Southward Housing Co-operative Financial Standing Orders	V3 Author: MMc Date: 3 February 2026 Approved by Committee: 14/04/26

1. Introduction

These Financial Standing Orders set out how the Co-operative manages, controls, and safeguards its financial resources. Their purpose is to protect members' funds, prevent fraud, and ensure that all financial decisions are made transparently, fairly, and in the best interests of the Co-operative.

They apply to all Committee members, officers, volunteers, and anyone acting on the Co-operative's behalf, including managing agents.

These Standing Orders must be followed alongside the Co-operative's Rules and the Fraud Prevention and Internal Controls Policy. Where there is any inconsistency between documents, the more stringent requirement will take precedence.

2. Purpose of the Financial Standing Orders

The purpose of the Financial Standing Orders is to:

- set out the responsibilities of the Committee in relation to the Co-operative's financial and associated activities;
- provide guidance to the Committee on recurring financial tasks that require periodic review, including the approval of the annual budget, quarterly finance reports, and annual accounts;
- establish the procedures for operating the Co-operative's bank accounts and managing the investment of funds;
- ensure the Co-operative's accounting records are accurate, well-maintained, and kept up to date;
- define the authority levels required for all categories of expenditure;
- set out the processes to be followed when commissioning significant expenditure, particularly major works and component replacements;
- describe the role of managing agents in financial matters and clarify the division of responsibilities between the Committee and the managing agents.

3. Roles and Responsibilities

3.1 The Management Committee holds collective responsibility for the Co-operative's financial leadership and oversight. This includes the maintenance of internal controls, safeguarding of assets, prevention and detection of fraud, and ensuring compliance with all relevant legislation, policies, and regulatory requirements. The Committee remains accountable for how the Co-operative's finances are managed.

3.2 The Treasurer is responsible for the day-to-day oversight of the Co-operative's financial operations. This includes:

- ensuring financial systems operate effectively;
- keeping financial records accurate and up to date;
- monitoring cash flow and bank activity;
- producing timely and accurate financial reports for the Committee; and
- supporting the Committee in ongoing financial decision-making.

3.3 The Chair is responsible for ensuring the effectiveness of the Co-operative's governance arrangements and supporting the Committee to function efficiently.
Where urgent decisions are required between Committee meetings, the Chair may exercise "Chair's Action." Any such decisions must be reported to the next scheduled Committee meeting for review and formal noting.

3.4 Segregation of duties must be maintained wherever practicable to strengthen internal controls.

No individual may:

- set up and authorise the same payment; or
- handle cash while also maintaining the associated financial records.

Financial tasks must be shared between Committee members or authorised individuals to avoid undue concentration of responsibility.

3.5 Managing agents or other third-party service providers may perform specific financial or administrative functions where formally instructed in writing. However, the Management Committee retains ultimate responsibility for all financial matters and must ensure appropriate oversight, review, and monitoring of any delegated tasks.

4. Ethical Standards & Conflicts of Interest

4.1 All Committee members and officers must act with integrity, honesty, and in the best interests of the Co-operative at all times. They must avoid any personal, financial, or family benefit arising from their role and comply with the Co-operative's Conflict of Interest and Code of Conduct policies.

4.2 Any actual or potential conflict of interest must be declared at the earliest opportunity and recorded in the meeting minutes before discussion begins. Any individual with a conflict must withdraw from the decision-making process and must not approve or influence related payments or contracts.

4.3 Prospective contractors, suppliers, or service providers must declare any related-party relationships or connections with Committee members or officers prior to the award of a contract.

5. Banking Arrangements & Controls

5.1 Any decision to open or close a bank account must be approved by the Committee and recorded in the minutes.

5.2 The Co-operative will maintain an up-to-date confidential schedule of all operational bank accounts, authorised signatories, and online banking users. This schedule is updated only by Committee resolution.

5.3 All payments, including online and electronic payments, must require approval by at least two authorised individuals.

5.4 Online banking arrangements must provide adequate protection of funds, clear separation of duties, and a reliable electronic audit trail. Access to online banking is restricted to Committee-approved users, with individual login credentials that must not be shared.

5.5 Bank accounts must be reconciled to the accounting records at least monthly. Reconciliations must be independently reviewed and signed by a different authorised officer, with the date of review recorded.

5.6 The Committee must review authorised users, access rights, security controls, and transaction limits at least annually and whenever officers change. Any suspected fraud, error, or security breach must be reported immediately to the Chair and Treasurer and recorded in the minutes.

6. Income (Rents and Other Receipts)

6.1 All income, including tenants' rents and any other receipts, must be paid promptly into the Co-operative's current account. Cash receipts should be avoided wherever possible and must never be used to top up petty cash.

6.2 Rent ledgers and other income records must be reconciled to bank statements at least monthly to ensure completeness and accuracy of income received.

6.3 Receipts must be issued or otherwise recorded for all income to provide a clear and auditable record of transactions.

7. Approving and Making Payments

7.1 All payments must be supported by a completed Payment Request Form and the relevant invoice, receipt, or other evidence that the goods or services were provided.

7.2 All payments must be approved by two authorised Committee members. For payments over £5,000 (excluding VAT), at least one of the authorising signatories must be the Chair, Secretary, or Treasurer.

7.3 No individual may authorise a payment to themselves, a member of their household or family, or a contractor providing goods or services for their personal use.

7.4 Online payments must meet the same approval standards as other payments and require dual authorisation. Access rights, security devices, and user permissions must be approved by the Committee and not shared under any circumstances.

7.5 A clear audit trail must be maintained for every payment, including evidence of approval and electronic confirmation where applicable. All payment records must be available for review by auditors, managing agents, and the Committee.

7.6 Where urgent expenditure is required before the next Committee meeting, the Chair (or Vice-Chair in their absence) may approve the payment. All such approvals must be reported to the next Committee meeting and recorded in the minutes.

8. Petty Cash

8.1 A fixed petty cash float of £150 is held securely by an authorised officer, normally the Treasurer.

8.2 Petty cash is for minor expenditure only. Claims will normally not exceed £50; payments above this limit must be made by cheque or bank transfer.

8.3 All petty cash payments must be supported by numbered vouchers and receipts. Vouchers must be signed by both the Treasurer (or holding officer) and the recipient of the cash. The holding officer may not authorise their own petty cash claim; a second authorised officer must sign.

8.4 Periodic spot checks may be carried out by an authorised officer who is not the petty-cash holder. The petty cash float must be counted and reconciled at year end (31 March), with the balance confirmed in writing by the Treasurer and one Committee member.

8.5 The petty cash float is replenished through submission of a Petty Cash Claim Form, supported by receipts and vouchers.

9. Automatic Payments (Direct Debits and Standing Orders)

9.1 All automatic payments, including direct debits and standing orders, must be approved by the Committee before being set up.

9.2 All approved automatic payments must be recorded on the Approved Automatic Payments Register. The register is treated as confidential and maintained by the Treasurer.

9.3 Any new, amended, or terminated automatic payment must be reported to the next Committee meeting and recorded in the minutes.

9.4 The Committee will review the Approved Automatic Payments Register at least once each year to confirm continuing need, accuracy, and alignment with financial controls.

10. Rent Accounting & Arrears Management

10.1 Rent accounting records are maintained by authorised officers of the Co-operative. Managing agents, where engaged, are responsible for notifying tenants of approved rent changes and submitting Fair Rent applications where applicable.

10.2 The Committee will receive regular arrears reports, including a summary of outstanding amounts, aged analysis, recovery actions taken, and recommended next steps.

11. Rent Arrears, Bad Debts & Write-Offs

11.1 The Committee will receive regular reports on rent arrears and other outstanding debts to monitor trends, recovery activity, and emerging risks.

11.2 Reasonable and proportionate efforts must be made to recover debts before any write-off is considered. All recovery activity must be documented.

11.3 Approval of Write-Offs - Write-offs must be properly authorised as follows:

- Up to £100: may be approved by the Treasurer with supporting evidence; reported to the next Committee meeting.
- Over £100: requires Committee approval and must be minuted.
- Over £1,000: requires Committee approval supported by legal or managing-agent advice, and must be reported to the auditors as part of year-end processes.

10.4 All write-offs must include: explanation of the debt, recovery steps taken, justification for write-off, and the approval record.

10.5 The Committee will periodically review outstanding debts to ensure that irrecoverable amounts are not carried forward indefinitely.

12. Budgeting, Financial Reporting & Audit

12.1 Each January, the Committee will review and agree its plans for the coming three years, including major works, component replacements, and any expected changes in income or expenditure.

12.2 Based on the Committee's forward plans, the managing agents, where engaged for this purpose, will prepare a draft annual budget for consideration at the February or March meeting. The Committee will approve the final budget, which will then guide financial decision-making for the year.

12.3 Quarterly financial reports comparing actual performance against the approved budget will be presented to the Committee. These reports will highlight variances, emerging risks, and any required adjustments.

12.4 Annual accounts will be independently audited or examined in accordance with statutory or regulatory requirements. The audited accounts will be submitted to the relevant regulators and reported to the Committee upon completion.

13. Procurement & Expenditure Commitments

13.1 All procurement must demonstrate value for money, transparency, fairness, and a clear audit trail. Expenditure may only be committed after the appropriate approval has been granted.

13.2 The Maintenance Officer may authorise routine maintenance up to £500 (excl. VAT) per job/property, provided expenditure remains within the approved quarterly maintenance budget. Once the quarterly budget is exhausted, all further maintenance requires Committee approval.

13.3 For works, supplies, or services, the following thresholds apply:

- Under £1,000 (excl. VAT):
  A verbal estimate is acceptable; record the supplier and estimated amount.
- £1,000–£3,000 (excl. VAT):
  Committee approval required; a written estimate is recommended.
- £3,000–£10,000 (excl. VAT):
  Obtain at least three written quotations. All quotes should be opened together by at least three Committee members (one may be the Maintenance Officer).
- Over £10,000 (excl. VAT):
  A formal tender process must be followed in accordance with the Co-operative’s Tender Policy.

Where multiple components of the same type are purchased or replaced, the total value to any one contractor must be used to determine which threshold applies.

13.4 The Committee must record the basis of its selection decision, including justification where the lowest quotation is not chosen. All quotes and tender documents must be retained to ensure a transparent audit trail.

13.5 Suppliers must confirm whether any related-party connections exist with Committee members or officers. Any such connection must be scrutinised by the Committee, and the decision must be minuted before an order is placed.

14. Insurance Review

Each year, the Committee will review the insurance schedule provided by the managing agents, including the risks covered, sums insured, excesses and any endorsements, to ensure that the Co-operative maintains adequate and appropriate insurance cover.

15. Annual Accounts, Audit & External Reporting

15.1 The managing agents will prepare a draft set of annual accounts for audit no later than four months after the end of the financial year.

15.2 Once audited, the accounts will be presented to the Committee for review, approval, and signature by the relevant officers.

15.3 Following officer and auditor signatures, the final audited accounts will be submitted to the Financial Conduct Authority (FCA) and any other relevant regulator as required.

15.4 The auditors will issue an audit management letter identifying any findings or recommendations. The managing agents will prepare a written response addressing these points, and both the letter and the response must be reviewed and approved by the Committee before submission to the Regulator where required.

16. Training, Induction & Policy Awareness

16.1 New Committee members will receive an induction within three months of appointment. This will cover the Financial Standing Orders, key financial controls, fraud prevention, conflicts of interest, and any other policies relevant to their responsibilities.

16.2 Refresher training will be provided at least every two years, or sooner if significant policy changes occur.

16.3 All Committee members are expected to remain familiar with the Co-operative’s financial policies and procedures, including any updates approved by the Committee.

16.4 Any concerns about financial irregularities, suspected fraud, or breaches of financial procedure must be reported immediately to the Chair or Treasurer.