

Registers of Scotland

RoS Board

8th March 2022

Financial Delegations Review

Purpose

1. To invite the Board to note the annual review of the financial delegations in operation.

Recommendation

2. The Board are invited to note the financial delegations set out in the paper.

Background

3. EMT has undertaken its annual review of the financial delegations. These were approved with no substantial changes, other than to add reference to the new process around forthcoming investments over £1 million. In response to the recent discussion around the significant digital investment in Pega licences, we have introduced a new process to share in advance with the Board through the March finance update, any procurement investment for the forthcoming financial year that is expected to be greater than £1 million.

4. The updated financial delegations are set out at Annex A, with the relevant extracts from the Framework document around financial delegations included at Annex B.

Head of Finance
13 January 2022

Annex A: Financial Delegations

Statutory authority to incur expenditure

1. The Keeper is authorised to make payments that are legally required in the exercise of her functions. The accountable officer has personal responsibility for safeguarding public funds and ensuring RoS complies with the Scottish Public Finance Manual. The keeper and the accountable officer delegate this authority to the executive management team members who, in turn, delegate financial authority to appropriate members of their teams. Annex A provides the relevant extracts from the framework document that set out these responsibilities.

Authority to incur expenditure – procurement limits

2. Procurement staff are authorised to commit funds and form contracts with suppliers and adhere to the limits in the first table below. The only exceptions to this are minor expenditure through the use of government procurement cards (GPC) and RoS/Scottish Government call-off contracts.

3. Staff raise requisitions on PECOS, the e-Procurement system, and these are approved by a relevant member of staff subject to the following limits:

Grade / Officer	Delegated Authority
Keeper and Accountable Officer	£1,000,000 and over
Other Executive Management Team	up to £1,000,000
C1 and C2	up to £500,000
SEO equivalents	up to £100,000
HEO equivalents	up to £60,000
EO equivalents	up to £30,000

4. The nature of the RoS Board is to advise on the overall strategy as appropriate; to inform this the Board will review the annual procurement plan contracts which are or in aggregate exceed £1m in the coming financial year. Financial authority for business case approval sits with the executive management team and is shown in the table below:

Grade / Officer	Delegated Authority
Executive Management Team	£1,000,000 and over
Executive Management Investment Board	up to £1,000,000
Business Portfolio Board	up to £500,000

5. Note that these authority levels apply to the total value of linked individual expenditure so that if an activity requires multiple payments to be complete then authority for the total payment is required before commencing the activity.

6. Business cases >£1m require approval of both the Keeper and the Accountable Officer. Business cases <£1m can be approved at Executive Management Team investment board if quorate, which could be either the Keeper or the Accountable Officer.

Government procurement card (GPC) limits

7. The monthly credit limit set for GPC users is £2,000, including VAT. All transactions are subject to procurement policy and are checked by procurement. Monthly credit limits can be increased with the approval of procurement.

Indemnity/compensation payments

8. Indemnity/compensation payments in excess of £10,000 are reported on a monthly basis to the policy and practice group. The Keeper's authorisation is obtained prior to making any offers or payments more than £30,000, or smaller amounts in cases which give rise to potential legal or reputational issues.

9. Approval on PECOS are subject to the following limits:

Grade / Officer	Delegated Authority
Keeper and Accountable Officer	£200,000 and over
C2 and above	up to £200,000
C1	up to £100,000
SEO equivalents	up to £60,000
HEO equivalents	up to £30,000
EO equivalents	up to £10,000

Payroll

10. The monthly payroll is authorised at Director level.

Annex B: Relevant Extracts from the Framework document May 2020

Role of the Keeper

1. The Keeper is responsible for the efficient and effective operation of RoS, for leading its staff, and for the statutory functions placed upon the Keeper in relation to the management, control and maintenance of the various public registers set out in Appendix 2, and such other registers which will be prescribed by Act of Parliament. The Keeper is not subject to the direction of the Scottish Ministers in relation to the exercise of the Keeper's statutory functions.

The Keeper must also:

- achieve such financial objectives as are determined by the Scottish ministers from time to time
- prepare for each financial year accounts of expenditure incurred in the fulfilment of the Keeper's functions, and income received
- arrange for an audit of the annual accounts by the Auditor General for Scotland in the appropriate time period
- lay RoS' annual report and accounts before the Scottish parliament, and arrange for their publication
- deal with freedom of information requests and data protection subject access requests
- promote the efficient, economic and effective use of staff and other resources by RoS, consistent with the principles of best value, including, where appropriate, participation in shared services arrangements

Role of the RoS accountable officer

2. The RoS Accountable Officer is appointed by the Permanent Secretary of the Scottish Government (as Principal Accounting Officer), in accordance with the terms of the Public Finance and Accountability (Scotland) Act 2000. (The Principal Accountable Officer may only designate a member of the staff of the Scottish Administration as the Accountable Officer; therefore, it is not possible for the Keeper, as the holder of an office in the Scottish Administration, to exercise the functions of Accountable Officer.)

3. The RoS Accountable Officer is personally responsible for the safeguarding of public funds, for ensuring propriety and regularity in the handling of those funds, and for ensuring that RoS complies with the requirements of the Scottish Public Finance Manual (SPFM). The full range of responsibilities of the Accountable Officer is set out in the Memorandum to Accountable Officers for Parts of the Scottish Administration, published in the SPFM.

4. The RoS Accountable Officer may consult with the relevant Director General (DG) (as portfolio Accountable Officer) on any aspect of the duties applying to Accountable Officers in the Scottish government and will consult the DG on any action which that person considers is inconsistent with their duties on financial, regulatory or propriety grounds and specifically where they seek a written authority from the Scottish Ministers in terms of the SPFM or a direction from the Keeper.

Financial planning and control

5. RoS income and expenditure budget is agreed by the Scottish Parliament as part of the Scottish Consolidated Budget. RoS is responsible for preparing and managing its budget for each financial year. RoS must comply with the rules under the Scottish Consolidated Fund and the Scottish Governments' in year budget monitoring and management procedures.
6. Scottish Government must ensure that funding is provided to cover (i) compensation payments, including the Keeper's warranty; and (ii) costs in years where expenditure exceeds income.
7. Compensation payments including the Keeper's warranty are paid from the Scottish Consolidated Fund. It is the Keeper's responsibility as an independent non-ministerial office-holder to determine the level of compensation payment for claims. This responsibility includes out of court settlements, and implementing the outcome of a judicial ruling in the event that a case has been to court. RoS report compensation payments to the Scottish Government via the monthly accounts monitoring process.
8. RoS also sets out a scheme of delegated authority by which financial and management responsibilities are cascaded to appropriate levels within the organisation. The scheme of delegation, which reflects the requirements of the SPFM, is reviewed by the RoS board each year and reported in board minutes, which are published on the RoS website.
9. RoS has established and will maintain appropriate financial procedures in accordance with the principles of the SPFM and will ensure that appropriate counter-fraud, anti-bribery arrangements, IT security and whistle-blowing policies are in place in accordance with this guidance.
10. RoS has established internal audit mechanisms in accordance with the objectives and standards laid down in the Government Internal Audit Manual.
11. RoS is subject to external audit by the Auditor General for Scotland (AGS) or by auditors appointed by the AGS.
12. Scottish Government reimburses the Keeper for expenditure incurred around agreed development and ongoing support costs relative to the Scottish Landlord Register and the Scottish Letting Agent Register.
13. The funding for the creation and maintenance of any new Registers for which the Keeper will have statutory duties is provided by the Scottish Government, or relevant funding body.