



# **FRAMEWORK DOCUMENT**

## **SCOTTISH GOVERNMENT**

## **SCOTTISH SOCIAL SERVICES COUNCIL**

FEBRUARY 2025

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Approved	Version	Next Review	Signed by
27/02/2025	1	As required, but before February 2028	Minister for Children, Young People & the Promise  Iona Colvin, Portfolio Accountable Officer

# EXECUTIVE FRAMEWORK DOCUMENT

## Introduction

1. This framework document is agreed between the Scottish Social Services Council (SSSC) and Scottish Ministers. It summarises how SSSC and the Scottish Government (SG) will work together, and the key roles and responsibilities of:
  - the Council
  - the Chief Executive and Accountable Officer of SSSC;
  - the Scottish Ministers; and
  - the Portfolio Accountable Officer within the SG whose remit includes SSSC.
2. While this document does not confer any legal powers or responsibilities, it forms a key part of the accountability and governance framework and, as a live document, it should be reviewed and updated regularly by SG and SSSC, and at least every 2-3 years. Should changes occur due to developing policy (e.g. establishment of the National Care Service or the National Social Work Agency) this document will be reviewed where required. Any significant changes will be agreed between the Council and Scottish Ministers. For the purposes of this document only, any reference to 'the Council' means 'the Convener and Council Members'.
3. Any question regarding the interpretation of the document shall be determined by the SG after consultation with the SSSC. Legislative provisions take precedence over any part of the document.
4. The SSSC shall not establish subsidiaries or enter into joint ventures without the express approval from Scottish Ministers.
5. A copy of the document shall be published SSSC's website.

## Purpose

6. The SSSC is a statutory body established by the [Regulation of Care \(Scotland\) Act 2001](#) (The Act). The constitution of the SSSC is set out in Section 43 of the Act. The SSSC does not carry out its functions on behalf of the Crown.
7. The main purpose of the SSSC is to regulate the social service workforce and their education and training. The SSSC's statutory duties include:
  - establish and maintain registers of particular groups in the social work, social care and children and young people workforce;
  - consider applications for registration according to the terms of the Act and rules made under the Act, and to grant (conditionally or unconditionally) or refuse registration on that basis;
  - remove or restore an entry on the register;

- prepare and publish [Codes of Practice for Social Service Workers](#);
  - prepare and publish [Codes of Practice for Employers](#) of the social work, social care and children and young people workforce; and ensure that these are complementary to the codes for the workforce;
  - in accordance with directions from Scottish Ministers, to make grants and pay allowances to secure education and training in social services work for persons resident in Scotland;
  - make grants to organisations providing approved courses under the Act;
  - set fees in respect of the SSSC's functions, with the longer term aim of balancing income and expenditure for registration functions;
  - establish a complaints procedure for complaints about the exercise by the SSSC of its functions, and
  - consult with the Care Inspectorate on the exercise by the SSSC of its functions, where appropriate.
8. The SSSC's purpose, strategic aims and objectives, as agreed by Scottish Ministers, are to improve standards of care provided in Scotland and protect the people who use services by:
- strengthening and supporting the professionalism of the social work, social care and children and young people workforce, through effective regulation and continuing workforce development;
  - raising standards of practice through training and education, and
  - carrying out the functions of the sector skills council, [Skills for Care and Development](#).

## **Governance and accountability**

### **Council Responsibilities**

9. Members of the Council, including the Convener, are non-executives appointed by Scottish Ministers in line with the [Code of Practice for Ministerial Public Appointments in Scotland](#). The Convener and Council Members are accountable to Scottish Ministers and Scottish Parliament and may be required to give evidence to Parliamentary Committees.
10. **The Council has overall responsibility for the delivery of the functions of SSSC**, as set out at paragraphs 7 to 8 above, in accordance with the aims, policies and priorities of the Scottish Ministers. The role of the Council is to provide leadership, direction, support and guidance to ensure the SSSC delivers and is committed to delivering its functions effectively and efficiently and in accordance with the aims, policies and priorities of Scottish Ministers. The Council has corporate responsibility, under the leadership of the Convener, for the following:

- set strategic plans to deliver the functions of SSSC, focusing on how the work of SSSC can most effectively contribute to the achievement of outcomes in the [National Performance Framework](#), [Programme for Government](#) and [Scotland's Economic Strategy](#) in collaboration with the SG and other public bodies;
- regularly scrutinise current and projected performance against the aims, objectives and targets set out in plans and take decisions on remedial action where required;
- ensure that effective governance is established and maintained, including ensuring that any decisions taken are open and transparent and, with support from the Accountable Officer and the Audit and Assurance Committee, ensure that key risks are identified and managed
- set up an Audit Committee chaired by a non-executive Member to provide advice and assurance on the effectiveness of the internal control and risk management systems;
- approval of the annual report and accounts, ensuring these are provided to Scottish Ministers to be laid before the Scottish Parliament;
- promote the efficient, economic and effective use of resources consistent with the principles of [Best Value](#), and regularly scrutinise financial performance and compliance with financial guidance issued by the SG;
- promote the wellbeing, learning and development of staff, provide support and challenge to the Chief Executive on staffing matters and ensure that SSSC meets staff management responsibilities described in the section below;
- (in reaching decisions) taking into account relevant guidance issued by Scottish Ministers;
- ensuring receipt of and reviewing regular financial information concerning the management and performance of the SSSC and is informed in a timely manner about any concerns regarding the activities of the SSSC;
- appointing, with the approval of Scottish Ministers, the SSSC Chief Executive and, in consultation with SG, setting appropriate performance objectives and remuneration package, in line with the [SG Pay Policy for Senior Appointments](#). New contracts for Chief Executives should include a notice period of no more than three months. Where a business case can be made, the notice period may be set at a maximum of six months. In consultation with the SG, appropriate performance objectives should be set which give due weight to the proper management and use of resources within the stewardship of the SSSC and the delivery of outcomes.

11. Specific guidance on how the Convener and Council Members should discharge their duties is provided in appointment letters and in [On Board: A Guide for Board Members of Public Bodies in Scotland](#). Guidance on governance good practice is available in the Scottish Public Finance Manual and from the Sponsor Unit, who may consult the SG Governance and Risk Team. A list of key aspects of governance to consider is included in the section on [Governance and Risk](#) below.

## **Convener Responsibilities**

12. The Convener is accountable to Scottish Ministers and, in common with any individual with responsibility for devolved functions, may also be held to account by the Scottish Parliament. Communications between the SSSC and Scottish Ministers should normally be through the Convener. The Convener is responsible for ensuring that SSSC's policies and actions support Scottish Ministers' wider strategic policies and that its affairs are conducted with probity. In leading the Council, the Convener must:
- ensure all Council members have suitable induction to understand the role and their responsibilities, that the skills and experience of all Council Members are used effectively and that the Council undertakes regular self-assessment of its performance;
  - ensure the performance of each Council Member is reviewed at least once per year and that the Council and/or individual Council Members undertake development activity when required to ensure the effectiveness of the Council;
  - in consultation with the Council as a whole, undertake an annual appraisal of the performance of the Chief Executive;
  - ensure that the Council reviews its effectiveness annually;
  - ensure that a [Code of Conduct](#) (aligned to the [Model Code of Conduct for Board Members](#)) is in place, that corporate actions are taken to implement it as required and that Members understand their responsibilities, using the guidance provided by the Ethical Standards Commissioner;
  - work with the Portfolio Accountable Officer or their delegate(s) and the Public Appointments Team in SG on succession planning for the Board, action necessary to fill vacancies as they arise, skills requirements and promoting diversity by encouraging applications from less represented groups, including younger people, people from minority ethnic backgrounds and people with disabilities;
  - ensure that Council Members are trained in financial management and reporting requirements and, as appropriate, on any differences that may exist between private and public sector practice.

## Individual Council Members' Responsibilities

13. Individual Council Members should act in accordance with the responsibilities of the Council as a whole, comply at all times with the Code of Conduct adopted by the SSSC and with the rules relating to the use of public funds and conflicts of interest. (In this context "public funds" means not only any funds provided to the SSSC by Scottish Ministers but also any other funds falling within the stewardship of the SSSC, including trading and investment income, gifts, bequests and donations). General guidance on Council Members' responsibilities is summarised in their appointment letters and is also provided in [On Board: A Guide for Board Members of Public Bodies in Scotland](#).

## Chief Executive Responsibilities

14. The Chief Executive of the SSSC is employed and appointed by the Council with the approval of Scottish Ministers, and is the principal adviser to the Council on the discharge of its functions and is accountable to the Council. The Chief Executive role is to provide operational leadership to staff working for SSSC and to ensure that its aims and objectives are met, the SSSC's functions are delivered, and its targets are met through effective and properly controlled executive action.
15. The specific duties of the Chief Executive will be set out in a job description, and annual objectives will be agreed with the Convener and used in appraisal of the Chief Executive's performance.
16. The Chief Executive's general responsibilities include the performance, management and staffing of the SSSC. General guidance on the role and responsibilities of the Chief Executive is contained in 'On Board' ([On Board: A Guide for Members of Statutory Boards](#)). In addition, the Chief Executive will:
  - advise the Council on the discharge of its responsibilities – as set out in this Framework Document, in the founding legislation and in any other relevant instructions and guidance issued by or on behalf of Scottish Ministers;
  - implement or oversee implementation of the decisions of the Council;
  - work with the Council on preparation of the Strategic Plan, including liaising with the Sponsor Unit on key points which need to be addressed and the timetable for preparation and review, and work with the Council to ensure that business plans are put in place to meet the Strategic Plan aims, objectives and performance measures;
  - lead and manage the staff of SSSC, ensuring their wellbeing, learning and development are prioritised, and ensuring that the staff management responsibilities set out in the section below are addressed;
  - manage the budget for SSSC in line with Scottish Government Finance guidance, policies and procedures, including the Scottish



Public Finance Manual, and advise the Council on financial implications of all Council decisions, ensuring that appropriate financial appraisal and evaluation techniques are followed as per the [Appraisal and Evaluation](#) section of the SPFM;

- advise the Council on the performance of the SSSC compared with its aims and objectives;
- agree with the Council and the Portfolio AO what information is required to enable the Council and SG to scrutinise the performance of SSSC and progress against overall strategic and business plan aims and objectives, and ensure that the agreed information provided is both accurate and timely;
- appoint their Executive Team to handle management of the day-to-day relationship with the Sponsor Unit, with other SG officials who have an interest in the work of SSSC and other key stakeholders, including staff of other public bodies;
- ensure that the SSSC adheres, where appropriate, to SG's [Programme and Project Management Principles](#);
- have robust performance and risk management arrangements – consistent with the [Risk Management](#) section of the SPFM – in place that supports the achievement of SSSC's aims and objectives and facilitate comprehensive reporting to the Council, the SG and wider public;
- ensure that adequate systems of internal control are maintained by the SSSC, including effective measures against fraud and theft, consistent with the [Fraud](#) section of the SPFM;
- establish appropriate documented internal delegated authority arrangements, consistent with the [Delegated Authority](#) section of the SPFM;
- ensure that timely forecasts and monitoring information on performance and finance are provided to SG; that SG 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 SG in a timely manner.

17. In advising the Council, the Chief Executive will ensure that the key governance issues highlighted in the section on [Governance and Risk](#) below are addressed.

### **Accountable Officer responsibilities**

18. The Principal Accountable Officer for the Scottish Administration (the Permanent Secretary of SG) will designate the Chief Executive of SSSC as the Accountable Officer. The Accountable Officer is personally responsible for the propriety and regularity of the public finances of SSSC and ensuring that



its resources are used economically, efficiently and effectively, as required by [Section 15 of the Public Finance and Accountability \(Scotland\) Act 2000](#).

19. The Accountable Officer may be called to give evidence to the Public Audit Committee of the Scottish Parliament. The responsibilities of the Accountable Officer are set out in the [Memorandum to Accountable Officers for Other Public Bodies](#) in the Scottish Public Finance Manual. These include:
- ensuring the propriety and regularity of the SSSC's finances and that there are sound and effective arrangements for internal control and risk management;
  - ensuring that the resources of SSSC are used economically, efficiently and effectively and that appropriate arrangements are in place to secure [Best Value](#) and deliver Value for Money for the public sector as a whole;
  - ensuring compliance with relevant guidance issued by Scottish Ministers, in particular the [SPFM](#) and [SG Pay Policy](#);
  - signing the annual accounts and associated governance statements, and,
  - a statutory duty to obtain written authority from the Council/Convener before taking any action which is considered inconsistent with the proper performance of the Accountable Officer functions. The Accountable Officer should also notify the relevant Portfolio Accountable Officer.
20. It is important for the Convener and Council members to recognise that one aspect of these duties is the requirement under [Section 15\(8\) of the Public Finance and Accountability \(Scotland\) Act 2000](#), where the Accountable Officer considers that any action they are required to take is not consistent with their Accountable Officer responsibilities, they must obtain written authority from the Board. A copy of the written authority must be sent to the Auditor General for Scotland as soon as possible and sent to the Clerk of the Public Audit Committee. The Accountable Officer should consult the Portfolio Accountable Officer before seeking written authority from the Council in these circumstances and should always notify the Portfolio Accountable Officer when such a written authority has been issued.
21. The Chief Executive must combine their Accountable Officer responsibilities to the Scottish Parliament with their wider responsibilities to the Council. The Council and Convener should be fully aware of, and have regard to, the Accountable Officer responsibilities placed upon the Chief Executive, including the statutory duty described above.

### **Scottish Ministers responsibilities**

22. Scottish Ministers appoint the Convener and Council Members and hold the Council to account for the performance of SSSC and its use of resources. Ministers are ultimately accountable to the Scottish Parliament for ensuring that the Council is discharging its duties effectively, although the Parliament

will scrutinise the performance of SSSC directly as it does with all public sector bodies. Scottish Ministers are not directly responsible for the operation of SSSC.

23. Scottish Ministers will:

- agree the SSSC's strategic aims, objectives and key targets as part of the corporate planning process;
- agree the budget for SSSC and the associated grant in aid requirement, and secure the necessary Parliamentary approval;
- approve the [Code of Conduct of the SSSC Council](#);
- approve pay remits or proposals and superannuation arrangements for the staff, Chief Executive, Convener and Council Members;
- lay the accounts of SSSC before the Scottish Parliament;
- carry out responsibilities specified in the Act, relevant Regulations and SG guidance;
- approve appointments to the SSSC's Council, the terms and conditions of Council Members, and appointment of the Chief Executive; and approval of the [Strategic](#) Plan.

**Portfolio Accountable Officer responsibilities**

24. The Principal Accountable Officer for the Scottish Administration (the Permanent Secretary of SG) will designate the Director-General Education and Justice as the Accountable Officer (AO) for the SG portfolio budget which will provide funding for the SSSC. The Portfolio AO remains personally answerable to the Scottish Parliament for the effectiveness of sponsorship activity.

25. The Portfolio AO's duties are to establish a framework for the relationship between SG and the SSSC, oversee the operation of that framework, ensure the public appointments to the SSSC are made appropriately and ensure that appropriate assurance is provided on the performance and governance of the SSSC. These activities are known collectively as '**sponsorship**'. In practice, the Portfolio AO is likely to delegate some or all sponsorship duties to a Director or Deputy Director or other SG officials in a 'Sponsor Unit'. The responsibilities of a Portfolio Accountable Officer are set out in detail in the [Memorandum to Accountable Officers for Parts of the Scottish Administration](#).

26. The Portfolio AO will:

- ensure the Framework Document is agreed between Scottish Ministers and the Council of SSSC, reviewed regularly and oversee the operation of the roles and responsibilities set out;
- ensure that financial and other management controls being applied by SSSC are appropriate and sufficient to safeguard public funds and

conform to the requirements both of propriety and of good financial management;

- in line with the [Code of Practice for Ministerial Appointments](#), ensure that public appointments are made in good time and secure appropriate skills, experience and diversity amongst Council members, working with the Convener on succession planning; that there is effective induction for new appointees; and ensure that there is regular review and a formal annual appraisal of the performance of the Convener;
- support regular and effective engagement between SSSC and the relevant Scottish Minister(s); and
- ensure there is clear, documented delegation of responsibilities to a Sponsor Unit and that the Council and senior officials of SSSC are aware of these delegated responsibilities.

### **Relationship between Scottish Government and the SSSC**

27. Strategic engagement between SG and SSSC is essential in order that they work together as effectively as possible, to maintain and improve public services and deliver improved outcomes. Specific governance and accountability roles are described in the section above, but more generally, both SG and SSSC 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 emphasises the need for cooperation and good communication, and particularly early warning from either side about any emerging risk or issue with significant implications for the operation or governance of SSSC.

### **Scottish Government Director and Deputy Director**

28. The Director for Children and Families and the Deputy Director for the Office of the Chief Social Work Adviser have responsibility for overseeing and ensuring effective relationships between the SG and the SSSC. This includes supporting alignment of the SSSC's business to the SSSC's purpose and [National Outcomes](#) and high performance by the SSSC. They will work closely with the SSSC's Chief Executive and be answerable to the Portfolio Accountable Officer for maintaining and developing positive relationships with the SSSC, characterised by openness, trust, respect and mutual support. They will be supported by the Sponsor Unit in discharging these functions. The Deputy Director shall be responsible for assessing the performance of the Council's Convener, at least annually.

### **Sponsor Unit responsibilities**

29. The SG Sponsor Unit for the SSSC is the Office of the Chief Social Work Adviser (OCSWA) and is the normal point of contact for the SSSC in dealing with SG. The unit, under the direction of the Deputy Director, is the primary source of advice to Scottish Ministers on the discharge of their responsibilities in respect of the SSSC, and undertakes delegated responsibilities from the

Portfolio Accountable Officer. In addition to ensuring that the arrangements in this Framework Document operate effectively, specific responsibilities include:

- discharging sponsorship responsibilities in line with the principles and framework set out in the document [Public Bodies Strategic Engagement: Guidance](#) and ensuring that sponsorship is suitably flexible, proportionate and responsive to the needs of Scottish Ministers and the SSSC;
- ensuring key actions and decisions agreed are documented and implemented, including ensuring SG teams implement any agreed actions;
- arranging for the appropriate portfolio Minister to meet with the SSSC/Council on an annual basis as part of their statutory duties;
- managing public appointments, ensuring these are made timeously and in accordance with the [Code of Practice for Ministerial Appointments to Public Bodies in Scotland](#);
- proportionate monitoring of SSSC's activities through an adequate and timely flow of appropriate information, agreed with SSSC, on performance, budgeting, control and risk management;
- addressing in a timely manner any significant problems arising in the SSSC by alerting the Portfolio Accountable Officer and the responsible Minister(s) where it is considered appropriate;
- ensuring that the objectives of the SSSC and the risks to them are properly and appropriately taken into account in the SG's risk assessment and management systems, and
- informing the SSSC of relevant SG policy in a timely manner.

## **SSSC staff management**

### **Broad responsibilities for the SSSC's staff**

30. The Chief Executive, challenged and supported by the Council, has responsibility for the recruitment, retention and motivation of its staff. The broad responsibilities toward staff are to ensure that:
- HR policies, practices and systems comply with employment and equalities legislation, and standards expected of public sector employers;
  - the level and structure of its staffing, including grading and staff numbers, are appropriate to its functions and the requirements of economy, efficiency and effectiveness (subject to the SG [Pay Policy for Staff Pay Remits](#));
  - the performance of staff at all levels is regularly appraised and performance management systems are reviewed from time to time;

- staff are encouraged to acquire the appropriate professional, managerial and other expertise necessary to achieve the SSSC's objectives;
- proper consultation with staff takes place on key issues affecting them, as appropriate, including working in partnership with trade unions;
- effective grievance and disciplinary procedures are in place and ensures that staff know where to access these and how to use them;
- effective whistle-blowing policy and procedures consistent with the [Public Interest Disclosure Act 1998](#) are in place and ensures staff know where to access these and how to use them; and
- a [Code of Conduct for Staff](#) is in place based on the [Model Code](#) for Staff of Executive NDPBs.

### **Pay and conditions of service**

31. SSSC will comply with [SG Pay Policy](#) in relation to staff and the Chief Executive. The Chief Executive will ensure that a pay remit, in line with the [SG Pay Policy for Staff Pay Remits](#), is submitted to the SG for approval in line with the timetable notified and negotiate a pay settlement within the terms of the approved remit. This should normally be done annually, unless a multi-year deal has been agreed. Payment of salaries should also comply with the [Tax Planning and Tax Avoidance](#) section of the SPFM. Proposals on non-salary rewards will comply with the guidance in the [Non-Salary Rewards](#) section of the SPFM.
32. SSSC will also seek appropriate approval under the SG [Pay Policy for Senior Appointments](#) for the Chief Executive's remuneration package prior to appointment, annually or when a new appointment or change to the remuneration package is being proposed.

### **Pensions, redundancy and compensation**

33. Superannuation arrangements for staff are subject to the approval of Scottish Ministers. SSSC's staff will normally be eligible for a pension provided by the [Local Government Pension Scheme](#) (LGPS). Staff may opt out of the occupational pension scheme provided, but the employers' contribution to any personal pension arrangement, including stakeholder pension, will normally be limited to the national insurance rebate level.
34. Any proposal by SSSC to move from existing pension arrangements, or to pay any redundancy or compensation for loss of office, requires the prior approval of Scottish Ministers. Proposals on compensation payments will comply with the [Settlement Agreements, Severance, Early Retirement and Redundancy Terms](#) section of the SPFM. This includes referral to Scottish Ministers of any proposed severance scheme (for example, a scheme for voluntary exit),

business case for a settlement agreement being considered for an individual, or proposal to make any other compensation payment. In all instances, the SSSC should engage with the Sponsor Unit prior to proceeding with proposed severance options, and prior to making any offer either orally or in writing.

## **Strategic Plan and Operational Plan**

35. The SSSC will prepare a draft a [Strategic Plan](#) every 3 years setting out its strategic aims, objectives and targets over that period, for consideration by Scottish Ministers. When a new plan is to be prepared, the Chief Executive or their delegate will liaise with the Sponsor Unit to agree the key points to be addressed and the timetable for preparation and review. The final, agreed version of the Strategic Plan will be published on the SSSC website.
36. The strategic plan will include SSSC's:
  - purpose and principal aims;
  - contribution to the national outcomes set out in the [National Performance Framework](#), the [Programme for Government](#) and [Scotland's Economic Strategy](#) in collaboration with the SG and other public bodies;
  - analysis of the environment in which it operates;
  - key objectives and associated key performance targets for the period of the plan, and the strategy for achieving those objectives;
  - indicators against which its performance can be judged;
  - details of planned efficiencies, describing how better value for money will be achieved, including through collaboration and use of shared services; and
  - other key points agreed with the Sponsor Unit as described above.
37. The Strategic Plan will inform the development of a separate Annual Operational Plan for each financial year, which will include key targets and milestones for the year immediately ahead, aligned to the [National Performance Framework](#), and be linked to budgeting information so that, where possible, resources allocated to achieve specific objectives can be identified. A copy of the SSSC's Annual Operational Plan will be provided to the Sponsor Unit prior to the start of the relevant financial year. Meetings between the SSSC and SG to monitor progress against planned expenditure will be carried out as part of the normal cycle of the accountability meetings as agreed and undertaken with the Sponsor Unit.
38. The SSSC will operate management information and accounting systems that enable it to review, in a timely and effective manner, its financial and non-financial performance against the strategic outcomes and operational objectives set out in the [Strategic](#) and Operational Plans. The results of such reviews should be reported on a regular basis to the SSSC's Council and copied to the SG. The SG shall assess the SSSC's performance on a continuous basis and undertake a formal internal review at least twice a year.



The responsible Scottish Minister shall meet the SSSC's Convener at least once a year.

39. A timetable for the preparation of the plans is attached in [Annex B](#).

### **Annual report and accounts**

40. The SSSC will publish an annual report of its activities together with its audited accounts after the end of each financial year. The annual report and accounts will cover the activities of any corporate, subsidiary or joint ventures under the control of the SSSC. It will comply with the [Government Financial Reporting Manual](#) (FReM) and outline the SSSC's main activities and performance against agreed objectives and targets for the previous financial year. It is the responsibility of the Chief Executive, as Accountable Officer, to sign the accounts.
41. The accounts will be prepared in accordance with relevant statutes and the specific accounts direction 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 SSSC shall be consolidated in its accounts in accordance with International Financial Reporting Standards as adapted and interpreted for the public sector context.
42. The SG Sponsor Unit should receive a copy of the annual report for comment by 30 June, and a copy of the draft accounts for information, by 1 October. The final version should be available for laying before the Scottish Parliament by Scottish Ministers by 1 December. SSSC is responsible for the publication of the annual report and accounts after they have been laid by the Scottish Ministers. Whilst the statutory deadline for laying and publishing accounts audited by the Auditor General for Scotland (AGS) is 31 December after the end of the relevant financial year, the Scottish Ministers expect that accounts will be laid before the Scottish Parliament and published as early as possible. The SSSC is responsible for publication of the report and accounts on the SSSC website.

### **External audit**

43. The AGS audits, or appoints auditors to audit, the SSSC's annual accounts and passes them to Scottish Ministers who then lay them before the Scottish Parliament, together with the auditor's report and any report prepared by the AGS. The AGS, or examiners appointed by the AGS, may carry out examinations into the economy, efficiency and effectiveness with which the SSSC has used its resources in discharging its functions. The AGS may also carry out examinations into the arrangements made by the SSSC to secure [Best Value](#). The SSSC will instruct its auditors to send copies of all management reports (and correspondence relating to those reports) and responses to the Sponsor Unit.
44. The AGS, or the AGS's appointed auditors or examiners have a statutory right of access to documents and information held by relevant persons, including any contractors to or recipients of grants from SSSC. SSSC will ensure that this right of access to documents and information is made clear in the terms of



any contracts issued or conditions of any grants awarded and will also use its best endeavours to secure access to any other information or documents required which are held by other bodies.

## **Internal audit**

45. The SSSC will:

- establish and maintain arrangements for internal audit in accordance with the [Public Sector Internal Audit Standards](#) and the [Internal Audit](#) section of the SPFM;
- set up an Audit Committee of its Council, in accordance with the [Audit Committees](#) section of the SPFM, to advise both the Council and the Chief Executive in their capacity as the SSSC's Accountable Officer;
- ensure that the Sponsor Unit and the Portfolio Accountable Officer receive promptly after they are produced or updated: the audit charter, strategy, periodic audit plans and annual audit assurance report, including SSSC's appointed Internal Audit Lead's opinion on risk management, control and governance – and provide any other relevant audit reports as requested by sponsors;
- keep records of, and prepare and forward timeously to the SG, an annual report on fraud and theft suffered by the SSSC and notify the Accountable Officer immediately of any unusual or major incidents.

46. The SG's Internal Audit and Assurance Directorate has an expectation of cooperation and access to relevant material when required, the parameters for which would be set out in an engagement document before information was shared. SSSC should make it clear on their own [Privacy Notice](#) that material may be shared with SG's Internal Audit and Assurance Directorate in certain circumstances.

## **Budget management and delegated authority**

47. Each year the Sponsor Unit will send the Board a Budget Allocation and Monitoring letter, notifying SSSC of budget provision, any related matters and details of the budget monitoring information required. SSSC will comply with the format and timing of the monitoring information requested and with any requests for further information.

48. The statement of budgetary provision will set out the budget within the classifications of resource Departmental Expenditure Limits (RDEL), capital DEL (CDEL) and Ring-fenced (non-cash) (RfDEL) – and, where applicable, Annually Managed Expenditure (AME). These categories are explained in [Annual Budget Processing](#) in the SPFM, and SSSC will not transfer budgetary provision between the categories without the prior approval of the SG Finance Directorate, which should be sought via the Sponsor Unit. Transfers within categories are at the discretion of the Council or, subject to delegated authority, the Chief Executive, if these do not breach any other constraints, for instance the approved pay remit.

49. The SSSC will inform the Sponsor Unit at the earliest opportunity if a requirement for Annually Managed Expenditure (AME) budget is identified. The SG should also be advised in the event that estimated net expenditure is forecast to be lower than budget provision.
50. Where budgetary provision includes projected income, including any income from disposal of non-current assets, the Chief Executive will ensure that the SG Finance Directorate and Sponsor Unit are made aware promptly of any forecast changes in income – usually via the monthly budget monitoring statement. The Scottish Ministers expectation is that any shortfall in income will be offset by a matching reduction in gross expenditure, and prior approval from the SG Finance Directorate and the Sponsor Unit must be sought for any alternative arrangement. Similarly, if income is higher than originally projected, this may only be used for additional spending or to meet pressures with the prior approval of the SG Finance Directorate and Sponsor Unit. Failure to obtain prior approval for the use of excess income to fund additional expenditure may result in corresponding reductions in budgets for the following financial year. The only exception is where the income is from gifts, bequests and donations but this must be spent within the same financial year as the receipt. In any event, income from all sources and all planned expenditure should be reflected in the monthly budget monitoring statement.
51. SSSC's specific delegated financial authorities – as agreed in consultation between the Council and Scottish Ministers – are set out in [Annex A](#). The Council will obtain the prior written approval from the Sponsor Unit and SG Finance before entering into any undertaking to incur any expenditure that falls outside these delegations, and before incurring expenditure for any purpose that is or might be considered novel, contentious or repercussive or which has or could have significant future cost implications.

## **Governance and Risk**

52. Guidance on governance requirements is available in several documents referred to earlier in this framework document:
- [the Scottish Public Finance Manual](#) (SPFM)
  - [the Audit and Assurance Committee Handbook](#)
  - [On Board - A Guide for Members of Statutory Boards](#)
53. If in any doubt about a governance issue, the Convener or Chief Executive should consult the Sponsor Unit in the first instance, and the Sponsor Unit may in turn consult the SG Public Bodies Unit, the SG Governance and Risk Branch and/or other teams with relevant expertise.
54. The Council and Chief Executive are advised to pay particular attention to guidance on the following issues.

## **Risk management**

55. SSSC must develop an approach to **risk management** consistent with the [Risk Management](#) section of the Scottish Public Finance Manual and establish

reporting and escalation arrangements with the Portfolio Accountable Officer or Sponsor Unit.

56. The Council should have a clear understanding of the key risks, threats and hazards it may face in the personnel, accommodation and cyber domains, and take action to ensure appropriate **organisational resilience**, in line with the guidance in: [Preparing Scotland - Having and Promoting Business Resilience](#) and the [Public Sector Cyber Resilience Framework](#).

## Internal control

57. The Council should establish **clear internal delegated authorities** with the Chief Executive, who may in turn delegate responsibilities to other members of staff and establish an **assurance framework** consistent with the [internal control framework](#) in the SPFM.
58. **Counter-fraud** policies and practices should be adopted to safeguard against fraud and theft - see the [Fraud](#) section of the SPFM.
59. Any **major investment programmes or projects undertaken** should be subject to the guidance in the [Major Investment Projects](#) section of the SPFM and in line with delegated authorities. The Sponsor Unit must be kept informed of progress on such programmes and projects and Scottish Ministers must be alerted to any developments that could undermine their viability. ICT investment plans must be reported to the SG's Office of the Chief Information Officer.
60. SSSC must comply with the requirements of the [Freedom of Information \(Scotland\) Act 2002](#) and ensure that information is provided to members of the public in a spirit of openness and transparency. SSSC must also register with the [Information Commissioners Office](#) and ensure that it complies with the [Data Protection Act 2018](#) and the General Data Protection Regulations (GDPR).

## Budget and finance

61. Unless covered by a specific delegated authority, **financial investments** are not permitted without the prior approval of the Sponsor Unit and SG Finance. This includes equity shares in ventures which further the objectives of the SSSC. The SSSC shall not invest in any venture of a speculative nature.
62. Non-standard **tax management** arrangements should always be regarded as novel and/or contentious and must therefore be approved in advance by the Portfolio Accountable Officer and SG Finance. Relevant guidance is provided in the [Tax Planning and Tax Avoidance](#) section of the SPFM. The SSSC must comply with all relevant rules on taxation, including **VAT**, and recover input tax where it is entitled to do so.
63. It is the responsibility of the SSSC 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 SSSC must also ensure that it accounts properly for any output tax on sales or disposals.

64. **Optimising income** (not including Grant-in-Aid) from all sources should be a priority, and the Sponsor Unit should be kept informed about any significant projected changes in income. Novel or contentious proposals for new sources of income or methods of fundraising must be approved by the Sponsor Unit and SG Finance. Fees or charges for any services supplied must be determined in accordance with the [Fees & Charges](#) section of the SPFM. Registration Fees charged by the SSSC are subject to consent by Scottish Ministers in accordance with [Section 57 of Regulation of Care \(Scotland\) Act 2001](#).
65. **Gifts, bequests or donations** received score as income and should be provided for in the agreed resource DEL and capital DEL budgets, but should not fund activities or assets normally covered by SG Grant-in-Aid, trading or fee income, and conflicts of interest must be considered – see the principles in the [Gifts](#) section of the SPFM. Note that this relates to gifts to SSSC - gifts to individuals are covered in the [Model Code of Conduct](#) and [Code of Conduct for Members](#).
66. Borrowing cannot be used to increase the SSSC's spending power. All borrowing– excluding agreed overdrafts – shall be from Scottish Ministers in accordance with the [Borrowing, Lending & Investment](#) section of the SPFM.
67. Any lending must adhere to guidance in the [Borrowing, Lending & Investment](#) section of the SPFM on undertaking due diligence and seeking to establish a security. Unless covered by a specific delegated limit the SSSC must not **lend money, charge any asset, give any guarantee or indemnity, letter of comfort, or incur any other contingent liability** (as defined in the [Contingent Liabilities](#) section of the SPFM), whether or not in a legally binding form, without the approval of the Sponsor Unit and SG Finance. Guarantees, indemnities and letters of comfort of a standard type given in the normal course of business are excluded from this requirement.
68. An accurate and up-to-date record of **current and non-current assets** should be maintained, consistent with the [Property: Acquisition, Disposal & Management](#) section of the SPFM. SSSC is also subject to the [SG Asset Management Policy](#), including the requirement for acquisition of a new lease, continuation of an existing lease, decision not to exercise a break option in a lease or purchase of property for accommodation/operational purposes, to be approved in advance by Scottish Ministers. The Property Controls Team should be consulted as early as possible in this process.
69. Assets should be recorded on the balance sheet at the appropriate valuation basis in accordance with the FReM. Where an asset (including any investment) suffers **impairment**, when there is significant **movement in existing provisions** and/or where **a new provision needs to be created** this should be communicated to the Sponsor Unit and SG Finance as soon as possible to determine the implications for SSSC's budget.
70. Any **funding for expenditure on assets by a third party** should be subject to appropriate arrangements to ensure that they are not disposed of without prior consent and that a due share of the proceeds can be secured on disposal or

when they cease to be used by the third party for the intended purpose, in line with the [Clawback](#) guidance in the SPFM.

71. Unless covered by a specific delegated authority, prior approval from the Sponsor Unit and SG Finance is required before **making gifts or special payments or writing off losses**. Special payments and losses are subject to guidance in the [Losses and Special Payments](#) section of the SPFM. Gifts by management to staff are subject to guidance in the [Non-Salary Rewards](#) section of the SPFM.
72. Unless covered by a specific delegated authority, the SSSC shall not enter into any **financial, property or accommodation related lease arrangements** – including the extension of an existing lease or the non-exercise of a tenant's lease break – without the SG's prior approval from the Sponsor Unit. Before entering or continuing such arrangements, SSSC must be able to demonstrate that the lease offers better value for money than purchase, and that all options of sharing existing public sector space have been explored. Non-property or accommodation related operating leases are subject to a specific delegated authority. There must be capital DEL provision in the budget allocation for finance leases and other transactions which are in substance borrowing.
73. **Procurement** policies should reflect relevant guidance in the [Procurement](#) section of the SPFM and any other relevant guidance issued by the SG's Procurement and Property Directorate. The SG's directory of [SG Framework Agreements](#), is available to support organisations but they should check the Framework Agreement's 'buyer's guide' before proceeding to ensure they are eligible to use the Framework.
74. All matured and properly authorised **invoices** relating to transactions with suppliers should be paid in accordance with the [Expenditure and Payments](#) section of the SPFM wherever possible and appropriate within Scottish Ministers' target of payment within 10 working days of their receipt.
75. SSSC is subject to the SG 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 Sponsor Unit and their Finance Business Partner, subject to the level of inherent financial risk. In the event of uninsured losses being incurred the SG shall consider, on a case by case basis, whether or not it should make any additional resources available to the SSSC. The Sponsor Unit will provide a Certificate of Exemption for Employer's Liability Insurance.
76. Unless covered by a specific delegated authority, or permitted under the [Regulation of Care \(Scotland\) Act 2001](#), SSSC must not provide **grant funding to a third party** without prior agreement from the Sponsor Unit and SG Finance. 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. Subsidy control requirements for any such funding are discussed below.
77. The EU State aid regime was effectively revoked from UK law from 1 January 2021. Following this, subsidy control provisions were covered by the UK-EU



Trade and Cooperation Agreement (TCA) and the UK's international obligations, including various Free Trade Agreements and those arising as a consequence of World Trade Organisation membership. However, a new UK subsidy control regime came into force on 4 January 2023 as a result of UK Government's [Subsidy Control Act 2022](#). Currently, any activity that a public body undertakes itself, or funds other bodies to undertake, that can be offered on a commercial market for goods and services, is subject to the regulations set out in the Subsidy Control Act 2022. A full assessment is required prior to disbursing any funding, subject to the guidance in the [Subsidy Control](#) section of the SPFM.

## Remuneration

78. **Remuneration, allowances and any expenses paid to the Chair and Board Members** must comply with the latest [SG Pay Policy for Senior Appointments](#) and any specific guidance on such matters issued by the Scottish Ministers.
79. **Staff pay, pensions and any severance payments** must be in line with the requirements of Public Sector Pay Policy and the responsibilities described in the section on [NDPB Staff Management Responsibilities](#).
80. All individuals who would qualify as employees for tax purposes should be paid through the payroll system with **tax deducted at source**.

## Banking and cash management

81. **Banking** arrangements must comply with the [Banking](#) section of the SPFM.
82. **Cash management** arrangements need to be addressed as well as overall budget management. Any [Grant in Aid](#) (i.e. the cash provided to SSSC by the SG to support the allocated budget) for the year in question will be authorised by the Scottish Parliament in the annual Budget Act. SSSC will normally receive monthly instalments based on updated profiles and information on unrestricted cash reserves and will not seek any payment in advance of need. SSSC will keep its unrestricted cash reserves held during the year to the minimum level needed for efficient operation and any relevant liabilities which have to be met at the year-end. Grant in aid not drawn down by the end of the financial year will lapse. SSSC will not pay Grant-in-Aid into any restricted reserve it holds.

## Helpful information

83. The Public Bodies Support Unit has produced a register of reporting requirements for devolved public bodies which will help in regard to compliance with certain legislative asks. Copies of the register can be obtained from the [PBSU mailbox](#).

## ANNEX A: SPECIFIC DELEGATED FINANCIAL AUTHORITIES

		<b>Delegated Limit (all delegated limits exclude VAT)</b>
External business and management consultancies		<b>£100,000</b>
Non-competitive action		<b>Lower of £30,000 total contract value or £10,000 per annum</b>
Acquisition of Property Plant & Equipment and intangible assets – capital expenditure		<b>£25,000</b>
Operating leases – other than property/ accommodation related leases		<b>Lower of £50,000 over lease period or £10,000 per annum</b>
Gifts		<b>£200</b>
<b>Special payments:</b>		
Compensation payments (made under legal obligation, i.e. following a pronouncement by a recognised court or tribunal)		<b>£10,000</b>
Ex-gratia payments		<b>£200</b>
Extra–statutory and extra-regulatory payments		<b>£0</b>
Claims waived or abandoned		<b>£2,500</b>
<b>Write-off of bad debt and/or losses:</b>		
Loss of cash due to theft, fraud, overpayment of salaries, wages, fees, allowances, other causes		<b>£3,000</b>
Loss of equipment and property, due to theft, fraud, arson, fire, flood, motor vehicle accidents or damage to vehicles		<b>£3,000</b>
Irrecoverable debt (limit refers to accumulated irrecoverable debt for a legal entity)		<b>£10,000</b>



## **ANNEX B: TIMETABLE FOR THE SSSC'S ANNUAL OPERATIONAL PLANS AND FINANCIAL RETURNS**

### **The Annual Operational Plan**

1. The first year of the Strategic Plan, amplified as necessary, will form the Annual Operational Plan. The Annual Operational Plan for the year immediately ahead shall be consistent with the agreed Strategic Plan. The Annual Operational Plan shall be updated annually by the SSSC to include key targets and milestones for the forthcoming year, and shall be linked to budgeting information so that resources allocated to achieve specific objectives can be readily identified by the Sponsor Unit. A copy of the Annual Operational Plan will be submitted to the Sponsor Unit for information and comment prior to the beginning of the financial year in question.

### **Timetable for the Plans**

2. The timetable for the preparation of the plans is as follows:

January	Draft outline of plans
February	Discussions with key stakeholders, Council and Sponsor Unit and agreement on core grant with Sponsor Unit
February/March	Council discussion and approval with full plan available to Sponsor Unit
End March	Scottish Ministers to approve

### **Financial statements and returns**

3. The SSSC will provide the Sponsor Unit with:
  - The first of these statements which will be based on the financial position as at the end of April, showing for each of the main budget headings a total of the payments made and any receipts received in the previous month, together with the accumulated net payments to date and the balance of cash remaining available to the SSSC for the year.
  - Financial statements and outturns analyses will be submitted to the Department within 12 working days of the end of the calendar month.