SCOTTISH POLICE AUTHORITY
ÙGHDARRAS POILIS NA H-ALBA

Corporate Governance Framework

of the Scottish Police Authority

November 2025

Contents

Introduction **1**

Annex A: Governance & Accountability Framework **3**

Appendix A: Specific Delegated Financial Authorities 29

Annex B: Standing Orders **30**

Annex C: Committee Terms of Reference **44**

Audit, Risk and Assurance Committee 44

Complaints and Conduct Committee 47

Exceptional Circumstance Committee 49

Forensic Services Committee 50

Legal Committee 52

People Committee 55

Policing Performance Committee 58

Resources Committee 60

Annex D: Matters Reserved for the Board **62**

Annex E: Authority's Financial Regulations (updated April 2026) **65**

Appendix A – Financial Delegation & Pre-Approval Matrix 85

Annex F: SPA Scheme of Delegation **93**

Introduction

The Scottish Police Authority (the Authority) (or, in Gaelic, Ùghdarras Poilis na h-Alba) is a body corporate established by the Police and Fire Reform (Scotland) Act 2012 (the Act). It came into operation on 1 April 2013, along with the Police Service of Scotland, and its core functions are defined by the Act.

The Act sets out a legislative framework to ensure effective governance for policing services across Scotland with the Authority responsible for providing strong national governance arrangements and accountability[1].

This document describes how the Authority works to deliver good corporate governance. In carrying out its functions the Authority has specific regard to:

- the terms of the Act
- Governance and Accountability Framework Document of the Scottish Police Authority, drawn up by Scottish Government in consultation with the Authority and which describes the context within which the Authority operates and sets out key roles and responsibilities. (Annex A)
- the Public Finance and Accountability (Scotland) Act 2000, as amended
- the Scottish Public Finance Manual (SPFM)
- the Memorandum to Accountable Officers for Other Public Bodies[2]
- On Board: A Guide for Members of Statutory Boards[3] published by the Scottish Government and
- the Ethical Standards in Public Life etc. (Scotland) Act 2000.

The Authority must try to carry out its functions in a way which is proportionate, accountable and transparent and which is consistent with any principle of good governance which appears to it to constitute best practice (section2(3) of the Act).

Good governance enables the Authority to achieve its vision and corporate objectives as well as underpin these with mechanisms for the control and management of risk which it reports through its committee structures and processes, and the method of decision-making.

Our governance principles are:

- being clear about, and having a strong focus on, our purpose and on outcomes for citizens and service users
- being clear about our functions and responsibilities and performing effectively in carrying them out

[1] Police and Fire Reform (Scotland) Bill: Policy Memorandum, pages 15-16

- promoting values for the whole organisation and demonstrating the values of good governance through behaviour
- developing our capacity and capability to be effective in both non-executive and executive roles
- managing risks and performance through robust internal control systems and strong public financial management and
- implementing good practices in transparency, reporting and audit to deliver effective accountability.

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Annex A Governance & Accountability Framework

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 (the rank of ACC and above)
- 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 consider 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.

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

Accountable Officer Responsibilities

32. 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.

33. Accountable Officers are answerable to the Scottish Parliament for the exercise of their functions, as set out in the Memorandum to Accountable Officers of 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.

34. 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.

35. 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

36. 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.

37. 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.

38. 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

39. 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.

40. 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

41. 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.

42. 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

43. 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

44. 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.

45. 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)

46. 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.

47. 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

48. 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

49. 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.

50. 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

51. 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.

52. 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.

53. 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

54. 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.

55. 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

56. 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.

57. 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

58. 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

59. 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 and
- 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.

78. 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

79. 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

80. 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

81. 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.

82. 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.

83. 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.

84. 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.

85. 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

86. 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

87. 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

88. 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

89. 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

90. 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

91. 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.

92. 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

93. 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

94. 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

95. 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

96. 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
Operating leases – other than property / accommodation related leases	5 years and £50,000
Gifts / donations	£25,000
Third party grants	£100,000
Losses and special payments	£100,000
Major investment projects[1]	£5,000,000

[4] As defined by SPFM.

[1] As defined by SPFM.

Annex B
Standing Orders

Introduction

1. The status and constitution of the Scottish Police Authority (the Authority) are set out in schedule 1 to the Police and Fire Reform (Scotland) Act 2012 (the Act). Paragraph 10 of the schedule empowers the Authority to regulate its own procedure and that of its committees and sub-committees. These Standing Orders are accordingly made.
2. The Authority consists of up to 15 members. Schedule 1 to the Act provides that the Scottish Ministers will appoint the chairing member and between 10 and 14 other members of the Authority. The members may elect from their number a member to act as deputy to the chairing member.
3. The Authority members are expected at all times to act in accordance with the principles set out in the Code of Conduct. The key principles which inform the Code are: duty; selflessness; integrity; objectivity; accountability and stewardship; openness; honesty; leadership and respect.

Scheduled Meetings

4. A schedule of meetings of the Board and its committees for each financial year will be published on the Authority's website with a minimum of six months' notice.
5. Committees and sub-committees will review and maintain work plans for each year, which distinguish between standing, cyclical and ad-hoc items.
6. The Chair or, in their absence, the Vice Chair, may alter the time and/or place of any Board meeting and convene additional meetings as necessary for the fulfilment of Authority functions.
7. The chair of a committee or sub-committee or, in their absence another Member of the committee or sub-committee may alter the time and/or place of any particular committee or sub–committee and convene such additional meetings as deemed necessary for the due fulfilment of the Authority functions delegated to that committee or sub-committee.

Additional Meetings

8. Where there is business that is urgent and cannot await the next scheduled meeting of the Board, a committee or sub-committee, an additional meeting may be called. The additional meeting can be called by the chair of the Board, committee or sub-committee. An additional meeting can also be called because of a written request made to the chair of the Board, committee or sub-committee, signed by a majority of Members of the Board, Committee or Sub-Committee, specifying the nature of the business that they wish to discuss at the meeting. Additional meetings may be convened at short notice. As far as timelines will allow, agendas and papers will be circulated in line with Standing Orders.

9. Where it is not practicable to convene an additional meeting, then the matter may be dealt with by correspondence. In these circumstances, relevant papers setting out the matter for decision will be provided to Members. The matter will be decided in accordance with the consensus of responses received by the deadline, subject to responses being received from a quorum of the Board, committee or sub-committee, as appropriate. If it is not possible to reach consensus then the matter will be brought to the next meeting of the Board, committee or sub-committee, as appropriate.

Exceptional Circumstances

10. In exceptional circumstances where there is urgent business of the Board or a committee or sub-committee and it is not practicable for a scheduled or additional meeting to be convened, nor appropriate for a decision to be taken by correspondence, the Exceptional Circumstances Committee may deal with the urgent business.

Chair

11. The Chair will, if present, chair all meetings of the Board. In the absence of the Chair, the Vice Chair will preside. In the absence of both the Chair and Vice Chair, the Members present will choose one of their number to preside by a majority vote of those present. Any power or duty assigned to the Chair in relation to the conduct of a meeting may be exercised by the person presiding at the meeting.

12. Business at meetings shall be conducted through the chair of that meeting who will ensure that all members and invited attendees receive sufficient opportunity to express their views on matters under discussion. The Chair shall promote a culture of openness and debate by facilitating effective contribution, including constructive challenge.

Attendance at Board Meetings

13. In circumstances where the meeting is held in person, with the agreement of the Chair, individual Members may participate virtually. Virtual attendance will constitute part of the quorum for the purposes of that meeting.

14. If a Member, without good reason, has been absent from meetings of the

Board for a period longer than 3 consecutive meetings of the Board, the Chair will advise the relevant Minister.

Quorum

15. The quorum for Board meetings is a majority of current Members. No formal business will be transacted at any meeting of the Board unless a quorum is present. A quorum must exist throughout the meeting. If, at any stage during the meeting, a quorum is not present the meeting shall stand adjourned until a date and time the Chair determines.

16. The quorum of any committee or sub-committee is set out in its Terms of Reference.

Attendance of the Public and Press

17. All meetings of the Board, its committees and sub-committees are open to be observed by members of the public and media and will be held in a public venue or virtually, except for meetings or parts of meetings where business is to be conducted in private.

18. The chair of each meeting will make a preliminary assessment of items likely to be considered in private for the purpose of issuing the agenda and determining which papers must be published in advance of the meeting. Parties presenting an item which they are of the view should be considered in private should make representations to the chair of the meeting setting out their reasons for reaching that view, referring to the applicable circumstances detailed in Standing Order 20. The chair will consider these representations when making their preliminary assessment. Reasons for considering items in private will be noted on the agenda and recorded in the minute of the meeting. The Members at the meeting will have the final decision in relation to which items are be considered in private.

19. If all or part of a meeting is to be held in private, any members of the public or media present will be asked to leave the meeting.

20. Circumstances in which meetings may be held in private, and papers and reports need not be published include where:

    a) information relating to identified or identifiable individuals (including members of staff) could be disclosed where there is a risk of a breach of data protection legislation.

    b) public discussion of the information may prejudice any police operation or the prosecution of offenders.

    c) disclosure of information could prejudice national security.

    d) matters to be discussed are the subject of legal proceedings (including misconduct or disciplinary proceedings) or where the information to be discussed consists of or includes legal advice provided to the Authority or to a third party.

    e) an obligation of confidentiality exists in respect of the information to be discussed.

    f) confidential commercial or financial information not already in the public

domain could be disclosed.

g) proposals for significant organisational change, significant changes to the terms and conditions of staff or other sensitive matters are being considered.

h) discussion in public would be likely to inhibit the free and frank provision of advice or the free and frank exchange of views for the purpose of deliberation.

i) other, exceptional circumstances exist that would justify considering the matter in private, such circumstances to be agreed by the Board and included in the minute of the meeting.

21. A member of the public or media who disrupts the business of the meeting may be asked to leave the meeting after due warning has been given. Re-admission to that or other public meetings held by the Board, committee or sub-committee is at the discretion of the chair of the meeting.

Meeting Attendees

22. The Chief Executive has a standing invitation to attend meetings of the Board, committees and cub-committees. Authority staff may also be required to attend meetings to provide advice.

23. The Chief Constable or their representative may be required to attend meetings of the Board, committees and sub-committees to provide such reports, statistics or other information relating to the Police Service, police functions or the state of crime as the Authority may reasonably require, in accordance with section 84(3) of the Act.

24. The chair of the Board, committees or sub-committees may invite any individual or organisation to attend meetings, provide information and/or to make representations to it about particular issues.

Notice of Meetings

25. Where possible, a notice of meetings will be published on the Authority's website at least seven calendar days before the meeting and will include the date, time, location and items of business to be considered at the meeting.

Agenda for Meetings and Order of Business

26. The agenda for a meeting shall be agreed by the meeting chair in advance of the meeting.

27. The agenda will be circulated to Members at least seven calendar days prior to the meeting and will be published on the Authority's website.

28. The business of the Board, committee or sub-committee, at all meetings will proceed in accordance with the agenda issued for that meeting unless otherwise directed by the chair of that meeting. No business other than that on the agenda will be considered except where, by reason of special circumstances which shall be recorded in the minute, the chair is of the opinion that the item should be considered at the meeting.

Giving Notice of a Matter to be Considered

29. Any Member(s) of the Board, committee or sub- committee, may ask for an

item to be placed on the agenda of a meeting of the Board or that committee or sub-committee. The chair of the meeting will consider the request.

Papers for Meetings

30. Papers will be required for all agenda items at a meeting unless it has been agreed in advance with the chair of the meeting that a verbal presentation may be made.

31. Final papers for meetings must be submitted eight working days prior to the meeting.

32. Papers will be circulated to Members at least five working days prior to the meeting.

33. For meetings or parts of meetings open to the public, papers will be posted on the website at least three working days prior to the meeting.

34. If papers are not submitted in line with the Standing Orders, the chair of the meeting may withdraw the item(s) from the agenda.

Conduct at Meetings

35. The chair is responsible for:

- maintaining order and good conduct at meetings
- ensuring that business is conducted appropriately
- ensuring that all members are given a reasonable opportunity to express their views on matters under discussion; and
- dealing with any question of order raised at a meeting.

36. All Members and invited attendees shall respect and, if necessary, defer to the authority of the chair. Members are accountable for their own individual conduct in meetings in terms of the Code of Conduct and any associated guidance. The chair may rule on the acceptability of behaviour during the meeting and take appropriate action as necessary, including withdrawal of a remark, requiring an apology, or any other action required to allow the meeting to properly proceed. If any Member or invited attendee at a meeting continues to behave offensively or is not cooperative, a proposal may be made to suspend that person for the rest of the meeting and if that proposal is supported by the majority of Members in attendance that person must immediately leave the meeting.

Adjourning Meetings

37. Meetings may be adjourned for a reasonable time if the chair determines so, or a majority of Members present are in favour of an adjournment.

Voting

38. Where there is an agenda item requiring a decision by the Board, committee or sub-committee the chair will seek the views of Members and, wherever possible, reach a consensus. If a consensus cannot be reached or if the chair views the matter as sufficiently important to record the collective view of the Members, a vote will be taken. Decisions will be reached based on a simple majority, the chair having a second and casting vote. Voting shall be by a show of hands and the minute will record the vote. At the discretion of the

chair, or in the event of a majority of Members present requesting it, the vote will be taken by roll call.

39. No decision of the Board, a committee or sub-committee may be reconsidered within six months of the date of making the previous decision, except where:

- required by law;
- cannot be implemented due to reasons out with the control of the Authority, or
- there has been a material change in circumstances.

Declarations of Interest and Connections

40. In line with the requirements of the Code of Conduct, individual Members must consider at the earliest stage possible whether they have an interest or connection to declare in relation to any matter that is to be considered. A declaration must be made at the start of the meeting. If the need for a declaration is identified only when a particular matter is being discussed the Member must declare the interest or connection as soon as they realise it is necessary to do so. The declaration should identify the item or items of business to which it relates. The statement should begin with the words "I declare an interest or connection". The statement must be sufficiently informative to enable those at the meeting to understand the nature of the interest but need not give a detailed description of it.

41. Declaring a financial interest has the effect of prohibiting any participation in discussion and voting, and the Member should leave the meeting room until discussion of the item is concluded. A declaration of a non-financial interest involves a further exercise of judgement by the Member concerned. They must consider the relationship between the interests that have been declared and the matter to be considered and relevant individual circumstances surrounding the matter. In the final analysis the objective test is whether, in the circumstances of the item of business, and knowing all the relevant facts, a member of the public, acting reasonably, would consider that the Member might be influenced by the interest in their role as a Member of the Authority and that it would therefore be wrong to take part in any discussion or decision-making. If a Member, in conscience, believes that their continued presence would not fall foul of this test, then declaring a non-financial interest need not preclude their involvement in discussion or voting. If they are not confident about whether the objective test is satisfied, they should play no part in the discussion and should leave the meeting room until discussion of the particular item is concluded.

Action Logs

42. A rolling action log will be kept for the Board, and all committees and sub-committees.

43. A draft rolling action log will be made available to the meeting chair after each meeting and circulated to the action owners.

44. The draft rolling action log will be presented to the next meeting together with the minutes, for approval.

Minutes of Meetings

45. A minute will be kept of all Board, Committee and sub-committee meetings.

46. The minute will record Members present, others in attendance, any apologies for absence and Members or others joining or leaving the meeting.

47. The minute will also record the essence of the discussion in relation to each agenda item and clear action points arising from decisions including timelines and responsibility. Minutes should be read in conjunction with the agenda and papers for the meeting.

48. Draft minutes will be available to the chair after the meeting.

49. The minutes will be presented to the next meeting and approved with or without amendment as a correct record of proceedings.

50. Approved minutes of public sessions will be published on the Authority website.

Committees and Sub-Committees

51. The Board may establish committees to assist and advise it in relation to the performance of any of the Authority's functions as may be determined by the Board from time to time or;

52. Perform such functions as may be delegated from time to time.

53. A committee shall consist of a chair and such other Members as the Board shall determine.

54. In appointing Members to a committee, the Board shall have regard to the following principles:

- the membership shall reflect the range of qualifications and experience necessary for the proper and effective performance of the functions of the committee.
- the committee overseeing the audit function shall be denoted as a governance rather than a business committee.

55. The Authority Chair may appoint a substitute Member to a committee, a sub-committee if an appointed Member of that committee, sub-committee is unable to attend for the whole of the meeting. The substitute Member will have all the powers and duties of any appointed Member of the committee, sub-committee.

56. Committees shall be related to the functions of the Authority. In setting committee terms of reference, the Board will have regard to the following principles:

- the Board may delegate to its committees such of the Authority's functions as it considers appropriate, within parameters determined by the Board and as set out in committee terms of reference.
- Committees will have defined terms of reference which will

be reviewed as necessary but at least every two years.

- Committees will maintain a strategic focus and add value to the Authority's oversight of policing.

57. The terms of reference should include, but not be limited to, the following details:
    - the minimum number of members and quorum
    - remit
    - extent of decision-making delegated to the committee.
58. The Board shall establish a committee to oversee the audit function. That committee will give an independent view in relation to risk management, governance and internal control. While the committee will consider issues relating to risk management, governance and internal control, the Board will maintain responsibility for and make the final decision on all these areas.
59. Committees may establish sub-committees to assist and advise them in undertaking their responsibilities, subject to prior consultation with the Authority Chair.
60. Any such sub-committee will have its membership and terms of reference determined by the parent committee or Board and may include authority to co-opt members.
61. The Authority Chair has a standing invitation to attend meetings of committees and sub-committees. Any other Board Member may attend after consultation with the committee chair but will not form part of the committee.
62. All decisions made at committee or sub-committee meetings must be made by Board Members who are Members, or substitute Members of that committee or sub-committee.
63. A summary report will be provided by the committee chair to the next scheduled meeting of the Authority. Where appropriate, this should provide insight to items considered in both public and private session.
64. An assurance report will be provided to the Chair by the committee or sub-committee chair as part of the Annual Report and Accounts process.
65. Committees and/or sub-committees may have joint meetings to discuss matters which falls within each of the committee or sub-committee's remit. Each committee and cub-committee at the joint meeting must be quorate. Members of the committees and/or sub-committees present at the meeting will chose one of their number to chair the meeting.
66. Committees and/or sub-committees may highlight relevant business to another committee/sub-committee where consideration by the other committee/sub-committee may add value.

Working Groups and Oversight Groups

67. Short life, officer led working groups and Member led oversight groups may be convened by the Board or a committee for specific purposes. Such groups will have terms of reference, a clear remit and reporting structure and be time limited.

Co-Option of Members to Committees and Sub-Committees

68. Paragraph 9 of Schedule 1 to the Act allows for members of a committee or Sub-committee to include persons who are not Members of the Authority, but such persons are not entitled to vote at meetings.

69. Co-opted members are appointed at the discretion of the Committee or sub- Committee Members. In deciding whether it is appropriate to co-opt a member to the committee or sub-committee consideration must be given by the Authority Members to what expertise is required by the committee or sub-committee to allow it to fulfil its remit, and thereafter agree the specification of the skills and experience being sought through co-option.

70. Upon decision of the committee or sub-committee that co-opted members shall be appointed, nominations for experts having the required skill set shall be invited. Nominations are to be accompanied by a recommendation specifying the nominee's competence and a detailed CV to support the expertise required. Nominees for co-opted membership may be invited to present themselves to the committee or sub-committee in advance of the committee or sub-committee making an appointment. The committee or sub-committee chair shall seek approval from the Board for appointment of the co-opted member.

71. The position will be subject to a vetting process which may include both security and disclosure checks.

72. Co-option is intended to provide specific skills for a fixed term as determined by the Board, up to a maximum period of two years. On ceasing to be a member, a person is eligible for reappointment.

73. A co-opted member may terminate their membership by giving one month's written notice to the committee or sub-committee chair.

74. Co-opted members will be required to follow the Authority's Code of Conduct for Board members, and the associated disclosure requirements, and their appointment may be terminated by the committee or sub-committee chair, subject to the approval of the Board.

75. The co-opted member shall attend an induction briefing prior to attending their first committee or sub-committee meeting.

76. Travel and any reasonable subsistence expenses incurred while fulfilling the duties of a co-opted member will be reimbursed.

Procedure for Attendance at Committee and Sub-Committee Meetings: Authority Members

77. If a Member fails to attend three consecutive meetings of any committee, or 50% of the meetings in any two year period, and has not been given leave by the committee chair, the committee chair will advise the Board. The Board may remove the Member from the committee.

Chief Executive

78. The Chief Executive is the principal advisor to the Board on the discharge of its functions.

79. The Chief Executive shall ensure that the work of the Board and its committees and sub-committees is supported by Authority officers.

Disclosure of Information

80. Members will be responsible for the safe custody of any papers or documents that may be issued or entrusted to them in the course of their duties. The loss of any such documents should be reported immediately to the Chief Executive.

81. Members are required to comply with the confidentiality provisions of the Code of Conduct and any other procedures and protocols around the management, retention, processing and disclosure of information as may be issued by the Chief Executive.

Interpretation

82. The Chair's ruling on any question relating to the interpretation of these Standing Orders shall be final.

Revocation and Revision of Standing Orders

83. No Standing Order adopted by the Board can be suspended at any meeting except on the agreement of a majority of the Authority Members.

84. Committees and sub-committees have no power to depart from these Standing Orders

85. The current Standing Orders will remain in force until varied or revoked and additional Standing Orders adopted at a meeting of the Board with the agreement of the majority of Authority Members present.

86. The Chief Executive may submit to the Board a note of any new Standing Order or alteration of any existing Standing Order which seem to them to be required to ensure the effective operation of the Board. Such a proposal shall be considered and decided upon by the Board.

87. The Board will undertake a periodic review of Standing Orders to ensure that they remain fit for purpose.

Annex C
Committee Terms of Reference

Audit, Risk and Assurance Committee

Purpose and Scope

1. The overall purpose of the Audit, Risk and Assurance Committee (the ARAC) is to provide oversight and scrutiny of all significant audit and risk matters concerning the Authority and Police Scotland. The ARAC will seek evidence and provide advice and assurance to the Board that the appropriate levels of internal controls are in place across both Police Scotland and the Authority. In addition, the ARAC will provide advice and assurance to the Accountable Officer and Board on these matters and any other specific items which the Board requests of it in relation to audit, risk management and assurance and the integrity of annual reports and financial statements. The ARAC will also consider and approve the Authority's Internal Audit Plan on behalf of the Board.

2. Meetings will be used to consider:

   2.1 the strategic processes for risk, control and governance

   2.2 the accounting policies, the accounts and the annual report of the organisation, including the process for review of the accounts prior to submission for audit, levels of error identified, and management's letter of representation to the external auditors

   2.3 the planned activity and results of both internal and external audit

   2.4 approval of the Authority's Internal Audit Plan

   2.5 the adequacy of management response to issues identified by audit activity, including external audit's management letter/report, and to issues identified by other external bodies such as HMICS and ICO

   2.6 the effectiveness of the internal control environment

2.7 assurances relating to the effectiveness of the corporate governance arrangements for the organisation

2.8 proposals for tendering for internal audit services or for purchase of non-audit services from contractors who provide audit services and

2.9 anti-fraud policies, and arrangements for special investigations

2.10 such other matters as required by the Board

2.11 and to advise the Board and the Accountable Officer on these matters.

3. In addition, the ARAC will provide the Board and Accountable Officer with an Annual Report, timed to support finalisation of the accounts and the governance statement, summarising its conclusions from the work it has done during the year.

4. The ARAC will also periodically review its own effectiveness and report the results of that review to the Board and Accountable Officer.

Specialist Advice

5. The ARAC may procure specialist ad-hoc advice at the expense of the organisation, subject to budgets agreed by the Board or Accountable Officer.

Membership

6. The Committee will consist of a minimum of three Authority members including the chair ("the Committee Chair").

7. The quorum of the Committee will be two Members including the Committee Chair.

Attendees

8. Committee meetings will normally be attended by the Accountable Officer, the Chief Financial Officer, the Head of Internal Audit, a representative of External Audit and at least one senior representative of Police Scotland. A senior representative from Forensic Services will attend as required.

Access

9. The Head or representative of Internal Audit and the representative of External Audit will have free and confidential access to the chair of the ARAC.

Meetings

10. The procedures for meetings are:

10.1 the ARAC will meet at least four times a year. The chair of the ARAC may convene additional meetings, as they deem necessary.

10.2 the Board or Accountable Officer may ask the ARAC to convene further meetings to discuss particular issues on which they want the committee's advice.

Complaints and Conduct Committee

Purpose and Scope

1. The purpose of the Complaints and Conduct Committee is to monitor, oversee and scrutinise: the handling by the Authority and Police Scotland of "relevant" complaints as defined in legislation; and Police Scotland's arrangements for handling misconduct allegations against constables; and to perform certain functions and make decisions on behalf of the Authority under the Police Service of Scotland (Senior Officers) (Conduct) Regulations 2013 ("the 2013 Regulations") and other applicable regulations.

2. Meetings will be used to:

   2.1 Consider and approve arrangements, including policies and procedures and guidance, relating to the handling of relevant complaints by the Authority, seeking the views of other stakeholders as necessary.

   2.2 Consider reports from Police Scotland on how it promotes and ensures adherence to Standards of Professional Behaviour, including the application of vetting arrangements

   2.3 Consider and determine relevant complaints against the Authority, its staff and senior officers of Police Scotland in accordance with the SPA Complaints Handling Procedures, provisions of the Police Public Order and Criminal Justice (Scotland) Act 2006 and the statutory guidance produced by the Police Investigations and Review Commissioner (PIRC).

   2.4 Monitor the handling of relevant complaints by the Authority and Police Scotland, seeking information on themes or trends as appropriate, with a view to the Committee satisfying itself that the arrangements maintained by the Authority and Police Scotland for the handling of relevant complaints are suitable.

   2.5 Consider reports from Police Scotland on its handling of misconduct allegations under the Police Service of Scotland (Conduct) Regulations 2014, with a view to ensuring that arrangements for handling these allegations are efficient and effective.

   2.6 Conduct preliminary assessments of misconduct allegations against senior officers of Police Scotland under regulation 8 of the 2013 Regulations and, where appropriate, refer these to the PIRC for further assessment and potential investigation.

   2.7 Where the Police (Conduct) (Senior Officers) (Scotland) Regulations 1999 apply to the conduct of a senior officer, implement the preliminary investigation procedure set out in these Regulations.

   2.8 Refer allegations to the appropriate prosecutor where it can reasonably be inferred that a senior officer of Police Scotland may have committed a criminal offence (under regulation 7 of the 2013 Regulations or the equivalent provisions in regulation 9 of the 1999 Regulations).

   2.9 Determine, following receipt of an investigator's report, whether

misconduct allegations against a senior officer of Police Scotland are to be referred to a misconduct hearing.

2.10 Determine whether senior officers who are the subject of misconduct or criminal allegations are to be suspended from the office of constable (or subject to such other measures as considered appropriate) and to review suspension decisions within the period specified in the relevant Regulations.

2.11 Critically examine reports from HMICS, PIRC, and any other information provided by Police Scotland in relation to complaints about the police, and ensure that appropriate improvement plans are implemented or remedial action is taken within agreed timescales.

2.12 Contribute to and consider the findings of official reviews of complaints and conduct matters and ensure that recommendations from such reviews are implemented as appropriate.

2.13 Consider such other matters as required by the Board.

2.14 Consider whistleblowing processes.

Membership

3. The Committee will comprise no fewer than three Authority members including a chair ("the Committee Chair").

4. The quorum of the Committee will be two Authority Members including the Committee Chair.

Meetings

5. The Committee will hold at least four scheduled meetings per year, although the precise number of meetings will be dependent upon the nature and extent of the Committee's business. Additional meetings will be held where necessary to ensure efficient and effective complaints handling and to comply with timescales stipulated in legislation.

Exceptional Circumstances Committee

Purpose and Scope

1. The purpose of this committee is to deal with urgent business of the Board, Committees and Sub-Committees when, in exceptional circumstances, it is not practicable for an ordinary meeting or a special meeting of the Board, Committee or Sub-Committee to be convened.

2. Meetings will be used to consider and deal with the urgent business when it is necessary for the fulfilment of the Authority's functions. The Committee is authorised to perform all the Authority's functions when in exceptional circumstances it is not practical for an ordinary meeting or special meeting to be convened.

Membership

3. The Committee will comprise the Chair of the Authority who will be the Committee Chair and a minimum of two other members of the Board.

4. The quorum of the Committee will be three Members including the Committee Chair.

5. If Members (including the Chair) appointed to the Committee are unable to participate in a Committee meeting and the Committee is no longer quorate, other members of the Board shall be appointed to the Committee to make the Committee quorate.

Meetings

6. The procedures for the Committee meeting are as follows:

   6.1 The number of meetings will be dependent upon the nature and extent of the Committee's business. Meetings will be held where necessary in matters of urgency at short notice.

   6.2 Items of business must be submitted with a clear rationale explaining the exceptional circumstances and the urgency that make it necessary for the Committee to deal with the business. The Committee Chair shall determine whether exceptional circumstances requiring urgent business to be dealt with by the Committee exist.

   6.3 Meetings of the Committee will be held to deal with matters of urgency and the Committee Chair will, on a case-by-case basis, provide details of the procedures to be followed in relation to notice of the meeting, agenda, and circulation of papers.

Forensic Services Committee

Purpose and Scope

1. The purpose of the Forensic Services Committee is to provide oversight, scrutiny and assurance to the Board on the performance and delivery of forensic services to the Police Service, Police Investigations and Review Commissioner and the Lord Advocate and procurators fiscal as set out in section 31 of the Police and Fire Reform (Scotland) Act 2012. The Committee will provide advice and seek assurance on the delivery of forensic services by reviewing progress, providing constructive challenge and contributing to strategy, planning and future development. The Committee will make recommendations to and advise the Board on Forensic Services related matters. The Committee will oversee the management and development of processes and procedures in line with Best Value principles.

2. Meetings will be used to:

   2.1 Oversee the development and delivery of the Forensic Services Strategy ensuring alignment to the Strategic Police Priorities, the Strategic Police Plan and the Scottish Government's Strategy for Justice.

   2.2 Review the performance of Forensic Services, using the performance framework. In particular review quarterly and annual performance reports and progress in the achievement of objectives and outcomes, ahead of consideration by the Authority. This should include findings from the United Kingdom Accreditation Service (UKAS) to provide continued reassurance about the quality of Forensic Services' output.

   2.3 Review other relevant quarterly and annual reports produced by Forensic Services on the development and delivery of its functions.

   2.4 Seek assurance that effective operational and strategic partnership arrangements are in place. Develop and keep under review arrangements set out in the Memorandum of Understanding between Forensic Services, the Crown Office and Police Scotland and ensure an evolving and developing tripartite partnership continues.

   2.5 Support the development of, and approve, the Forensic Services performance framework, ensuring that it is aligned with strategic objectives, statutory requirements and ethical standards; that is develops best practice in measuring and reporting the achievement of outcomes; that it is based on robust and meaningful data; and that it takes account of statutory obligations and the commitments set out in the Memorandum of Understanding.

   2.6 Oversee the implementation of performance improvement recommendations made in relation to Forensic Services by scrutiny/inspections bodies, audit reports, or the Authority.

   2.7 Oversee Forensic Services' use of resources and its operational and strategic risk.

2.8 Consider such other matters as required by the Board.

Membership

3. The Committee will consist of a minimum of three Authority members including the chair ("the Committee Chair").

4. The quorum of the Committee will be two Authority Members including the Committee Chair.

Attendees

5. In addition to the Chair and the Chief Executive, Police Scotland, the Crown Office and Procurator Fiscal Service and the Police Investigations and Review Commissioner have a standing invitation to attend meetings and actively participate in the Committee's discussions.

Meetings

6. The Committee will hold at least four scheduled meetings per year, although the precise number of meetings will be dependent upon the nature and extent of the Committee's business.

Legal Committee

Purpose and Scope

1. The Committee shall provide oversight and scrutiny of the arrangements the Authority and Police Scotland have in place for the handling of legal actions, claims and appeals.

2. The Committee shall authorise, where necessary and appropriate, settlement of legal actions and claims against the Chief Constable and the Authority.

3. The Committee shall determine appeals from police officers and former police officers whose applications for assistance with the payment of legal expenses in relation to civil and criminal proceedings, Fatal Accident or Public Inquiries, have been rejected. The Committee shall also consider and approve the arrangements for granting such assistance.

4. The Committee shall provide instructions to Authority solicitors where required.

5. Meetings will be used to:

   5.1 Consider and, where appropriate, approve settlement of civil legal actions and claims (including claims raised in the Employment Tribunal) against the Authority and/or the Chief Constable within the financial authorisations contained within the Authority's Governance Framework.

   5.2 Consider and, where appropriate provide instructions to Authority solicitors on legal matters, including agreements and memoranda of understanding, and civil legal actions and claims, including matters which may be considered novel or contentious, include ethical or substantial reputational issues, or are of significant public interest.

   5.3 Consider and approve, as appropriate, the arrangements for dealing with applications by police officers and former police officers for legal assistance in respect of alleged unlawful acts committed in the execution of their duties, including any changes to the SHHD Circular18/1978.

   5.4 Where necessary and appropriate, consider the arrangements for the provision of legal expenses insurance.

   5.5 Determine appeals from police officers and former police officers whose applications for legal assistance have been rejected by the Chief Constable. Appeals may be in relation to

   - criminal and civil proceedings raised against the officer in respect of alleged unlawful acts committed in the execution of their duties, and
   - for Fatal Accident and Public Inquiries in which possible allegations of irregularities in police procedure or conduct may

result.

5.6 Monitor the handling of legal actions, claims and appeals within the remit of this Committee; seek information on themes, trends, and lessons learned as appropriate; and

5.7 Consider such other matters as required by the Board.

Membership

6. The Committee will comprise a minimum of three Authority Members including the chair ("the Committee Chair").

7. The quorum of the Committee will be three Authority Members including the Committee Chair.

Meetings

8. The Committee will aim to hold at least four scheduled meetings per year, although the precise number of meetings will be dependent upon the nature and extent of the Committee's business. Additional meetings will be held where necessary, and in matters of urgency at short notice to ensure efficient and effective delivery of instructions to Authority solicitors and consideration of proposed legal settlements.

People Committee

Purpose and Scope

1. The purpose of this Committee is to provide oversight, scrutiny and assurance to the Board on all significant workforce matters relating to the Authority/Police Scotland, including providing advice, guidance and support on the development and implementation of workforce strategy and policy. The Committee will provide advice and assurance to the Board on these matters and any other specific items which the SPA Board requests of it.

2. The Committee will seek assurance of continuous improvement in the efficient and effective use of workforce resources in accordance with the principles of Best Value; and that ethical and legal obligations to the workforce, including those related to health & safety and equality, are being met, serving to ensure the highest possible standard of people management. This will include seeking evidence of an organisational culture which values diversity, ensuring that equality considerations are mainstreamed into workforce strategies, policies and plans, serving to attract, develop and retain a workforce which is representative of the communities which the Authority/Police Scotland serves.

3. The Committee will make decisions in relation to applications for ill health retirement, and injury on duty awards, and pension forfeiture. The Committee will also decide the process for appointment to the ranks of Chief Constable, Deputy Chief Constable and Assistant Chief Constable and to Director level roles within the Authority/Police Scotland (including temporary appointments).

4. Meetings will be used to:

   4.1 Contribute to, review and endorse workforce strategies, policies and plans; approve workforce policies on behalf of the Board; and make recommendations to the Board on the approval of workforce strategies ensuring a comprehensive, strategic approach to people management, aligned with wider organisational strategy, and seek evidence of resulting delivery against identified outcomes which serve to optimise performance in an ethical and sustainable way.

   4.2 Consider, in conjunction with the Resources Committee where appropriate, and recommend to the Board for approval, proposed changes to staff terms and conditions; discuss, as appropriate, working practices/ people management issues highlighted to the Committee by the Authority/Police Scotland representatives on the Official Side of the Police Negotiating Board; and recommend an Authority position to the Board in relation to changes to police officer Regulations and Determinations which are being consulted on via the Scottish Police Consultative Forum.

   4.3 Seek assurance, in conjunction with the Resources Committee, that workforce planning is effectively integrated with strategic and financial planning processes, providing a cohesive approach to planning organisational capacity and skills in support of corporate objectives and serving to develop a diverse and sustainable Authority/Police Scotland workforce.

4.4 Seek assurance as to the effective attraction, retention and management of talent; that leadership development needs are kept under review; and consider and monitor the implementation of effective succession planning arrangements, with a view to ensuring the continued ability of the Authority/Police Scotland to respond to the challenges and opportunities facing them.

4.5 Determine and approve the optimum process and implement arrangements for appointment to the ranks of Chief Constable, Deputy Chief Constable and Assistant Chief Constable and to Director level roles within the Authority/Police Scotland (including temporary appointments), providing assurance to the Board in relation to those arrangements. The final decision on appointment will rest with the Board.

4.6 Seek assurance that workforce performance is effectively managed and developed to achieve organisational goals. 4.7 Seek assurance that effective, regular and consistent approaches to workforce engagement and involvement are in place (including structures, systems and processes for consultation and negotiation with statutory staff associations and trade unions); and seek evidence which demonstrates that the contribution and wellbeing of the workforce is valued and recognised.

4.8 Seek assurance on the capacity and capability of the People & Development function, including staff, systems and processes.

4.9 Seek to ensure effective delivery against identified outcomes through determination of standards in relation to the fair and effective management of the workforce; and overseeing implementation of robust monitoring arrangements.

4.10 Review the adequacy of controls in place to mitigate risks identified through the strategic risk register pertinent to the business of the Committee.

4.11 Provide workforce governance information for the statement of internal control.

4.12 Determine applications from police officers for ill health retirement and injury on duty awards and seek assurance that effective processes are in place for the administration of applications for ill health retirement and injury on duty awards.

4.13 Make decisions in relation to

- pension forfeiture in accordance with the relevant regulations
- the application of underpayments to injury on duty awards to recover sums overpaid to former police officers in receipt of injury on duty awards
- granting retrospective injury on duty awards to former police officers and
- to seek the agreement of the Scottish Public Pensions Agency to those decisions.

4.14 Seek assurance over the management and performance of officer and staff

pension schemes, recognising separate primary governance responsibilities lie outwith the Authority.

4.15 Consider such other matters as required by the Board.

Membership

5. The Committee will comprise a minimum of three Authority Members including the chair ("the Committee Chair").

6. The quorum for the Committee will be three Authority Members including the Committee Chair.

Attendees

7. A single representative will be invited from each of the following bodies: Associations of Scottish Police Superintendents, Scottish Police Federation, Unison and Unite (acting in an ex officio capacity), to attend Committee meetings.

Meetings

8. The Committee will hold at least four scheduled meetings per year, although the precise number of meetings will be dependent upon the nature and extent of the Committee's business. The Committee will also convene on an ad hoc basis to deal efficiently and effectively with any appointments processes it may be undertaking.

Policing Performance Committee

Purpose and Scope

1. The purpose of this Committee is to provide public oversight and scrutiny of the Policing of Scotland with a focus on promoting and supporting continuous improvement in the service provided to people places and communities by Police Scotland.

2. Meetings will be used to:

   2.1 Conduct a thorough assessment and exploration of policing performance metrics presented in the dashboard associated with the approved performance framework, on a quarterly basis, with a particular focus on demonstrating Police Scotland's actions in ensuring the safety and wellbeing of the people of Scotland. This is to provide assurance to the Authority Board and the public on the efficiency and effectiveness of deployed policing operational resources.

   2.2 Focus on assurance provided through benchmarking or comparative analysis of evidence or research from other relevant police forces or other agencies.

   2.3 Keep the performance framework and dashboard under review and consider for approval any proposed revision.

   2.4 Examine and promote the public understanding of, and confidence in, specific ongoing policing operational approaches and policies which are in the public interest.

   2.5 Examine six monthly reports which evidence service delivery improvement, assessments and milestone-based measures of progress towards the delivery of the 2030 Vision and associated Annual and three Year Business plans. This is to demonstrate progress towards being a service which delivers, safer communities, less crime, supported victims and a thriving workforce and provide assurance to the Authority Board.

   2.6 Consider relevant publications by HMICS on operational policing matters and provide a forum through which the Authority can take assurance from Police Scotland on the resultant improvement to service delivery.

   2.7 Aligned to the Joint MoU on proposed new and emerging strategies, policies or practices, the Committee will provide assurance to the Authority Board, on the comprehensive development of these proposals through the Rights Based Pathway.

   2.8 Seek assurance on the appropriate assessments, engagement and consultation processes, required by the pathway, in order to support an informed, justifiable and proportionate decision to adopt these proposals as operational practice.

   2.9 Act as a public forum for COSLA and local scrutiny panels views and observations on Policing Performance to be considered in a national context.

   2.10 Act as a public forum to record and examine the public polling of citizens views on trust and confidence in policing delivery as well as collating and exploring independent citizen views on specific policing related issues.

   2.11 Consider regular reports from the National Crime Agency on their work within

and impacting on Scotland with a focus on partnership with Police Scotland and their contribution to tackling threats to the safety and wellbeing of citizens in Scotland.

2.12 Promote partnership working by Police Scotland with other public services and selected organisations from other sectors whilst seeking assurance that partnership arrangements are in the public interest, promote safety and wellbeing of citizens and have been subject to appropriate and ongoing due diligence and assessment.

2.13 Oversee the effectiveness of the Independent Custody Visiting Service in Scottland and recognise the contribution made by volunteers to protecting human rights.

2.14 Provide a forum to consider the outputs of any review of the Strategic Police Plan and provide advice to the Authority on any proposed revision.

2.15 Consider other matters as requested by the Authority.

Membership

3. The Committee will comprise a minimum of three Authority Members including the chair ("Committee Chair").

4. The quorum for the Committee will be two Authority Members including the Committee Chair.

Attendees

5. A representative from COSLA has a standing invitation to attend and contribute to Committee Meetings.

Meetings

6. The Committee will hold at least four scheduled meetings per year, although the precise number of meetings will be dependent upon the nature and extent of the Committee's business.

Resources Committee

Purpose and Scope

1. The purpose of this Committee is to provide oversight, scrutiny and assurance to the Board on all significant financial and budgetary resourcing matters, including strategic financial planning and budget setting in the short, medium and long term, investment decisions based on review of business cases, performance against the agreed budget, delivery of the expected investment benefits and assurance on financial regulatory compliance and stewardship.

2. The Committee will provide advice and assurance to the Board on these matters and any other specific items which the SPA Board requests of it in relation to financial sustainability and other resourcing aspects of Police Scotland and the SPA.

3. The Committee will seek to ensure that continuous improvement is embedded within financial planning and the management and delivery of benefits through investment made in the change portfolio. The Committee will oversee the management and development of processes and procedures in line with Best Value principles.

4. The Committee will consider and approve matters delegated to it by the Board and set out in the Authority's Financial Regulations and the Financial Delegation and Pre-approval Matrix is appended to the Financial Regulations.

5. Meetings will be used to:

   5.1 Review reports in relation to matters falling within the scope of this Committee and, in accordance with the Authority's Financial Regulations and Financial Delegation and Pre-Approval Matrix, consider and approve such matters within the limits set out in the Financial Delegation and Pre-Approval Matrix; and make recommendations for approval to the Board as appropriate. Matters falling within the scope of this Committee include but are not limited to:

   5.1.2 Annual budget proposals for revenue, capital and reform.

   5.1.3 Routine in-year financial monitoring, forecasting, cash flow management and year end outturn of financial performance against all approved budgets including any savings or efficiency plans.

   5.1.4 Budget changes resulting from factors out with the budget planning process during the financial year.

   5.1.5 Medium and longer term financial planning including scenario planning.

   5.1.6 Business cases, contracts, lease agreements, operational plans, borrowing, sponsorship, special payments, income charge rates, grant funded awards, write-off losses and bad debts, and the acquisition and disposal of land and property.

   5.2 Assess strategies which have resource implications with a view to making recommendations to the Board.

5.3 Scrutinise the rolling capital investment plan ensuring prioritisation of spend is aligned to the outcomes set out on the Strategic Police Plan and equivalent SPA Corporate and Forensic Services Strategies and monitor progress of the agreed programme of property disposals and acquisitions.

5.4 Seek assurance that transformational change programmes are being delivered in line with the approved timescales, cost and that the project will achieve the expected benefits. Consider benefits realisation and how those benefits have been used as well as their outcome on service delivery.

5.5 Seek assurance that Police Scotland has the capacity and capability to deliver the necessary corporate support functions.

5.6 Seek assurance that Police Scotland and SPA are developing financially sustainable organisational plans with appropriate financial strategies and plans to deliver the outcomes set out in the Strategic Police Plan.

5.7 Consider, in conjunction with the People Committee, for recommendation to the Board and onward submission to Scottish Government as appropriate, a proposed funding remit for pay negotiations; proposed changes to staff terms and conditions; and proposed schemes to pay voluntary redundancy or compensation for loss of office.

5.9 Seek assurance that pension schemes for officers and staff are effectively funded and financially managed, in conjunction with the People Committee.

5.8 Seek assurance, in conjunction with the People Committee, that workforce planning is effectively integrated with strategic and financial planning processes.

5.9 Consider such other matters as required by the Board.

Membership

6. The Committee will comprise a minimum of three Authority Members including the chair ("the Committee Chair").

7. The quorum for the Committee will be two Authority Members including the Chair.

Meetings

8. The Committee will hold at least four scheduled meetings per year, although the precise number of meetings will be dependent upon the nature and extent of the Committee's business.

Executive Leadership and Remuneration Committee

Purpose and Scope

1. The purpose of the Executive Leadership and Remuneration Committee (the Committee) is to provide oversight and scrutiny of remuneration, allowances, development, and performance management arrangements for Executives working within Police Scotland, Forensic Services, and the Authority.
2. Executive leadership refers to senior police officers at the rank of Assistant Chief Constable and above, and police staff roles on the Executive-level pay and grading structure.
3. The Committee will seek to be assured that these arrangements are fair, transparent, and aligned with the public interest, organisational goals, and relevant government policy.
4. Meetings will be used to:

    4.1 Ensure remuneration and leadership practices comply with relevant public sector employment legislation, Scottish Government pay policy, and applicable frameworks.

    4.2 Monitor trends, risks, and emerging issues in executive remuneration and leadership development

    4.3 Seek assurance that all Committee decisions and recommendations reflect the principles of accountability, equity, and value for money.

    4.4 Commission, select, and appoint independent advisers to provide advice on remuneration policy and levels for Executive-level appointments.

    4.5 Review and recommend to the Board an overarching remuneration policy for Executives.

    4.6 Review and recommend to the Board any changes to Executive remuneration packages, benefits, relocation policy or incentive arrangements.

    4.7 Oversee the implementation of job evaluation processes and the design and maintenance of appropriate grading structures for Executives.

    4.8 Approve the creation of new Executive Leadership roles or amendments to existing Executive Leadership roles.

    4.9 Approve any market supplements for Executive positions and ensure these are reviewed annually.

    4.10 Consider annual reporting on the total cost of financial assistance provided to Executives.

    4.11 Approve any exceptional claims for relocation expenses submitted out with policy timeframes.

    4.12 Consider any proposed redundancy, early retirement or termination arrangement (excluding early retirement on grounds of ill health) for Executives.

    4.13 Seek assurance that Executive development needs are assessed and supported.

4.14 Approve Continuous Professional Development expenditure for Executives which either non-standard, and/or is of any value that could be considered in the public interest and/or involving international travel.

4.15 Seek assurance that objectives and key performance indicators are in place for all Executives, ensuring these link to relevant organisational strategy, policy, plans and delivery of associated outcomes.

4.16 Seek assurance that performance appraisal processes are in place for all Executives, applied fairly and consistently.

4.17 Upon confirmation of satisfactory performance by the Chair, Chief Constable or Chief Executive, approve pay progression for Executives.

4.18 Review and monitor succession plans for key Executive positions, seek assurance that appropriate processes are in place to identify, develop, and support future leadership talent.

Membership

5. The Committee will comprise a minimum of three Members, including the Committee Chair.

6. A quorum will consist of three Members, including the Chair.

Meetings

7. The Committee will hold at least one scheduled meeting per year which will be aligned with the annual performance review and objectives setting cycles. Additional meetings may be convened as required to consider ad hoc matters or urgent matters.

8. Meetings should be timed to align with annual performance review and objective-setting cycles.

Annex D Matters Reserved for the Board

STRATEGY AND PLANNING

1. The Board will approve the Strategic Police Plan and make a recommendation to Scottish Government. This is a Legislative requirement.
2. The Board will be consulted with on the Annual Police Plan. This is a Legislative requirement.
3. The Board will be consulted with on Local Police Plans and will approve the form and manner of publication only. This is a Legislative requirement.
4. The Board will approve key enabler strategies.
5. The Board will approve the Scottish Police Authority Annual Business Plan.
6. The Board will approve the Scottish Police Authority Forensic Services Annual Business Plan.
7. The Board will approve the Scottish Police Authority Risk Framework.

8. The Board will approve Organisational or Transformational Change Proposals.
9. The Board will approve Implementation Plans.

POLICY AND OTHER BUSINESS

10. The Board will be consulted on External communication relating to policy and strategy.
11. The Board will approve the appointment of the Chief Constable (including temporary appointment of) and make a recommendation to Scottish Government.
12. The Board will approve the appointment of (including temporary appointment of) Assistant Chief Constables, Deputy Chief Constables and Senior Director level staff.
13. The Board will approve the Authority's Scheme of Delegation.
14. The Board will approve the Police Scotland Internal Scheme of Delegation. This is subject to recommendation by Accountable Officer.
15. The Board will approve Terms and Conditions of Staff.
16. The Board will approve the appointment of panels for senior officer misconduct hearings and appeals.
17. The Board will approve annual Revenue & Capital budget proposals.
18. The Board will approve in-year budget changes.
19. The Board will approve Government Spending Review input.
20. The Board will approve the Annual Report & Accounts.
21. The Board will approve Public Sector Pay Policy submissions.
22. The Board will approve Staff and Officer Pay Proposals.
23. The Board will be informed of national and local police strategies, policies and initiatives.

Annex E Authority's Financial Regulations

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

1. Introduction

1.1 General provisions

1.1.1 The Scottish Police Authority and Police Service of Scotland were created under the provisions of the Police and Fire reform (Scotland) Act 2012.

1.1.2 The Scottish Police Authority (SPA) is comprised the SPA's corporate body and Forensics services.

1.1.3 The Police Service of Scotland (PSOS) is known as Police Scotland (PS).

1.1.4 The 'Organisation' refers to the combined SPA and PS.

1.1.5 The SPA and PS are accountable to the SPA Board ('the Authority').

1.1.6 The Authority's Accountable Officer (AO) is the individual who holds overall financial responsibility for the Authority and is personally answerable to the Scottish Parliament for the exercise of their functions under the Public Finance and Accountability (Scotland) Act 2000.

1.1.7 The Memorandum to Accountable Officers for Other Public Bodies details the statutory responsibilities of the Authority's Accountable Officer and are consistent with this set of Financial Regulations.

1.1.8 The Accountable Officer is responsible for ensuring that the Authority has sound systems of financial control and management control. The financial regulations form part of this overall system for accountability.

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

2. Status of financial regulations

2.1.1 The financial regulations provide the framework for managing the organisation's financial affairs**.**

2.1.2 These regulations should be read in conjunction with the Corporate Governance Framework of the SPA, the SPA and PS Schemes of Delegation and, the Code of Conduct for Board Members of Public Bodies.

2.1.3 Compliance with these regulations is compulsory for all: Authority members; police constables; Authority and police staff; and anyone acting on its behalf. Failure to comply with the Regulations may result in disciplinary action.

2.1.4 The financial regulations do not override any legal or statutory requirements.

2.1.5 Anyone can report activity which they consider to either contravene these regulations or where there is a suspicion of fraudulent activity through the SPA / Police Scotland Whistleblowing procedures.

2.1.6 Any breach of the regulations that is deemed to be significant must be brought to the attention of the Accountable Officer or reported through the whistleblowing procedures.

2.1.7 These regulations may only be amended upon approval of the SPA Board.

3. Roles and responsibilities

3.1 SPA Board ('the Authority')

3.1.1 The Authority is responsible for agreeing the overall strategic direction of the Organisation. It approves: the budgetary framework; appointment of Chief Constable and Chief Executive; and exercises general oversight of the Authority's performance including financial performance.

3.1.2 The Authority is responsible for the allocation of the policing budget. The Authority's Chief Executive is designated by the Permanent Secretary of the Scottish Government as the Accountable Officer for this budget.

3.1.3 Further detail is included in other parts of the corporate governance framework.

3.2 Accountable Officer

3.2.1 The Permanent Secretary of the Scottish Government is the Principal Accountable Officer for the Scottish Administration. They are responsible for designating persons as Accountable Officers for parts of the Scottish Administration and certain public bodies including the Authority.

3.2.2 The Accountable Officer is designated as the Chief Executive of the SPA. Whilst the Accountable Officer and Chief Executive positions are held by the

same person they are distinct roles.

3.2.3 The Accountable Officer is responsible for providing oversight of, and challenge to, the systems of internal governance and control which are in place within the Authority such that sufficient assurance can be provided as to the reasonable, effective and efficient use of public finances.

3.2.4 The Accountable Officer is further responsible for ensuring that appropriate governance is in place including SPA Committees and Board, to ensure that the use of resources by the Authority, and any decisions taken by it, comply with public sector accountability standards.

3.2.5 The specific responsibilities of the Accountable Officer are referenced in the Memorandum to Accountable Officers.

3.2.6 The Accountable Officer holds personal responsibility for the finances of the Authority, including those allocated to the Chief Constable, is responsible for signing the SPA Annual Report and Accounts and is thereby held accountable by the Public Audit Committee (PAC) of the Scottish Parliament.

3.2.7 In the exercise of their Accountable Officer functions the Chief Executive should have due regard to the use of resources deployed by the Chief Constable. It is incumbent on the Chief Executive to combine their Accountable Officer responsibilities to the Scottish Parliament with their wider responsibilities to the Authority.

3.3 Chief Financial Officer

3.3.1 The Chief Financial Officer (CFO) is responsible for the management of the Organisation's financial services and for the administration of all financial affairs. The CFO will advise the Accountable Officer on financial matters in line with the SPA Financial Protocol. The Accountable Officer will also receive independent advice on financial matters from Authority staff.

3.3.2 The CFO is responsible for the design and implementation of a system of internal control and governance in respect of financial matters, such that reasonable assurance can be provided to the Accountable Officer; to the SPA Audit Risk and Assurance Committee; and to the Authority as to the reasonable, effective and efficient use of public finances.

3.4 Other senior staff with financial responsibility

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

3.5 Staff and constables

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

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

3.5.2 Individual members of staff and constables should ensure that they are aware of the financial authority limits and the value of purchases for which quotes and tenders are required. Further information is available from the procurement department.

3.5.3 They will also immediately notify the CFO whenever any matter arises which involves, or is thought to involve, irregularities concerning cash or property of the Organisation. The CFO will take such steps as considered necessary by way of investigation and report in accordance with the relevant policies.

3.6 Scottish Government / Parliament

3.6.1 The CFO will, on behalf of the Accountable Officer, report to the Scottish Government regularly on the financial position of the Authority.

3.6.2 The Authority and the Accountable Officer will be held accountable to the Scottish Parliament through the Public Audit Committee as and when required.

3.7 Advice to the Authority

3.7.1 All reports to the SPA Board, Committees and Sub-Committees must identify any financial implications.

3.7.2 The reports must clearly identify any savings, costs or income that would arise in the current and future financial years, whether these are of a capital or revenue nature, and whether or not such resources are included in the budget. If budgetary provision has not been made, the report must specify funding sources.

3.7.3 Where a report contains financial implications it must include confirmation that the accuracy and completeness of the report content has been agreed by finance staff.

4. Financial management and planning

4.1 General accounting framework

4.1.1 The Authority has a requirement to manage its budget in line with the Scottish Government Budget and Monitoring Procedures.

4.1.2 The financial protocol between the Accountable Officer and CFO directs them to ensure that adequate systems of accounting control are maintained throughout the Organisation.

4.1.3 The CFO must ensure that there are appropriate financial systems in place which enable robust management reporting, provide a clear breakdown and analysis of income and expenditure and support the creation of the SPA Annual Report and Accounts.

4.1.4 Systems of accounting control must ensure that as far as possible:

- All income due to the Authority is properly collected and recorded.
- All expenditure of the Authority is properly incurred, authorised and checked, and
- All cash, stocks and other assets of the Authority are secured and controlled.

4.1.5 It is the responsibility of the CFO to ensure that appropriate procedures and instructions are issued for:

- Preparing the annual, medium and long term budgets.
- Budget monitoring.
- Producing financial management information, and
- Producing the Annual Report and Accounts.

4.2 Financial planning

4.2.1 Prior to the start of each financial year the CFO will, on behalf of the Accountable Officer, prepare and submit budgets for the forthcoming financial year. These budgets will be:

- Consistent with strategic, annual policing plans and other longer-term strategies approved by the Authority.
- In line with the Scottish Government Budget and Monitoring Procedures.
- Set with due consideration of appropriate resources and service levels required of the Authority and appropriate ministerial commitments; and
- Produced following appropriate discussion and agreement with budget holders.
- The budget set will also identify the associated risks and uncertainties.

4.2.2 Staff and constables will fully participate in the preparation of financial plans for their service in accordance with the process determined by the CFO in consultation with the Accountable Officer.

4.2.3 The Authority will approve budget allocations to the Chief Executive, Director of Forensic Services and Chief Constable for their respective business areas.

4.2.4 The CFO will lead the development of medium and long-term financial plans to deliver the strategic priorities of the Authority. The medium-term financial strategy covers a period up to five years and the long term covers a period up to 10 years. This ensures a strategic approach to financial planning and helps to identify challenges and opportunities facing the Authority. This work will also inform any formal spending review submissions made to the Scottish Government.

4.3 Budget monitoring and control

4.3.1 Budgetary control will ensure that there is a proper system of reporting and financial control, documented within the relevant finance processes, policies and guidance.

4.3.2 The CFO will maintain and ensure appropriate financial monitoring of the Authority's income and expenditure is carried out. This should extend to:

- Regular management reports on financial performance to the Authority and appropriate committees.
- Forecast budget position, reviewed at least quarterly throughout the financial year.
- Analysis of variances from budget and forecast provided on a regular basis across appropriate categories provided through variance analysis and management commentary and planned action for material variances.
- Clear actions being identified and planned to address variances, where appropriate.
- The monitoring of actions taken to resolve any areas of concern, and
- Budget virements being tracked.

4.3.3 Budget holders are responsible for ensuring that:

- Approved budgets are used for the purposes intended.
- Any overspend of budget or reduction in income which cannot be managed is not incurred without approval required in the applicable scheme of delegation.
- Overspends or income reductions are reported in the financial monitoring reports submitted to the Authority.
- No staff or constable are appointed above the approved budgeted establishment without approved required in line with the applicable scheme of delegation.

4.3.4 The CFO will provide regular financial monitoring information to the Scottish Government sponsor department as directed.

4.4 Changes to approved budgets

4.4.1 The Authority should seek to minimise in year changes to approved budgets.

4.4.2 Changes or virements to budgets represent changes between business area or expenditure type and will be required to be approved in line with Appendix A.

4.5 Investment governance

4.5.1 Business cases are required for any proposed change or new activity that requires financial investment. Business cases should be prepared in line with the SPFM and other best practice guides including the HM Treasury 'green book'.

4.5.2 Scottish Government has defined major investment projects, and the delegated approval required for business cases are outlined at appendix A.

4.5.3 There is no distinction in the business case approval process regardless of the funding source (i.e. revenue, capital or reform).

4.5.4 For reform spend the Authority should agree with Scottish Government at the start of the year how it proposes to spend any available reform funding and routinely provide updates on actual and forecast in the same way as other funding sources.

4.5.5 There may be business cases of low value that require AO/ CE or RC consideration due to their nature i.e. low value but high risk or high public interest. PS should provide a regular planner of in progress / planned business cases showing expected timeline and expected approval route. This will allow AO/ CE and RC to consider any low value business cases that may require consideration over the level set by the purely financial delegation limits.

4.5.6 Where there are financial changes (i.e. costs or benefits) to business cases from BJC, IBC and FBC as well as well as post approval during delivery, these changes should be monitored with changes required to be reported per Appendix A.

4.5.7 Other non-financial changes (i.e. non-financial benefits, scope, timeline, etc.) also require to be monitored and reported per Appendix A.

4.5.8 End of project closure reports should be completed, reflecting on the outcomes of the project relative to the approved business case and highlighting lessons learned per Appendix A.

4.6 Devolved budget holders

4.6.1 Financial responsibility will be devolved from the budgets allocated to the Chief Executive, Director of Forensic Services and Chief Constable to budget holders in order to achieve effective control of financial resources. The Chief Executive, Director of Forensic Services and Chief Constable have the responsibility to work within the financial resources provided annually.

4.6.2 Budget holders will have authority to incur expenditure included in the approved budget for the services for which they are responsible up to the level of the allocated budget provision in line with the financial delegations set out in the SPA and PS Schemes of Financial Delegation.

4.6.3 The control of income and expenditure within an agreed budget is the responsibility of the designated budget holder, who must ensure that day-to-day monitoring is undertaken effectively.

4.6.4 Significant departures from agreed budgetary targets must be reported

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

4.6.5 Budget holders are assisted in their duties by management information provided under arrangements approved by the CFO. The arrangements for providing financial information will be outlined by the CFO.

4.6.6 The CFO is responsible for maintaining an up to date list of the financial delegations held within the Authority.

4.7 Delegated authority

4.7.1 The SPA specific Delegated Financial Authority is set out in the Scottish Government Governance and Accountability Framework Document and is incorporated into the Corporate Governance Framework of the SPA. The Authority will obtain the Scottish Governments prior written approval before entering into any undertaking to incur any expenditure that falls outside these delegations or which is not provided for in the Authority's annual budget allocated by the Scottish Ministers.

4.7.2 The Authority will require prior approval from the Scottish Government before incurring expenditure for any purpose that is or might be considered novel, contentious or repercussive.

4.7.3 The SPFM states whether or not a financial transaction might be regarded as novel or contentious inevitably involves a degree of judgement. SPFM provides further guidance below and notes that advice should be sought from Scottish Government if in doubt.

- 'Novel' would include proposed expenditure or financial arrangements of a sort not previously undertaken or entered into by the body in question or that could not be considered, reasonably, to be standard practice.
- 'Contentious' would include proposed expenditure or financial arrangements where there was doubt as to regularity (i.e. compliance with relevant legislation and guidance) or propriety (i.e. compliance with the standards expected of public bodies or officials). Proposed expenditure or financial arrangements that might be considered to be politically sensitive would also be regarded as contentious.
- 'Repercussive' would likely cause pressure on other Scottish public bodies to take a similar approach and hence have wider financial implications outside of the Authority.

4.8 Authorisation to incur expenditure

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

4.8.2 The Accountable Officer requires the Organisation to maintain Standing Orders

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

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

4.9 Accounting arrangements

4.9.1 The financial year is from 1 April to 31 March.

4.9.2 The Accounts Direction by Scottish Ministers requires an annual statement of accounts to be prepared.

4.9.3 The Annual Report and Accounts must comply with HM Treasury's Financial Reporting Manual (FReM), the Scottish Public Finance Manual (SPFM), appropriate international financial accounting standards (IFRS) and any financial objectives or targets set by the Scottish Government.

4.9.4 The Accountable Officer is responsible for approval of the annual report and accounts. The delivery of this work is undertaken by the CFO who must ensure the documents are prepared within require timescales.

4.9.5 The Accountable Officer is responsible for:

- submitting a draft of the annual report and accounts to the Scottish Government.
- overseeing the approval of the annual report and accounts to the Authority in line with the corporate governance framework.
- submitting approved and audited accounts to Scottish Ministers.

4.9.6 The CFO is responsible for the retention of proper accounting records. Records should be retained in compliance with applicable laws and regulations.

4.10 Taxation

4.10.1 The CFO is responsible for advising the service on taxation issues as they apply to the Organisation.

4.10.2 The CFO is responsible for ensuring compliance with relevant statutory requirements including those concerning VAT, PAYE, national insurance and corporation tax.

5. Audit and internal control

5.1 General

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

authority for the purposes of their audit to:

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

5.1.2 Access will be subject to completion of appropriate vetting.

5.2 External audit

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

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

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

5.3 Internal audit

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

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

5.4 Prevention of fraud, corruption and bribery

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

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

control, and governance arrangements are in place.

5.4.3 Whenever any matter arises which involves, or is thought to involve, irregularities concerning cash, stores or other property of the Authority, or any suspected irregularity in the exercise of any function of a pecuniary nature, the CFO will be notified immediately and investigate as deemed necessary. Where this is inappropriate for any reason Whistleblowing policy and guidance should be followed.

5.4.4 The Authority's Accountable Officer will make arrangements to keep records of, and notify the Scottish Government at the earliest opportunity of any unusual or major incidents.

5.5 Best Value

5.5.1 It is a requirement of the Police and Fire Reform (Scotland) Act 2012 that the Authority and Chief Constable secure Best Value from public funds.

5.5.2 It is the duty of the Authority to make arrangements which secure Best Value for the Authority (that is, a continuous improvement in the carrying out of the Authority's functions).

5.5.3 It is the duty of the Chief Constable to make arrangements which secure Best Value for the Police Service (that is, a continuous improvement in the carrying out of police functions).

5.5.4 In securing Best Value, the Authority and the Chief Constable must maintain an appropriate balance among:

- the quality of the carrying out of functions.
- the cost of carrying out functions, and
- the cost to persons of any service provided for them on a wholly or partly rechargeable basis by the Authority or, as the case may be, under arrangements made by the Chief Constable.

5.5.5 In maintaining that balance, the Authority and the Chief Constable must have regard to: economy, efficiency, effectiveness and the need to meet the equal opportunity requirements.

5.5.6 The Accountable Officer and Chief Constable should keep under review their arrangements for managing all the resources under their control, taking into account guidance on good practice issued from time to time by the Scottish Government, Audit Scotland or other relevant bodies.

5.6 Risk management and internal control

5.6.1 The Authority has responsibility for the overarching and strategic risk registers.

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

updated:

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

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

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

6. Treasury management

6.1 Financial investments

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

6.2 Borrowing

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

6.3 Banking and payment arrangements

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

6.3.2 The Accountable Officer and CFO are permitted to open bank accounts in the name of the Authority. They will advise the bankers in writing of the conditions under which each account will be operated, the limits to be applied to any overdraft and any limitation on single signatory payments. All funds will be held in accounts in the name of SPA.

6.3.3 The CFO will determine the maximum limit of cash holding permitted at each location. The handling of all cash on the Authority's premises must be in accordance with cash handling processes as set by the CFO.

6.3.4 The CFO is authorised to make use of the most appropriate payment media having regard to their security and cost effectiveness. The CFO is responsible for implementing processes and controls for all payment methods.

7. Income

7.1 Income – general provisions

7.1.1 The Authority derives the majority of funding from grant in aid provided by the Scottish Government (grant in aid does not qualify as income). This funding is provided annually to support the provision of the Authority's functions. Other income is derived from the provision of policing services, licenses and other sources including smaller specific grants.

7.1.2 The Police and Fire Reform (Scotland) Act 2012 permits the provision of policing or other goods and services which must not exceed the cost of providing those services i.e. full cost recovery.

7.1.3 The CFO on behalf of the Authority, will undertake an annual review of the charges for the provision of policing services, updating the charges in line with inflation and to ensure that full cost recovery of expenditure is achieved in accordance with the requirements of the SPFM. The CFO will present these charges for approval in line with Appendix A.

7.1.4 Other grant income which the Authority receives may be subject to a grant claim process, the CFO is responsible for providing the required financial documentation within the required time frames to enable such grant income to be received. The approval authority for grant claims acceptance and signing of approve grant awards is outlined in Appendix A. The CFO is responsible for the monitoring and reporting of grant claims.

7.1.5 The Authority may provide grants to external bodies in line with the delegation at Appendix A. The Authority must ensure that where grants are provided that there are appropriate agreements, conditions and financial controls in place. These arrangements must document the rational for providing the grant and achieve Best Value.

7.1.6 Novel or contentious proposals for new sources of income or methods of fundraising must be approved by the Scottish Government.

7.2 Income collection

7.2.1 The CFO is responsible for designing and implementing systems for the raising of invoices and collection of income due, such systems must adhere to best accounting practice ensuring appropriate segregation of duties between invoice raising and recording and banking of income received.

7.2.2 All staff and constables have a duty to inform the CFO of sales / transactions which they have initiated for which the Authority should derive income, including any contracts, lease agreements, tenancy agreements or transactions for which an invoice can be raised.

7.3 Cash and cash equivalents

7.3.1 The cash and banking section (under the remit of the CFO) is responsible for ensuring that cash surpluses are held in the Authority's bank accounts and are managed to the benefit of the Authority.

7.3.2 It is not the policy of the Authority to invest or borrow funds; and as such any cash and banking arrangements should exclude investments of a speculative nature. Any investment of financial resources other than for operational purposes or in bank accounts must first be approved by the Scottish Government.

7.4 Cash security

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

8. Expenditure

8.1 Expenditure – general provisions

8.1.1 The CFO is responsible for making payment to suppliers.

8.1.2 The Authority allocates annual budgets to the Chief Executive, Director of Forensics Services and Chief Constable.

8.1.3 Each area may further delegate this responsibility to budget holder or governance groups within their service area. This delegation must be in line with the overall Authority rules at appendix A.

8.2 Procurement

8.2.1 The Head of Procurement is responsible for maintaining Standing Orders Relating to Contracts detailing the process and operational controls to be adhered to in the attainment of supplies, services and works, incorporating the thresholds set by the Authority and schemes of financial delegation in the arrangements for purchasing, contracting and tendering including modifications and extensions. The Authority in principle approves, and will implement, contracts awarded, contract extensions agreed, and modification of contracts agreed by the Head of Procurement, provided the values of same do not exceed those set out in Appendix A and are consistent with Best Value.

8.2.2 Any proposal to award a contract without competition (non-competitive action) must comply with relevant legislation and Scottish Government guidance and clearly articulate a legal rational for the non-competitive action. There should be appropriate segregation of duties between those evaluating and approving non-competitive actions. Approval levels are consistent with any other contract. Further information on non-competitive actions is included in the procurement section of the SPFM.

8.2.3 The use of business and management consultants should only be justified where the required knowledge and expertise is not available within the service. The service must seek approval in line with the limits at Appendix A and must also comply with SG Consultancy Procedures.

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

8.3 Payment of invoices

8.3.1 The normal method of payment of money due from the Authority will be by BACS transfer. Authorisation of electronic funds transfer will be for the CFO to arrange, in line with the scheme of delegation.

8.3.2 The Government's Better Payment Practice Code aims for payment of all undisputed invoices within 10 working days of receipt of goods or receipt of a valid invoice (whichever is later).

8.3.3 All purchase order or invoices must be certified by an authorised signatory. The CFO is responsible for ensuring that an up to date list of authorised signatories/ electronic approvers is maintained.

8.4 Petty cash

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

8.5 Leasing

8.5.1 Property, plant and equipment may be acquired by leasing and the Authority's assets may also be sub-leased or leased to third parties.

8.5.2 The threshold for the approval of lease arrangement are outlined at appendix A. The Authority in principle approves, and will implement leases (including ground leases, access agreements and variations), wayleaves and radio masts leases agreed in accordance with Police Scotland's internal governance, provided the values of same does not exceed those set out in Appendix A and are consistent with Best Value. Any lease or regional or national importance will also require Scottish Government approval.

8.5.3 In addition, this outlines specific provision for wayleaves and radio masts leases.

8.5.4 The CFO is responsible for maintaining records of all lease arrangement and ensuring the appropriating accounting treatment is applied.

8.6 Write off, losses and special payments

8.6.1 Losses should only be written off or special payments authorised after careful appraisal of the facts. All reasonable action must have been taken to effect recovery of losses.

8.6.2 In dealing with individual cases consideration must be given to the reliability of relevant control systems and the efficiency with which they have been operated. All necessary steps must be taken to put failings right.

8.6.3 The SPFM provides further detail on types of losses and special payments. Scottish Government provides a value of delegated authority to the Authority for the write off of losses and approval of special payments.

8.6.4 SPFM categories **losses** as:

- cash losses;
- bookkeeping losses;

- exchange rate fluctuations;
- losses of pay, allowances and superannuation benefits;
- losses arising from overpayments of grants, subsidies, etc;
- losses arising from failure to make adequate charges for the use of property or services;
- losses of assets, stores and equipment;
- fruitless payments and constructive losses;
- claims waived or abandoned;

8.6.5 Further detailed descriptions of each category of losses is included in SPFM.

8.6.6 For losses, all reasonable actions must have been taken to recovery the loss. Consideration should also be given to the soundness of relevant controls with steps taken to address any identified weaknesses.

8.6.7 Payments that are legally required by way of contract or court order can be considered regular payments. The opposite where there currently no legal obligation to make a payment is described by SPFM as a special payment. SPFM categories **Special Payments** as:

Special payment category	SPFM description	Authority approval process (see Appendix A)
A: Extra-contractual payment	A payment, although not legally due under the original contract or subsequent amendments, appears to place an obligation on a public sector organisation which the courts might uphold. Such obligations will usually arise from administrative action or inaction in relation to the contract. A payment is regarded as extra-contractual even where there is doubt whether or not the organisation is liable to make it, e.g. where the contract provided for arbitration but a settlement is reached without recourse to arbitration. A payment made as a result of an arbitration award is contractual.	• Pre-approval (PS/ SPA/ FS) < £100k • Resources Committee & SG >£100k
B: Compensation payment	A payment made in respect of unfair dismissal or in respect of personal injuries (except payments under section 11 of the Principal Civil Service Pension Scheme), traffic accidents, damage to property etc, suffered by civil servants or by others.	• Pre-approval of settlement amount (PS only) < £100k • Legal Committee & SG >£100k • All SPA settlements, and all PSsettlements above pre-approval limit require legal committee approval.
C: Extra-statutory and extra-	Payments considered to be within the broad intention of the statute or statutory regulation, but which go beyond a strict interpretation of its terms.	• Pre-approval (PS/ SPA/ FS) < £100k • Resources

Special payment category	SPFM description	Authority approval process (see Appendix A)
regulatory payments		Committee & SG >£100k
D: Special severance payment	Paid to employees beyond and above normal statutory or contractual requirements when leaving employment in public service whether they resign, are dismissed or reach an agreed termination of contract. See the section of the SPFM on Severance, Early Retirement and Redundancy Terms. Where a settlement agreement is used SPFM requires a business case to be submitted to the Scottish Government for consideration and approval by the Authority's Accountable Officer. See SPFM for further details.	• See severance payments made within approved VR VER scheme. • Settlement agreements require SG business case completed. SG consultation & AO approval.
E: Ex gratia payments	Payments made where there is no legal obligation to pay. There must always, however, be good public policy grounds for making such payments. Into this category will fall some out of court settlements, such as cases where the pursuer has no legal case but the government wants to stop the litigation because it is costly in time and resources. It would not however include cases where the settlement is a negotiated price to settle a potentially higher legal liability. Other examples of ex gratia payments would be payments as compensation for distress or loss arising from a perceived failure of the government but where there was no legal obligation to pay or awarding a dismissed office holder a gratuity that went beyond any legal entitlement by virtue of their employment as a type of reward for going with good grace and minimum disruption of services.	• Pre-approval (PS only) < £100k • Legal Committee & SG >£100k • All SPA payments require legal committee approval.

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

8.6.9 The Authority may authorise losses and special payments in accordance with the delegated authority at appendix A. Note further approval may be required for special settlement agreements as above. Further approval from Scottish Government is required where losses or special payments are considered to be novel or contentious.

8.6.10 In addition, SPFM requires that total losses exceeding £300,000 and total special payments exceeding £300,000 should be brought to the attention of the Parliament through notes to the Authority's annual report and accounts. Individual losses and special payments of more than £300,000 should be noted separately.

9. Pay expenditure

9.1 Remuneration

9.1.1 The Authority is the employer for all staff.

9.1.2 Police and Authority staff will be appointed to salary scales approved by the

Board and in accordance with the appropriate conditions of service.

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

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

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

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

9.2 Salaries and pensions

9.2.1 The CFO is responsible for ensuring appropriate arrangements are in place for the processing and payment of all salaries, pensions, compensation and other emoluments to all current and former staff, constables and other beneficiaries. Payment must also comply with HMRC regulations.

9.2.2 In line with current legislation the Authority will auto-enroll all staff and constables into an appropriate pension scheme unless they opt out.

9.2.3 The CFO is responsible for pension matters including paying pension contributions, preparing returns and liaison with the Authority's pension funds.

9.3 Allowances and expenses

9.3.1 The CFO is responsible for ensuring appropriate arrangements are in place for the payment of allowances, travel, subsistence and other expenses to staff, constables and Board Members.

9.3.2 Claims must be authorised by a delegated authoriser. The certification by the budget holder shall be taken to mean that:

- Journeys were authorised;
- The expenses were properly and necessarily incurred;
- The allowances are properly payable by the Authority;
- Consideration has been given to value for money in choosing the mode of transport.

9.3.3 As far as practicable, all claims for expenses will be reimbursed through the payroll system.

9.4 Gifts and hospitality

9.4.1 Gifts and hospitality provided must be reasonable and proportionate, both in frequency and scale, to the nature of the relationship and must not exceed normal business courtesy.

9.4.2 Any gift received by a representative of the Organisation is deemed to

automatically belong to the Authority and will not be retained for personal use unless with the explicit written consent of the Accountable Officer. Further guidance should be sought from the gifts and hospitality policy.

9.4.3 Hospitality or gifts received by members of the Authority must be dealt with in accordance with the Code of Conduct for Board Members of Public Bodies and must be recorded in a register kept for this purpose by the Authority's Accountable Officer.

9.4.4 Gifts or donations made should be recorded including the nature of the gift/ donations, its value, the circumstance in which it is being given and the recipient. In approving, gifts or donations a consideration of Best Value must be made and documented.

9.4.5 Gifts made should be reported in the notes to the annual report and accounts with individual gifts greater than £250,000 reported separately. Further guidance is available for assets donated by third parties.

9.5 Severance

9.5.1 Severance payments shall only be made in accordance with the relevant guidelines and legislation. In particular, the Authority and Police Scotland must follow the requirements of the Scottish Public Finance Manual (SPFM) in determining settlement agreements, severance, early retirement and redundancy arrangements and payments.

9.5.2 Any such scheme will require consultation with Scottish Government following the process set out in the Scottish Public Finance Manual. The final decision as to whether to enter into a scheme or individual case will rest with the Accountable Officer.

9.5.3 The CFO is responsible for ensuring the severance payments are authorised in accordance with appendix A.

10. Assets

10.1 Property, plant and equipment

10.1.1 The purchase or disposal of land, buildings or fixed plant can only be undertaken in accordance with the limits at appendix A. The Authority in principle approves, and will implement the routine purchase of a property, requests to declare surplus a property for disposal, and disposal of property, agreed in accordance with internal governance policies, provided the values of same do not exceed those set out in Appendix A and are consistent with Best Value. The provisions of the "Property: Acquisition, Disposal and Management" section of the SPFM must be adhered to in relation to all property transactions.

10.1.2 The Accountable Officer has overall responsibility for the stewardship for the assets of the Authority. Staff and constables must use assets in accordance with relevant processes and procedures.

10.1.3 The CFO is responsible for maintaining the Authority's register of capital assets. The CFO is responsible for the design and implementation of controls that safeguard assets ie care, custody and security.

10.1.4 Where applicable, the title deeds for assets will be held by the SPA under secure arrangements agreed by the Accountable Officer.

10.2 Disposal of assets

10.2.1 Assets deemed surplus to requirements can be considered for disposal. The initial request to declare surplus and initiate a disposal process should be approved in line with appendix A and the relevant provisions within the SPFM.

10.2.2 The Accountable Officer should ensure that processes are in place to provide assurance that estates (property) assets sold on the open market are normally disposed of at market value as defined in the Royal Institution of Chartered Surveyors Appraisal and Valuation Standards and for non-heritable assets sold by public auction or tender.

10.2.3 The SPFM makes it clear that in most circumstances public bodies should obtain the best possible price on the open market when disposing of assets having regard to all the circumstances, including the terms and conditions of the offer(s) received.

10.2.4 In some circumstances there may be a need to dispose of an asset at less than market value but the SPFM requires that these must deliver wider public benefits, consistent with the principles of Best Value. Further approval may be required per Appendix A.

10.2.5 Asset values will be estimated in advance of sale applying appraisal and valuation standards. The true market value of a property at a point in time is established if it is freely and openly marketed for sale for a reasonable period of time. The outcome of an open sale process can be considered to represent the market value at a point in time which may differ from the previous market value estimate.

10.2.6 The Authority may also be obliged to dispose of heritable property to a community body where that community body has submitted an Asset Transfer Request in terms of section 79 of the Community Empowerment (Scotland) Act 2015. Such transactions shall be deemed to be of a routine nature.

10.2.7 The proceeds received from the sale of fixed assets should be returned to the Scottish Government unless the Accountable Officer has received prior approval to reinvest such funds.

10.3 Inventories

10.3.1 Budget holders are responsible for establishing adequate arrangements for the custody and control of stocks and stores within their business areas that will ensure stocks are kept to a level compatible with safe operation of the Organisation.

10.3.2 Procedures and systems used for stores accounting in departments must be documented and have the approval of the CFO.

10.3.3 Budget holders are responsible for ensuring that regular inspections and stock checks are carried out; at least annually. Stocks and stores of a hazardous nature will be subject to appropriate security checks.

11. Other

11.1 Insurance

11.1.1 PS is responsible for the Authority's insurance arrangements, including the provision of advice on the types of cover available.

11.1.2 As part of the overall risk management arrangements, all risks will have been

considered and those most effectively dealt with by insurance cover will have been identified. The CFO should have due regard to the SPFM and consideration of the options to self-insurance or undertake commercial insurance.

11.2 Legal

11.2.1 The legal committee has delegated decision making power to approve all settlements arising from claims against the Chief Constable under section 24(1) of the Act, and against the Authority.

11.2.2 In addition, in terms of section 24(3)(c) of the 2012 Act, the Authority in principle approves settlement of any single claim raised against the chief constable, provided the principal sum accords with the delegation per Appendix A and Police Scotland considers the settlement appropriate, and consistent with Best Value. The same applies to the settlement of claims or proceedings raised against the Authority by a constable or member of police staff, in which Police Scotland acts on the Authority's behalf.

11.2.3 All settlements of civil legal actions and claims (including claims raised in the Employment Tribunal) dealt with by the SPA must be approved by the Legal Committee regardless of value.

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

11.3 Provision of indemnities

11.3.1 The prior approval of the Parliament (via the Accountable Officer) must be secured before entering into any specific guarantee, indemnity, or letter or statement of comfort unless:

- there is specific statutory requirement to do so; or
- it is of a standard type and arises as an unavoidable feature of an activity authorised by statute; or
- the sum at risk is less than £2.5m

11.4 Scheme of financial delegations – delegation matrix

11.4.1 Appendix A provides a full list of all levels of delegation.

11.4.2 Business areas may delegate further decisions noted as "internal governance" through the SPA/ PS schemes of financial delegation.

11.4.3 As outlined in this document, any proposal considered to be novel, contentious or repercussive will require the approval of the Scottish Government. Any such decisions requiring Scottish Government approval should initially be discussed with the Accountable Officer to recommend to the Scottish Government.

11.4.4 Any internal decision maker must also defer approval to the appropriate approving level within the Authority where matters are judged to be of significant financial implications, or which may be considered novel or contentious, include ethical or substantial reputational issues, or are of significant public interest. An internal decision maker may also defer approval

to the appropriate approving level within the Authority for another documented rationale.

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

Appendix A – Financial delegation & pre-approval matrix

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

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

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

Accounting and taxation								
#	**Detail**	**Applicable range**	**Financial regs para**	**Internal governance**	**Accountable officer**	**Resources Committee***	**SPA Board**	**Scottish Government**
9	Annual report & accounts	-	4.95	Recommend	Recommend	Recommend	**Approve**	n/a
9.1	Management of matters in relation to taxation and VAT	All	4.10	**Approve**	n/a	n/a	n/a	n/a
Banking arrangements								
10	Opening and management of bank accounts.	-	6.3	**Approve**	n/a	n/a	n/a	n/a
Income								
11	Policies in respect of: charging for goods and services; externally funded officers and housing occupancy charges.	-	7	Recommend	n/a	Approve	**n/a**	n/a see provisions of the Act
12	Income charge rates (in respect of #11)	-	7.1.3	Recommend	n/a	**Approve**	n/a	n/a
13	Acceptance of grant funding awards and signing award acceptance (within SPA approved policy)	<£1m (income)	7.1.4	**Approve**	n/a	n/a	n/a	n/a
		>£1m (income)	7.1.4	Recommend	**Approve**	n/a	n/a	n/a
14	Acceptance of grant funding awards and signing of award acceptance (out with SPA approved policy)	All	7.1.4	Recommend	n/a	**Approve**	n/a	n/a
15	Third party grants: (grants provided by the Authority to other bodies)	< £100k	7.1.5	**Approve**	n/a	n/a	n/a	n/a
		> £100k	7.1.5	Recommend	Recommend	n/a	n/a	**Approve**
Expenditure								
16	Award of expenditure contracts (including non-competitive actions)	<£1m	8.2	**Approve**	n/a	n/a	n/a	n/a

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

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

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

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

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

#	Detail	Applicable range	Financial regs para	Internal governance	Accountable officer	Resources Committee*	SPA Board	Scottish Government
	Initial business case (IBC) & Full business case (FBC) *(Total cost to the service over five years appraisal period.* *Revenue, capital and reform costs excluding savings and including all existing costs including officer and staff costs)*	£1m to £3m	4.5	Recommend	**Approve**	n/a	n/a	n/a
		>£3m	4.5	Recommend	n/a	**Approve**	n/a	n/a
29	Major investment (as defined by SPFM) *(The **creation, acquisition, development or maintenance of an asset** with a lifespan beyond the current financial year and total anticipated whole-life cost of £5m ie capital expenditure).*	>£5m	4.5	Recommend	n/a	Recommend	n/a	**Approve**
30	**Business case change control** <u>Changes from IBC to FBC</u> • Summary of movements in costs and benefits from the approved initial business case to be provided. • If the preferred option in the IBC changes significantly following approval, a short	n/a	4.5	n/a	n/a	n/a	n/a	n/a

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

#	Detail	Applicable range	Financial regs para	Internal governance	Accountable officer	Resources Committee*	SPA Board	Scottish Government
	briefing note should be provided to CE/ RC Members explaining the movement in advance of the FBC.							
31	**Business case change control** <u>Changes to cost or savings following FBC approval</u> • Other non-financial changes ie non-financial benefits, scope, timeline, etc will be monitored and reported to Resources Committee.	Forecast **20% or £0.5m** overspend of cost or lower saving per the approved FBC	4.5	• Approval of change required by the source that originally approved by the FBC. • They should consider the revised total cost / savings and may choose to escalate further.				
32	Business case closure reports (end of project review reports)	n/a	4.5	• Provided for noting to source that originally approved the FBC. • This also applies should a business case previously submitted to the AO or Resources Committee not progress to the next stage.				
Assets								
Heritable property								
33	Routine purchase of property	<£0.250m	10	**Approve**	n/a	n/a	n/a	n/a
		£0.250m to £1m	10.1	Recommend	**Approve**	n/a	n/a	n/a
		>£1m	10	Recommend	n/a	**Approve**	n/a	n/a
34	Request to declare surplus a property for disposal (estimated value)	<£0.250m	10.2.1	**Approve**	n/a	n/a	n/a	n/a
		£0.250m to £1m	10.2.1	Recommend	**Approve**	n/a	n/a	n/a
		>£1m	10.2.1	Recommend	n/a	**Approve**	n/a	n/a
35	Disposal of property *(references request to declare surplus papers per #34)*	In line with surplus paper (Up to +/- £50k or 10% est value)	10.2	**Approve**	n/a	n/a	n/a	n/a

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

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

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

#	Detail	Applicable range	Financial regs para	Internal governance	Accountable officer	Resources Committee*	SPA Board	Scottish Government
37	Wayleaves and radio masts leases *Proposal to enter into arrangements with Police Scotland to negotiate and sign wayleaves and radio mast leases on behalf of the SPA.* *An estates annual activity report is provided to Resources Committee for noting. This should cover historic and forward forecast view of purchases, disposals and leases including wayleaves / radio masts.*	All	8.5.2	**Approve**	n/a	Annual report to be provided for noting	n/a	n/a
	#38 removed (subsumed within #42)							
Losses, special payment & claims waived or abandoned								
Losses and special payments								
39	Losses *(As defined in these regulations and SPFM which include bad debt write off's. Values for a single customer / debtor)*	Up to £5k	8.6	**Approve**	n/a	Note	n/a	n/a
		£5 - £100k	8.6	Recommend	**Approve**	Note	n/a	n/a
		>£100k	8.6	Recommend	n/a	Recommend	n/a	**Approve**
	40 removed / assumed within #39							
	41 removed / assumed within #39							

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

#	Detail	Applicable range	Financial regs para	Internal governance	Accountable officer	Resources Committee*	SPA Board	Scottish Government
41	Special payments Category: A: Extra contractual payments C: Extra-statutory and extra-regulatory payments *Individually – as defined in these regulations and SPFM.*	<£100k	8.6	**Approve**	n/a	n/a	n/a	n/a
		>£100k	8.6	Recommend	n/a	**Recommend**	n/a	**Approve**
42	Special payments Category: B: Compensation payments E: Ex-gratia payments *(Individually – as defined in these regulations and SPFM. Values are net of expenses, recoverable benefits and NHS charges – where applicable).*	<£100k	8.6	**Approve**	n/a	n/a	n/a	n/a
		>£100k	8.6	Recommend	n/a	**Approve by Legal committee***	n/a	**Approve**
43	Special payments Category: D: Special severance payments *(Individually – as defined in these regulations and SPFM.)*	See 26/27 of this appendix for payments made under an approved VR VER scheme.						
		Settlement agreement made outside an approved VR VER scheme. All amounts	8.6.7	Recommend	**Approve**	n/a	n/a	Business case to be provided for comment
Gifts or donations								
44	Gifts or donations provided by the service	<£25k (individually)	9.4	**Approve**	n/a	n/a	n/a	n/a
		>£25k (individually)	9.4	Recommend	Recommend	n/a	n/a	**Approve**

A six monthly report should be provided to the appropriate Authority Committees for noting that provides detail of the approvals or

decisions provided under the scheme of financial delegation

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Annex F
SPA Scheme of Delegation

1. Introduction

1.1 The Authority must ensure it carries out its statutory functions and delivers its priorities as agreed with the Scottish Ministers and as set out in the Police and Fire Reform (Scotland) Act 2012 ('the Act').

1.2 In terms of paragraph 12 of schedule 1 to the Act, the Authority may authorise any of its committees or any member of the Authority's staff to perform on behalf of the Authority such of its functions as it may determine, to the extent so authorised.

1.3 The Scottish Public Finance Manual, specifically the Memorandum to Accountable Officers for Other Public Bodies, sets out the responsibilities of the Accountable Officer. The Accountable Officer has personal responsibility for the propriety and regularity of the public finances for the body for which they are answerable and must ensure that the resources of the body are used economically, efficiently and effectively. This role is undertaken by the Chief Executive of the Authority.

1.4 This Scheme of Delegation ('this Scheme') details the functions which the Authority has delegated to its Chief Executive and Director of Forensic Services to perform, and the extent of that delegation.

1.5 The Authority will regularly review this Scheme.

1.6 All delegated decision-making (including decisions made under sub-delegation provisions) must take into account any relevant guidance issued by the Scottish Government and all governance guidelines approved by the Authority. In particular, decision-making must take full account of the following:

Internal sources:

a) the Governance and Accountability Framework Document of the Scottish Police Authority, drawn up by Scottish Government in consultation with the Authority ("the Governance and Accountability Framework")

b) all relevant legal provisions and the Authority's policies and procedures

c) the Authority's Financial Regulations (and the financial delegations appended to it)

d) the Authority's procedures and Standing Orders relating to procurement and contracts (Police Scotland document)

e) the Authority's code of conduct for staff

f) Terms of Reference for the Authority's Committees.

External sources

a) the Scottish Public Finance Manual ("SPFM")

b) the Scottish Government's Memorandum to Accountable Officers of Public Bodies ("the Memorandum")

c) the annual Budget Allocation and Monitoring Letter issued to the Authority by the Scottish Government.

2. Delegation by the Authority to the Chief Executive

General principles

2.1 In the event of any question or dispute as to whether a decision taken, or proposed to be taken, is consistent with this Scheme, the matter will be determined by the Board of the Authority in consultation with the Chief Executive.

2.2 Before exercising delegated powers under this Scheme, the Chief Executive must, wherever practicable, consult with the Chair where the exercise of the powers would, or would be likely to:

a) have a significant or adverse effect on financial, reputational or operational risk

b) have an impact on service delivery and/or the performance of the Authority or Police Scotland's functions

c) have an impact on the strategic police plan or

d) be outside the scope of the grant in aid budget relating to police services.

2.3 The Chief Executive must as soon as practicable (and no later than the next scheduled meeting of the Board) report to Members any action taken following consultation with the Chair in connection with paragraph 2.2.

2.4 In the event that the Chief Executive is unable for any reason to exercise powers specifically delegated to them under this Scheme, the Chief Executive's nominated Deputy Chief Executive will have authority to make decisions on their behalf.

2.5 The Board may require the Chief Executive to submit reports on decisions taken and actions authorised by them under this Scheme, including decisions made by members of staff under sub-delegation provisions.

2.6 All sums stated in this Scheme are exclusive of VAT.

Corporate Management

2.7 The Chief Executive has overall responsibility for the corporate management of the Authority and for the day to day exercise of its functions, including business continuity for which the Chief Executive is accountable to the Board.

Arrangements with the Chief Constable

2.8 The Chief Executive is authorised to approve arrangements, in accordance with section 83 of the Act, between the Authority and the Chief Constable (or other authorised Police Scotland personnel) for the provision of assistance and/or staff to and from Police Scotland.

Authorised signatory

2.9 The Chief Executive has authority to sign:

a) Documents on behalf of the Authority in terms of the Requirements of Writing (Scotland) Act 1995

b) Contracts for goods services and works and

c) All deeds and other documents which are intended to be legally binding on the Authority.

3. Income

3.1 The Chief Executive is authorised to seek to optimise income for the Authority in accordance with section 87 of the Act and the Scottish Police Authority (Provision of Goods and Services) Order 2013. Novel or contentious proposals for income generation or proposals to recover costs below full cost recovery, must be considered by the Board before approval is sought from the Scottish Government. In accordance with the SPFM, the standard approach to setting charges for public services is full cost recovery.

4. Expenditure – general provisions

4.1 The Chief Executive, in respect of SPA Corporate is authorised to transfer funds between revenue expenditure headings and between capital projects (virements), Authority staff or other costs, in line with the delegation set out in the Financial Regulations and financial delegations matrix.

4.2 The Chief Executive may instruct expenditure for which provision has been made within the appropriate budget (the limits of which are set out in financial delegations matrix).

5. Staffing

5.1 The Chief Executive has responsibility for the appointment of staff (subject to agreed staffing limits) and maintaining the Authority's organisational structure. Any transformational changes to the structure must be approved by the Board. Staffing limits may be supplemented, where required, by the addition of short-term secondments and contractors to meet identified business needs, within budget limitations and subject to any applicable procurement rules.

5.2 In particular, the Chief Executive is authorised to:

a) appoint staff to support the carrying out of police functions ('police staff' notwithstanding the Chief Constable's power under section 26(3) of the Act to appoint such staff on the Authority's behalf)

b) appoint staff to the Authority to support the Authority in the carrying out of its corporate functions ('Authority staff'), in line with HR policy and within agreed staff budget levels

c) appoint staff to the Authority to support the Authority in the carrying out of its functions in relation to the provision of forensic services, notwithstanding the Director of Forensic Service's authority to do so as set out in paragraph 21.3

d) conduct disciplinary and grievance proceedings in respect of Authority staff who are employed within the corporate functions of the Authority and

e) remedy inconsistencies in pay or conditions of service, of all staff employed by the Authority, including those staff under the day-to-day direction and control of the Chief Constable of Police Scotland, in line with policy and as directed by the Board.

6. Major Investment Projects

6.1 The Chief Executive is responsible for overseeing all Major Investment Projects, (as defined by the SPFM, see financial delegations matrix), including the establishment of appropriate processes and reviews. The Chief Executive must report progress on such matters to the Resources Committee for approval by Board.

7. Property

General

7.1 The Chief Executive may approve routine property transactions within the financial delegations appended to the Financial Regulations. The provisions of the "Property: Acquisition, Disposal and Management" section of the SPFM must be adhered to in relation to all property transactions.

7.2 Where the Authority has a requirement for accommodation to provide regional or national coverage, Ministerial consent will be required as set out in SG's Asset Management Policy. In addition, any novel or contentious proposals should be referred to the Scottish Government Property Division for advice, as Ministerial consent may be required.

Disposal of heritable property

7.3 The SPFM makes it clear that in most circumstances public bodies should obtain the best possible price on the open market when disposing of assets. The financial delegations matrix sets out the authorisation of offers to purchase heritable property owned by the Authority which it has declared as surplus to operational requirements, and which has, where appropriate, been placed on the open market, provided:

a) the Chief Executive, having regard to all the circumstances, including the terms and conditions of the offer(s) received, considers an offer to be the

best (though not necessarily the highest) offer received and

b) where the Chief Executive proposes to accept an offer contrary to professional advice, or where the Chief Executive proposes to accept an offer which contains unusual conditions, the Authority must obtain any additional approval required in terms of the SPFM.

7.4 The general principle is that public bodies should obtain the best possible price on the open market when disposing of assets. In some circumstances there may be a need to dispose of an asset at less than market value but as per the SPFM these must deliver wider public benefits, consistent with the principles of Best Value.

7.5 It is recognised that the Authority may from time to time be obliged to dispose of heritable property to a community body where that community body has invoked a Right to Buy contained in the Land Reform (Scotland) Act 2003 (as amended). For the avoidance of doubt, such transactions shall be deemed to be of a routine nature.

Acquisition of heritable property

7.6 The Authority may authorise the acquisition of heritable property by the Authority from third parties for a proposed purchase price per the financial delegations matrix.

Leases

7.7 The Chief Executive may approve leases, licences to occupy, and Memorandum of Terms of Occupation (MOTO) – other than those of regional or national importance or outwith a specific delegated authority, within the limits set out in the financial delegations matrix.

7.8 The Chief Executive may instruct appropriate action to enforce the terms of any Lease, Licence to Occupy or MOTO (including the termination thereof) where the other party has failed to comply with the terms of the Lease, Licence to Occupy, or MOTO and in particular may authorise appropriate action to enable the Authority to obtain vacant possession of the heritable property in question.

7.9 The Chief Executive may approve the variation or extension of an existing Lease, Licence to Occupy, or MOTO provided any proposed extension would not exceed the threshold specified in the financial delegations matrix.

7.10 The Chief Executive may authorise the exercise, or the non-exercise, of a lease break.

Miscellaneous

7.11 The Chief Executive may authorise:

a) the granting to a third party of any other right (e.g. cable wayleave) over heritable property owned by the Authority and vice versa

b) the exercise of any right afforded to the Authority under contract or otherwise in respect of heritable property owned by the Authority and

c) the granting of, or discharge of, rights affecting or ancillary to property interests existing or acquired.

8. Other licence Agreements

8.1 The Chief Executive may enter, renew and terminate Licence Agreements and/or Site Sharing Agreements with third parties, including but not limited to Agreements pertaining to the use of telecommunication equipment and radio masts, and may authorise any necessary legal action in this connection.

9. Procurement/Contracts

9.1 Subject to the provisions and financial thresholds detailed in the Standing Orders relating to Contracts (see link below) and the Financial Regulations, the Chief Executive has authority to place orders and enter into contracts, or to instruct such orders to be placed and entered into, for the supply of goods and services, and works. The Chief Executive may also extend, vary and terminate such contracts or instruct the extension, variation and termination of such contracts. Special arrangements will apply to procurement of a classified nature.

https://www.scotland.police.uk/spa-media/k5bjwiat/standing-orders-relating-to-contracts.pdf

10. Write offs, losses and special payments

10.1 The Chief Executive may authorise the increase, decrease or write-off of bad debts and/or losses up to £25,000 in value in accordance with the specific delegated authority within the Governance and Accountability Framework. Such adjustments will have an accumulation ceiling within any financial year. The level of that accumulation ceiling is set out in the financial delegations appended to the Financial Regulations. Write-offs and losses which accumulate above that ceiling in any financial year require Board approval and should be brought to the attention of Parliament through notes to the accounts per the SPFM.

10.2 The Chief Executive may authorise special payments in accordance with the specific delegated financial authority set out in the Governance and Accountability Framework. Such adjustments will have an accumulation ceiling within any financial year, which is set out in the financial delegations appended to the Financial Regulations. Special payments that accumulate above that ceiling in any financial year require Board approval and should be brought to the attention of Parliament through notes to the accounts per the SPFM.

10.3 The Chief Executive may (a) arrange insurance for the Authority and (b) renew periodically all Authority insurances, provided that such actions are consistent with the provisions of the SPFM. Any action taken under (a) and (b) above must be reported to the Resources Committee and/or Forensic Services Committee as appropriate.

11. Members' Expenses

11.1 The Chief Executive may approve Authority Members' remuneration, allowances and expenses, in accordance with Scottish Government pay policy, Members' terms of appointment, and any specific guidance issued by Scottish Ministers.

12. Legal

12.1 The Chief Executive has authority to do the following:

a) Approve the payment of awards against the Authority by a court or tribunal,

in consultation with the Authority's solicitors

b) authorise payment of judicial expenses for which the Authority is liable, in consultation with the Authority's solicitors

c) initiate, enter into, defend and withdraw from legal proceedings involving the Authority, including appeals, all in consultation with the Authority's solicitors

d) direct the signing of court documents on behalf of the Authority

e) engage Police Scotland's Legal Services Department, external legal firms, counsel, sheriff officers, patent agents and parliamentary agents as appropriate, or other specialist services as required

f) approve the sign off and submission to Revenue Scotland of Land and Buildings Transaction Tax (LBTT) Returns and

g) provide instructions to the Authority's solicitors.

12.2 Notwithstanding the terms of 12.1 a) and b) above, any award, or claim for judicial expenses which may be considered novel or contentious, include ethical or substantial reputational issues or are of significant public interest shall be referred to the Legal Committee for consideration and instructions regarding settlement.

12.3 For the avoidance of doubt, authority to settle all legal actions and claims raised against and handled by the Authority, must be obtained from the Legal Committee.

13. Provision of non-operational police services overseas under section 87(3) of the Act

13.1 Where arrangements for non-operational police services overseas require to be made under section 87(3) of the Act, the Chief Executive may arrange, with the consent of the Chief Constable, for Police Scotland to provide such services.

14. Independent Custody Visiting

14.1 The Chief Executive is authorised to perform all functions under sections 94 and 95 of the Act, including the making of arrangements for independent custody visiting, and visits of the Subcommittee on Prevention of Torture and other Cruel, Inhuman or Degrading Treatment or Punishment.

15. Performance of Senior Officers

15.1 The Chief Executive is authorised to perform the functions of the Authority under the Police Service of Scotland (Senior Officers) (Performance) Regulations 2016, with the exception of the following:

a) all functions of the Chair of the Authority acting as the Chief Constable's reporting officer

b) the appointment of appeal panels to conduct performance appeal meetings (regulation 19) and

c) the appointment of panels to conduct performance hearings (regulation 28).

16. Health and Safety

16.1 Whilst the Authority has overall responsibility for Health and Safety, the Chief Executive is authorised to make such decisions, and take such actions, as are required to satisfy the Authority's obligations under the Health and Safety at Work Act of 1974 ('the 1974 Act') in respect of Members and Authority staff (except staff working in Forensic Services where a separate provision exists). This includes taking the lead role in ensuring those Authority Members and staff are meeting their responsibilities so as to comply with the 1974 Act. This activity is undertaken in conjunction with the Business Partnering arrangements for service delivery from Police Scotland.

17. Emergency Planning

17.1 The Chief Executive is authorised to make such decisions, and take such action, as are required to satisfy the Authority's obligations for emergency planning, business continuity, and disaster recovery as detailed in the Civil Contingencies Act 2004, in respect of SPA Corporate only. This activity is undertaken in conjunction with the Business Partnering arrangements for service delivery from Police Scotland.

18. Information Management

18. 1 The Chief Executive is authorised to make such decisions and take such actions, as are required to satisfy the Authority's obligations in relation to:

a) requests for information under the Freedom of Information (Scotland) Act 2002 and the Environmental Information (Scotland) Regulations 2004

b) data subjects' rights under Part 3 Chapter 3 of the Data Protection Act 2018 and Articles 15-22 of the GDPR and

c) records management under Part 1 of the Public Records (Scotland) Act 2011.

19. Pensions

19.1 The Chief Executive is authorised to do the following:

a) make decisions regarding flexible retirements in line with the Pensions Discretionary Policy;

b) make decisions on individual cases regarding:

- reinstatement of a child's pension.
- reinstatement of a widow/ers pension.
- granting cessation of payments towards increased pension benefits.
- granting police officers applications for ill health retirement and injury on duty benefit.

c) all decisions made under (a) and (b) above must be reported to the Legal Committee as soon as it is practicable to do so.

19.2 In the case of such pension matters, funding implications are a matter for the Scottish Public Pensions Agency (SPPA). The Authority is the decision maker in respect of entitlement and action. The Authority cannot proceed without the agreement of SPPA.

20. Appointment of Members to Appeals Against Dismissal Panel

20.1 The Chief Executive is authorised to appoint three Authority Members to hear and determine, appeals against dismissal from Authority and Police Scotland staff, in accordance with the Disciplinary, and the Capability (Attendance and Performance), procedures. To ensure the appeals are dealt with expeditiously Members will be appointed to the Panel on a case by case basis, determined by their availability to hear the appeal.

21. Sub delegation by the Chief Executive to Senior Authority Staff

21.1 The Chief Executive may sub-delegate powers to senior members of Authority staff. Any sub-delegation of powers by the Chief Executive, will be included in delegation letters which will set out the scope of delegated powers and associated financial delegations. Delegation letters will be reviewed and issued by the Chief Executive on an annual basis.

21.2 The Chief Executive may not sub-delegate any of their personal obligations and responsibilities as Accountable Officer of the Authority. In the event that the Chief Executive is incapacitated or otherwise unable to perform the Accountable Officer's responsibilities for a period of four weeks or more, the Authority will notify the Scottish Government Permanent Secretary and Portfolio Principal Accountable Officer who may appoint a substitute Accountable Officer (likely Deputy Chief Executive Resources) pending the Chief Executive's return to duties.

22. Delegation by the Authority to the Director of Forensic Services

22.1 The Director of Forensic Services on behalf of the Authority, is authorised to enter into necessary arrangements for the provision of forensic services to Police Scotland, the Police Investigations and Review Commissioner (PIRC) and the Lord Advocate and procurators fiscal in terms of Section 31 of the Act, within approved budget limits and in line with the limits set out in the financial delegations. Such arrangements may include, but are not restricted to, Memoranda of Understanding, Service Level Agreements, establishing advisory/working groups, and other such measures to enable the delivery of an effective service.

22.2 The Director of Forensic Services, in respect of Forensic Services only, is authorised to transfer funds between revenue expenditure headings and between capital projects (virements), in line with the delegation set out in the Financial Regulations and financial delegations. Such transfers should be reported to the Resources Committee as soon as is practicable.

22.3 The Director of Forensic Services is authorised to:

a) appoint staff to enable the Authority to carry out its functions in relation to the provision of forensic services in terms of Section 31 of the Act, in line with HR policy and within agreed staff budget levels

b) conduct disciplinary and grievance proceedings in respect of Authority staff who are employed within Forensic Services and

c) make decisions regarding the deployment and oversight of Authority staff who are employed within Forensic Services, and authorise their attendance at training courses, conferences, seminars and other developmental

activities.

22.4 Legal Delegation

22.4.1 The Director of Forensics, or a member of staff appointed by them, has authority, in respect of legal matters directly concerning Forensics Services only, to:

a) approve the payment of awards against the Authority by a court or tribunal, in consultation with the Authority's solicitors

b) authorise payment of judicial expenses for which the Authority is liable, in consultation with the Authority's solicitors

c) initiate, enter into, defend and withdraw from legal proceedings involving the Authority, including appeals, all in consultation with the Authority's solicitors

d) direct the signing of court documents on behalf of the Authority and

e) provide instructions to the Authority's solicitors.

22.4.2 Notwithstanding the terms of a) and b) above, any award or claim for judicial expenses which may be considered novel or contentious, include ethical or substantial reputational issues or are of significant public interest shall be referred to the Legal Committee for consideration and instructions regarding settlement.

22.4.3 For the avoidance of doubt, authority to settle all legal actions and claims raised against the Authority must be obtained from the Legal Committee.

22.5 In the event of any question or dispute as to whether a decision taken, or proposed to be taken, is consistent with this Scheme, the matter will be determined by the Board of the Authority in consultation with the Director of Forensic Services.

22.6 Before exercising delegated powers under this Scheme, the Director of Forensic Services must, wherever practicable, consult with the Forensic Services Committee where the exercise of the powers would, or would be likely to:

a) have a significant or adverse effect on financial, reputational or operational risk or

b) have an impact on service delivery and/or the performance of the Authority's functions.

22.7 The Director of Forensic Services must as soon as practicable (and no later than the next scheduled meeting of the Board) report to Members any action taken following consultation with the Forensic Services Committee in connection with paragraph 21.6.

22.8 The Forensic Services Committee may require the Director of Forensic Services to submit reports on decisions taken and actions authorised by them under this Scheme, including decisions taken by members of staff to whom the Director of Forensic Services has sub-delegated powers.

22.9 The Director of Forensic Services may sub-delegate powers delegated to them under this Scheme to senior members of Forensic Services staff. Any sub-delegation of powers by the Director of Forensic Services, will be included in

delegation letters which will set out the scope of delegated powers and associated financial delegations. Delegation letters will be reviewed and issued by the Director of Forensic Services on an annual basis.

22.10 The Director of Forensic Services is authorised to make such decisions, and take such action, as are required to satisfy the Authority's' obligations under the Health and Safety at Work Act of 1974 ('the 1974 Act') in respect of Authority staff working in Forensic Services. This includes taking the lead role in ensuring that Forensic Services staff are meeting their responsibilities so as to comply with the 1974 Act. This activity is undertaken in conjunction with the Business Partnering arrangements for service delivery from Police Scotland.

22.11 The Director of Forensic Services is authorised to make such decisions, and take such action, as are required to satisfy the Authority's obligations for emergency planning, business continuity, and disaster recovery as detailed in the Civil Contingencies Act 2004 in respect of Forensic Services. This activity is undertaken in conjunction with the Business Partnering arrangements for service delivery from Police Scotland.