



FINANCIAL REGULATIONS

Policy Owner	Group Chief Executive/Company Secretary
Policy Author(s)	Director of Finance and Business Support
Applicable to	Harbour Homes and all subsidiaries
Approved by Group Leadership Team	24 June 2025
Approved by Finance and Risk Committee	17 July 2025
Approved by Harbour Board	21 August 2025
Formal Review Cycle	5 years
Next Formal Review Date	June 2030
Reason for Revision	Full revision following Governance Review
Methods for raising awareness & training users about the content of this document	• Document will be saved electronically and made available to all staff. • Will be placed on Managers agenda and cascaded to staff teams.
The document has a direct link to the following PoLHA policies and procedures	• Scheme of Delegation • Financial Regulations • Treasury Policy and Procedures • Procurement Policy and Procedures
This policy complies with the requirements of these legal and/or regulatory documents	Standards of Governance and Financial Management as set out in the Framework for Regulation of Social Housing in Scotland (February 2012)
Equality Impact (EIA) Assessment Status	• EIA carried out by Director of Finance and Corporate Services 2/7/2025 and record lodged. • Policy adjudged to have no impact relating to the management of equality and diversity issues.

Contents

Section	Contents	Page
1	Glossary of Terms	4
2	Accountabilities and authorities	4
3	Budgeting	5
4	Budgetary Control	5
5	Financial Planning	5
6	Management Accounts	5
7	Format of Accounts	5
8	Treasury Management	5
9	Taxation	6
10	Accounting Returns	6
11	Accounting Records	6
12	Collection of Income	6
13	Purchase Orders	7
14	Procurement	7
15	Payment of Invoices	7
16	Payroll	7
17	Pensions	8
18	Travel, Subsistence and other Allowances	8
19	Assets	8
20	Insurance	8

HARBOUR HOMES LIMITED

FINANCIAL REGULATIONS

1. GLOSSARY OF TERMS

The following interpretation and abbreviations are used in the Financial Regulations:

Word	Interpretation
Harbour Homes	Harbour Homes, parent company of the group.
Board of Management	The Managing Board of Harbour Homes.
Committee	A Committee of Harbour Homes appointed by the Harbour Homes Board shall have the same meaning as the term sub-Committee used in the Rules.
Group Chief Executive	The Chief Executive of Harbour Homes and group of subsidiary companies, or anyone who is deputising for them.
Director	Any member of the Group Leadership Team.
Group Leadership Team	The senior staff team comprising the Group Chief Executive and Directors of Harbour Homes.
Budget Holder	A member of staff formally allocated funds within the overall approved budget, in order to directly manage and control an authorised service, project or function of the Group.

2. ACCOUNTABILITIES AND AUTHORITIES

- 2.1. Board and Committee accountabilities and authorities are set out in the Group Standing Orders. The Group CEO and staff accountabilities and authorities are set out in the Scheme of Delegation.

3. BUDGETING

- 3.1. The Director of Group Finance and Business Support is accountable for ensuring a budget is prepared annually for consideration by the Leadership Team and the Group Audit and Remuneration Committee before submission to the Board. The budget should also include cashflow forecasts for the year and a projected year-end balance sheet. The Director of Group Finance and Business Support must ensure that detailed budgets are prepared in order to support the resource allocation process and that these are communicated to Directors following their approval by the Board.

BUDGETARY CONTROL

- 3.2. No expenditure shall be incurred unless it forms part of a budget or revised forecast agreed by the Board unless specifically allowed for under the scheme of delegated authority.
- 3.3. Before the draft budget is presented to the Board, it will be reviewed by the Group Leadership Team and the Finance and Risk Committee.
- 3.4. The control of income and expenditure within an agreed budget is the responsibility of the designated budget holder who must ensure that day to day monitoring is undertaken effectively and in compliance with the Budgetary Control procedure.

4. FINANCIAL PLANNING

- 4.1. The Director of Group Finance and Business Support is accountable for the preparation of medium and long term financial projections to support the business planning process, for regulatory requirements and to satisfy the requirements of the Group's funders.

5. MANAGEMENT ACCOUNTS

- 5.1. The Director of Group Finance and Business Support is accountable for the preparation, updating and review of management accounts.

6. FORMAT OF THE ANNUAL ACCOUNTS

- 6.1. The accounts for each entity and the group are prepared for the financial year ending 31 March, in accordance with applicable accounting standards as issued by UK accountancy bodies and in compliance with the Registered Social Landlords Accounting Requirements (Scotland) Order and the Statement of Recommended Practice, Accounting Registered Social Housing Providers (SORP).

7. TREASURY MANAGEMENT

- 7.1. Harbour Homes adopts the key recommendations of the Chartered Institute of Public Finance & Accountancy ("CIPFA's") Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes (2011 edition) ("the Code") as described in Section 4 of that Code.
- 7.2. Accordingly, Harbour Homes will create and maintain, as the cornerstones for effective treasury management:
 - a Treasury Management Policy Statement, setting out the policies and objectives of its treasury management activities

- suitable Treasury Management Practices (“TMPs”), setting out the manner in which PoLHA will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

8. TAXATION

- 8.1. The Director of Group Finance and Business Support is accountable for advising Directors on all taxation issues in the light of guidance issued by the appropriate bodies and the relevant legislation as it applies to the Group. Therefore the Director of Group Finance and Business Support will issue instructions to departments on compliance with statutory requirements including those concerning VAT, PAYE, national insurance and corporation tax.
- 8.2. The Director of Group Finance and Business Support is accountable for maintaining the Group’s tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date.

9. ACCOUNTING RETURNS

- 9.1. The Director of Group Finance and Business Support is accountable for the submission of financial returns to The Scottish Housing Regulator and other agencies as required. The Director of Group Operations is also accountable for ensuring that all grants due are claimed and received.

10. ACCOUNTING RECORDS

- 10.1. The Director of Group Finance and Business Support is accountable for the retention of financial documents. These should be kept in a form acceptable to the relevant authorities. Details of the retention policy for all documents can be found in the Data Protection Policy.

11. COLLECTION OF INCOME

- 11.1. The Group Finance Manager should ensure that:
- i) swift and effective action is taken to collect overdue rents in accordance with the Association’s rent collection and arrears management policy;
 - ii) swift and effective action is taken to collect overdue debts in accordance with the Group’s procedures;
 - iii) invoices are raised promptly in respect of income due to the Group;
 - iv) outstanding debts are monitored and reports are prepared for the Group Leadership Team;
 - v) a fund is maintained for cyclical maintenance in an interest bearing bank account and annual statements are issued to owners.

12. PURCHASE ORDERS

- 12.1. At the discretion of the Group Chief Executive or Directors, a signed official letter may be used to commit the same expenditure and a copy forwarded

promptly to the Director of Group Finance and Business Support.

12.2. At the discretion of the Group Chief Executive or Directors an email may be used to commit the same expenditure and a copy forwarded promptly to the Director of Group Finance and Business Support.

12.3. Official orders must be used, when requested by a supplier, for the purchase of all goods or services, except supplies of public utility services, periodical payments such as rates, or maintenance agreements, petty cash items, credit card orders, or such other exceptions as the Finance Manager may approve.

13. PROCUREMENT

13.1. Subject to special rules imposed by the regulatory bodies, the Organisation's policy on Procurement involving competition are applicable.

14. PAYMENT OF INVOICES

14.1. The procedures for making all payments shall be in a form specified by the Group Finance Manager.

14.2. The Group Finance Manager will have the authority to decide the most appropriate method of payment for categories of invoice. Payments will normally be made electronically.

14.3. Suppliers should be instructed by the budget holder to submit invoices for works, goods or services to the Finance Department.

14.4. Directors are accountable for ensuring that expenditure within their department does not exceed budget.

14.5. Payments will only be made by the Finance Department against invoices that have been authorised for payment in accordance with the authorities approved by the Group Leadership Team and where:

- i) the goods have been received, examined and approved with regard to quality and quantity, or that services rendered or work done is satisfactory;
- ii) it is matched to the purchase order;
- iii) invoice details (quantity, price, discount) are correct;
- iv) the invoice is arithmetically correct;
- v) the invoice has not previously been passed for payment.

15. PAYROLL

15.1. The Group Finance Manager is accountable for payment of salaries including overtime and expenses.

15.2. The Group HR & OD Manager is accountable for advising the Group Finance Manager of any new appointments and or changes to the terms and conditions of staff members which will affect salary, tax or pension. In particular these include:

- i) appointments, resignations, dismissals, secondments and transfers;
- ii) absences from duty for sickness or other reason, apart from approved leave;
- iii) changes in remuneration including normal increments and pay awards;
- iv) Information necessary to maintain statutory records.

15.3. All casual and part-time employees will be included on the payroll.

15.4. The Group Finance Manager shall be accountable for keeping all records relating to payroll including those of a statutory nature.

16. PENSIONS

16.1. The Group Finance Manager is accountable for day-to-day pension matters including:

- i) paying of contributions to various authorised pension schemes;
- ii) preparing the annual return to various pension schemes;
- iii) compliance with auto enrolment regulations.

17. TRAVEL, SUBSISTENCE AND OTHER ALLOWANCES

17.1. All claims for payment of subsistence allowances, travelling and incidental expenses shall be completed in a form approved by the Group Finance Manager.

18. ASSETS

18.1. The Director of Group Operations is accountable for maintaining the Association's register of land and buildings.

19. INSURANCE

19.1. The Director of Group Finance and Business Support is accountable for maintaining insurance cover over the Group's properties, assets and to protect the Group against any claims which may arise in relation to its responsibilities to the public, tenants and employees. Insurance cover should balance the cost of such insurance against the potential risks. It should take account of statutory requirements and obligations under loan agreements.

19.2. Directors must ensure that any agreements negotiated within their departments with external bodies cover any legal liabilities to which the Group may be exposed. The Director of Group Finance and Business Support's advice should be sought to ensure that this is the case. Directors must give prompt notification to the Director of Group Finance and Business Support of any

potential new risks and additional property and equipment that may require insurance and any alterations affecting existing risks.

- 19.3. Staff must advise the Group Finance Manager promptly of any event that may give rise to an insurance claim.
- 19.4. The Group Finance Manager will keep a record of all insurances affected by the Group and the property and risks covered.
- 19.5. The Director of Group Operations is accountable for keeping suitable records of plant that is subject to inspection by an insurance company and for ensuring that inspection is carried out in the periods prescribed.
- 19.6. All staff using their own vehicles on behalf of the Group shall maintain appropriate insurance cover for business use.