

GOVERNANCE AND ACCOUNTABILITY FRAMEWORK DOCUMENT of the SCOTTISH POLICE AUTHORITY.

Introduction

1. This framework document has been drawn up by the Scottish Government in consultation with the Scottish Police Authority (the Authority). It sets out the broad framework within which the Authority will operate and defines key roles and responsibilities which underpin the relationship between the Authority and the Scottish Government. While this document does not confer any legal powers or responsibilities, it forms a key part of the governance and accountability arrangements for policing in Scotland and should be reviewed and updated as necessary. Any proposals to amend the framework document either by the Scottish Government or the Authority will be taken forward in consultation and in light of Scottish Government priorities and policy aims, through dialogue and consultation between the relevant parties. Any questions regarding the interpretation of the document shall be determined by the Scottish Government after consultation with the Authority. Legislative provisions shall take precedence over any part of this document.

2. Copies of the document shall be placed in the Scottish Parliament Reference Centre. It shall also be published on both the Scottish Government and the Authority websites.

The Role and Purpose of the Authority

3. The Authority was established as a national public body under the Police and Fire Reform (Scotland) Act 2012 and came into being on 1 April 2013. The 2012 Act sets out the arrangements for the structure, governance and management of policing in Scotland. The Act established the Scottish Police Authority and conferred upon it the responsibility for the governance, oversight and administration of the Police Service of Scotland, the provision of Forensic Services and for Independent Custody Visiting Services. A link to the Police and Fire Reform (Scotland) Act is provided here:

<https://www.legislation.gov.uk/asp/2012/8/contents>

4. In particular, the Authority was created to:-

- provide strong governance arrangements and clear accountability for the police service
- provide a clear separation between Scottish Ministers and the police service
- ensure that the Chief Constable is free from undue political influence in making decisions about the investigation of crime.

5. The Authority's main statutory functions as set out in Section 2 of the Act are to -

- maintain the Police Service of Scotland;
- promote the statutory policing principles;
- promote and support continuous improvement in the policing of Scotland;
- keep the policing of Scotland under review; and

- hold the Chief Constable to account for the policing of Scotland.

6. The Authority must also provide forensic services to Police Service of Scotland, the Police Investigations and Review Commissioner, and the Lord Advocate and Procurators Fiscal. Scottish Ministers determine the strategic police priorities that the Authority and Police Service of Scotland are expected to deliver upon.

7. The Authority has a statutory duty to produce a strategic police plan. In doing so, it must involve the Chief Constable and make arrangements for obtaining the views on what the plan should contain from persons it considers likely to have an interest in policing. The strategic police plan should reflect the strategic police priorities determined for the Authority by Scottish Ministers. The Act requires that the Authority submits its strategic police plan to Scottish Ministers and use its best endeavours to secure the approval of the plan. It is expected that throughout the process of developing the plan, discussion should take place with the Scottish Government's Sponsor Team with regard and due consideration given to any comments offered. The Authority will also produce an annual Business Plan which will provide more detailed information on how corporate and business objectives will be delivered in-year.

8. The Authority will be responsible for scrutinising the Annual Police Plan produced by the Chief Constable, which must describe how the arrangements for policing in that year will contribute towards the achievement of the objectives set out in the Authority's strategic plan.

9. The Authority must produce an annual report which shall include an assessment of the Authority's performance throughout the reporting year in carrying out its functions as well as an assessment of Police Service of Scotland's performance throughout the reporting year in the policing of Scotland.

10. The Authority's annual report must also contain an assessment of the performance by both the Authority and Police Service of Scotland in achieving the main objectives set out in the strategic police plan and an assessment of the performance by Police Service of Scotland in implementing the proposed arrangements set out in its annual police plan. The annual report must be published, with copies being provided to Scottish Ministers and laid in Parliament.

11. More detailed information on priorities, planning and performance is provided later in this document.

Relationship between the Scottish Government and the Scottish Police Authority

12. Effective strategic engagement between the Scottish Government and the Authority is essential in order for the two to work together as effectively as possible to maintain and improve public services and deliver improved outcomes. Both the Scottish Government and the Authority will take all necessary steps to ensure their relationship is developed and supported in line with the jointly agreed principles set out in the statement on "Strategic Engagement between the Scottish Government and Scotland's NDPBs". This will afford key recognition to the role of the Authority in providing separation between Scottish Ministers and Police Service of Scotland.

Governance and Accountability

Legal Origins of Powers and Duties

13. The Authority is established under the Police and Fire Reform (Scotland) Act 2012 as a body corporate. The constitution of the Authority is set out in Schedule 1 of the Act.

14. The Authority does not carry out its functions on behalf of the Crown.

Ministerial Responsibilities

15. Scottish Ministers are accountable to the Scottish Parliament for the activities of the Authority and its use of resources. The Police and Fire Reform (Scotland) Act 2012 places a number of key responsibilities with Scottish Ministers. These are:

- To appoint the Chair and members of the SPA.
- To approve the appointment of the Chief Constable.
- To allocate the policing budget to the SPA.
- To set the Strategic Policing Priorities.

16. Other specific responsibilities of Scottish Ministers under the 2012 Act include:

- determining the Authority's strategic police priorities under Section 33;
- approving the strategic police plan under Section 34 (the Authority will use its best endeavours to secure their approval of the plan);
- agreeing the budget and the associated grant in aid requirement to be paid to the Authority, and securing the necessary Parliamentary approval;
- other matters such as approving the pay remit covering all staff employed by the Authority (including police staff) in line with Scottish Government Pay Policy and laying the Authority's accounts before the Scottish Parliament.

17. Scottish Ministers are not, however, responsible for day to day operational matters.

18. The Authority must comply with any direction (general or specific) given by Scottish Ministers. The power of direction is rarely used but is an important mechanism to ensure that any public body is ultimately accountable to Government for the discharge of its functions within the parameters of legislation and its duties as a public body.

Scottish Police Authority's Responsibilities

19. In addition to those defined above, other responsibilities of the Authority include:

- Recommending the appointment of the Chief Constable (subject to final approval of Scottish Ministers),
- Appointing Deputy and Assistant Chief Constables.
- Handling complaint and conduct processes for senior police officers (above the rank of ACC).

- Employing staff (in Police Service of Scotland, Forensic Services, and the corporate support to the Authority).
- Making arrangements for an Independent Custody Visiting Service.

20. 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.

21. The Authority is expected to comply with the range of general obligations and responsibilities relevant to its status as an 'other significant public body', including for example the obligations of the Scottish Public Finance Manual (SPFM).

22. The Authority consists of Non-Executive Members, including the Chairing Member, appointed by Scottish Ministers in line with the Code of Practice for Ministerial Public Appointments in Scotland. The Police and Fire Reform (Scotland) Act 2012 establishes the Scottish Police Authority as a body corporate comprised of the Board members. **The Board members are the Authority and this is an important distinction with some other public bodies.** The Authority may appoint staff to assist it in the carrying out of its functions (Schedule 1 paragraph 6(1)). Under paragraph 12, it is for the Authority to determine the extent of delegation of its functions to the Chief Executive (as the most senior representative of the staff appointed to assist the Authority in the carrying out of its functions).

23. The role of the Board Members, as the Authority, is to provide leadership, direction, support and guidance to ensure the Authority delivers and is committed to delivering its functions effectively and efficiently and in accordance with the aims, policies and priorities of Scottish Ministers. It has collective corporate responsibility under the leadership of the Chairing member for the following specific statutory functions set out in paragraphs 5 and 6 and for the following:

- taking forward the strategic priorities determined by the Scottish Ministers;
- determining the steps needed to deal with changes, which are likely to impact on the strategic priorities of the Authority or on the achievement of related objectives;
- preparing (in consultation with the Chief Constable) the strategic police plan;
- appointing staff to assist the Authority and the Chief Constable in the carrying out of their respective functions;
- promoting the efficient, economic and effective use of staff and other resources consistent with the duty under Section 37(1) of the Act to make arrangements to secure [Best Value](#) for the Authority i.e. the continuous improvement in the carrying out of the Authority's functions including, where appropriate, participation in [shared services](#) arrangements;
- ensuring that effective arrangements are in place to provide assurance on risk management (including in respect of personnel, physical and cyber risks/threats/hazards), governance and internal control (the Authority must set up an audit committee chaired by a Member to provide independent advice and assurance on the effectiveness of the internal control and risk management systems);
- (in reaching decisions) taking into account relevant guidance issued by Scottish Ministers;
- providing public access to its proceedings, those of its committees and sub-committees and its papers and reports, in line with the requirements of paragraph 11 of Schedule 1 of the Act and publishing a statement setting out

the circumstances in which proceedings may be held in private or papers may not be published;

- acting consistently with principles of good governance, accountability and transparency, as required under Section 2 of the Act;
- maintaining (together with the Chief Constable) suitable arrangements for the handling of relevant complaints as required under Section 60 of the Act;
- Approving the annual accounts and ensuring Scottish Ministers are provided with the annual report and accounts to be laid before the Scottish Parliament no later than 31 December. The Chief Executive as the Accountable Officer is responsible for signing the accounts and ultimately responsible to the Scottish Parliament for their actions;
- ensuring that the Authority receives and reviews regular information concerning the financial management and performance of the Authority (and the Police Service of Scotland) and is informed in a timely manner about any concerns regarding the activities of the Authority (or the Police Service of Scotland);
- appointing (with the approval of Scottish Ministers) the Chief Constable;
- appointing (following consultation with the Chief Constable) Deputy and Assistant Chief Constables;
- appointing (with the approval of Scottish Ministers) the Authority's Chief Executive or equivalent lead officer, setting appropriate performance priorities, and determining remuneration terms seeking any Ministerial approval required in accordance with the Scottish Government Pay Policy for Senior Appointments; and
- demonstrating high standards of corporate governance at all times, including openness and transparency in its decision making.

Chair Responsibilities

24. The Chair is appointed by Scottish Ministers and is directly accountable to them and to the Scottish Government's Director General for Education, Communities and Justice. The Chair of the Scottish Police Authority, in common with any individual with responsibility for devolved functions, may be called to account by the Scottish Parliament. Communications between the Authority and Scottish Ministers should normally be through the Chair. They are responsible for ensuring the Authority's policies and actions support Scottish Ministers' wider strategic policies and that its affairs are conducted with probity. In doing so, Scottish Ministers will have cognisance of the statutory role of the Authority and the national Police Service of Scotland.

25. In leading the Authority the Chair must ensure that:
- the work of the Authority is subject to regular self-assessment and that the Board is working effectively;
 - the Authority, in accordance with recognised good practice in corporate governance, is diverse both in terms of relevant skills, experience and knowledge appropriate to directing Authority business, and in terms of the protected characteristics under the Equality Act;
 - the Authority Members are fully briefed on terms of appointment, duties, rights and responsibilities;
 - together with the other Authority Members, they receive appropriate induction training, including on financial management and reporting

- requirements and on any differences that may exist between private and public sector practice and local and central government practice;
- succession planning takes place to ensure that the Authority is diverse and effective and that Scottish Ministers are advised of the Authority's needs when Authority Member vacancies arise;
- there is a Code of Conduct for Authority Members in place, approved by Scottish Ministers;
- the performance of individual Authority Members is assessed on a continuous basis and formally appraised at least annually; and
- in consultation with Authority Members, the performance of the Chief Constable, the Director of Forensic Services and the Authority's Chief Executive is appraised annually.

Authority Members' Responsibilities

26. Members of the Authority should act in accordance with the responsibilities of the Authority as a whole and comply at all times with the Code of Conduct adopted by the Authority and with the rules relating to the use of public funds and to conflicts of interest. (In this context "public funds" means not only any funds provided to the Authority by Scottish Ministers but also any other funds falling within the stewardship of the Authority, including trading and investment income, gifts, bequests and donations.)

27. Guidance on Members' responsibilities is provided in On Board: A Guide for Board Members of Public Bodies in Scotland. The specific role of the Members as identified at para 23 above is also emphasised.

Chief Executive Responsibilities

28. The Chief Executive is employed and appointed by the Authority (with the approval of Scottish Ministers). They are the Board's principal adviser on the discharge of the Authority's functions and they are accountable to the Board.

29. Their role is to provide operational leadership to the Authority, to support the delivery of the Board's aims and objectives, and to ensure the Authority's functions are delivered and targets are met through effective and properly controlled executive action. Their general responsibilities include the performance, management and staffing of the Authority and ensuring that the Authority fulfils its duty to maintain the Police Service of Scotland in terms of the Act. General guidance on the role and responsibilities of the Chief Executive are contained in On Board.

30. Specific responsibilities to the Board include:

- advising the Members on the discharge of their responsibilities - as set out in this document, in the founding legislation and in any other relevant instructions and guidance issued by or on behalf of Scottish Ministers - and implementing the decisions of the Members;
- ensuring that financial considerations are taken fully into account by the board at all stages in reaching and executing its decisions, and that appropriate financial appraisal and evaluation techniques, consistent with the Appraisal and Evaluation section of the Scottish Public Finance Manual (SPFM), are followed;
- ensuring that the Authority adheres, where appropriate, to the Scottish Government's Programme and Project Management Principles;

- having robust performance and risk management arrangements - consistent with the Risk Management section of the SPFM - in place that support the achievement of the Authority's priorities and that facilitate comprehensive reporting to the Authority, the Scottish Government and the wider public. Risk management arrangements should include full consideration of organisational resilience to physical, personnel and cyber risks/threats/hazards;
- ensuring that adequate systems of internal control are maintained by the Authority, including effective measures against fraud and theft consistent with the Fraud section of the SPFM;
- establishing appropriate documented internal delegated authority arrangements consistent with the Delegated Authority section of the SPFM;
- advising the Members on the performance of the Authority compared with its aims and objectives;
- ensuring effective relationships with the Chief Constable (insofar as that can be achieved in line with the Authority's function of holding the Chief Constable to account for the policing of Scotland) and Scottish Government officials;
- preparing the Authority's annual business plans, in line with the strategic priorities determined by Scottish Ministers;
- in accordance with required Scottish Government deadlines, ensure that forecasts and monitoring information on performance and finance are provided to the Scottish Government; that the Scottish Government is notified promptly if over or under spends are likely and that corrective action is taken; and that any significant problems whether financial or otherwise, and whether detected by internal audit or by other means, are notified to the Scottish Government in a timely fashion; and
- ensuring staff pay proposals are in line with Scottish Government Policy and submitted in time and the necessary approvals obtained prior to implementing any annual award.

The following paragraphs give more detail about the role of the Chief Executive as Accountable Officer.

Accountable Officer Responsibilities

31. The Principal Accountable Officer for the Scottish Administration, ie the Permanent Secretary of the Scottish Government, will designate the Chief Executive as the Accountable Officer for the Authority.

32. Accountable Officers are answerable to the Scottish Parliament for the exercise of their functions, as set out in the Memorandum to Accountable Officers for Other Public Bodies. These include:

- ensuring the propriety and regularity of the Authority's finances and that there are sound and effective arrangements for internal control and risk management;
- ensuring compliance with relevant guidance issued by the Scottish Ministers, in particular the SPFM and SG Pay Policy;
- ensuring that arrangements have been made by the Authority to secure Best Value and deliver Value for Money for the public sector as a whole;

- signing the accounts of the Authority and associated governance statements; and
- a statutory duty to obtain written authority from the Authority/Chair before taking any action which he/she considered would be inconsistent with the proper performance of the Accountable Officer functions. The Accountable Officer should also notify the relevant Portfolio Accountable Officer.

33. It is incumbent on the Chief Executive to combine their Accountable Officer responsibilities to the Scottish Parliament with their wider responsibilities to the board. The Chair and members should be fully aware of, and have regard to, the Accountable Officer responsibilities placed upon the Chief Executive, including the statutory duty described above.

34. 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. The Authority and its Chair should be fully aware of, and have regard to, the Accountable Officer responsibilities placed upon the Chief Executive, including the statutory duty described above.

Portfolio Accountable Officer Responsibilities

35. The Principal Accountable Officer for the Scottish Administration, ie the Permanent Secretary of the Scottish Government, will designate the Director-General for Education, Communities and Justice, or their equivalent, as the Accountable Officer for the Scottish Government portfolio budget for the Authority.

36. The responsibilities of a Portfolio Accountable Officer are set out in detail in the Memorandum to Accountable Officers for Parts of the Scottish Administration.

They are personally answerable to the Scottish Parliament for ensuring that:

- the financial and other management controls applied by the Scottish Government are appropriate and sufficient to safeguard public funds and, more generally, that those being applied by the Authority and the Chief Constable conform to the requirements both of propriety and of good financial management;
- the key roles and responsibilities which underpin the relationship between the Scottish Government and the Authority are set out in a framework document and that this document is regularly reviewed;
- compliance with the framework document is effectively monitored by the sponsor unit;
- effective relationships are in place at Director and Deputy Director level between the Scottish Government and the Authority in accordance with agreed strategic engagement principles '[Strategic Engagement between the Scottish Government and Scotland's NDPBs](#)'; and
- there is effective continuous assessment and appraisal of the performance of the Chair of the Authority, in line with the requirements of the Code of Practice for Ministerial Public Appointments in Scotland.

37. The Portfolio Accountable Officer will also be responsible for assessing the performance of the Authority Chair, at least annually.

Scottish Government Director and Deputy Director Responsibilities

38. The Director for Safer Communities and Deputy Director for Police Division, or their equivalents have responsibility for overseeing and ensuring effective relationships between the Scottish Government and the Authority which support alignment of the Authority's business to the Scottish Government's Purpose and National Outcomes and high performance by the Authority.

39. They will work closely with the Authority Chief Executive and be answerable to the Portfolio Accountable Officer for maintaining and developing positive relationships with the Authority characterised by openness, trust, respect, and mutual support. They will be supported by a sponsor unit in discharging their functions.

Sponsor Unit Responsibilities

40. Police Division, within the Scottish Government's Directorate for Safer Communities, is responsible for the sponsorship of the Authority. It is the normal point of contact for the Authority in dealing with the Scottish Government. The Division is the primary source of advice to Scottish Ministers on the discharge of their responsibilities in respect of the Authority and undertakes the responsibilities of the Portfolio Accountable Officer on their behalf.

41. Specific responsibilities include:

- discharging sponsorship responsibilities in line with the principles and framework set out in the document "Strategic Engagement between the Scottish Government and Scotland's NDPBs" the ethos of which applies to other public bodies including the Authority and ensuring that sponsorship is suitably flexible, proportionate and responsive to the needs of Scottish Ministers and the Authority;
- ensuring that appointments to the Authority are made timeously, and where appropriate, in accordance with the Code of Practice for Ministerial Appointments to Public Bodies in Scotland;
- working with the Authority to ensure alignment of its strategic priorities and annual plans to the National Performance Framework (NPF);
- supporting regular senior level engagement with the Authority, which ensures a shared understanding of priorities to inform its strategic and annual planning;
- promoting the Authority within the Scottish Government and ensuring that it is treated as a key stakeholder in the development of policy;
- proportionate monitoring of the Authority's activities through an adequate and timely flow of appropriate information, agreed with the Authority, on performance, budgeting, control and risk management;
- addressing in a timely manner any significant problems arising in the Authority, alerting the Portfolio Accountable Officer and the responsible Minister(s) where considered appropriate;
- providing a point of contact for progressing concerns relating to the management of the Board;
- ensuring that the priorities of the Authority and the risks to them are properly and appropriately taken into account in the Scottish Government's risk assessment and management systems; and
- informing the Authority of relevant Scottish Government policy in a timely manner.

Internal Audit

42. The Authority shall:

- establish and maintain arrangements for internal audit in accordance with Public Sector Internal Audit Standards (PSIAS) and the Internal Audit section of the SPFM;
- set up an Audit Committee in accordance with the Audit Committees section of the SPFM, to advise both the Authority and the Chief Executive in his/her capacity as the Authority Accountable Officer;
- forward timeously to the Scottish Government the audit charter, strategy, periodic audit plans, and annual audit assurance report, including the Authority Head of Internal Audit opinion on risk management, control and governance and other relevant reports as requested; and
- keep records of, and prepare and forward timeously to the Scottish Government an annual report on fraud and theft suffered by the Authority and Police Service of Scotland and notify the Scottish Government at the earliest opportunity of any unusual or major incidents.
- The Scottish Government's Internal Audit Division has a right of access to all documents held by the Authority's internal auditor, including where the service is contracted out. The Scottish Government has a right of access to all the Authority records and personnel for any purpose.

External Audit

43. The Auditor General for Scotland (AGS) audits, or appoints auditors to audit, the Authority's annual accounts and passes them to Scottish Ministers who shall lay them before the Scottish Parliament, together with the auditor's report and any report prepared by the AGS. For the purpose of audit, the auditors have a statutory right of access to documents and information held by relevant persons. The Authority shall instruct its auditors to send copies of all management reports (and correspondence relating to those reports) and responses to the Scottish Government.

44. The AGS, or examiners appointed by the AGS, may carry out examinations into the economy, efficiency and effectiveness with which the Authority has used its resources in discharging its functions and the economy, efficiency and effectiveness of the Police Service of Scotland. The AGS may also carry out examinations into the arrangements made by both the Chief Constable and the Authority to secure Best Value. For the purpose of these examinations, the examiners have a statutory right of access to documents and information held by relevant persons. In addition, the Authority shall provide, in contracts and any conditions to grants, for the AGS to exercise such access to documents held by contractors and sub-contractors and grant recipients as may be required for these examinations; and shall use its best endeavours to secure access for the AGS to any other documents required by the AGS which are held by other bodies.

HM Inspectors of Constabulary in Scotland (HMICS)

45. HMICS may make inquiries about the state, efficiency and effectiveness of the Authority and of the Police Service of Scotland and their Best Value arrangements. HMICS has the power to do anything which it considers necessary or expedient for

the purposes of, or in connection with, its functions. The Authority and the Chief Constable must provide HMICS with such assistance and co-operation as they may require to enable them to carry out their functions. When HMICS publish a report, the Authority and the Chief Constable must consider what has been found and take such measures, if any, as they think fit. Where an HMICS report identifies that the Authority or Police Service of Scotland is not efficient or effective (or best value not secured), or will, unless remedial measures are taken, cease to be efficient or effective, Scottish Ministers may direct the Authority to take such measures as may be required. The Authority must comply with any direction given.

46. HMICS must prepare and publish an annual plan setting out its priorities for inquiries and how they are going to be carried out, consulting stakeholders where appropriate. Where HMICS undertakes an inquiry at its own hand, it will give the report to the Authority, the Chief Executive, the Chief Constable if appropriate, and afterwards to Scottish Ministers, and will publish it. HMICS will also lay the report before the Scottish Parliament. Where Scottish Ministers direct HMICS to undertake an inquiry, the report will be submitted in the first instance to Scottish Ministers and Scottish Ministers will arrange for its laying.

Forensic Services

The Authority must provide forensic services to the Police Service of Scotland, the Police Investigations and Review Commissioner and the Lord Advocate and procurators fiscal in terms of section 31 of the Act. The development and delivery of the Forensic Service Strategy is overseen by the Forensic Services Committee to ensure alignment to the Strategic Police Priorities, the Strategic Police Plan and the Scottish Government's Strategy for Justice. The Forensic Services Committee provides oversight, scrutiny and assurance to the Board on the delivery of Forensic Services to the Police Service of Scotland, Police Investigations and Review Commissioner and the Lord Advocate and procurators fiscal.

Annual Report and Accounts

47. The Authority must prepare and publish an annual report in accordance with Section 39 of the Act and which contains such other information as agreed with the Scottish Government. The annual report must cover the activities of any corporate, subsidiary or joint ventures under the control of the Authority and outline the Authority's main activities and performance against agreed objectives and targets for the previous financial year. The Authority must also prepare a statement of accounts after the end of each financial year in accordance with relevant statutes and the specific accounts direction, including compliance with the Government Financial Reporting Manual (FReM) and other relevant guidance issued by Scottish Ministers. Any financial objectives or targets set by Scottish Ministers should be reported on in the accounts and will therefore be within the scope of the audit. Any subsidiary or joint venture owned or controlled by the Authority shall be consolidated in its accounts in accordance with International Financial Reporting Standards as adapted and interpreted for the public sector context.

48. The report and accounts should both be submitted in draft to the Scottish Government for comment by a deadline agreed between the Authority and the Scottish Government. Whilst the statutory date for laying and publishing accounts

audited by the AGS is by 31 December, following the close of the previous financial year, there is an expectation on the part of Scottish Ministers that accounts will be laid and published as early as possible. The accounts must not be laid before they have been formally sent by the AGS to Scottish Ministers and must not be published before they have been laid by Scottish Ministers. The Authority shall be responsible for the publication of both the report and accounts e.g. on the Authority's website.

Management Responsibilities

Planning

49. The Authority must prepare a strategic police plan in accordance with Section 34 of the Act and arrange for it to be reviewed at least once every three years. Strategic plans must be submitted to Scottish Ministers and best endeavours used to seek their approval. The finalised plan shall reflect the strategic priorities determined by Scottish Ministers, indicative budgets and alignment with the Scottish Government's National Performance Framework (NPF). In accordance with Section 34(2) of the Act, the strategic police plan should:

- set out the main objectives for the Authority and for the policing of Scotland;
- explain the reasons for selecting each main objective;
- describe what the Authority considers should be done by it or by the Police Service of Scotland in order to achieve the main objectives;
- where reasonably practicable, identify outcomes by reference to which the achievement of the main objectives may be measured; and
- include any other information connected with the Authority's functions, or policing, which the Authority considers appropriate.

50. In addition, the strategic police plan should generally include:

- the purpose and principal aims of the Authority;
- an analysis of the environment in which the Authority operates;
- details of planned efficiencies, describing how the Authority proposes to meet its duties relating to Best Value;
- alternative scenarios and an assessment of the risk factors that may significantly affect the execution of the plan but that cannot be accurately forecast; and
- other matters as agreed between the Scottish Government and the Authority.

51. The strategic police plan should inform the development of a separate annual police plan by the Chief Constable (Section 35 of the Act). It should also inform the development of a separate business plan for each financial year covering the Authority's wider responsibilities. The Authority's business plan should generally include key targets and milestones for the year immediately ahead, aligned to the NPF, and be linked to budgeting information so that, where possible, resources allocated to achieve specific objectives can be identified. The business plan should be shared in draft with the Scottish Government sponsor unit before being submitted to the Authority for approval prior to the start of the relevant financial year.

Budget Management

52. Each year, in the light of decisions by Scottish Ministers on the allocation of budgets for the forthcoming financial year, the Scottish Government will send to the Authority, in time for it to set its own budget for the forthcoming year, a formal statement of its budgetary provision, a note of any related matters and details of the budget monitoring information required by the Scottish Government. The terms of that letter, referred to as the Budget Allocation and Management letter, should be viewed as complementing the content of this document. Monthly monitoring is the primary means of in-year budget control across the Scottish Government. As such, public bodies must comply with the format and timing of the monitoring together with any requests for further information. The statement of budget provision will set out the budget within the classifications of resource Departmental Expenditure Limits (RDEL), capital DEL (CDEL) and Ring-fenced (non-cash) (RfDEL). The Authority will inform the sponsor unit at the earliest opportunity if a requirement for Annually Managed Expenditure (AME) budget is identified. The Scottish Government should also be advised in the event that estimated net expenditure is forecast to be lower than budget provision at the earliest possible opportunity. Transfers of budgetary provision between the different summary classifications as advised require the prior approval of the Scottish Government Finance Directorate. Any proposals for such transfers should therefore be submitted to the sponsor unit from Police Service of Scotland via the Authority, for initial consideration. Transfers of provision within the summary classifications may be undertaken without reference to the Scottish Government, subject to any constraints on specific areas of expenditure e.g. the approved pay remit.

53. If the trading and other resource income - or the net book value of disposals of non-current assets - realised is less than included in the most up-to-date agreed budget the Authority shall, unless otherwise agreed with the Scottish Government, ensure a corresponding reduction in its gross expenditure (the extent to which the Authority exceeds agreed budgets shall normally be met by a corresponding reduction in the budgets for the following financial year.) If income realised is more than included in the most up-to-date agreed budgets the Authority must obtain the prior approval of the Scottish Government before using any excess to fund additional expenditure (failure to obtain prior approval for the use of excess income - excluding income resulting from gifts, bequests and donations - to fund additional expenditure may result in corresponding reductions in budgets for the following financial year). Income generated from gifts, bequests and donations, must be spent within the same financial year as the receipt, otherwise additional budget allocations will be required. In any event, income from all sources and all planned expenditure should be reflected in the monthly budget monitoring statement.

Cash Management

54. Any grant in aid (i.e. the cash provided to the Authority by the Scottish Government to support the allocated budget) for the year in question must be authorised by the Scottish Parliament in the annual Budget Act. Grant in aid will normally be paid in monthly instalments on the basis of updated profiles and information on unrestricted cash balances. Payment will not be made in advance of need as determined by the level of unrestricted cash balances and planned expenditure. Unrestricted cash balances held during the course of the year should be kept to the minimum level consistent with the efficient operation of the Authority and

Police Service of Scotland - and the level of funds required to meet any relevant liabilities at the year-end. Grant in aid not drawn down by the end of the financial year shall lapse. Grant in aid shall not be paid into any restricted reserve held by the Authority.

55. Subject to the overriding need to obtain value for money, the Authority may open bank accounts with commercial banks where it is judged operationally necessary. The Authority will ensure that the balances held in these accounts are held to the minimum required to meet operational needs consistent with Scottish Government banking arrangements.

Risk Management

56. The Authority shall ensure that the risks that it faces are dealt with in an appropriate manner, in accordance with generally recognised best practice in corporate governance, and develop a risk management strategy in accordance with the risk register and consistent with the Risk Management section of the SPFM. Reporting arrangements should ensure that the sponsor unit is made aware of relevant risks and how they are being managed. The Authority's audit committee is also required, at the earliest opportunity, to notify the relevant Scottish Government Audit and Risk Committee if it considers that it has identified a significant problem which may have wider implications.

Organisational Security and Resilience

57. As part of risk management arrangements, the Authority shall ensure that it has a clear understanding at board level of the key risks, threats, and hazards it may face in the personnel, physical, and cyber domains, and take action to ensure appropriate organisational resilience to those risks/threats/hazards. It should have particular regard to the following key sources of information to help guide its approach:

- [Having and Promoting Business Resilience \(part of the Preparing Scotland suite of guidance\)](#)
- [The Scottish Public Sector Action Plan on Cyber Resilience and associated guidance.](#)

Counter Fraud Arrangements

60. The Authority should adopt and implement policies and practices to safeguard itself and the Police Service of Scotland against fraud and theft, in accordance with the Fraud section of the SPFM. Application of these processes must be monitored actively, supported by a fraud response plan and robust reporting arrangements. This includes the establishment of avenues to report any suspicions of fraud.

Performance Management

61. The Authority shall operate management information and accounting systems, and collect other relevant evidence to enable it to review, in a timely and effective

manner, the financial and non-financial performance of both the Authority and the Police Service of Scotland against the strategic priorities and relevant objectives and targets set out in the corporate and business plans. The results of such reviews should be reported on a regular basis to the Board and Chief Constable as appropriate and copied to the Scottish Government. The Scottish Government shall assess the Authority's performance on a continuous basis and formally review performance on a quarterly basis through an assessment of Board performance reports. The responsible Cabinet Secretary shall meet the Authority Chair at least quarterly.

Scottish Police Authority Workforce Management

Broad Responsibilities

62. The Authority is the employer of civilian staff appointed directly by the Authority to assist in carrying out its functions, and of those appointed by and subject to the direction and control of the Chief Constable (who are appointed on behalf of, and subject to any recommendations and guidelines issued by the Authority). Police constables are Crown servants, appointed by (with the exception of senior officers) and subject to the direction and control of the Chief Constable.

63. The Authority has responsibility, in line with section 37 of the Act, duty to secure Best Value, and On Board guidance for Board Members of Public Bodies, for:

- Setting the objectives and priorities of its workforce in relation to management of the workforce which serve to optimise performance in an ethical and sustainable way
- Ensuring that these are aligned with those of the organisation (and, where applicable, wider stakeholders)
- Ensuring effective delivery against identified outcomes through oversight of workforce strategy, policy, programs and practices, and monitoring of related key performance information, and
- Ensuring effectiveness of internal controls to mitigate risk and ensure compliance with statutory responsibilities."

64. In terms of section 83 of the Act the Authority and the Chief Constable may make arrangements under which the Authority is to provide assistance to the Police Service of Scotland, or the Police Service of Scotland is to provide assistance to the Authority. Such assistance may involve members of the Authority's staff providing services for the Police Service of Scotland, or constables or police staff providing services for the Authority.

65. General responsibilities towards staff employed by the Authority either directly in support of its functions or those under the direction and control of the Chief Constable are to ensure that:

- personnel policies, practices, and systems comply with employment and equalities legislation, as well as best practice standards of public sector employers;
- the level and structure of staffing, including grading and staff numbers, are appropriate to its functions and the requirements of economy, efficiency and effectiveness (subject to the Scottish Government Pay Policy for Staff Pay Remits);

- the performance of its staff at all levels is satisfactorily appraised and the Authority's performance measurement systems are reviewed from time to time;
- staff are encouraged to acquire the appropriate professional, management and other expertise necessary to achieve relevant objectives;
- proper consultation with staff takes place on key issues affecting them;
- adequate grievance and disciplinary procedures are in place;
- whistle-blowing procedures consistent with the Public Interest Disclosure Act 1998 are in place; and
- an appropriate code of conduct for staff is in place based on the Model Code for Staff of Executive NDPBs.

Equality

66. The Authority is covered by the public sector equality duty, as set out in sections 149–157 and schedules 18 and 19 of the Equality Act 2010. The public sector equality duty requires equality to be considered in all the functions of public authorities, including decision-making, in the design of internal and external policies and in the delivery of services, and for these issues to be kept under review. Every 2 years, the Authority must report on mainstreaming the equality duty; publish equality outcomes or report progress; publish employee information and publish pay gap information.

Pay and Conditions of Service

Authority / Police Staff

67. The Authority shall submit to the Scottish Government for approval (normally annually unless a multi-year deal has been agreed) a pay remit covering all staff employed by the Authority (including police support staff) in line with the Scottish Government Pay Policy for Staff Pay Remits and negotiate a pay settlement within the terms of the approved remit. Payment of salaries should also comply with the Tax Planning and Tax Avoidance section of the SPFM. Proposals on non-salary rewards must comply with the guidance in the Non-Salary Rewards section of the SPFM. The Authority shall comply with employment and equalities legislation. The terms and conditions of the Chief Executive are subject to a separate approval exercise in line with the Scottish Government Pay Policy for Senior Appointments.

Police Officers

68. The Police Negotiating Board (PNB) provides the negotiating machinery for the pay and conditions of service for police officers in Scotland. The PNB's role is to seek agreement of the Board to changes in officers' pay and conditions and to make recommendations to Scottish Ministers. Ministers will then decide whether to accept the recommendation (agreement) and enact it in law through police regulations made under Section 48 of the 2012 Act.

69. Negotiation takes place between two Sides with an independent Chair. The Official Side comprises the Scottish Government, the Authority and the Chief Constable, and a Staff Side of the three staff associations representing the ranks

(Scottish Police Federation, Association of Scottish Police Superintendents and Scottish Chief Police Officers Staff Association).

70. The PNB is set out under UK legislation and up until September 2014 covered the negotiation of pay and conditions for all UK police forces. The PNB remains the negotiating body in Scotland but a Scottish Police Negotiating Board is due to be established. In England and Wales, the Police Remuneration Review Body (PRRB) now recommends changes to pay and conditions to the Home Secretary.

Pensions, Redundancy and Compensation

71. Police officers shall normally be eligible for a pension provided by the Police Pension Schemes – the Police Pension 1987 (PPS), which closed to new Members from 5 April 2006; the New Police Pension Scheme 2006 (NPPS), which closed to new members on 5 April 2015; or the Police Pension Scheme (Scotland) 2015 (the 2015 Scheme), into which all officers appointed from and including 6 April 2015 are automatically entered. The Authority employees are eligible for membership of the Local Government Pension Scheme (LGPS).

72. The 2015 Scheme and LGPS will represent the Authority's qualifying scheme for the purposes of Auto Enrolment. The police officer pension schemes are administered by the Scottish Public Pensions Agency (SPPA). The 2015 Scheme governance structures are the Scottish Police Pension board, responsible for assisting the SPPA with the operational management of the scheme, and the Scottish Police Pension Scheme Advisory Board, which provides advice to Scottish Ministers on the desirability of changes to scheme design and the implication of other policy issues.

73. Any proposal by the Authority to move from existing pension arrangements, or to pay any redundancy or compensation for loss of office, requires the prior approval of the Scottish Government. Proposals on compensation payments must comply with the Settlement Agreements, Severance, Early Retirement and Redundancy Terms section of the SPFM. This includes referral to the Scottish Government of any proposed severance scheme (for example, Voluntary Redundancy/Voluntary Early Retirement Scheme)and any proposed exit outside the parameters of an agreed scheme, any settlement agreement being considered for an individual, or proposal to make any other compensation payment. A business case should be provided to the Scottish Government, and the Accountable Officer must be satisfied that any non-contractual payment represents value for money and is defensible. In all instances the Authority should engage with the Scottish Government prior to proceeding with proposed severance options and prior to making any offer either orally or in writing.

Asset and Property Management

74. Property holdings should be kept to the minimum required to meet current and planned needs. The Property: Acquisition, Disposal and Management section of the SPFM sets out how the Authority is to manage, acquire and dispose of property assets. In particular, it sets out the requirement to maintain an accurate and up-to-date record of its current and non-current assets consistent with the [Management of Assets](#) section of the SPFM. Information on the Authority's property holdings should be accurately recorded and updated as necessary by the Authority. Plant and

equipment assets should be disposed of in accordance with the Guidance: [Disposal of Property](#) section of the SPFM or in accordance with the delegation to the Accountable Officer. The Authority is also subject to the [Scottish Government Asset Management Policy](#). The Accountable Officer has delegated authority for approving routine operational property transactions in accordance with the Authority's own internal procedures and approved budget. However, where the Authority has a requirement for accommodation to provide regional or national service coverage, or where a transaction is considered to be novel or contentious Ministerial consent is required. Further guidance is given in the SPFM –

<https://www.gov.scot/publications/scottish-public-finance-manual/property-acquisition-disposal-and-management/appendix-specific-exceptions-to-scope/>

75. The Scottish Government's Property Division should be notified of relevant proposed disposals of property that the Authority has declared surplus at the earliest opportunity and at least 1 month prior to them being advertised on the open market so that they can be advertised internally (through a trawl process).

Specific Financial Provisions

Delegated Authorities

76. The Authority's specific delegated financial authorities – as agreed in consultation between the Authority and the Scottish Government - are set out in the attached **Appendix A**. Subject to any restrictions imposed by statute, Scottish Ministers, and this Framework Document, the Authority shall have authority to incur expenditure/consume resources without further reference to the Scottish Government, on the following conditions:

- the Authority shall comply with the specific delegations set out in Appendix A. These will be kept under review but shall not be altered without the Scottish Government's prior approval;
- the Authority shall comply with the conditions set out in this framework regarding novel, contentious or repercussive expenditure or which has or could have significant future cost implications;
- the Authority will comply with any relevant guidance in the Scottish Public Finance Manual.

Income Generation

77. The Authority shall seek to optimise income - grant in aid does not qualify as income - from all sources, including from the [European Union](#), and ensure that the Scottish Government is kept informed. Novel or contentious proposals for new sources of income or methods of fundraising must be approved by the Scottish Government. Fees or charges for any services supplied by the Authority shall be determined in accordance with the [Fees & Charges](#) section of the SPFM. Charges for services must comply with section 86 and 87 of the Police and Fire Reform (Scotland) Act 2012 and the Scottish Police Authority (Provision of Goods and Services) Order 2013.

81. Gifts, bequests, or donations received by the Authority score as income and should be provided for in the agreed resource DEL and capital DEL budgets, updated as necessary in consultation with the Scottish Government. However, the Authority

should be able to demonstrate that expenditure funded by gifts etc. is additional to expenditure normally supported by grant in aid (i.e. Scottish Government core funding) or by trading and other income. Before accepting such gifts etc. the Authority shall consider if there are any associated costs in doing so or any conflicts of interests arising. The Authority shall keep a written record of any such gifts etc. and what happened to them.

Financial investments

78. 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 which further the objectives of the Authority. The Authority shall not invest in any venture of a speculative nature.

Borrowing

79. 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.

Lease Arrangements

80. Unless covered by a specific delegated authority, the Authority shall not enter into any finance, property or accommodation related lease arrangement of regional or national importance - including the extension of an existing lease or the non-exercise of a tenant's lease break - without the Scottish Government's prior approval. In considering whether to enter / continue such arrangements, the Authority must have regard to its functions under the Act, including the duty relating to securing Best Value, and must be able to provide evidence that solutions from within the existing Government estate have been given proper consideration. Non-property/accommodation related operating leases are subject to a specific delegated authority. The Authority must have capital DEL provision for finance leases and other transactions, which are in substance borrowing.

81. Where properties and all related responsibilities were transferred to the Authority but title remained in the name of Scottish Ministers, the Authority is accountable for those properties and is expected to keep them and any grounds in good order, managing in accordance with the principles of good estate management.

82. Any intention to dispose of a property held in the name of Scottish Ministers must be discussed with the Scottish Government at the earliest opportunity.

83. In addition, where any such property is held on a lease or other agreement, in the name of Scottish Ministers:

- the Authority is responsible for ensuring full compliance with all terms and conditions of the lease or other agreement;
- the Authority will be fully responsible for all the tenant's obligations and liabilities under the lease in relation to the premises including all financial liabilities;

- the Authority will advise the Scottish Government on any matter relating to existing or new leases held in the name of Scottish Ministers without delay. If requested to do so by the Scottish Government, the Authority will authorise Scottish Government legal representatives to provide property advice and conveyancing services in respect of such leases (and if required, will undertake to meet payment of fees under the framework for legal services to Scottish Government) subject always to ongoing discussion with the Scottish Government during negotiations and final approval of any lease documentation by the Scottish Government. The Authority may not enter into any lease or other agreement or amendment to such agreement on behalf of the Scottish Ministers;

84. The Scottish Government shall be responsible for storage of original titles, leases, agreements or associated documentation in respect of properties held in the name of Scottish Ministers. The Authority should retain copies of these for its own use. Where any notice is served upon Scottish Ministers in respect of any of these, Scottish Government will advise the Authority of the receipt of such notice at the earliest opportunity. Where any notice is served upon the Authority or any tenant or subtenant, the Authority is to notify Scottish Government Property Division without delay.

Tax Arrangements

85. Non-standard tax management arrangements should always be regarded as novel and/or contentious and must therefore be approved in advance by the Scottish Government. Relevant guidance is provided in the Tax Planning and Tax Avoidance section of the SPFM. The Authority must comply with all relevant rules on taxation, including VAT. All constables and all individuals who would qualify as employees for tax purposes should be paid through the payroll system with tax deducted at source. It is the responsibility of the Authority to observe VAT legislation and recover input tax where it is entitled to do so. The implications of VAT in relation to procurement and shared services should be considered at an early stage to ensure that financial efficiency is achieved. The Authority must also ensure that it accounts properly for any output tax on sales or disposals.

Third Party Grants

86. Unless covered by a specific delegated authority, the Authority shall not, without the Scottish Government's prior agreement, provide grant funding to a third party. Such funding would be subject to the guidance in the State Aid section of the SPFM. Guidance on a framework for the control of third party grants is provided as an annex to the Grant & Grant in Aid section of the SPFM.

Impairments, Provisions and Write-Offs

87. Assets should be recorded on the balance sheet at the appropriate valuation basis in accordance with the FReM. Where an asset - and that includes investments - suffers impairment it is important that the prospective impairment and background is communicated to the Scottish Government at the earliest possible point in the financial year to determine the implications for the Authority's budget. Similarly any

significant movement in existing provisions or the creation of new provisions should be discussed in advance with the Scottish Government. Write-off of bad debt and/or losses scores against the Authority's resource DEL budget classification and is subject to a specific delegated limit.

Insurance

88 The Authority and Police Service of Scotland is subject to the Scottish Government policy of self-insurance. Commercial insurance must however be taken out where there is a legal requirement to do so and may also be taken out in the circumstances described in the Insurance section of the SPFM – where required with the prior approval of the Scottish Government. In the event of uninsured losses being incurred the Scottish Government shall consider, on a case-by-case basis, whether or not it should make any additional resources available to the Authority. The Scottish Government will provide the Authority with a Certificate of Exemption for Employer's Liability Insurance.

Procurement and Payment

89. The Authority's procurement policies shall reflect relevant guidance in the Procurement section of the SPFM and relevant guidance issued by the Scottish Government's Procurement and Commercial Directorate. Procurement should be undertaken by appropriately trained and authorised staff and treated as a key component of achieving the Authority's priorities consistent with the principles of Value for Money, the highest professional standards, and any legal requirements. Unless covered by a specific delegated authority, all external consultancy contracts over the value of £25,000 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 Chief Executive. Further information is given in the Procurement section of the SPFM

90. Any major investment programmes or projects undertaken by the Authority or the Police Service of Scotland shall be subject to the guidance in the Major Investment Projects section of the SPFM. The sponsor unit must be kept informed of progress on such programmes and projects and Ministers must be alerted to any developments that could undermine their viability. ICT investment plans must be reported to the Scottish Government's Office of the Chief Information Officer.

91. The Authority shall pay all matured and properly authorised invoices relating to transactions with suppliers in accordance with the Expenditure and Payments section of the SPFM. The Authority is subject to the Scottish Government target for the payment of invoices within 10 working days of their receipt.

Gifts Made, Special Payments and Losses

92. Unless covered by a specific delegated authority, the Authority shall not, without the Scottish Government's prior approval, make gifts or special payments or write-off of losses. Special payments and losses are subject to the guidance in the Losses and Special Payments section of the SPFM. Gifts by management to staff are subject to the guidance in the Non-Salary Rewards section of the SPFM.

Clawback

93. Where the Authority has financed expenditure on assets by a third party, the Authority shall make appropriate arrangements to ensure that any such assets above an agreed value are not disposed of by the third party without the Authority's prior consent. The Authority shall put in place arrangements sufficient to secure the repayment of its due share of the proceeds – or an appropriate proportion of them if the Authority contributed less than the whole cost of acquisition or improvement. The Authority shall also ensure that if assets financed by the Authority cease to be used by the third party for the intended purpose an appropriate proportion of the value of the asset shall be repaid to the Authority.

State Aid

94. State aid is a European Commission term which refers to forms of public assistance, given to undertakings on a discretionary basis, which has the potential to distort competition and affect trade between Member States of the European Union. Any activity that the Authority undertakes itself, or funds other bodies to undertake, that can be offered on a commercial market for goods and services is subject to state aid rules. A state aid assessment is therefore required prior to disbursing any funding and would be subject to the guidance in the state aid section of the SPFM.

Authority Members' Expenses

95. Remuneration, allowances and expenses paid to Authority Members must comply with the Scottish Government Pay Policy for Senior Appointments and any specific guidance on such matters issued by Scottish Ministers.

APPENDIX A

SPECIFIC DELEGATED FINANCIAL AUTHORITIES

| | Delegated Limit |
|---|------------------------|
| External business and management consultancies | £100,000 |
| Non-competitive action | £25,000 |
| Operating leases - other than property / accommodation related leases | 5 years and £50,000 |
| Gifts | £1,000 |
| Special payments | £1,000 |
| Claims waived or abandoned | £25,000 |
| Write-off of bad debt and/or losses | £25,000 |
| Major investment projects | £5,000,000 |
| | |