



Agenda Item 5

<b>Meeting</b>	<b>SPA Resources Committee</b>
<b>Date</b>	<b>19 November 2024</b>
<b>Location</b>	<b>Video conference</b>
<b>Title of Paper</b>	<b>Financial Regulations Review</b>
<b>Presented By</b>	<b>John McNellis, Head of Finance, Audit &amp; Risk</b>
<b>Recommendation to Members</b>	<b>For recommendation to the Authority</b>
<b>Appendix Attached</b>	<b>Yes</b> <b>Appendix A – Summary of changes to Financial Regulations</b> <b>Appendix B - Updated Authority’s Financial Regulations</b>

**PURPOSE**

To provide the Committee with a periodic review of the financial regulations including recommended updates.

## 1. BACKGROUND

- 1.1 During summer 2022 the SPA undertook an end-to-end review of the Authority's financial regulations. This was the first comprehensive review of these rules since the SPA was created in 2013. Significant changes were approved by the both Resources Committee and Board in 2022.
- 1.2 A post implementation review was completed one year later and reported to Resources Committee in December 2023.
- 1.3 Authority staff undertake an annual review of the Corporate Governance Framework. As part of this process we also review and consider if any changes are required to the financial regulations.

## 2. FURTHER DETAIL ON THE REPORT TOPIC

- 2.1 The previous post implementation review found that the changes to the financial regulations were working effectively with no significant changes required.
- 2.2 In practice, SPA and Police Scotland staff keep notes of minor issues to consider updating the regulations during the annual review.
- 2.3 Five changes to the financial regulations are proposed. These are summarised in **appendix A** with a full version of the financial regulations, showing the changes at **annex B**.
- 2.4 The changes correct errors as well as providing further clarity in the regulations.

## 3. FINANCIAL IMPLICATIONS

- 3.1 There are no specific financial implications related to this paper however, these documents are the overarching financial rules of the Authority. The application of these rules has wide ranging financial implications on the Authority.

## 4. PERSONNEL IMPLICATIONS

- 4.1 There are no specific personnel implications related to this paper however, these regulations set the roles and responsibilities of key

people within the Authority and clarifies all employees' financial responsibilities.

## **5. LEGAL IMPLICATIONS**

- 5.1 There are legal implications related to this paper. The basis for delegation has been subject to discussions, with agreement reached on the approach between SPA and Police Scotland legal teams.
- 5.2 The regulations also set out the authorisation and delegated authority to settle legal actions and claims.

## **6. REPUTATIONAL IMPLICATIONS**

- 6.1 There are reputational implications associated with this paper as it is important that the Authority can demonstrate clear financial stewardship of public money. There could be regularity or public confidence issues if these rules are not adhered to.

## **7. SOCIAL IMPLICATIONS**

- 7.1 There are no specific social implications associated with this paper.

## **8. COMMUNITY IMPACT**

- 8.1 There are no specific community impact implications associated with this paper.

## **9. EQUALITIES IMPLICATIONS**

- 9.1 There are no specific equality implications associated with this paper.

## **10. ENVIRONMENT IMPLICATIONS**

- 10.1 There are no specific environmental implications associated with this paper.

### **RECOMMENDATIONS**

Members are requested to recommend the updated financial regulations to the Authority for approval.



## Appendix A Summary of changes to the financial regulations

#	Detail	Current policy	Issue / change proposed	Rational for change
Para 9.5.2 and #26	Correction to VR VER scheme approval.	Current paragraph states VR VER scheme requires SG approval.	It has been clarified that SG must be consulted but ultimately the VR VER requires AO approval.	Brings regulations in line with required practice.
	Change to Board / Committee consideration.	Current scheme includes Board consideration.	It is felt this is not consistent with other decision making which is done via committees in this case RC.	Bring practice in line with other policies. In addition, RC could still choose to refer decision to Board.
11	Income policy and funded officers / staff policy	Currently requires RC to Recommend and Board approval.	Change to RC approval.	Brings this policy in line with other treatment.
		Description is income policy and funded policy.	Description in the financial regs to be updated to reflect the revised wording of the actual policies.	Avoids any confusion over terminology.
		No mention of housing occupancy charge.	Include occupancy charge policy.	This is a newly introduced charge not previously in the regulations.
31	Changes to cost or savings following FBC approval	Notes this is reported to ARAC.	Change ARAC to Resources Committee.	The Authority's has changed the role for change oversight from ARAC to RC.
35	#34 sets limits to declare a property surplus. #35 says can dispose if value are in line with the previous surplus approval given.	#35 says if: <ul style="list-style-type: none"> <li>+/- 5% est value PS can approve</li> <li>+/- 20% est value requires AO approval</li> </ul>	Current approach has proven confusing to apply and had the unintended consequence of low value changes requiring further approval.  Revised approval: <ul style="list-style-type: none"> <li>Up to +/- £30k or 10% est value</li> </ul>	Provides clarity and avoids further approval for low value changes.

#	Detail	Current policy	Issue / change proposed	Rational for change
			<ul style="list-style-type: none"><li>- no further approval.</li><li>• Greater than +/- £30k or 10% est value – requires AO approval.</li></ul>	
36	SG framework agreement sets limit specifically for operating leases.	This is in the corporate government framework but not in the table.	To also included in the table of delegations.	To add extra clarity to the regulations.

# Annex E: Authority's Financial Regulations

*Regulations of the Authority applicable to the Scottish Police Authority & Police Service of Scotland.*

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## 1. Introduction

### 1.1. General provisions

- 1.1.1. The Scottish Police Authority and Police Service of Scotland were created under the provisions of the Police and Fire reform (Scotland) Act 2012.
- 1.1.2. The Scottish Police Authority (SPA) is comprised the SPA's corporate body and Forensics services.
- 1.1.3. The Police Service of Scotland (PSOS) is known as Police Scotland (PS).
- 1.1.4. The 'Organisation' refers to the combined SPA and PS.
- 1.1.5. The SPA and PS are accountable to the SPA Board ('the Authority').
- 1.1.6. The Authority's Accountable Officer is the individual who holds overall financial responsibility for the Authority and is personally answerable to the Scottish Parliament for the exercise of their functions under the Public Finance and Accountability (Scotland) Act 2000.
- 1.1.7. The [Memorandum to Accountable Officers](#) for Other Public Bodies details the statutory responsibilities of the Authority's Accountable Officer and are consistent with this set of Financial Regulations.
- 1.1.8. The Accountable Officer is responsible for ensuring that the Authority has sound systems of financial control and management control. The financial regulations form part of this overall system for accountability.

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- 1.1.9. These regulations apply to the Accountable Officer and to the Chief Executive, Director of Forensic Services and Chief Constable (see appendix A). They may delegate as outlined in their respective SPA/ PS schemes of delegation.

### 2. Status of financial regulations

- 2.1.1. The financial regulations provide the framework for managing the Organisation's financial affairs.
- 2.1.2. These regulations should be read in conjunction with the Corporate Governance Framework of the SPA, the SPA and PS Schemes of Delegation and, the Code of Conduct for Board Members of Public Bodies.
- 2.1.3. Compliance with these regulations is compulsory for all: Authority members; police constables; Authority and police staff; and anyone acting on its behalf. Failure to comply with the Regulations may result in disciplinary action.
- 2.1.4. The financial regulations do not override any legal or statutory requirements.
- 2.1.5. Anyone can report activity which they consider to either contravene these regulations or where there is a suspicion of fraudulent activity through the SPA / Police Scotland Whistleblowing procedures.
- 2.1.6. Any breach of the regulations that is deemed to be significant must be brought to the attention of the Accountable Officer or reported through the whistleblowing procedures.
- 2.1.7. These regulations may only be amended upon approval of the SPA Board.

### 3. Roles and responsibilities

#### 3.1. SPA Board ('the Authority')

- 3.1.1. The Authority is responsible for agreeing the overall strategic direction of the Organisation. It approves: the budgetary framework; appointment of Chief Constable and Chief Executive; and exercises general oversight of the Authority's performance including financial performance.
- 3.1.2. The Authority is responsible for the allocation of the policing budget. The Authority's Chief Executive is designated by the Permanent Secretary of the Scottish Government as the Accountable Officer for this budget.
- 3.1.3. Further detail is included in other parts of the corporate governance framework.

#### 3.2. Accountable Officer

- 3.2.1. The Permanent Secretary of the Scottish Government is the Principal Accountable Officer for the Scottish Administration. They are responsible for designating persons as Accountable Officers for parts of the Scottish Administration and certain public bodies including the Authority.
- 3.2.2. The Accountable Officer is designated as the Chief Executive of the SPA. Whilst the Accountable Officer and Chief Executive positions are held by the



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same person they are distinct roles.

- 3.2.3. The Accountable Officer is responsible for providing oversight of, and challenge to, the systems of internal governance and control which are in place within the Authority such that sufficient assurance can be provided as to the reasonable, effective and efficient use of public finances.
- 3.2.4. The Accountable Officer is further responsible for ensuring that appropriate governance is in place including SPA Committees and Board, to ensure that the use of resources by the Authority, and any decisions taken by it, comply with public sector accountability standards.
- 3.2.5. The specific responsibilities of the Accountable Officer are referenced in the [Memorandum to Accountable Officers](#).
- 3.2.6. The Accountable Officer holds personal responsibility for the finances of the Authority, including those allocated to the Chief Constable, is responsible for signing the SPA Annual Report and Accounts and is thereby held accountable by the Public Audit and Post-Legislative Scrutiny Committee (PAPLS) of the Scottish Parliament.
- 3.2.7. In the exercise of their Accountable Officer functions the Chief Executive should have due regard to the use of resources deployed by the Chief Constable. It is incumbent on the Chief Executive to combine their Accountable Officer responsibilities to the Scottish Parliament with their wider responsibilities to the Authority.

### 3.3. Chief Financial Officer

- 3.3.1. The Chief Financial Officer (CFO) is responsible for the management of the Organisation's financial services and for the administration of all financial affairs. The CFO will advise the Accountable Officer on financial matters in line with the SPA Financial Protocol. The Accountable Officer will also receive independent advice on financial matters from Authority staff.
- 3.3.2. The CFO is responsible for the design and implementation of a system of internal control and governance in respect of financial matters, such that reasonable assurance can be provided to the Accountable Officer; to the SPA Audit Risk and Assurance Committee; and to the Authority as to the reasonable, effective and efficient use of public finances.

### 3.4. Other senior staff with financial responsibility

- 3.4.1. The SPA Senior Management Team, Forensic services senior management team and Police Scotland Force Executive are responsible to the Accountable Officer for the financial management of the areas or activities they control. The CFO is responsible for advising areas of their financial responsibilities.

### 3.5. Staff and constables

- 3.5.1. All staff and constables should be aware and have a general responsibility for

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the security of the Organisation's property, for avoiding loss and for due economy in the use of resources and in achieving value for money in their individual roles.

- 3.5.2. Individual members of staff and constables should ensure that they are aware of the financial authority limits and the value of purchases for which quotes and tenders are required. Further information is available from the procurement department.
- 3.5.3. They will also immediately notify the CFO whenever any matter arises which involves, or is thought to involve, irregularities concerning cash or property of the Organisation. The CFO will take such steps as considered necessary by way of investigation and report in accordance with the relevant policies.

### **3.6. Scottish Government / Parliament**

- 3.6.1. The CFO will, on behalf of the Accountable Officer, report to the Scottish Government regularly on the financial position of the Authority.
- 3.6.2. The Authority and the Accountable Officer will be held accountable to the Scottish Parliament through the Public Audit and Post-Legislative Scrutiny Committee as and when required.

### **3.7. Advice to the Authority**

- 3.7.1. All reports to the SPA Board, Committees and Sub-Committees must identify any financial implications.
- 3.7.2. The reports must clearly identify any savings, costs or income that would arise in the current and future financial years, whether these are of a capital or revenue nature, and whether or not such resources are included in the budget. If budgetary provision has not been made, the report must specify funding sources.
- 3.7.3. Where a report contains financial implications it must include confirmation that the accuracy and completeness of the report content has been agreed by finance staff.

## **4. Financial management and planning**

### **4.1. General accounting framework**

- 4.1.1. The Authority has a requirement to manage its budget in line with the Scottish Government Budget and Monitoring Procedures.
- 4.1.2. The financial protocol between the Accountable Officer and CFO directs them to ensure that adequate systems of accounting control are maintained throughout the Organisation.
- 4.1.3. The CFO must ensure that there are appropriate financial systems in place which enable robust management reporting, provide a clear breakdown and analysis of income and expenditure and support the creation of the SPA Annual Report and Accounts.

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- 4.1.4. Systems of accounting control must ensure that as far as possible:
- All income due to the Authority is properly collected and recorded.
  - All expenditure of the Authority is properly incurred, authorised and checked, and
  - All cash, stocks and other assets of the Authority are secured and controlled.
- 4.1.5. It is the responsibility of the CFO to ensure that appropriate procedures and instructions are issued for:
- Preparing the annual, medium and long term budgets.
  - Budget monitoring.
  - Producing financial management information, and
  - Producing the Annual Report and Accounts.

**4.2. Financial planning**

- 4.2.1. Prior to the start of each financial year the CFO will, on behalf of the Accountable Officer, prepare and submit budgets for the forthcoming financial year. These budgets will be:
- Consistent with strategic, annual policing plans and other longer-term strategies approved by the Authority.
  - In line with the Scottish Government Budget and Monitoring Procedures.
  - Set with due consideration of appropriate resources and service levels required of the Authority and appropriate ministerial commitments; and
  - Produced following appropriate discussion and agreement with budget holders.
  - The budget set will also identify the associated risks and uncertainties.
- 4.2.2. Staff and constables will fully participate in the preparation of financial plans for their service in accordance with the process determined by the CFO in consultation with the Accountable Officer.
- 4.2.3. The Authority will approve budget allocations to the Chief Executive, Director of Forensic Services and Chief Constable for their respective business areas.
- 4.2.4. The CFO will lead the development of medium and long-term financial plans to deliver the strategic priorities of the Authority. The medium-term financial strategy covers a period up to five years and the long term covers a period up to 10 years. This ensures a strategic approach to financial planning and helps to identify challenges and opportunities facing the Authority. This work will also inform any formal spending review submissions made to the Scottish Government.

**Annex E: Authority's Financial Regulations****4.3. Budget monitoring and control**

- 4.3.1. Budgetary control will ensure that there is a proper system of reporting and financial control, documented within the relevant finance processes, policies and guidance.
- 4.3.2. The CFO will maintain and ensure appropriate financial monitoring of the Authority's income and expenditure is carried out. This should extend to:
- Regular management reports on financial performance to the Authority and appropriate committees.
  - Forecast budget position, reviewed at least quarterly throughout the financial year.
  - Analysis of variances from budget and forecast provided on a regular basis across appropriate categories provided through variance analysis and management commentary and planned action for material variances.
  - Clear actions being identified and planned to address variances, where appropriate.
  - The monitoring of actions taken to resolve any areas of concern, and
  - Budget virements being tracked.
- 4.3.3. Budget holders are responsible for ensuring that:
- Approved budgets are used for the purposes intended.
  - Any overspend of budget or reduction in income which cannot be managed is not incurred without approval required in the applicable scheme of delegation.
  - Overspends or income reductions are reported in the financial monitoring reports submitted to the Authority.
  - No staff or constable are appointed above the approved budgeted establishment without approved required in line with the applicable scheme of delegation.
- 4.3.4. The CFO will provide regular financial monitoring information to the Scottish Government sponsor department as directed.

**4.4. Changes to approved budgets**

- 4.4.1. The Authority should seek to minimise in year changes to approved budgets.
- 4.4.2. Changes or virements to budgets represent changes between business area or expenditure type and will be require to be approved in line with Appendix A.

**4.5. Investment governance**

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- 4.5.1. Business cases are required for any proposed change or new activity that requires financial investment. Business cases should be prepared in line with the SPFM and other best practice guides including the HM Treasury 'green book'.
- 4.5.2. Scottish Government has defined major investment projects and the delegated approval required for business cases are outlined at appendix A.
- 4.5.3. There is no distinction in the business case approval process regardless of the funding source (ie revenue, capital or reform).
- 4.5.4. For reform spend the Authority should agree with Scottish Government at the start of the year how it proposes to spend any available reform funding and routinely provide updates on actual and forecast in the same way as other funding sources.
- 4.5.5. There may be business cases of low value that require AO/ CE or RC consideration due to their nature ie low value but high risk or high public interest. PS should provide a regular planner of in progress / planned business cases showing expected timeline and expected approval route. This will allow AO/ CE and RC to consider any low value business cases that may require consideration over the level set by the purely financial delegation limits.
- 4.5.6. Where there are financial changes (ie costs or benefits) to business cases from BJC, IBC and FBC as well as well as post approval during delivery, these changes should be monitored with changes required to be reported per Appendix A.
- 4.5.7. Other non-financial changes (ie non-financial benefits, scope, timeline, etc) also require to be monitored and reported per Appendix A.
- 4.5.8. End of project closure reports should be completed, reflecting on the outcomes of the project relative to the approved business case and highlighting lessons learned per Appendix A.

**4.6. Devolved budget holders**

- 4.6.1. Financial responsibility will be devolved from the budgets allocated to the Chief Executive, Director of Forensic Services and Chief Constable to budget holders in order to achieve effective control of financial resources. The Chief Executive, Director of Forensic Services and Chief Constable have the responsibility to work within the financial resources provided annually.
- 4.6.2. Budget holders will have authority to incur expenditure included in the approved budget for the services for which they are responsible up to the level of the allocated budget provision in line with the financial delegations set out in the SPA and PS Schemes of Financial Delegation.
- 4.6.3. 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.
- 4.6.4. Significant departures from agreed budgetary targets must be reported

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immediately to the CFO and, if necessary, corrective action taken.

- 4.6.5. Budget holders are assisted in their duties by management information provided under arrangements approved by the CFO. The arrangements for providing financial information will be outlined by the CFO.
- 4.6.6. The CFO is responsible for maintaining an up to date list of the financial delegations held within the Authority.

**4.7. Delegated authority**

- 4.7.1. The SPA specific Delegated Financial Authority is set out in the Scottish Government Governance and Accountability Framework Document and is incorporated into the Corporate Governance Framework of the SPA. The Authority will obtain the Scottish Governments prior written approval before entering into any undertaking to incur any expenditure that falls outside these delegations or which is not provided for in the Authority's annual budget allocated by the Scottish Ministers.
- 4.7.2. The Authority will require prior approval from the Scottish Government before incurring expenditure for any purpose that is or might be considered novel, contentious or repercussive.
- 4.7.3. The SPFM states whether or not a financial transaction might be regarded as novel or contentious inevitably involves a degree of judgement. SPFM provides further guidance below and notes that advice should be sought from Scottish Government if in doubt.
  - 'Novel' would include proposed expenditure or financial arrangements of a sort not previously undertaken or entered into by the body in question or that could not be considered, reasonably, to be standard practice.
  - 'Contentious' would include proposed expenditure or financial arrangements where there was doubt as to regularity (i.e. compliance with relevant legislation and guidance) or propriety (i.e. compliance with the standards expected of public bodies or officials). Proposed expenditure or financial arrangements that might be considered to be politically sensitive would also be regarded as contentious.
  - 'Repercussive' would likely cause pressure on other Scottish public bodies to take a similar approach and hence have wider financial implications outside of the Authority.

**4.8. Authorisation to incur expenditure**

- 4.8.1. Approval of the Resource or Capital budget for any particular year grants the Chief Executive, Director of Forensic Services and Chief Constable, the necessary authority to incur expenditure, subject to compliance with all guidance issued by the Scottish Government and approved by the Authority as set out in the respective schemes of delegation.
- 4.8.2. The Accountable Officer requires the Organisation to maintain Standing Orders

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Relating to Contracts, changes to which must be approved by the Authority. All national, regional and local contracts should adhere to these standing instructions. The Head of Procurement within Police Scotland is responsible for the regular review and update of the Standing Orders Relating to Contracts.

- 4.8.3. The Accountable Officer is responsible for ensuring that governance processes are in place to provide assurance that any expenditure incurred by the Authority is within its legal powers.

**4.9. Accounting arrangements**

- 4.9.1. The financial year is from 1 April to 31 March.
- 4.9.2. The Accounts Direction by Scottish Ministers requires an annual statement of accounts to be prepared.
- 4.9.3. The Annual Report and Accounts must comply with HM Treasury's Financial Reporting Manual (FRM), the Scottish Public Finance Manual (SPFM), appropriate international financial accounting standards (IFRS) and any financial objectives or targets set by the Scottish Government.
- 4.9.4. The Accountable Officer is responsible for approval of the annual report and accounts. The delivery of this work is undertaken by the CFO who must ensure the documents are prepared within require timescales.
- 4.9.5. The Accountable Officer is responsible for:
- submitting a draft of the annual report and accounts to the Scottish Government.
  - overseeing the approval of the annual report and accounts to the Authority in line with the corporate governance framework.
  - submitting approved and audited accounts to Scottish Ministers.
- 4.9.6. The CFO is responsible for the retention of proper accounting records. Records should be retained in compliance with applicable laws and regulations.

**4.10. Taxation**

- 4.10.1. The CFO is responsible for advising the service on taxation issues as they apply to the Organisation.
- 4.10.2. The CFO is responsible for ensuring compliance with relevant statutory requirements including those concerning VAT, PAYE, national insurance and corporation tax.

**5. Audit and internal control****5.1. General**

- 5.1.1. Internal, external auditors and other statutory inspection bodies, will have

authority for the purposes of their audit to:

- Access Authority premises at reasonable times.
- Access all assets, records, documents and correspondence relating to any financial and other transactions of the Authority.
- Require and receive such explanations as are necessary concerning any matter under examination.
- Require any member of staff or constable of the Organisation to account for cash, stores or any other property under their control, and
- Access records belonging to third parties, such as contractors, when required.

5.1.2. Access will be subject to completion of appropriate vetting.

## **5.2. External audit**

5.2.1. The Auditor General for Scotland (AGS) is responsible for the appointment of the Authority's statutory external auditor.

5.2.2. The primary role of external audit is to report on the Authority's annual report and accounts and to carry out such examination of the statements and underlying records and control systems as is necessary to reach their audit opinion.

5.2.3. External audit remains independent in its planning and operation, and has direct access to the Authority, Accountable Officer and Chair of the Audit, Risk and Assurance Committee.

## **5.3. Internal audit**

5.3.1. An independent internal audit service, under the independent control and direction of the Audit, Risk and Assurance Committee, will be appointed to undertake regular reviews and appraisals of the systems of internal control of the Authority and provide reports in line with the annual audit plan.

5.3.2. An annual audit plan will be presented by the Internal Auditor to the Audit, Risk and Assurance Committee for endorsement. It will be derived from consultation with the Authority's Accountable Officer, Police Scotland, Forensic Services and Audit Scotland. The plan will align to the Authority's current strategic requirements together with any additional reviews of strategic audit risks that are considered necessary.

## **5.4. Prevention of fraud, corruption and bribery**

5.4.1. The Organisation should adopt and implement policies and practices to safeguard itself against fraud and theft.

5.4.2. The Accountable Officer is responsible for identifying and managing the risk of fraud and corruption, for ensuring that appropriate risk management, internal



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control, and governance arrangements are in place.

- 5.4.3. Whenever any matter arises which involves, or is thought to involve, irregularities concerning cash, stores or other property of the Authority, or any suspected irregularity in the exercise of any function of a pecuniary nature, the CFO will be notified immediately and investigate as deemed necessary. Where this is inappropriate for any reason Whistleblowing policy and guidance should be followed.
- 5.4.4. The Authority's Accountable Officer will make arrangements to keep records of, and notify the Scottish Government at the earliest opportunity of any unusual or major incidents.

**5.5. Best Value**

- 5.5.1. It is a requirement of the Police and Fire Reform (Scotland) Act 2012 that the Authority and Chief Constable secure Best Value from public funds.
- 5.5.2. It is the duty of the Authority to make arrangements which secure Best Value for the Authority (that is, a continuous improvement in the carrying out of the Authority's functions).
- 5.5.3. It is the duty of the Chief Constable to make arrangements which secure Best Value for the Police Service (that is, a continuous improvement in the carrying out of police functions).
- 5.5.4. In securing Best Value, the Authority and the Chief Constable must maintain an appropriate balance among:
- the quality of the carrying out of functions.
  - the cost of carrying out functions, and
  - the cost to persons of any service provided for them on a wholly or partly rechargeable basis by the Authority or, as the case may be, under arrangements made by the Chief Constable.
- 5.5.5. In maintaining that balance, the Authority and the Chief Constable must have regard to: economy, efficiency, effectiveness and the need to meet the equal opportunity requirements.
- 5.5.6. The Accountable Officer and Chief Constable should keep under review their arrangements for managing all the resources under their control, taking into account guidance on good practice issued from time to time by the Scottish Government, Audit Scotland or other relevant bodies.

**5.6. Risk management and internal control**

- 5.6.1. The Authority has responsibility for the overarching and strategic risk registers.
- 5.6.2. The Chief Executive, Director of Forensic Services and Chief Constable are responsible for ensuring that proper arrangements are in place to manage risk, that effective monitoring is carried out in respect of the services for which they are responsible and that the following are regularly maintained and

updated:

- a risk register based on a comprehensive assessment of risk within their service area.
- appropriate risk appetite and tolerance levels for each service areas.
- appropriate risk mitigation actions to address risks identified in the risk register.
- business continuity plans to ensure delivery of crucial service to the public during periods of disruption.
- reports to inform the Audit, Risk and Assurance Committee of significant and strategic risks.

5.6.3. The Chief Executive, Director of Forensic Services and Chief Constable are also responsible for providing the Accountable Officer with certificates of assurance in respect of the systems of internal control within their individual portfolio.

5.6.4. An annual review of the systems of internal control will be undertaken and confirmation sought that these are operating effectively. As part of this process, any errors or failure to adhere to financial policies and financial monitoring procedures should be identified and reported, including the lessons learnt as a consequence.

## **6. Treasury management**

### **6.1. Financial investments**

6.1.1. Unless covered by a specific delegated authority, the Authority shall not make any financial investments without the prior approval of the Scottish Government. That would include equity shares in ventures or loan agreements and in this context does not refer to investing in an internal project. The Authority shall not invest in any venture of a speculative nature.

### **6.2. Borrowing**

6.2.1. Borrowing cannot be used to increase the Authority's spending power. All borrowing by the Authority shall be from Scottish Ministers in accordance with guidance in the Borrowing, Lending & Investment section of the SPFM.

### **6.3. Banking and payment arrangements**

6.3.1. The CFO is responsible for ensuring that arrangements are made for the provision of banking services for the Authority and that they comply with the Scottish Government requirements.

6.3.2. The Accountable Officer and CFO are permitted to open bank accounts in the name of the Authority. They will advise the bankers in writing of the conditions under which each account will be operated, the limits to be applied

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to any overdraft and any limitation on single signatory payments. All funds will be held in accounts in the name of SPA.

- 6.3.3. The CFO will determine the maximum limit of cash holding permitted at each location. The handling of all cash on the Authority's premises must be in accordance with cash handling processes as set by the CFO.
- 6.3.4. The CFO is authorised to make use of the most appropriate payment media having regard to their security and cost effectiveness. The CFO is responsible for implementing processes and controls for all payment methods.

**7. Income****7.1. Income – general provisions**

- 7.1.1. The Authority derives the majority of funding from grant in aid provided by the Scottish Government (grant in aid does not qualify as income). This funding is provided annually to support the provision of the Authority's functions. Other income is derived from the provision of policing services, licences and other sources including smaller specific grants.
- 7.1.2. The Police and Fire Reform (Scotland) Act 2012 permits the provision of policing or other goods and services which must not exceed the cost of providing those services i.e. full cost recovery.
- 7.1.3. The CFO on behalf of the Authority, will undertake an annual review of the charges for the provision of policing services, updating the charges in line with inflation and to ensure that full cost recovery of expenditure is achieved in accordance with the requirements of the SPFM. The CFO will present these charges for approval in line with Appendix A.
- 7.1.4. Other grant income which the Authority receives may be subject to a grant claim process, the CFO is responsible for providing the required financial documentation within the required time frames to enable such grant income to be received. The approval authority for grant claims acceptance is outlined in Appendix A. The CFO is responsible for the monitoring and reporting of grant claims.
- 7.1.5. The Authority has no delegation to provide third party grants without SG approval.
- 7.1.6. Novel or contentious proposals for new sources of income or methods of fundraising must be approved by the Scottish Government.

**7.2. Income collection**

- 7.2.1. The CFO is responsible for designing and implementing systems for the raising of invoices and collection of income due, such systems must adhere to best accounting practice ensuring appropriate segregation of duties between invoice raising and recording and banking of income received.
- 7.2.2. All staff and constables have a duty to inform the CFO of sales / transactions which they have initiated for which the Authority should derive income, including any contracts, lease agreements, tenancy agreements or transactions for which an invoice can be raised.

### **7.3. Cash and cash equivalents**

- 7.3.1. The cash and banking section (under the remit of the CFO) is responsible for ensuring that cash surpluses are held in the Authority's bank accounts and are managed to the benefit of the Authority.
- 7.3.2. It is not the policy of the Authority to invest or borrow funds; and as such any cash and banking arrangements should exclude investments of a speculative nature. Any investment of financial resources other than for operational purposes or in bank accounts must first be approved by the Scottish Government.

### **7.4. Cash security**

- 7.4.1. The CFO must be advised of all new circumstances within the Organisation where cash is held or is otherwise under the control of staff or police constables. The CFO will ensure that the minimum level of cash is held subject to the practicalities of individual circumstances and will ensure controls are in place to safeguard cash holdings.

## **8. Expenditure**

### **8.1. Expenditure – general provisions**

- 8.1.1. The CFO is responsible for making payment to suppliers.
- 8.1.2. The Authority allocates annual budgets to the Chief Executive, Director of Forensics Services and Chief Constable.
- 8.1.3. Each area may further delegate this responsibility to budget holder or governance groups within their service area. This delegation must be in line with the overall Authority rules at appendix A.

### **8.2. Procurement**

- 8.2.1. The Head of Procurement is responsible for maintaining Standing Orders Relating to Contracts detailing the process and operational controls to be adhered to in the attainment of supplies, services and works, incorporating the thresholds set by the Authority and schemes of financial delegation in the arrangements for purchasing, contracting and tendering including modifications and extensions. The Authority in principle approves, and will implement, contracts awarded, contract extensions agreed, and modification of contracts agreed by the Head of Procurement, provided the values of same do not exceed those set out in Appendix A and are consistent with Best Value.
- 8.2.2. All external consultancy contracts or any proposal to award a contract without competition (non-competitive action) over the value of £25,000 must be endorsed in advance by the Accountable Officer with approval sought from the Scottish Government. Further information is given in the procurement section of the SPFM.

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- 8.2.3. The Authority in principle approves and will implement contracts exempt from the Public Contracts (Scotland) Regulations 2015 by virtue of regulation 16 (Exempt Contracts) which are awarded, extended or modified by the Head of Procurement or the Accountable Officer, ensuring that's awards are consistent with the principles of Best Value.

**8.3. Payment of invoices**

- 8.3.1. The normal method of payment of money due from the Authority will be by BACS transfer. Authorisation of electronic funds transfer will be for the CFO to arrange, in line with the scheme of delegation.
- 8.3.2. The Government's Better Payment Practice Code aims for payment of all undisputed invoices within 10 working days of receipt of goods or receipt of a valid invoice (whichever is later).
- 8.3.3. All purchase order or invoices must be certified by an authorised signatory. The CFO is responsible for ensuring that an up to date list of authorised signatories/ electronic approvers is maintained.

**8.4. Petty cash**

- 8.4.1. The CFO may provide petty cash at various locations for the purpose of defraying petty expenses that will be secured and operated in accordance with cash handling processes as set by the CFO.

**8.5. Leasing**

- 8.5.1. Property, plant and equipment may be acquired by leasing and the Authority's assets may also be sub-leased or leased to third parties.
- 8.5.2. The threshold for the approval of lease arrangement are outlined at appendix A. The Authority in principle approves, and will implement leases (including ground leases, access agreements and variations), wayleaves and radio masts leases agreed in accordance with Police Scotland's internal governance, provided the values of same does not exceed those set out in Appendix A and are consistent with Best Value. Any lease of regional or national importance will also require Scottish Government approval.
- 8.5.3. In addition, this outlines specific provision for wayleaves and radio masts leases.
- 8.5.4. The CFO is responsible for maintaining records of all lease arrangement and ensuring the appropriating accounting treatment is applied.

**8.6. Write off, losses and special payments**

- 8.6.1. Losses should only be written off or special payments authorised after careful appraisal of the facts. All reasonable action must have been taken to effect recovery of losses.
- 8.6.2. In dealing with individual cases consideration must be given to the reliability of relevant control systems and the efficiency with which they have been

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operated. All necessary steps must be taken to put failings right.

8.6.3. The SPFM provides further detail on types of losses and special payments. These include:

- cash losses;
- bookkeeping losses;
- exchange rate fluctuations;
- losses of pay, allowances and superannuation benefits;
- losses arising from overpayments of grants, subsidies, etc;
- losses arising from failure to make adequate charges for the use of property or services;
- losses of assets, stores and equipment;
- fruitless payments and constructive losses;
- claims waived or abandoned;
- extra-contractual payments to contractors
- compensation payments;
- extra-statutory and extra-regulatory payments;
- special severance payments; and
- ex-gratia payments.

8.6.4. The CFO will maintain records of all losses and special payments.

8.6.5. The Authority may authorise the write-off of bad debts, losses and special payments in accordance with the delegated authority at appendix A.

**9. Pay expenditure****9.1. Remuneration**

9.1.1. The Authority is the employer for all staff.

9.1.2. Police and Authority staff will be appointed to salary scales approved by the Board and in accordance with the appropriate conditions of service.

9.1.3. The Authority will determine salaries and other benefits for the Chief Executive and other senior staff as agreed by the Board. For other staff the Authority will approve the pay and grading structure.

9.1.4. Police constables are Crown servants, appointed by the Chief Constables (with the exception of senior officers who are appointed by the Authority) and subject to the direction and control of the Chief Constable.

9.1.5. Police constables will be appointed to the salary scale approved by the Police Negotiating Board for Scotland (PNB) and in accordance with appropriate conditions of service.

9.1.6. Annual pay awards for officers and staff are subject to consultation and approval per Appendix A.

**Annex E: Authority's Financial Regulations****9.2. Salaries and pensions**

- 9.2.1. The CFO is responsible for ensuring appropriate arrangements are in place for the processing and payment of all salaries, pensions, compensation and other emoluments to all current and former staff, constables and other beneficiaries. Payment must also comply with HMRC regulations.
- 9.2.2. In line with current legislation the Authority will auto-enrol all staff and constables into an appropriate pension scheme unless they opt out.
- 9.2.3. The CFO is responsible for pension matters including: paying pension contributions; preparing returns and liaison with the Authority's pension funds.

**9.3. Allowances and expenses**

- 9.3.1. The CFO is responsible for ensuring appropriate arrangements are in place for the payment of allowances, travel, subsistence and other expenses to staff, constables and Board Members.
- 9.3.2. Claims must be authorised by a delegated authoriser. The certification by the budget holder shall be taken to mean that:
- Journeys were authorized;
  - The expenses were properly and necessarily incurred;
  - The allowances are properly payable by the Authority;
  - Consideration has been given to value for money in choosing the mode of transport.
- 9.3.3. As far as practicable, all claims for expenses will be reimbursed through the payroll system.

**9.4. Gifts and hospitality**

- 9.4.1. Gifts and hospitality provided must be reasonable and proportionate, both in frequency and scale, to the nature of the relationship and must not exceed normal business courtesy.
- 9.4.2. Any gift received by a representative of the Organisation is deemed to automatically belong to the Authority, and will not be retained for personal use unless with the explicit written consent of the Accountable Officer. Further guidance should be sought from the gifts and hospitality policy.
- 9.4.3. Hospitality or gifts received by members of the Authority must be dealt with in accordance with the Code of Conduct for Board Members of Public Bodies and must be recorded in a register kept for this purpose by the Authority's Accountable Officer.

**9.5. Severance**

- 9.5.1. Severance payments shall only be made in accordance with the relevant

**Annex E: Authority's Financial Regulations**

guidelines and legislation. In particular, the Authority and Police Scotland must follow the requirements of the Scottish Public Finance Manual (SPFM) in determining settlement agreements, severance, early retirement and redundancy arrangements and payments.

- 9.5.2. Any such scheme will require consultation with Scottish Government following the process set out in the Scottish Public Finance Manual. The final decision as to whether to enter into a scheme or individual case will rest with the Accountable Officer.
- 9.5.3. The CFO is responsible for ensuring the severance payments are authorised in accordance with appendix A.

**10. Assets****10.1. Property, plant and equipment**

- 10.1.1. The purchase or disposal of land, buildings or fixed plant can only be undertaken in accordance with the limits at appendix A. The Authority in principle approves, and will implement the routine purchase of a property, requests to declare surplus a property for disposal, and disposal of property, agreed in accordance with internal governance policies, provided the values of same do not exceed those set out in Appendix A and are consistent with Best Value. The provisions of the "Property: Acquisition, Disposal and Management" section of the SPFM must be adhered to in relation to all property transactions.
- 10.1.2. The Accountable Officer has overall responsibility for the stewardship for the assets of the Authority. Staff and constables must use assets in accordance with relevant processes and procedures.
- 10.1.3. The CFO is responsible for maintaining the Authority's register of capital assets. The CFO is responsible for the design and implementation of controls that safeguard assets ie care, custody and security.
- 10.1.4. Where applicable, the title deeds for assets will be held by the SPA under secure arrangements agreed by the Accountable Officer.

**10.2. Disposal of assets**

- 10.2.1. Assets deemed surplus to requirements can be considered for disposal. The initial request to declare surplus and initiate a disposal process should be approved in line with appendix A and the relevant provisions within the SPFM.
- 10.2.2. The Accountable Officer should ensure that processes are in place to provide assurance that estates (property) assets sold on the open market are normally disposed of at market value as defined in the Royal Institution of Chartered Surveyors Appraisal and Valuation Standards and for non-heritable assets sold by public auction or tender.
- 10.2.3. The SPFM makes it clear that in most circumstances public bodies should obtain the best possible price on the open market when disposing of assets having regard to all the circumstances, including the terms and conditions of the offer(s) received.



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- 10.2.4. In some circumstances there may be a need to dispose of an asset at less than market value but the SPFM requires that these must deliver wider public benefits, consistent with the principles of Best Value. Further approval may be required per Appendix A.
- 10.2.5. The Authority may also be obliged to dispose of heritable property to a community body where that community body has submitted an Asset Transfer Request in terms of section 79 of the Community Empowerment (Scotland) Act 2015. Such transactions shall be deemed to be of a routine nature.
- 10.2.6. The proceeds received from the sale of fixed assets should be returned to the Scottish Government unless the Accountable Officer has received prior approval to reinvest such funds.

**10.3. Inventories**

- 10.3.1. Budget holders are responsible for establishing adequate arrangements for the custody and control of stocks and stores within their business areas that will ensure stocks are kept to a level compatible with safe operation of the Organisation.
- 10.3.2. Procedures and systems used for stores accounting in departments must be documented and have the approval of the CFO.
- 10.3.3. Budget holders are responsible for ensuring that regular inspections and stock checks are carried out; at least annually. Stocks and stores of a hazardous nature will be subject to appropriate security checks.

**11. Other****11.1. Insurance**

- 11.1.1. PS is responsible for the Authority's insurance arrangements, including the provision of advice on the types of cover available.
- 11.1.2. As part of the overall risk management arrangements, all risks will have been considered and those most effectively dealt with by insurance cover will have been identified. The CFO should have due regard to the SPFM and consideration of the options to self-insurance or undertake commercial insurance.

**11.2. Legal**

- 11.2.1. The legal committee has delegated decision making power to approve all settlements arising from claims against the Chief Constable under section 24(1) of the Act, and against the Authority.
- 11.2.2. In addition, in terms of section 24(3)(c) of the 2012 Act, the Authority in principle approves settlement of any single claim raised against the chief constable, provided the principal sum accords with the delegation per Appendix A and Police Scotland's Chief Legal Officer considers the settlement appropriate, and consistent with best value. The same applies to the settlement of claims or proceedings raised against the Authority by a

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constable or member of police staff, in which Police Scotland acts on the Authority's behalf.

- 11.2.3. Any award, settlement, or claim for judicial expenses which may be considered novel or contentious, include ethical or substantial reputational issues or are of significant public interest shall be referred to the SPA legal committee for consideration and instructions regarding settlement and will require SG approval.

**11.3. Provision of indemnities**

- 11.3.1. The prior approval of the Parliament (via the Accountable Officer) must be secured before entering into any specific guarantee, indemnity, or letter or statement of comfort unless:
- there is specific statutory requirement to do so; or
  - it is of a standard type and arises as an unavoidable feature of an activity authorised by statute; or
  - the sum at risk is less than £2.5m

**11.4. Scheme of financial delegations – delegation matrix**

- 11.4.1. Appendix A provides a full list of all levels of delegation.
- 11.4.2. Business areas may delegate further decisions noted as "internal governance" through the SPA/ PS schemes of financial delegation.
- 11.4.3. As outlined in this document, any proposal considered to be novel, contentious or repercussive will require the approval of the Scottish Government. Any such decisions requiring Scottish Government approval should initially be discussed with the Accountable Officer to recommend to the Scottish Government.
- 11.4.4. Any internal decision maker must also defer approval to the appropriate approving level within the Authority where matters are judged to be of significant financial implications, or which may be considered novel or contentious, include ethical or substantial reputational issues, or are of significant public interest. An internal decision maker may also defer approval to the appropriate approving level within the Authority for another documented rationale.
- 11.4.5. A six monthly report should be provided to the appropriate Authority Committees for noting that provides detail of the approvals or decisions provided under the scheme of financial delegation.

## Appendix A – Financial delegation & pre-approval matrix

- All values exclude VAT.
- Internal governance refers to rules as set out within the SPA/ PS schemes of financial delegation.
- In addition any proposal considered to be novel, contentious or repercussive will require the recommendation of AO and approval of the Scottish Government.

#	Detail	Applicable range	Financial regs para	Internal governance	Accountable officer	Resources Committee*	SPA Board	Scottish Government
<b>Policies</b>								
1	Financial regulations	-	2.1.7	Recommend	Recommend	Recommend	<b>Approve</b>	n/a
2	SPA / PS schemes of financial delegation	-	1.1.9	Recommend	<b>Approve</b>	n/a	n/a	n/a
<b>Risk management</b>								
3	Authority strategic risks	-	5.6	n/a	n/a	Recommend *Audit, risk & assurance committee	<b>Approve</b>	n/a
4	SPA corporate / Forensics / Police Scotland strategic risk	-	5.6	<b>Approve</b>	n/a	Note *Audit, risk & assurance committee	n/a	n/a
<b>Financial planning</b>								
5	Annual budget	-	4.2	Recommend	Recommend	Recommend	<b>Approve</b>	n/a
6	Longer term financial plans	-	4.2.4	Recommend	Recommend	Recommend	<b>Approve</b>	n/a
7	Government spending reviews	-	4.2.4	Recommend	Recommend	Recommend	<b>Approve</b>	n/a
<b>Budget management</b>								
8	In-year budget changes / virements (all budgets)	<£1m	4.4	<b>Approve</b>	n/a	n/a	n/a	n/a
		>£1m	4.4	Recommend	Recommend	<b>Approve</b>	n/a	n/a
<b>Accounting and taxation</b>								

**Annex D: Authority's Financial Regulations – financial delegations matrix**

#	Detail	Applicable range	Financial regs para	Internal governance	Accountable officer	Resources Committee*	SPA Board	Scottish Government
9	Annual report & accounts	-	4.95	Recommend	Recommend	Recommend	<b>Approve</b>	n/a
9.1	Management of matters in relation to taxation and VAT	All	4.10	<b>Approve</b>	n/a	n/a	n/a	n/a
<b>Banking arrangements</b>								
10	Opening and management of bank accounts.	-	6.3	<b>Approve</b>	n/a	n/a	n/a	n/a
<b>Income</b>								
11	Policies in respect of: charging for goods and services; externally funded officers and housing occupancy charges.	-	7	Recommend	n/a	Approve	<b>n/a</b>	n/a see provisions of the Act
12	Income charge rates (in respect of #11)	-	7.1.3	Recommend	n/a	<b>Approve</b>	n/a	n/a
13	Acceptance of grant funding awards (within SPA approved policy)	<£1m (income)	7.1.4	<b>Approve</b>	n/a	n/a	n/a	n/a
		>£1m (income)	7.1.4	Recommend	<b>Approve</b>	n/a	n/a	n/a
14	Acceptance of grant funding awards (out with SPA approved policy)	All	7.1.4	Recommend	n/a	<b>Approve</b>	n/a	n/a
15	Third party grants: The Authority has no delegation to provide third party grants without SG approval.	All	7.1.5	Recommend	Recommend	n/a	n/a	<b>Approve</b>
<b>Expenditure</b>								
16	Award of expenditure contracts	<£1m	8.2	<b>Approve</b>	n/a	n/a	n/a	n/a

**Annex D: Authority's Financial Regulations – financial delegations matrix**

#	Detail	Applicable range	Financial regs para	Internal governance	Accountable officer	Resources Committee*	SPA Board	Scottish Government
	(total value of individual contract including extensions and exclusive of VAT)	£1m to £3m	8.2	Recommend	<b>Approve</b>	n/a	n/a	n/a
		>£3m	8.2	Recommend	Recommend	<b>Approve</b>	n/a	n/a
16.1	Termination of expenditure contracts	n/a	8.2	<i>Approval sought from the governance forum that approved the original contract award.</i>				
17	Contract extensions (total value of extension)	Procured and approved as part of the original contract eg a 3 year contract with an option for a further year. For other variation seek procurement / legal advice.	8.2	<b>Approve</b>	n/a	n/a	n/a	n/a
		Not part of or above original maximum contract approval.	8.2	Recommend	<b>Approve</b>	n/a	n/a	n/a
18	Modification of contracts	Increase costs <20% of contract value or don't change original contract award approval route (per #16).	8.2	<b>Approve</b>	n/a	n/a	n/a	n/a
		Increase costs >20% of contract value or would increase the original contract award approval route (per #16).	8.2	Recommend	<b>Approve</b>	n/a	n/a	n/a
19	Non-competitive action (NCA) (total value of individual contract)	<£25k	8.2.2	<b>Approve</b>	n/a	n/a	n/a	n/a
		£25k - £1m	8.2.2	Recommend	Recommend	Note	n/a	<b>Approve</b>

**Annex D: Authority's Financial Regulations – financial delegations matrix**

#	Detail	Applicable range	Financial regs para	Internal governance	Accountable officer	Resources Committee*	SPA Board	Scottish Government
		>£1m	8.2.2	Recommend	Recommend	Recommend	n/a	<b>Approve</b>
20	External businesses & management consultancies (total value of individual contract)	<£100k	8.2.2	<b>Approve</b>	n/a	n/a	n/a	n/a
		>£100k	8.2.2	Recommend	Recommend	n/a	n/a	<b>Approve</b>
21	Authority to incur expenditure within budget	All	8	<b>Approve</b>	n/a	n/a	n/a	n/a
22	Certification of invoices for payment	All	8.3	<b>Approve</b>	n/a	n/a	n/a	n/a
<b>Pay expenditure</b>								
23	Pay award – officers	n/a	9.1	Recommend	Recommend	n/a	n/a	<b>Police Negotiating Board (PNB) - approve</b>
24	Pay award – staff (in line with PSPP)	n/a	9.1	Recommend	Recommend	Recommend	<b>Approve</b>	n/a
25	Pay award – staff (outside PSPP)	n/a	9.1	Recommend	Recommend	Recommend	Recommend	<b>Approve</b>
26	Voluntary redundancy or voluntary early retirement (VR VER) scheme	-	9.5	Recommend	<b>Approve</b>	Recommend	n/a	<b>Consult</b>
27	Voluntary redundancy or voluntary early retirement (VR VER) payments	<£95k paid to an individual, in line with budget and VR VER scheme	9.5	<b>Approve</b>	n/a	n/a	n/a	n/a
		>£95k paid to an individual or outside or scheme	9.5	Recommend	Recommend	n/a	n/a	<b>Approve</b>
<b>Business cases</b>								
Relates to any new initiative (business as usual should be captured as part of budget setting).								
28	Business justification case (BJC),	<£1m	4.5	<b>Approve</b>	n/a	n/a	n/a	n/a

**Annex D: Authority’s Financial Regulations – financial delegations matrix**

#	Detail	Applicable range	Financial regs para	Internal governance	Accountable officer	Resources Committee*	SPA Board	Scottish Government
	Initial business case (IBC) & Full business case (FBC) <i>(Total cost to the service over five years appraisal period.)</i>  <i>Revenue, capital and reform costs excluding savings and including all existing costs including officer and staff costs)</i>	£1m to £3m	4.5	Recommend	<b>Approve</b>	n/a	n/a	n/a
		>£3m	4.5	Recommend	n/a	<b>Approve</b>	n/a	n/a
29	Major investment (as defined by SPFM)  <i>(The creation, acquisition, development or maintenance of an asset with a lifespan beyond the current financial year and total anticipated whole-life cost of £5m ie capital expenditure).</i>	>£5m	4.5	Recommend	n/a	Recommend	n/a	<b>Approve</b>
30	<b>Business case change control</b>  <u>Changes from IBC to FBC</u> <ul style="list-style-type: none"> <li>Summary of movements in costs and benefits from the approved initial business case to be provided.</li> <li>If the preferred option in the IBC changes significantly following approval, a short</li> </ul>	n/a	4.5	n/a	n/a	n/a	n/a	n/a

**Annex D: Authority's Financial Regulations – financial delegations matrix**

#	Detail	Applicable range	Financial regs para	Internal governance	Accountable officer	Resources Committee*	SPA Board	Scottish Government
	briefing note should be provided to CE/ RC Members explaining the movement in advance of the FBC.							
31	<p><b>Business case change control</b></p> <p><u>Changes to cost or savings following FBC approval</u></p> <ul style="list-style-type: none"> <li>Other non-financial changes ie non-financial benefits, scope, timeline, etc will be monitored and reported to Resources Committee.</li> </ul>	<p>Forecast</p> <p><b>20% or £0.5m</b> overspend of cost or lower saving per the approved FBC</p>	4.5	<ul style="list-style-type: none"> <li>Approval of change required by the source that originally approved by the FBC.</li> <li>They should consider the revised total cost / savings and may choose to escalate further.</li> </ul>				
32	Business case closure reports (end of project review reports)	n/a	4.5	<ul style="list-style-type: none"> <li>Provided for noting to source that originally approved the FBC.</li> </ul>				
<b>Assets</b>								
<b>Heritable property</b>								
33	Routine purchase of property	<£0.250m	10	<b>Approve</b>	n/a	n/a	n/a	n/a
		£0.250m to £1m	10.1	Recommend	<b>Approve</b>	n/a	n/a	n/a
		>£1m	10	Recommend	n/a	<b>Approve</b>	n/a	n/a
34	Request to declare surplus a property for disposal (estimated value)	<£0.250m	10.2.1	<b>Approve</b>	n/a	n/a	n/a	n/a
		£0.250m to £1m	10.2.1	Recommend	<b>Approve</b>	n/a	n/a	n/a
		>£1m	10.2.1	Recommend	n/a	<b>Approve</b>	n/a	n/a
35	Disposal of property <i>(references request to declare surplus papers per #34)</i>	In line with surplus paper  (Up to +/- £30k or 10% est value)	10.2	<b>Approve</b>	n/a	n/a	n/a	n/a



**Annex D: Authority’s Financial Regulations – financial delegations matrix**

#	Detail	Applicable range	Financial regs para	Internal governance	Accountable officer	Resources Committee*	SPA Board	Scottish Government
		Variance from surplus paper (Greater than +/- £30k or 10% est value)	10.2	Recommend	<b>Approve</b>	n/a	n/a	n/a
		Explicit decision to sell for less than market value eg for community benefit	10.2	Recommend	n/a	Recommend	n/a	<b>Approve</b>
<b>Leases</b>								
In addition to the below limits any lease (lessee or lessor) of regional or national importance must be approved by the Board and Scottish Government.								
Extensions to any lease arrangement may be approved so long as they do not exceed the thresholds outlined below.								
36	Leases (SPA as lessee or lessor)  <i>Values represent total costs/ income over the lease term. Costs are inclusive of rent and estimated operating costs. Values also relate to the full lease term at current prices.</i>	<£250k And up to 5 years	8.5	<b>Approve</b>	n/a	n/a	n/a	n/a
		£0.250k - £2m And up to 15 years	8.5	Recommend	<b>Approve</b>	n/a	n/a	n/a
		> £2m And any period	8.5	Recommend	n/a	<b>Approve</b>	n/a	n/a
		Operating leases – other than property / accommodation related leases > 5 years and £50k	8.5	Recommend	Recommend	n/a	n/a	<b>Approve</b>

**Annex D: Authority's Financial Regulations – financial delegations matrix**

#	Detail	Applicable range	Financial regs para	Internal governance	Accountable officer	Resources Committee*	SPA Board	Scottish Government
37	Wayleaves and radio masts leases  <i>Proposal to enter into arrangements with Police Scotland to negotiate and sign wayleaves and radio mast leases on behalf of the SPA.</i>  <i>An estates annual activity report is provided to Resources Committee for noting. This should cover historic and forward forecast view of purchases, disposals and leases including wayleaves / radio masts.</i>	All	8.5.2	<b>Approve</b>	n/a	Annual report to be provided for noting	n/a	n/a
<b>Legal</b>								
38	Settling legal actions & claims  <i>(values net of expenses, recoverable benefits and NHS charges)</i>	<£75k	11.2	<b>Approve</b>	n/a	n/a	n/a	n/a
		>£75k	11.2	Recommend	n/a	<b>Approve by Legal committee*</b>	n/a	n/a
<b>Losses, special payment &amp; claims waived or abandoned</b>								
<b>Losses</b>								
39	All losses, excluding claims waived or abandoned  (for a single customer / debtor)	Up to £1k	8.6	<b>Approve</b>	n/a	Note	n/a	n/a
		£1 - £25k	8.6	Recommend	<b>Approve</b>	Note	n/a	n/a
		>£25k	8.6	Recommend	Recommend	Recommend	n/a	<b>Approve</b>
40	Claims waived or abandoned	<£25k (individually)	8.6	<b>Approve</b>	n/a	n/a	n/a	n/a
		>£25k (individually)	8.6	Recommend	Recommend	n/a	n/a	<b>Approve</b>
41	All losses  (total within a financial year)	<£300k	8.6	<b>Approve</b>	n/a	Note	n/a	n/a
		>£300k	8.6	Recommend	Recommend	Recommend	n/a	<b>Approve</b>

**Annex D: Authority’s Financial Regulations – financial delegations matrix**

#	Detail	Applicable range	Financial regs para	Internal governance	Accountable officer	Resources Committee*	SPA Board	Scottish Government
<b>Special Payments</b>								
42	Special payments (individually)	<£1,000	8.6	<b>Approve</b>	n/a	n/a	n/a	n/a
		>£1,000	8.6	Recommend	Recommend	n/a	n/a	<b>Approve</b>
43	Special payments (total within a financial year)	>£300k	8.6	Recommend	Recommend	Recommend	n/a	<b>Approve</b>
<b>Gifts or donations</b>								
44	Gifts or donations provided by the service	<£1,000 (individually)	9.4	<b>Approve</b>	n/a	n/a	n/a	n/a
		>£1,000 (individually)	9.4	Recommend	Recommend	n/a	n/a	<b>Approve</b>

A six monthly report should be provided to the appropriate Authority Committees for noting that provides detail of the approvals or decisions provided under the scheme of financial delegation.

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