

COMPANY NAME:

Hillcrest

POLICY NUMBER:

F01

POLICY TITLE:

Financial Regulations

This document can be produced in different formats, for example, in larger print or audio-format, and in other languages, as appropriate. We promote equality through seeking to eliminate unlawful and unfair treatment on the ground of any protected characteristic, as appropriate.

Underpinning and Supporting Documents

This policy should be read in conjunction with the following documents:

Other Policies:

- General Regulations
- Risk Management Policy
- Treasury Management Policy
- Standing Orders
- Fraud Policy
- Money Laundering Policy
- Bribery Policy

Compliance:

- Model Rule of the Association
- Regulation of Social Housing in Scotland – Our Framework

Legislation:

- Statement of Recommended Practice – RSL's
- Statement of Recommended Practice – Charities
- Statement of Recommended Practice – LLP's
- Financial Reporting Standard 102

Best Practice:

- Financial Procedures Manual

1. Policy Statement

The Financial Regulations set out the financial management and control of all companies within Hillcrest.

These Regulations provide clarity on processes and a clear scheme of delegation of authorities for budget setting, ordering, and authorisation. The Regulations provide the Governing Body with assurances; the resources of all the Hillcrest Companies can achieve the Business Objectives set in the Business Plan. In particular, assurance is given on;

- Financial viability over short- and longer-term timescales
- Financial controls over all financial transactions and activities
- Compliance with relevant legislation and accounting standards
- Safeguarding the assets of Hillcrest

The Financial Regulations are reviewed regularly and at least every 2 years and approved by the Governing Body of Hillcrest Homes.

2. Principles

These are the principle areas covered by the Financial Regulations:

External Audit

An external audit is carried out on annual basis by a third-party organisation and is an independent examination of the financial records prepared by Hillcrest. The objective of the external audit is to verify that the accounting records provide a true and accurate view of finances and that statements are prepared in accordance with set laws and accounting standards. Responsibilities are detailed in Appendix 1 (section 1).

Internal Audit

An Internal audit is carried out on a regular basis across a number of financial and non-financial activities. The objective of the internal audit is to provide independent assurance that internal controls, risk management, and governance are operating effectively. Responsibilities are detailed in Appendix 1 (section 2).

Statutory Accounts

Statutory Accounts are a set of financial reports prepared at the end of each financial year. Statutory Accounts are audited by External Auditors and submitted to Companies House on an annual basis. Statutory Accounts are prepared in a set format in line with accounting standards. Responsibilities are detailed in Appendix 1 (section 3).

Management Accounts

Management Accounts are produced monthly for each company in Hillcrest. Management Accounts provide insight on financial performance and provide support for operational and strategic decision-making. Management accounts will follow broadly similar formats across each company. Responsibilities are detailed in Appendix 1 (section 4).

Budgeting

Hillcrest Homes and Hillcrest Enterprises prepare 30 Year Budgets on an annual basis. Hillcrest Futures and Hillcrest Maintenance prepare 3 Year Budgets on an annual basis. Responsibilities are detailed in Appendix 1 (section 5).

Budget Revenue

The Governing Body and Subsidiary Boards approve a Revenue Budget on an annual basis as part of the Budget Approval process. Responsibilities are detailed in Appendix 1 (section 6).

Budget Capital (Non-Development)

The Governing Body and Subsidiary Boards approve all capital expenditure as part of the Budget Approval process. Responsibilities are detailed in Appendix 1 (section 7).

Budget Capital (Development)

The Governing Body approves a 30 Year Development Budget, and a shorter-term Development Programme as part of the Budget Approval process. Responsibilities are detailed in Appendix 1 (section 8).

Cheque signatories/Bacs Payments/Loans/Inter-Company Lending

Cheque signatories and regulation for signing are detailed in Appendix 1 (section 9). Authorisation Limits for expenditure are detailed in Appendix 2.

Salaries

Regulations for the payment of salaries are detailed in Appendix 1 (section 10).

Insurance

Regulations for managing Insurance are detailed in the Appendix 1 (section 11).

Income Receipts

The finance department are responsible for the recording and co-ordination of the receipt of income across Hillcrest.

Income Rents

Regulations for managing Rents are detailed in Appendix 1 (section 12).

Income Sales Ledger

Regulations for managing Sales Ledger Income are detailed in Appendix 1 (section 13).

Income Other

Regulations for managing Sales Ledger Income are detailed in Appendix 1 (section 14).

Treasury Management

The Treasury Management Policy F02 is the detailed document covering all financial and reporting matters relating to Loans, interest rate management, and Deposits.

3. Responsibilities

The Financial Regulations outline the responsibilities of the Members and the Officers of Hillcrest, respectively.

Role of Members

- Governing Body Members are required to consider the areas of delegation that can be given to Hillcrest staff.
- Governing Body Members must review the Financial Regulations at least every two years to ensure that the scheme of delegations is still appropriate.
- Governing Body Members instruct the Director of Finance and Property to ensure that the document is shared with all the Subsidiary Companies in Hillcrest.
- Governing Body Members expect the Director of Finance and Property to report back on any breach of the Financial Regulations for consideration and action.

Role of the Officers

- The Director of Finance and Property will review the Financial Regulations and present them to the Governing Body for approval if any changes are required.
- The Director of Finance and Property will as a minimum, present the Financial Regulations to the Governing Body every two years for approval.
- The Director of Finance and Property will ensure that the Subsidiary Board of Directors has knowledge of the Financial Regulations. They will also ensure and that these are presented to a Board Meeting at least every two years.
- The Director of Finance and Property will ensure that the Financial Regulations are saved on the Intranet and that all employees are aware of the scheme of delegation.

- The Executive Team will regularly include the compliance of the Financial Regulations as an Internal Audit topic to provide comfort that there are no breaches.
- The Director of Finance and Property will ensure that any breach in the Financial Regulations is reported timeously to the Governing Body and any other relevant regulatory organisation.

All Employees

- It is the responsibility of all employees to familiarise themselves with the guidelines contained within the Financial Regulations
- All employees must ensure that if they only authorise invoices, purchase orders, and any other expenses in line with the limits contained within the Financial Regulations – appendix 2.

4. Complaints

We aim to provide a first-class service, but tenants or other customers may not be satisfied by the outcome of this procedure, or any appeal made. Anyone who is affected by the implementation of Hillcrest’s policies and procedures can make a complaint; this would include a member of the public who could have access to or be affected by our services.

Complaints can be made in person at any of our offices, by phone, in writing, email or by using our complaints form.

Document Governance and Management

Author/ Lead:	Mark Percival, Director of Finance and Property
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Current version approved on:	25/11/2025

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