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Edinburgh  
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17<sup>th</sup> May 2024

Dear Convener,

Please find enclosed a copy of The Scottish Government Scheme of Delegation, as offered from the Permanent Secretary in his correspondence to the Finance and Public Administration Committee on the 25<sup>th</sup> March 2024. This is provided ahead of the session on the 21<sup>st</sup> May on Public Administration in Government – specifically regarding the committee report covering ‘Effective Scottish Government Decision-Making’.

The annual review of the Scheme of Delegation was finalised in April 2024 and with version enclosed being redacted to remove internal contact details or links to internal contacts in accordance with standard Scottish Government protocol.

We are currently exploring options for publishing this material annually to continue enhancing Scottish Government’s approach to accountability and transparency.

I look forward to the forthcoming session next week and covering any further detail in relation to the Scheme.

Yours sincerely

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# The Core Scottish Government Scheme of Delegation - 2024-25



Scottish Government  
Riaghaltas na h-Alba  
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## Introduction

1. Positive management of public money is critical to retain public trust, progress Government's priorities to the greatest extent possible within the budget available and progress the National Outcomes. We all need to understand, feel accountable for and, where appropriate, be measured on our part in controlling spend, consumption and compliance to make every pound of tax-payers' money count. This scheme describes the principles, requirements, and links to the main information to aid you in the delivery of your responsibilities.
2. This document also details the internal structures for the delegation of financial and procurement responsibilities in the core Scottish Government (SG). Although not part of the [Scottish Public Finance Manual](#) (SPFM) the document complements the SPFM chapters on [Accountability](#) and [Delegated Authority](#).
3. The Crown Office and Procurator Fiscal Service, SG Executive Agencies and non-ministerial departments should adopt the principles of the Scheme of Delegation and ensure that adequate arrangements for the delegation of budgetary and purchasing authority are in place to meet business requirements and that these are documented accordingly.
4. Delegation of authority for budgets and financial responsibilities flows from Portfolio Accountable Officers (DG's) to Directors, then to Deputy Directors and so on, therefore robust management and assurance processes alongside strong working relationships are essential to ensure the SG can effectively meet its objectives. The structure of the scheme defines roles to ensure continuity if members of staff move post. For staff below Deputy Director this delegation is achieved through job descriptions and performance objectives rather than formal written delegation.

This scheme of delegation explains more about:

- internal structures and working relationships
  - the delegation process
  - internal controls through the certificate of assurance process
  - areas of financial responsibility and delegated authority
  - It also contains templates for letters of delegation and where to find advice.
5. The formal Scheme of Delegation across the core SG:
    - ensures that Directors and Deputy Directors understand more clearly their role in relation to financial and procurement responsibilities and will therefore be in a stronger position to sub-delegate, comply with the purpose and spirit of the rules and add value through their management and oversight roles.
    - affords protection to Directors and Deputy Directors as the written delegations will document what individuals are authorised to do without further approval.
    - promotes continuity and stability - the Scheme of Delegation remains in place when individual members of staff move post.
    - Ensures a consistent culture and approach to the application of financial responsibilities.
    - encourages Directors and Deputy Directors to embed financial responsibilities within the appraisal process both for themselves and for those working in their teams.
  6. It is essential that the SG achieves and maintains certain standards of financial and procurement performance. These standards should reflect best practice and that at each level of the organisation officials understand as clearly as possible their respective roles in relation to financial and procurement matters; and what authority to act in relation to financial and procurement matters is delegated.

7. Further detail on the Scheme and related Financial responsibilities and requirements of the Certificates of Assurance is provided in the following Annex A and B these annexes should be viewed as the Scheme's core requirements. Budget holders should also comply with any specific financial management guidance from the Permanent Secretary and Chief Financial Officer, for example AO (Accountable Officer) spending controls that promote and support fiscal sustainability. Please contact finance if you require any further clarification. Model letters for Delegation are detailed within Annexes C and D.

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## ANNEX A

## Background

1. In accordance with section 14(1) of The Public Finance and Accountability (Scotland) Act 2000 the Permanent Secretary to the SG is the Principal Accountable Officer for the Scottish Administration. Their responsibilities include ensuring that there is a high standard of financial management as a whole and the designation of Portfolio Accountable Officers for constituent parts of the Scottish Administration and certain other bodies. They are also responsible for signing the [Governance Statement](#) included in the SG consolidated accounts. The general responsibilities of the Principal Accountable Officer are set out in paragraph 2 of [the Memorandum to Accountable Officers for Parts of the Scottish Administration](#).
2. Portfolio Accountable Officers are answerable to the Scottish Parliament for the resources for which they have a personal responsibility. They are also required to provide the Principal Accountable Officer with assurances on the systems of internal control in respect of their areas of responsibility that support the achievement of relevant policies, aims and objectives as set by the Scottish Ministers and the quality of these assurances. This includes adhering to the Scottish Public Finance Manual principles of propriety, regularity, alongside economy, efficiency and effectiveness when sustainably managing public resources.
3. The Scheme of Delegation does not impact on the letters of designation that flow from the Principal Accountable Officer to Portfolio Accountable Officers (Directors-General) nor the responsibility and accountability that sits with the Portfolio Accountable Officer role i.e. the Portfolio AO remains accountable for the whole irrespective of delegation of responsibilities to Directors or below, letters conferring that Accountability are (alongside being sent to the Public Audit Committee and Auditor General for Scotland) will also be published on saltire. As noted at paragraph 4 above the Scheme of Delegation formalises and codifies good internal management practice in the delegation of financial responsibilities from Portfolio Accountable Officers to Directors and from Directors to Deputy Directors thereby facilitating financial delegations through the core SG to ensure clarity of financial and procurement responsibilities, it does not confer AO responsibilities below Portfolio AO level.

## Delegated Authority

4. To assist them in their role, Portfolio Accountable Officers delegate authority for budgets and associated strategic and financial management responsibilities to Directors (or equivalents) for further sub-delegation as they consider appropriate. Further sub-delegation may be particularly appropriate in areas with responsibility for substantial budgets to ensure a comprehensive delegation of financial responsibilities.
5. To be able to undertake expenditure, the SG requires both the statutory power to undertake the activity giving rise to the expenditure and parliamentary authority to incur expenditure via the Annual Budget Act. The specific resources for which Portfolio Accountable Officers have a personal responsibility, together with associated objectives/targets/outcomes should be set out in the Budget Documents which inform the Scottish Parliament's approval of Annual and Revised Budgets.

## Process within the Scottish Government

6. A key purpose of a Scheme of Delegation and the subsequent formal written delegations is that these ensure clarity of responsibilities. With this in mind a formal written delegation of financial responsibilities will flow from Portfolio Accountable Officer to Director in the first instance and then from Director to Deputy Director. Being in receipt of a Delegation confers the responsibility to comply with rules around public spending and will only occur when the delegating officer is confident in the capabilities

of the person being delegated to. In the event that this confidence is undermined through lack of compliance with rules, delegation could be withdrawn.

7. Where a further delegation from Deputy Director level is deemed to be appropriate - to ensure a comprehensive delegation of financial responsibilities - then this should be achieved through job descriptions, performance objectives, and desk instructions. It will ultimately be for the Deputy Director to consider and ensure that their Division has the necessary procedures in place.
8. Formal written delegations will be issued on an annual basis following the publication of the Budget Document which supports the Budget Act and will where practicable refer to delegated budgets rather than numbers. Delegations will be made “subject to any subsequent in-year budget changes” with revised or new delegations being issued only where there are changes in areas of responsibilities.
9. Delegated Purchasing Authority (DPA) is granted to individuals by the Director, of the Scottish Procurement and Property Directorate (or nominated representative) and will be in writing based on the business need and training/experience of staff concerned. It will specify the value of contracts (excluding VAT) that the individual will be authorised to award. Directors and Deputy Directors are responsible for ensuring that all procurement activity within their business area is conducted in accordance with the [SG Procurement Policy Manual](#).

Portfolio Accountable Officer (DG) to Director

11. The first step will be for the Portfolio Accountable Officers to issue to Directors a personal financial responsibility statement detailing the budget(s) where budget responsibility is delegated – a table with this information has been provided by Financial Management and Reporting team to facilitate this process and is published alongside this document on Saltire.
  - The Governance and Risk Team within Corporate Reporting Division have responsibility for ensuring that the Scheme of Delegation is updated and coordinated effectively.
  - Financial Management & Reporting and Health Finance will advise DG Offices on the preparation of personal financial responsibility statements for Portfolio Accountable Officers to issue to Directors.
  - Business areas have a responsibility to inform Financial Management and Reporting and their respective DG Office of any changes to structural responsibilities which might have an impact on their delegation.

[The delegation to Director template letter is provided at Annex C.](#)

Director to Deputy Director

12. Following on from the formal written delegation from Portfolio Accountable Officer to Director, the Director should then arrange for a further written sub-delegation to Deputy Directors. This delegation should cover all of the budgets delegated.
13. Financial Management & Reporting, Health Finance, as appropriate, can be engaged to provide advice on tailoring the standard template letter of delegation.

[The template Director to Deputy Director delegation letter is provided at Annex D.](#)

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### The Certificates of Assurance

14. It is important that we make the link between the delegation of financial responsibilities and the financial elements within the Certificate of Assurance process. If the delegation of financial management responsibilities to Directors and Deputy Directors is assumed to be the first stage, then the completion of the cycle is the Certificates of Assurance process.
15. As noted, Portfolio Accountable Officers are personally answerable to the Scottish Parliament for the resources for which they are responsible. Portfolio Accountable Officers are also required to provide an assurance to the Permanent Secretary as the Principal Accountable Officer to enable them to sign the SG consolidated accounts. Portfolio Accountable Officers require assurances on the maintenance and review of internal control systems within or affecting their area of responsibility. Internal control systems comprise the whole network of systems established in an organisation to provide assurance that organisational objectives will be achieved, with particular reference to:
- financial management;
  - procurement management;
  - risk management;
  - asset management;
  - the effectiveness of operations;
  - the economical and efficient use of resources; (e.g. procurement, workforce planning)
  - compliance with applicable policies, procedures, laws and regulations;
  - safeguards against losses, including those arising from fraud, irregularity or corruption;
  - the security, integrity and reliability of information and data; and
  - performance management.
16. Assurances are required following the end of each financial year, but it would only be possible to provide such assurances, without any qualification, where best practice and any relevant guidance (e.g. the Scottish Public Finance Manual (SPFM)) had been followed throughout the accounting period. It is recognised however, that such assurances can provide only reasonable and not absolute assurance.
17. The assurance framework, as set out in the SPFM Chapter on [Certificates of Assurance](#), requires assurances from Deputy Directors to Directors supported by the completion of an Internal Control Checklist. Directors provide an appropriate written assurance based on those checklists to Portfolio Accountable Officers.
18. It is extremely important that Directors and Deputy Directors adhere to the timetable, for the completion and signing of Certificates of Assurance. A comprehensive and timely process enables the Permanent Secretary, as the Principal Accountable Officer, to sign the governance statement provided as part of the Sag's consolidated accounts with confidence.

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## ANNEX B

## Checklist of General Areas of Financial Responsibility and Delegated Authority

The list below defines the main areas of financial responsibility and delegated authority associated with a written financial responsibility statement.

### 1. Policy Proposals, Reports and Reviews

You will ensure that you are following the SG guidance on Policy making and as part of that process you engage your Finance Business Partner (or equivalent) (and as necessary Internal Audit and Procurement) at the earliest possible stage in development of all policy proposals etc. which may have resource, control or other finance related implications and that they are kept informed of developments. The Finance Business Partner (or equivalent) is available to assist in development and must also be consulted on all responses to reports, reviews etc. with resource implications or which include issues of financial regularity, propriety or accountability.

You will ensure that Risk Potential Assessment Forms are completed in respect of all policy proposals that meet the definition of a Major Investment in the Scottish Public Finance Manual, to determine whether they should be subject to Scottish Government Gateway Review. SG Internal Audit and Assurance directorate is the main source of advice on independent portfolio, programme and project assurance.

### 2. Financial Memoranda – Scottish Government Bills

In preparing a Financial Memorandum to accompany a Scottish Government Bill, the Bill Team, in consultation with the Finance Business Partner (or equivalent) and other interested parties, will ensure full compliance with the requirements set out in the Standing Orders, in the Bill Handbook and in [Finance Guidance Note 2009-01](#).

Bill Teams should engage with their Finance Business Partner (or equivalent) in good time and throughout the drafting process, and must clear Financial Memoranda before the draft Bill and accompanying documents are submitted for approval to Ministers, including the Cabinet Secretary for Finance.

### 3. Scottish Statutory Instruments

The Finance Business Partner (or equivalent) should also be consulted on any Scottish Statutory Instruments (SSIs) to ensure that the financial implications of the secondary legislation are considered and recorded.

### 4. Budget Planning, Budget Monitoring and Reporting

You will ensure you contribute effectively and in line with expected practice to public expenditure planning and monitoring exercises co-ordinated by Financial Management Directorate and DGSE. Such exercises often underpin corporate reporting requirements to the Corporate Board and the Cabinet Secretary for Finance.

### 5. Certificates of Assurance

You will provide assurances (in the form of a signed [Certificate of Assurance](#) and an Internal Control Checklist) on the system of internal control within your business area. This enables you to provide the Portfolio Accountable Officer with the appropriate level of assurance. The Portfolio Accountable Officer will in turn provide an assurance to the



Permanent Secretary as the Principal Accountable Officer for the Scottish Administration thereby supporting the signing of the governance statement provided as part of the SG's consolidated accounts.

#### 6. Risk Management

You will ensure that risks, whether to the achievement of business objectives, regularity, propriety or value for money, are identified and covered as part of the Business Planning process and routinely reviewed throughout the year.

You will ensure that their significance is assessed and that systems appropriate to the risks are in place to manage them, you will also ensure you have in place a Risk Champion to support the risk process in your area.

#### 7. Fraud

If you are faced with any suspicion of fraud, as part of your on-going management action, you should refer to the guidance on [Fraud](#) contained in the SPFM and follow the appropriate procedures.

#### 8. Grant and Grant in Aid

You will ensure compliance with the guidance on [Grant and Grant in Aid](#) as detailed within the SPFM and within specific SG guidance on Saltire.

#### 9. Value for Money

You will seek to achieve [value for money](#) in relation to your allocated budget by ensuring that resources are used [efficiently, effectively and economically](#). The requirements of SPFM Appraisal and Evaluation section must be adhered to, particularly with regard to the need to prepare pre-expenditure assessments and business cases to demonstrate the value for money case. Options appraisals, including financial appraisal and evaluation, are essential to good financial management, detailed policy development and design. They are also a key component to ensuring objective analysis is provided to support decision making. You will ensure that an appropriate appraisal has been carried out

#### 10. Best Value

You will ensure that arrangements have been made to secure [Best Value](#) from resources by pursuing continuous improvement and following the Best Value framework.

#### 11. Business Planning/Performance Appraisal

You will ensure that delegated financial responsibilities are included, where appropriate, in Business Plans. For staff below Deputy Director level delegated financial responsibilities must be incorporated in job descriptions and objectives supporting the performance appraisal process as well as any local desk instructions.

#### 12. New services or spending proposals

Any [new services](#) or spending proposals, which cannot be met from within existing agreed delegated Budgets, must be referred to Director level or Portfolio AO level as appropriate and to the relevant Finance Business Partner (or equivalent).

#### 13. Novel or contentious spending proposals (including any ex-gratia payments)

Any proposals which might set a precedent or have repercussions for other parts of the SG must be referred for consideration to Director level or Portfolio AO level as appropriate and to the relevant Finance Business Partner (or equivalent).

#### 14. Programme/Project Management

Effective management of [major investment](#) programmes and projects (as defined in the Major Investment Projects section of the SPFM) is essential to ensure that they deliver the specified outcome or output, to the agreed quality, timescale and budget. The Major

Investment Projects section of the SPFM sets out the key steps and processes to be followed in managing a major investment programme or project. Projects which do not meet the thresholds for major investment should be managed in line with Programme and project management principles.

Portfolio Accountable Officers must be kept informed of progress on major investment programmes and projects and must inform Ministers if there are any developments that could undermine the planned budget or viability of the programme or project.

Where appropriate the involvement of the Investment Committee, which supports a consistent and sound evidence base for future financial commitments and projections, following the rules set out in the SPFM should also be considered.

#### 15. Management of Assets

You will ensure that any [assets](#) within your command e.g. land, buildings, equipment are properly and well managed. Robust systems must be in place to ensure that the accuracy and integrity of information held on registers, databases and inventories is safeguarded and readily available for inspection.

Capitalised expenditure (PPE and Intangibles) must meet the approved corporate thresholds and definitions and be supported by Asset Addition forms. Any disposal of previously capitalised assets should be recorded correctly in SEAS and supported by Asset Disposal forms. Business areas are responsible for maintaining records of attractive items, local investment registers and systems for the management of equipment.

#### 16. Resource costs

Any proposal which has cost implications which cannot be managed within the funds or headcount available must be referred to Director level or Portfolio AO as appropriate and the Directorate Budget Centre Liaison Officer (DBCLO) or equivalent DGCLO.

#### 17. Public Sector Pay

[Pay Policy / Pensions Team](#) must be consulted on and agree any pay remit proposals or changes to pay and conditions of service. In addition, the relevant Finance Business Partner (or equivalent) should be consulted on affordability.

Public Sector Pay Policy (both staff pay remits and senior appointments) applies to those public sector bodies whose pay requires the approval of the Scottish Ministers. This includes the core SG, Non-Ministerial Departments who have their own pay bargaining units, Executive Agencies, Non-Departmental Public Bodies, Public Corporations, Tribunals, Appeals Boards, Advisory Committees and Inquiries, and ad hoc working groups.

#### 18. Subsidy Control

You will consult the [Subsidy control team](#) on all proposals which may have subsidy control implications. Subsidy control provisions are now covered by the [UK Subsidy Control Act 2022](#) and the UK's international obligations including various Free Trade Agreements and those arising as a consequence of World Trade Organisation membership. There are circumstances in which Subsidies are allowed however, Subsidy control issues must be considered as early as possible in the policy development stage. Any unlawful subsidies given in contravention of the [UK Subsidy Control Act 2022](#), FTAs and WTO – may result in infraction proceedings and the possible recovery, with interest, of the payment from the recipient. All relevant accounts may also be liable to qualification.

#### 19. Debt Repayment

Any proposals regarding the early repayment of [borrowing](#) from Scottish Ministers will require the approval of Financial Management & Reporting.

## 20. Gifts

The prior approval of the relevant Finance Business Partner (or equivalent) is required for the making of any gift not covered by specific delegated authority. [Gifts](#) should, where practicable, be authorised by the Budget Act (as revised by Budget Amendment Order) and Budget Documents should be appropriately footnoted.

Any proposal to make a gift (or a prize in a competition) must be cleared at Director level and by the relevant Finance Business Partner (or equivalent). Gifts made or received by the SG must be reported in notes to the annual accounts. Individual gifts of more than £250,000 must be noted separately in the accounts.

## 21. Donations to charity

Any proposal to make a donation to a charity from the approved budget must be authorised by the Portfolio Accountable Officer with appropriate advice from the relevant Finance Business Partner (or equivalent).

## 22. Disposal of Property

You must seek advice from Property and Construction Division, when a [disposal of property](#) or an acquisition of property is being considered using the Property acquisition, disposal and management - Scottish Public Finance Manual - gov.scot (www.gov.scot) In addition business areas within the Scottish Administration, sponsored bodies and other bodies to which the SPFM is directly applicable must ensure that Property and Construction Division and the relevant Finance Business Partner (or equivalent) are notified of any planned property disposal prior to the property being advertised on the open market.

Approval from the Cabinet Secretary for Finance is required for any transfers of land or buildings to a body outside the Scottish Administration. Property and Construction Division and the relevant Finance Business Partner (or equivalent) must be fully consulted on any proposals of this nature.

## 23. Financial Guarantee Contracts/Contingent Liabilities/Letters of Comfort

You must clear any proposals which will create a [contingent liability](#) with the relevant Finance Business Partner (or equivalent). All guarantees/indemnities/letters of comfort must be cleared by the Finance Business Partner (or equivalent) to ensure that appropriate accounting and budgetary implications are fully considered and that, if required, approval has been received from the Finance and Public Audit Committee before proceeding. A contingent liability is essentially a legally binding enforceable undertaking given in the form of a guarantee which would bind the SG into providing the resources in the event of the guarantee or indemnity maturing; or a general statement of comfort which could be considered to impose a moral financial obligation on the SG. It is an asset/obligation based on a past event where it is either unclear if it will occur (future set of circumstances will set it in motion) or the amount of the obligation is unclear.

## 24. Resource Budget and Cash Management

As well as ensuring that consumption of the Budget Act resources for which you have responsibility is actively monitored against the approved Budget for the year, you will ensure also that budget managers provide Financial Management & Reporting or Health Finance, as appropriate, with accurate and robust profiles and forecasts of outturn for resource budget exercises and for the cash management monthly forecasts to Financial Services Division, Treasury & Banking.

## 25. Payment Policy

You will ensure that staff, as far as possible (recognising that in certain instances invoices require some clarification) make payments promptly and, where appropriate, in accordance with the SG target of 10 working days for the payment of the invoice from receipt of the invoice.

## 26. Debt Management

You will ensure that [debt is actively managed](#) in accordance with the SPFM requirements and your business area policy. The policy should be evidenced in writing and agreed with your Finance Business Partner/Health Finance.

## 27. Divisional Procedures

You will ensure that procedures, desk instructions, training strategies etc. are in place to comply with guidance outlined in the Scheme of Delegations. Desk instructions, relating to financial procedures, must be cleared with the relevant Finance Business Partner (or equivalent).

## 28. VAT

You will ensure that UK VAT legislation is complied with in all cases. In making any decisions on VAT the [VAT guidance contained within the SPFM](#) should be considered and complied with where applicable. In cases where there is any uncertainty with the correct VAT treatment to apply, advice must be sought from the VAT Advisory Unit within the Financial Management Directorate.

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## Delegated Authorities

### 1. Budgetary Authority

Budgetary authority is the authority to commit expenditure from a budget. Financial Responsibility Statements, from Portfolio Accountable Officers to Directors, will state clearly the budgets being delegated.

Directors, in sub-delegating to Deputy Directors, must similarly detail in writing the budgets being delegated. Sub-delegation from Deputy Directors, if deemed appropriate, must be in writing and incorporated into job descriptions and if appropriate covered by appraisal objectives.

### 2. AO Spend Control Template process

All Accountable Officers must comply with AO spending controls that promote and support . spend control guidelines, including financial thresholds and what expenditure must follow the process, is subject to revision in year. Please refer to the Financial accountability and assurance section on Saltire for the current parameters

Note that the AO Template and spend control rules may be revised throughout the relevant financial year subject to achievement of the budget flightpath milestones. To note, AO templates are utilised in order to release expenditure and are not a substitute for other aspects of evidenced based policy making, such as business cases. It is essential that the SPFM is adhered to with respect to pre-expenditure assessments and business cases.

### 3. AO Assessments

An Accountable Officer Assessment is different to AO spend control should always be produced for projects or programmes. It will build upon the work that the policy/implementation/budget-holder team have already done to produce advice to Ministers on the business case to proceed, initially in principle at an early point, then again as appropriate in more detail at suitable strategic points as the policy or proposal is developed. In practice, that means:

- Alongside the request for the Accountable Officer's approval of the Outline Business Case
- at subsequent stages of the project if it departs from the AO standards or the agreed plan – including any contingency – in terms of costs, benefits, timescales, or level of risk, which informed the Accountable Officer's previous approval.
- when looking to disinvest in a public sector asset or programme
- if the Senior Responsible Owner (SRO) of the project decides one is merited at any other stage of the project

SROs and AOs should be prepared to defend their decisions to Parliament if challenged, for example, if called to give evidence to the Public Audit Committee.

#### 4. Losses and Write-offs/ Special Payments (compensation, ex-gratia payments etc.)

Directors require written delegated authority from the relevant Finance Business Partner (or equivalent) or the Financial Management & Reporting Team to write off [losses or make special or other ex gratia payments](#). The Finance Business Partner (or equivalent) or the Financial Management & Reporting Team must agree all proposals for delegation. Directors may, upon receiving a written delegation, sub-delegate authority in writing to Deputy Directors to facilitate business flow. However, the Director, the Finance Business Partner (or equivalent) and Financial Management & Reporting Team must be informed of all losses/write-offs and special payments in order to ensure that the appropriate accounting treatment is undertaken. In the absence of specific written agreement from the Finance Business Partner (or equivalent) or Financial Management & Reporting Team there is no power delegated.

#### 5. Delegated Purchasing Authority

Delegated Purchasing Authority (DPA) is the authority to enter into a contract for goods, services and works and oversee the process leading up to and including the award of a contract and any subsequent contract changes.

No SG member of staff can enter into a contract without written purchasing authority from the Director, Procurement and Property except using the electronic Purchasing Card (ePC) or a framework agreement awarded by SPPD.

DPA is personal to an individual only whilst they occupy their current position. DPA does not automatically transfer to their successor should they leave their current post, nor does it transfer with them to another post. DPA is not reviewed annually. It is important therefore that DPA is incorporated into an individual's job description and if DPA is to be withdrawn by the Director, Procurement and Property for any reason then this will be confirmed in writing.

DPA must not be confused with budgetary authority. Information on [DPA](#) is available on the Scottish Government Procurement Policy Manual.

#### 6. Electronic Purchasing Card

The [electronic Purchasing Card](#) (ePC) should be used for goods and services costing up to £5,000 per transaction excluding VAT. Using the card reduces the time required to raise and process large numbers of ad-hoc payments. Suppliers benefit by being paid a few days after despatching the goods or delivering the services.

Responsibility for the proper management and control of an ePC card must be incorporated into an individual's job description and if appropriate covered by an appraisal objective.

## 7. Use of Consultants

The use of business and management consultants can only be justified where the required knowledge and expertise is not available in-house. The [SG Consultancy Procedures](#) should be regarded as relevant good practice guidance. Specific prior approval levels for the SG are as follows:

Contracts up to £10,000 approved by a Deputy Director, between £10,000 and £50,000 approved by the relevant Director General and over £50,000 approved by the Cabinet Secretary for Finance.

## 8. Publication of financial transaction data

Monthly reports of payments made by the SG in excess of £25,000 (over £25k reports) and electronic Purchasing Card (ePC) transactions of £500 and above (ePC500 reports) are published on the SG web site. Procedures, including timetables and deadlines, are in operation for pre-publication review of both over £25k and ePC500 reports. In both cases, designated contacts within business areas are responsible for initial pre-publication reviews. Affected business areas should ensure that initial pre-publication reviews are carried out timeously and accurately.

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## ANNEX C

## Template – Portfolio Accountable Officer to Director

Director    Insert Director Role

Copy to:    Finance Business Partner (or equivalent)

[If the Portfolio Accountable Officer is not also the DG with management responsibility for the directorate the minute should be copied to the relevant DG manager.]

FINANCIAL RESPONSIBILITY STATEMENT – FINANCIAL YEAR XXXX-YY:  
DELEGATION OF AUTHORITY FROM THE PORTFOLIO ACCOUNTABLE OFFICER

1. The Permanent Secretary, in their capacity as the Principal Accountable Officer for the Scottish Administration, has designated me as the Accountable Officer for parts of the Scottish Administration, as defined in the annual Budget Act and Documents. The annual Budget allocates resources to ministerial portfolios. A table setting out the budget provision for each of these areas for the current financial year is available here. This is updated for changes in year and is the foundation for the regular financial management reporting.
2. The detailed responsibilities associated with this designation are set out in the Memorandum to Accountable Officers for Parts of the Scottish Administration, which is reproduced in the Scottish Public Finance Manual at Annex 1 to the section on Accountability. The [Scottish Public Finance Manual](#) is published on the Scottish Government website.
3. As an Accountable Officer I am personally answerable to the Scottish Parliament for the regularity and propriety of relevant financial transactions and for the economical, efficient and effective use of relevant resources. I look to Directors to assist me in discharging my responsibilities and, in this minute, I set out the extent to which I delegate authority to you. This delegation complements the [Certificates of Assurance](#) process which underpins the signing, by the Principal Accountable Officer, of the [Governance Statement](#) in the Scottish Government's consolidated accounts, ANNEX 1 provides a summary of general areas of financial responsibility and delegated authority for information.

Strategic Management

4. It is particularly important that financial responsibilities are discharged in the context of wider resource and strategic management considerations. The relevant areas for your directorate are broken down specifically within the associated table published on Saltire alongside this document to view your information please choose the Directorate tab and the correct DG and Directorate. These amounts are subject to in year budget revisions, once the revisions are made and approved by Parliament the table will be updated.
  - 4.1 establishing relevant outcomes, prioritised outputs and performance indicators representing your Directorate's contribution to delivering the Government's purpose and national outcomes;
  - 4.2 putting proper plans in place and ensuring that adequate systems are in place to achieve the outputs that will help deliver the desired outcomes effectively, efficiently and economically;
  - 4.3 ensuring that adequate systems for internal control and risk management, both financial and otherwise, are in place and are monitored and reviewed regularly including ensuring you have in place a risk champion for the directorate;



- 4.4 regular monitoring of planning, advising on risk management and reporting of performance to relevant management boards or equivalent and myself.

#### General Financial Responsibilities

5. My responsibilities are set out in the [Memorandum to Accountable Officers from the Principal Accountable Officer](#) for Parts of the Scottish Administration and my specific portfolio responsibilities are set out in my AO letter. Your financial duties derive from those responsibilities and are as follows:
- 5.1 to ensure that risks, whether to achievement of business objectives, regularity, propriety or value for money, are identified, that their significance is assessed, and that systems and processes appropriate to the risks are in place to manage them and to protect public funds and assets from loss or fraud;
- 5.2 to seek to achieve value for money in the use of public resources by ensuring that resources are used [efficiently, effectively and economically](#). The requirements of SPFM Appraisal and Evaluation section must be adhered to, particularly with regard to the need to prepare pre-expenditure assessments and business cases to demonstrate the value for money case.
- 5.3 to ensure that arrangements have been made to secure [Best Value](#) from resources by pursuing continuous improvement;
- 5.4 to ensure that in the consideration of policy proposals, all relevant financial and procurement considerations, including any issues of regularity, propriety or value for money are taken into account and where necessary brought to the attention of Ministers;
- 5.5 to ensure your Directorate contributes effectively to public expenditure planning and monitoring exercises co-ordinated by Financial Management Directorate;
- 5.6 to ensure that your Finance Business Partner (or equivalent) and, as appropriate, Internal Audit and Assurance Directorate are involved at the earliest possible stage in the preparation of all policy proposals etc. which may have resource or other finance related implications and that they are kept informed of developments. Your Finance Business Partner (or equivalent) must also be consulted on all responses to reports, reviews etc. with resource implications or which include issues of financial regularity, propriety or accountability;
- 5.7 to ensure that the Scottish Procurement and Property Directorate (SPPD) is involved at the earliest possible stage in the preparation on all policy proposals etc. which may have procurement or property related implications and that they are kept informed of developments. SPPD must also be consulted on all responses to reports, reviews etc. which include issues of procurement, regularity, propriety or accountability;
- 5.8 to ensure that Risk Potential Assessment forms are completed in respect of all policy proposals to determine whether they should have an independent assurance report from the outset. The SG Internal Audit and Assurance Directorate is the main source of advice on programme and project assurance;
- 5.9 to ensure that all financial guarantees, indemnities and letters of comfort are cleared by your Finance Business Partner (or equivalent) and that the accounting and budgeting implications are fully recognised;

- 5.10 to ensure that all payments are applied only to the extent and for the purposes authorised by Parliament;
- 5.11 to provide an assurance to me (in the form of a signed [Certificates of Assurance](#) supported by your Deputy Directors' assurances and Internal Control Checklists), as the Portfolio Accountable Officer, on the system of internal control within your Directorate which is required to enable the Principal Accountable Officer to sign the governance statement in the Scottish Government's consolidated accounts;
- 5.12 to ensure that the Pay Policy / Pensions Team is consulted on any pay remit proposals or changes to pay and conditions of service;
- 5.13 to consult the Subsidy Control Team on all proposals which may have Subsidy Control implications;
- 5.14 to ensure that the budget holders of any approved budgets which might be affected by any policy, or other, developments proposed by your Directorate are fully consulted;
- 5.15 to ensure that all functions exercised by your Directorate on a continuing basis are covered by specific legislation; and
- 5.16 to ensure that your Directorate engages fully in Finance and People meetings and the formal quarterly Director General Governance and Assurance meetings as required.

#### Delegated Authority

6. The budgets delegated to you to allow you to discharge your functional responsibilities are detailed in the table attached to this delegation letter.
7. In relation to such resources, you have full authority to discharge your financial duties, subject to the existence of relevant statutory authority for spending; annual Budget Act authority; and compliance with relevant provisions in the [Scottish Public Finance Manual](#). Any proposals to depart from these rules or issues, which in your opinion are novel, contentious or sensitive, must be approved by me. In presenting the proposal for my consideration you should ensure that you consult with your Finance Business Partner (or equivalent). Where the Finance Business Partner (or equivalent) considers that a proposal should not proceed, you may seek my personal authority. In doing so I would expect to see both the case in favour of proceeding and the grounds given by the Finance Business Partner (or equivalent) (endorsed by the Chief Financial Officer) for their refusal. I expect to be alerted at the earliest opportunity should any matters arise that could attract critical comment from Audit Scotland and the [Public Audit Committee of the Scottish Parliament](#).
8. I expect you to delegate in similar terms many of the duties here to your Deputy Directors and that there might be further sub delegation to units within Divisions. Any such delegation must be fully documented and be in line with the template letter recommended in the Scottish Government Scheme of Delegation document.
9. In the absence of written authority to [write off losses or make special or other ex gratia payments](#), all proposals for special transactions must be referred in the first instance to your Finance Business Partner (or equivalent). Any proposal to make a charitable donation from the approved budget(s) should be cleared with me following appropriate consultation and advice from your Finance Business Partner (or equivalent).
10. The budgets managed by your Directorate must be operated in accordance with the general rules set out in the Scottish Public Finance Manual and the Scottish Government Procurement Policy Manual. Purchasing authority is the subject of a

separate delegation. Scottish Procurement and Property Directorate (SPPD) is responsible for the scheme of Delegated Purchasing Authority ([DPA](#)) across the core Scottish Government.

11. Your attention is drawn to the procedures around the engagement and use of [consultancy](#) outlined in the SPPD guidance, namely, the need for Director General approval for contracts in excess of £10,000 – noting that in turn the Cabinet Secretary for Finance must be consulted on such contracts exceeding £50,000 in cost.

#### Sources of Advice and Assistance

12. Financial Management and Reporting and Health Finance, as appropriate, are the main sources of advice on financial matters. Your Finance Business Partner (or equivalent) must be consulted on expenditure proposals which are either new or the costs of which exceed the level of planned resources agreed by Ministers. They can also advise on ad hoc financial issues. Budget holders should also comply with any specific financial management guidance from the Permanent Secretary and Chief Financial Officer, including complying with the Accountable Officer template process. The template and guidance can be found on saltire. Please contact finance if you require any further clarification.
13. Scottish Government Internal Audit and Assurance Directorate should be consulted to help with tasks such as the development of controls within new systems and colleagues in Financial Management & Reporting can advise on technical accounting issues or the introduction of new accounting arrangements.
14. Scottish Procurement and Property Directorate is the main source of advice on procurement and Property matters.
15. If you are faced with any suspicion of fraud, as part of your on-going management action, you should refer to the guidance on [fraud](#) contained in the Scottish Public Finance Manual and report the suspicion to the Fraud Response mailbox and to the Head of Counter Fraud Profession. Frauds must be reported to the Fraud Response mailbox for information even if local prescribed procedures are in place.
16. The publications listed below contain important guidance on financial and risk management.
  - [The Scottish Public Finance Manual](#)
  - [Finance Guidance Notes](#)
  - [Scottish Government Procurement Policy Manual](#)
  - [Scottish Government Consultancy Procedures](#)
  - The Scottish Government's Counter Fraud Strategy, Policy and Response Plan
  - The Scottish Government's Approach to Risk Management
  - [Appraisal and Evaluation in Central Government - The Green Book](#) (HM Treasury)
17. Local desk instructions for the management of resources must reflect this guidance.

[Signed]

Portfolio Accountable Officer

## ANNEX 1 FINANCIAL RESPONSIBILITIES

### Policy Proposals, Reports and Reviews

1. You will ensure that your Finance Business Partner (or equivalent) and, as necessary, Internal Audit, Procurement and Property and Construction Division are involved at the earliest possible stage in the preparation of all policy proposals etc. which may have resource, control, property or other finance related implications for Programme budgets and that they are kept informed of developments. The Finance Business Partner (or equivalent) must also be consulted on all responses to reports, reviews etc. with resource implications or which include issues of financial regularity, propriety or accountability.
2. You will ensure that Risk Potential Assessment Forms are completed in respect of all such policy proposals to determine whether they should have an independent assurance report from the outset. SG Internal Audit and Assurance Directorate is the main source of advice on programme and project assurance.

### Scottish Statutory Instruments

3. The Finance Business Partner (or equivalent) should also be consulted on any Scottish Statutory Instruments (SSIs) to ensure that the financial implications of the secondary legislation are considered and recorded.

### Budget Planning, Monitoring and Reporting

4. You will ensure you contribute effectively to public expenditure planning and monitoring exercises co-ordinated by Financial Management Directorate and DGSE.

### Certificate of Assurance

5. You must provide assurances to me (in the form of a signed [Certificate of Assurance](#) and [Internal Control Checklist](#)) on the system of internal control within your area. This enables me to provide the Portfolio Accountable Officers with the appropriate level of assurance supporting the signing by the Permanent Secretary of the governance statement in the Scottish Government's consolidated accounts.

### Risk Management

6. You will ensure that risks, whether to the achievement of business objectives, regularity, propriety or value for money, are identified and their significance assessed and that systems appropriate to the risks are in place to manage them, you will also ensure you have in place a Risk Champion to support the risk process in your area.

### Grant and Grant in Aid

7. You will ensure compliance with the guidance on [Grant and Grant in Aid](#) as detailed within the Scottish Public Finance Manual and within specific SG guidance on Saltire.

### Value for Money

8. You will seek to achieve [value for money](#) in relation to your allocated budgets by ensuring that resources are used [efficiently, effectively and economically](#).. The requirements of SPFM Appraisal and Evaluation section must be adhered to, particularly with regard to the need to prepare pre-expenditure assessments and business cases to demonstrate the value for money case. Options appraisals, including financial appraisal and evaluation, are essential to good financial

management, detailed policy development and design. They are also a key component to ensuring objective analysis is provided to support decision making. You will ensure that an appropriate appraisal has been carried out

### Best Value

9. You will ensure that arrangements have been made to secure [Best Value](#) from resources by pursuing continuous improvement.

### Financial Guarantee Contracts/Contingent Liabilities/Letters of Comfort

You must clear any proposals which will create a [contingent liability](#) with the Finance Business Partner (or equivalent). All guarantees/indemnities/letters of comfort must be cleared by the Finance Business Partner (or equivalent) to ensure that appropriate accounting and budgetary implications are fully considered. and that, if required, approval has been received from the Finance and Public Audit Committee before proceeding.

10. A contingent liability is essentially a legally binding enforceable undertaking given in the form of a guarantee which would bind the Scottish Government into providing the resources in the event of the guarantee or indemnity maturing; or a general statement of comfort which could be considered to impose a moral financial obligation on the Scottish Government.

### Programme/Project Management

11. Effective management of major investment programmes and projects (as defined in the [Major Investment Projects](#) section of the SPFM) is essential to ensure that they that deliver the specified outcome or output, to the agreed quality, timescale and budget.
12. The Major Investment Projects section of the SPFM sets out the key steps and processes to be followed in managing a major investment programme or project.
13. Portfolio Accountable Officers must be kept informed of progress on major investment programmes and projects and must inform Ministers if there are any developments that could undermine the planned budget or viability of the programme or project.

### Public Sector pay

14. The Pay Policy / Pensions Team must be consulted on and agree any pay remit proposals or changes to pay and conditions of service. In addition, the Finance Business Partner (or equivalent) should be consulted on affordability.

### Subsidy control

15. You will consult the [Subsidy control team](#) on all proposals which may have subsidy control implications. Subsidy control provisions are now covered by the UK Subsidy Control Act 2022 and the UK's international obligations including various Free Trade Agreements and those arising as a consequence of World Trade Organisation membership. There are circumstances in which Subsidies are allowed however, Subsidy control issues must be considered as early as possible in the policy development stage. Any unlawful subsidies given in contravention of the UK Subsidy Control Act 2022, FTAs and WTO – may result in infraction proceedings and the possible recovery, with interest, of the payment from the recipient. All relevant accounts may also be liable to qualification.

### Regularity and propriety

16. Regularity – You must ensure that all expenditure and receipts are dealt with in accordance with the legislation authorising them and any relevant guidance issued by Scottish Ministers e.g. the Scottish Public Finance Manual.

17. Propriety – You must ensure that expenditure and receipts are dealt with in accordance with the Scottish Parliament’s intentions and conventions in line with parliamentary control.
18. The Finance Business Partner (or equivalent) or the Financial Management & Reporting Team, as appropriate, must be consulted in all cases where the guidance is unclear.

#### Debt repayment

19. Early repayment of [borrowing](#) from Scottish Ministers will require the approval of Financial Management Directorate.

#### Gifts and Donations

20. Any proposal to make a [gift](#), (or a prize in a competition) or to make a charitable donation from the approved budgets, must be cleared by me and, as appropriate by the Finance Business Partner (or equivalent) or the Financial Management & Reporting Team.

#### Disposal or acquisition of Property

21. You must seek advice from Property and Construction Division, when a disposal of property or an acquisition of property is being considered. [Property acquisition, disposal and management - Scottish Public Finance Manual - gov.scot \(www.gov.scot\)](#) – this includes prospective disposals or acquisitions by Non-Departmental Public Bodies. The Finance Business Partner (or equivalent) must be fully informed on any proposals of this nature.

#### New initiatives or spending proposals which will put existing plans under pressure or which cannot be met from existing provision.

22. Any proposals which cannot be met from within existing spending plans must be referred to me and, in relation to Programme budgets, the Finance Business Partner (or equivalent).

#### Proposals which might set a precedent have repercussions for others or are novel or contentious

23. Any proposals which might set a precedent or have repercussions for others must be referred, as appropriate, to the Finance Business Partner (or equivalent) or the Financial Management & Reporting Team. This includes any ex-gratia payments.

#### Management of Assets

24. You must ensure that any [assets](#) within your command e.g. land, building, equipment are properly and well managed. Robust systems must be in place to ensure that the accuracy and integrity of information held on registers, databases and inventories is safeguarded and readily available for inspection. You are responsible for maintaining records of attractive items, local investment registers and systems for the management of equipment.

#### Budget and Cash Management

25. You will ensure that your Division works closely with the Finance Business Partner (or equivalent) and the Financial Management & Reporting Team to provide accurate and robust profiles and forecasts of outturn for budget exercises and for the cash management monthly forecasts, alongside comprehensive returns within the monthly deadline.



Payment Policy

26. You will ensure that your Division complies with the Scottish Government payment policy to make payments promptly and, where appropriate, in accordance with the Scottish Government target of 10 working days for the payment of the invoice from receipt of the invoice.

Debt Management

27. You will ensure that [debt is actively managed](#) in accordance with your business area policy. The policy should be evidenced in writing and agreed, as appropriate, with the Finance Business Partner (or equivalent) or the Financial Management & Reporting Team.

VAT

28. You will ensure that UK VAT legislation is complied with in all cases. In making any decisions on VAT the [VAT guidance contained within the SPFM](#) should be considered and complied with where applicable. In cases where there is any uncertainty with the correct VAT treatment to apply, advice must be sought from the VAT Advisory Unit within Financial Management Directorate.

Business Planning/Performance Appraisal

29. You will ensure that delegated financial responsibilities are included, where appropriate, in Business Plans. For staff below Deputy Director level delegated financial responsibilities must be incorporated in job descriptions and objectives supporting the performance appraisal process as well as any local desk instructions.

Divisional Procedures

30. You will ensure that Divisional procedures, desk instructions, training strategies etc. are in place to comply with guidance outlined in the Scheme of Delegation. Desk instructions, relating to financial procedures, must be cleared as appropriate, with the Finance Business Partner (or equivalent) or the Financial Management & Reporting Team.

Delegated Purchasing Authority

31. [Delegated Purchasing Authority](#) (DPA) is the authority to enter into a contract for goods, services and works and oversee the process leading up to and including the award of a contract and any subsequent contract changes.
32. No Scottish Government member of staff can enter into a contract without written purchasing authority from the Director of the Scottish Procurement and Property Directorate (or nominated representative) (except using the electronic Purchasing Card (ePC) or a framework agreement awarded by SPPD).

Electronic Purchasing Card

33. The [electronic Purchasing Card](#) (ePC) should be used for goods and services costing up to £5,000 per transaction excluding VAT. Using the card reduces the time required to raise and process large numbers of ad-hoc payments. Suppliers benefit by being paid a few days after despatching the goods or delivering the services.
34. Responsibility for the proper management and control of an ePC card must be incorporated into an individual's job description and if appropriate covered by an appraisal objective.



## ANNEX D

## Template - Director to Deputy Director

Deputy Director

Copy to: Finance Business Partner (or equivalent)

FINANCIAL RESPONSIBILITY STATEMENT – FINANCIAL YEAR XXXX-YY:  
DELEGATION FROM DIRECTOR TO DEPUTY DIRECTOR

1. As (Director) Head of .....Directorate and Directorate Budget Holder, I am responsible for the propriety and regularity and good financial management of expenditure related to this area of work. To assist me I am able to delegate financial management responsibilities to Deputy Directors, who would then operate as Budget Managers. I look to Deputy Directors to assist me in discharging my financial responsibilities and, in this minute, I set out the extent to which I delegate authority to Deputy Directors. This delegation complements the [Certificates of Assurance](#) process which underpins the signing, by the Principal Accountable Officer, of the [Governance Statement](#) in the Scottish Government's consolidated accounts.
2. A table setting out the budget provision for each of the areas under my responsibility for the current financial year is available here. This is updated for changes in year and is the foundation for the regular financial management reporting.
3. I wish to delegate to you authority for a proportion of our overall budget which will then be used to deliver those projects/areas of work for which you have lead responsibility. ANNEX 1 provides details of the budgets delegated to you and related delegated authority. This may be subject to amendment through the course of the financial year as we work more collaboratively across the DG family, and I ask that you contribute to the flexibility required between Divisions, Directorates and Portfolios to make the most of corporate resources. ANNEX 2 provides a summary of general areas of financial responsibility and delegated authority for information.
4. You have full authority to discharge your financial responsibilities in accordance with the relevant legislative provisions and the [Scottish Public Finance Manual](#), and will keep spending on individual projects within limits agreed, to ensure that the overall budgets are properly managed. Any proposals to depart from these limits or issues, which in your opinion are novel, contentious or sensitive, must be referred, as appropriate, to me. In addition you must take advice from and/or advise the Finance Business Partner (or equivalent) in relation to any budget issues. Please ensure I am notified at the earliest opportunity of any matters that could attract critical comment from Audit Scotland and the [Public Audit Committee of the Scottish Parliament](#).
5. As Budget Manager, you may further delegate some of the day to day monitoring activities associated with maintaining strict financial control to your staff. If doing so, please ensure clear written instructions are provided which outline the levels of expenditure and commitment staff will be allowed to approve. This further delegation can be achieved through job descriptions, performance objectives and desk instructions. As Budget Manager, you will remain ultimately responsible for providing me with regular updates on expenditure and commitments within your area.
6. The budgets delegated must be operated in accordance with the general rules set out in the [Scottish Public Finance Manual](#) and the Scottish Government Procurement Policy Manual. Purchasing authority is the subject of a separate delegation. Scottish Procurement and Property Directorate (SPPD) is responsible for the scheme of [Delegated Purchasing Authority](#) (DPA) across the core Scottish Government.

7. Your attention is drawn to the procedures around the engagement and use of [consultancy](#) outlined in the SPPD guidance, namely the need for Director General approval for contracts in excess of £10,000 – noting that the DG in turn must consult the Cabinet Secretary for Finance on such contracts exceeding £50,000 in cost.

#### Sources of Advice and Assistance

8. Financial Management & Reporting and Health Finance, as appropriate are the main sources of advice on financial matters. Our Finance Business Partner (or equivalent) must be consulted on expenditure proposals which are either new or which exceed the level of planned resources agreed by Ministers. They can also advise on ad hoc financial issues. Budget holders should also comply with any specific financial management guidance from the Permanent Secretary and Chief Financial Officer, including complying with the Accountable Officer spend control template process. The template and guidance can be found on saltire. Please contact finance if you require any further clarification.
9. Scottish Government Internal Audit and Assurance Directorate should be consulted to help with tasks such as the development of controls within new or changing systems and colleagues in Corporate Reporting Division can advise on technical accounting issues or the introduction of new accounting arrangements.
10. Scottish Procurement and Property Directorate is the main source of advice on procurement and property matters.
11. VAT advisory Unit is the main source of advice on VAT.
12. If you are faced with any suspicion of fraud, as part of your on-going management action, you should refer to the guidance on [fraud](#) contained in the Scottish Public Finance Manual and report the suspicion to the Fraud Response mailbox and the Head of the Counter Fraud Profession. Frauds must be reported to the Fraud Response mailbox for information even if local prescribed procedures are in place.
13. The publications listed below contain important guidance on financial and risk management.
  - [The Scottish Public Finance Manual](#)
  - [Finance Guidance Notes](#)
  - [Scottish Government Procurement Policy Manual](#)
  - [Scottish Government Consultancy Procedures](#)
  - The Scottish Government's Counter Fraud Strategy, Policy and Response Plan
  - The Scottish Government's Approach to Risk Management
  - [Appraisal and Evaluation in Central Government - The Green Book](#) (HM Treasury)

[Signed]  
Director

## ANNEX 1

## DELEGATED BUDGET ALLOCATIONS

Delegated Budget	Allocated budget amount*	Portfolio Accountable Officer
[Name of Budget]		
[Name of Budget]		
[Name of Budget]		

\*Subject to any subsequent changes to in-year budget or changes to assumed income\*\*.

[Please note that where the Portfolio Accountable Officer for a budget is not also the DG with management responsibility for the directorate it is essential to ensure that both are kept informed of all relevant issues.]

Complete the following as required; these are not always delegated below director level;

Losses and Write-offs

As Director, I have written delegated authority to [write off losses or make special or other ex gratia payments](#). You have authority for approving losses and write-offs on Programme budgets up to a limit of £x00. However, I must be advised of all losses and write-offs and the Finance Business Partner (or equivalent) or Financial Management & Reporting, as appropriate, must also be informed of the loss or write-off in order to ensure that the appropriate accounting treatment is undertaken. Losses and write-offs above this limit must be referred for decision to me and the Finance Business Partner (or equivalent) or Financial Management & Reporting, as appropriate.

In the absence of written delegated authority, the Finance Business Partner (or equivalent) or Financial Management & Reporting, as appropriate, retains responsibility for the control of [losses, write-offs, special payments](#) etc. and any such proposals require their explicit approval.

Special Payments (compensation, ex-gratia payments etc.)

As Director, I have written delegated authority to write off losses or make special or other ex gratia payments. You have authority for approving special payments on Programme budgets up to a limit of £x00. However, I must be advised of all special payments and the Finance Business Partner (or equivalent) or Financial Management & Reporting, as appropriate, must also be informed of the special payment in order to ensure that the appropriate accounting treatment is undertaken. Special payments above this limit must be referred for decision to me and the Finance Business Partner (or equivalent) or Financial Management & Reporting, as appropriate.

or

Losses and Write-offs/ Special Payments (compensation, ex-gratia payments etc.)

The Finance Business Partner (or equivalent) or Financial Management & Reporting, as appropriate, retains responsibility for the control of [losses, write-offs, special payments](#) etc. and any such proposals require their explicit approval.

\*\*Income (excluding income resulting from gifts, bequests or donations)

If the amounts received or expected to be received in-year are more than estimated, these should be returned to the centre for reallocation and you must notify Financial Management & Reporting to seek prior approval before using any excess to support additional expenditure. If the amounts received or expected to be received in-year are less than budgeted, you must notify Financial Management & Reporting and, unless otherwise agreed, ensure a corresponding reduction in your gross expenditure so that the agreed budget is not exceeded.

## ANNEX 2 FINANCIAL RESPONSIBILITIES

### Policy Proposals, Reports and Reviews

35. You will ensure that our Finance Business Partner (or equivalent) and, as necessary, Internal Audit Procurement, and Property and Construction Division are involved at the earliest possible stage in the preparation of all policy proposals etc. which may have resource, control, property or other finance related implications for Programme budgets and that they are kept informed of developments. The Finance Business Partner (or equivalent) must also be consulted on all responses to reports, reviews etc. with resource implications or which include issues of financial regularity, propriety or accountability.
36. You will ensure that Risk Potential Assessment Forms are completed in respect of all such policy proposals to determine whether they should have an independent assurance report from the outset. SG Internal Audit and Assurance Directorate is the main source of advice on programme and project assurance.

### Scottish Statutory Instruments

37. The Finance Business Partner (or equivalent) should also be consulted on any Scottish Statutory Instruments (SSIs) to ensure that the financial implications of the secondary legislation are considered and recorded.

### Budget Planning, Monitoring and Reporting

38. You will ensure you contribute effectively to public expenditure planning and monitoring exercises co-ordinated by Financial Management Directorate and DGSE.

### Certificate of Assurance

39. You must provide assurances to me (in the form of a signed [Certificate of Assurance](#) and [Internal Control Checklist](#)) on the system of internal control within your area. This enables me to provide the Portfolio Accountable Officers with the appropriate level of assurance supporting the signing by the Permanent Secretary of the governance statement in the Scottish Government's consolidated accounts.

### Risk Management

40. You will ensure that risks, whether to the achievement of business objectives, regularity, propriety or value for money, are identified and their significance assessed and that systems appropriate to the risks are in place to manage them, you will also ensure your alignment with Directorate risk processes as led by your Directorate Risk Champion.

### Grant and Grant in Aid

41. You will ensure compliance with the guidance on [Grant and Grant in Aid](#) as detailed within the Scottish Public Finance Manual and within specific SG guidance on Saltire.

### Value for Money

42. You will seek to achieve [value for money](#) in relation to your allocated budgets by ensuring that resources are used [efficiently, effectively and economically](#). The requirements of SPFM Appraisal and Evaluation section must be adhered to, particularly with regard to the need to prepare pre-expenditure assessments and business cases to demonstrate the value for money case. Options appraisals, including financial appraisal and evaluation, are essential to good financial management, detailed policy development and design. They are also a key component to ensuring objective analysis is provided to support decision making. You will ensure that an appropriate appraisal has been carried out

Best Value

43. You will ensure that arrangements have been made to secure [Best Value](#) from resources by pursuing continuous improvement.

Financial Guarantee Contracts/Contingent Liabilities/Letters of Comfort

44. You must clear any proposals which will create a [contingent liability](#) with the Finance Business Partner (or equivalent).  
All guarantees/indemnities/letters of comfort must be cleared by the Finance Business Partner (or equivalent) to ensure that appropriate accounting and budgetary implications are fully considered and that, if required, approval has been received from the Finance and Public Audit Committee before proceeding.
45. A contingent liability is essentially a legally binding enforceable undertaking given in the form of a guarantee which would bind the Scottish Government into providing the resources in the event of the guarantee or indemnity maturing; or a general statement of comfort which could be considered to impose a moral financial obligation on the Scottish Government.

Programme/Project Management

46. Effective management of major investment programmes and projects (as defined in the [Major Investment Projects](#) section of the SPFM) is essential to ensure that they that deliver the specified outcome or output, to the agreed quality, timescale and budget.
47. The Major Investment Projects section of the SPFM sets out the key steps and processes to be followed in managing a major investment programme or project.
48. Portfolio Accountable Officers must be kept informed of progress on major investment programmes and projects and must inform Ministers if there are any developments that could undermine the planned budget or viability of the programme or project.

Public Sector pay

49. The Pay Policy / Pensions Team must be consulted on and agree any pay remit proposals or changes to pay and conditions of service. In addition, the Finance Business Partner (or equivalent) should be consulted on affordability.

Subsidy control

50. You will consult the [Subsidy control team](#) on all proposals which may have subsidy control implications. Subsidy control provisions are now covered by the UK Subsidy Control Act 2022 and the UK's international obligations including various Free Trade Agreements and those arising as a consequence of World Trade Organisation membership. There are circumstances in which Subsidies are allowed however, Subsidy control issues must be considered as early as possible in the policy development stage. Any unlawful subsidies given in contravention of the UK Subsidy Control Act 2022, FTAs and WTO – may result in infraction proceedings and the possible recovery, with interest, of the payment from the recipient. All relevant accounts may also be liable to qualification.

Regularity and propriety

51. Regularity – You must ensure that all expenditure and receipts are dealt with in accordance with the legislation authorising them and any relevant guidance issued by Scottish Ministers e.g. the Scottish Public Finance Manual.
52. Propriety – You must ensure that expenditure and receipts are dealt with in accordance with the Scottish Parliament's intentions and conventions in line with parliamentary control.



53. The Finance Business Partner (or equivalent) or the Financial Management & Reporting Team, as appropriate, must be consulted in all cases where the guidance is unclear.

#### Debt repayment

54. Early repayment of [borrowing](#) from Scottish Ministers will require the approval of Financial Management Directorate.

#### Gifts and Donations

55. Any proposal to make a [gift](#), (or a prize in a competition) or to make a charitable donation from the approved budgets, must be cleared by me and, as appropriate by the Finance Business Partner (or equivalent) or the Financial Management & Reporting Team.

#### Disposal or acquisition of Property

56. You must seek advice from Property and Construction Division, when a disposal of property or an acquisition of property is being considered. [Property acquisition, disposal and management - Scottish Public Finance Manual - gov.scot \(www.gov.scot\)](#) is being considered – this includes prospective disposals or acquisitions by Non-Departmental Public Bodies. The Finance Business Partner (or equivalent) must be fully informed on any proposals of this nature.

#### New initiatives or spending proposals which will put existing plans under pressure or which cannot be met from existing provision.

57. Any proposals which cannot be met from within existing spending plans must be referred to me and, in relation to Programme budgets, the Finance Business Partner (or equivalent).

#### Proposals which might set a precedent have repercussions for others or are novel or contentious

58. Any proposals which might set a precedent or have repercussions for others must be referred, as appropriate, to the Finance Business Partner (or equivalent) or the Financial Management & Reporting Team. This includes any ex-gratia payments.

#### Management of Assets

59. You must ensure that any [assets](#) within your command e.g. land, building, equipment are properly and well managed. Robust systems must be in place to ensure that the accuracy and integrity of information held on registers, databases and inventories is safeguarded and readily available for inspection. You are responsible for maintaining records of attractive items, local investment registers and systems for the management of equipment.

#### Budget and Cash Management

60. You will ensure that your Division works closely with the Finance Business Partner (or equivalent) and the Financial Management & Reporting Team to provide accurate and robust profiles and forecasts of outturn for budget exercises and for the cash management monthly forecasts, alongside comprehensive returns within the monthly deadline.

#### Payment Policy

61. You will ensure that your Division complies with the Scottish Government payment policy to make payments promptly and, where appropriate, in accordance with the Scottish Government target of 10 working days for the payment of the invoice from receipt of the invoice.

Debt Management

62. You will ensure that [debt is actively managed](#) in accordance with your business area policy. The policy should be evidenced in writing and agreed, as appropriate, with the Finance Business Partner (or equivalent) or the Financial Management & Reporting Team.

VAT

63. You will ensure that UK VAT legislation is complied with in all cases. In making any decisions on VAT the [VAT guidance contained within the SPFM](#) should be considered and complied with where applicable. In cases where there is any uncertainty with the correct VAT treatment to apply, advice must be sought from the VAT Advisory Unit within Financial Management Directorate.

Business Planning/Performance Appraisal

64. You will ensure that delegated financial responsibilities are included, where appropriate, in Business Plans. For staff below Deputy Director level delegated financial responsibilities must be incorporated in job descriptions and objectives supporting the performance appraisal process as well as any local desk instructions.

Divisional Procedures

65. You will ensure that Divisional procedures, desk instructions, training strategies etc. are in place to comply with guidance. Desk instructions, relating to financial procedures, must be cleared as appropriate, with the Finance Business Partner (or equivalent) or the Financial Management & Reporting Team.

Delegated Purchasing Authority

66. [Delegated Purchasing Authority](#) (DPA) is the authority to enter into a contract for goods, services and works and oversee the process leading up to and including the award of a contract and any subsequent contract changes.

67. No Scottish Government member of staff can enter into a contract without written purchasing authority from the Director of the Scottish Procurement and Property Directorate (or nominated representative), (except using the electronic Purchasing Card (ePC) or a framework agreement awarded by SPPD).

Electronic Purchasing Card

68. The [electronic Purchasing Card](#) (ePC) should be used for goods and services costing up to £5,000 per transaction excluding VAT. Using the card reduces the time required to raise and process large numbers of ad-hoc payments. Suppliers benefit by being paid a few days after despatching the goods or delivering the services.

69. Responsibility for the proper management and control of an ePC card must be incorporated into an individual's job description and if appropriate covered by an appraisal objective.