administered by the Group's or Sanctuary Scotland 's technical staff:

Director - Sanctuary Scotland;  
Heads of Department;  
Senior Manager; and  
Senior Staff Member (Property or Development and Asset Strategy).

17.2 Cyclical Decorations Contracts

The following officers are authorised to sign *interim* certificates in relation to cyclical decorations contracts being administered by the Group's or Sanctuary Scotland's technical staff:

Director - Sanctuary Scotland;  
Senior Manager; and  
Senior Staff Member (Property).

The following officers are authorised to sign *final* certificates in relation to cyclical decorations contracts being administered by the Group's technical staff:

Director - Sanctuary Scotland;  
Senior Manager; and  
Senior Staff Member (Property).

**FR18 Scottish Housing Regulator - authorised signatories**

- 18.1 The following Officers are authorised to sign the undernoted submissions to the Scottish Housing Regulator:  
All documents:

Chair of governing body;  
Group Chief Executive;  
Chief Financial Officer;  
Company Secretary;  
Director - Sanctuary Scotland;  
Director - Treasury Services;  
Director of Group Finance;  
Director - Financial Planning and Analysis;

Director of Corporate Finance;  
Head of Business Information and Designated Staff  
Members(via the Scottish Housing Regulator's portal); and  
Deputy Company Secretary.  
Finance Director – Development;  
Senior Finance Manager.

All development scheme and major repair documents including  
grant applications and claims, except Consents for Disposal:

Development Director, Development Managers, Head of  
Development Programmes, Head of Development – Programme  
Delivery and Development Compliance Manager

**Appendix 1**  
**Approval limits for graded officers (Table 1)**  
**Sanctuary Scotland Financial Regulations**

**Delegated authority limit for budget holders within approved budget/ specific approvals.**

<b>Financial Impact</b>	<b>Sanctuary Scotland</b>	<b>*Unapproved budgets for all business units</b>
<b>Group Chief Executive</b>	No Limit	£1,000,000
<b>Chief Financial Officer</b>	No Limit	£1,000,000
<b>Group Director</b>	£500,000	£50,000
<b>Finance Director - Development Construction Director – Development Development Director - National</b>	£250,000	£50,000
<b>Director of Group Finance/ Director - Financial Planning and Analysis / Director of Property Services/ Director - Treasury Services / Director of Corporate Finance / Director of Customer Experience and Compliance / Finance Director – Homes and Customers</b>	£250,000	£15,000
<b>Director Director of Compliance Director of Building Safety Director of Property Performance Operations Directors Heads of (grade 14 and above)</b>	£150,000	n/a
<b>13 / 12 Head of Housing Head of Independent Living</b>	£50,000	n/a
<b>11 Housing Manager</b>	£30,000	n/a
<b>10 Area Manager</b>	£20,000	n/a
<b>9</b>	£10,000	n/a
<b>8 and below</b>	£1,000	n/a
<b>Care Regional Maintenance Managers</b>	£10,000	n/a
<b>Designated authorised staff only</b>	Up to £3,000	n/a
<b>Property Surveyors (Assets, Maintenance, Senior) / Trade Supervisors</b>	£5,000	n/a

\*Expenditure unapproved by the Group Board or Executive Committee requires both the Group Chief Executive and Chief Financial Officer signatures for amounts over £250,000.

The Group Chief Executive and the Chief Financial Officer can approve across all approved budgets/cost centres.

\* All Technology related expenditure must be approved by the Chief Information Officer or an authorised delegate from their team to comply with the approval limits above

## Appendix 1

### Sanctuary Maintenance Contractors Limited - Delegated approval limits (Table 2)

**Sanctuary Maintenance Contractors Limited only. Prior approved delegated authority limit for budget holders within approved budget/specific approvals.\*\***

**Applies only to staff raising property works orders in the Customer Contact Centre, the Property Hub, and resource planning staff from compliance delivery teams.**

\*\*Delegated approval limits can only be used where written prior approval has been obtained from the appropriate level of seniority, otherwise the approval limits in **Appendix 1** (Table 1) apply.

Group grade	SMCL grade	Approval Level
14/ Head of Customer Contact Centre National Head of Property Services Hub	n/a	£200,000
12/ Head of Responsive Repairs	n/a	£50,000
11/ Senior Customer Contact Manager/Senior Customer Care Manager/Senior Customer Delivery manager	I	£30,000
10/ Customer Contact Manager/ Resource, Quality and Customer Experience Manager/Project Manager	G/H	£20,000
9/Team Manager/Customer Care Team Manager/Scheduling Manager	F	£20,000
8/Senior Field Workforce Planner	OIMSFW P	£10,000
7/ Customer Case Officer	DS	£10,000
7/Administrator/ Gas Planner /Customer Care Agent/ /Customer Care Planner/ Works Coordinator/Assistant Customer Case Officer	D OIMSAP	£10,000
6 & 5/Administration Officer	C	£5,000
4/Administration Assistant	B	£5,000

- All Technology related expenditure must be approved by the Chief Information Officer or an authorised delegate from their team to comply with the approval limits above

## Appendix 2 Capital Expenditure

### Sanctuary Scotland Financial Regulations

Delegated authority limits for budget holders within approved budget/ specific approvals including pre contract expenditure.

Group grade (or Role Specific)	Approval level (excluding REPCAP)	Unapproved - Group*
Group Chief Executive	No Limit	£1,000,000
Chief Financial Officer	No Limit	£1,000,000
Group Managing Director - Asset Strategy and Development	£5,000,000	£15,000
Chief Customer Officer Chief Operating Officer - Commercial Finance Director - Development Director of Property Services Director of Customer Experience and Compliance Director of Compliance Director of Building Safety	£2,000,000	£15,000
Construction Director Construction Director - Development Director of Property Management – Care Director of Building Remediation Director of Quality and Chief Nurse National Head of Asset Sustainability Regional Head of Service (Property) Development Director - National Development Director - England Development Director - Scotland	£1,500,000	£15,000
Directors (Development) Head of Asset Sustainability	£750,000	n/a
Development – Heads of	£250,000	n/a
Head of Operations – Property Head of Operations – Gas and National Head of Operations – Fire and Security Head of Compliance Delivery	£150,000	n/a
Group Directors Director - Sanctuary Students Director – Sanctuary Scotland 11, 12 and 13 Care Property staff only 11,12 Property Staff	£100,000	n/a

<b>Director of Technology Operations</b> <b>National Head of Compliance Delivery (SMC14)</b> <b>Director of Compliance + Building Safety</b>	£75,000	n/a
<b>Directors</b> <b>10 Asset and Care Property staff only</b> <b>Deputy Heads of Service (Property)</b> <b>Grade 10 Property staff</b> <b>Director of Finance – Care &amp; SSL</b> <b>Director of Property Performance</b> <b>Finance Director - Affordable Housing</b> <b>Heads of Housing</b>	£50,000	n/a
<b>Group Facilities Manager</b>	£30,000	n/a
<b>Contract Manager - Care</b> <b>Housing Managers</b>	£25,000	n/a
<b>Head of Housing</b> <b>Grade 9 Care Property staff</b> <b>Grade 9 Property staff</b> <b>Property Hub Grade F</b>	£10,000	n/a
<b>Housing Managers</b> <b>Regional Maintenance Manager</b> <b>Grade 8 Property Care staff</b> <b>Grade 8 Property Staff</b> <b>Property Hub Grades C, D and DS</b>	£5,000	n/a

Group grade (or Role Specific)	Property Services - REPCAP Only
Group Chief Executive	No Limit
Chief Financial Officer	No Limit
Chief Customer Officer Director of Property Services Director of Customer Experience and Compliance	£2,000,000
National Head of Compliance Delivery Regional Head of Service (Property) Head of Asset Sustainability	£1,500,000
Head of Operations - Gas and National Head of Operations - Fire and Security Head of Operations - Property Deputy Heads of (Property)	£500,000
Grades 11 & Grade 12 Property Staff	£25,000
Grade 10 Property Staff	£15,000

<b>Grade 9 Property Staff Property Hub Grade F</b>	£12,500
<b>Grade 8 Property Staff</b>	£10,000
<b>Grade 7 Property Staff Property Hub Grades C, D and DS</b>	£5,000

\*Expenditure unapproved by the Group Board or Executive Committee requires both the Group Chief Executive and Chief Financial Officer signatures for amounts over £250,000. The Group Chief Executive and Chief Financial Officer can approve across all approved budgets/cost centres. All company car purchases require the approval of one of the Group Chief Executive or Chief Financial Officer. Compliance with Financial Regulations is mandatory.

**Appendix 3**

## Delegation of approval authority

By means of this form, I ..... (Job Title .....)  
delegate the approval levels as outlined below to .....  
effective from ...../...../..... and shall terminate on ...../...../.....

Revenue expenditure      £.....

Capital expenditure      £.....

These levels of approval apply across the following operations divisions;

Affordable Housing/Supported Living/Property Services/Care

Students and Commercial/Central Services\*

Delete as required\*

Approved.....(GCE/CFO)