



Scottish Public
Pensions Agency
Buidheann Peinnseanan
Poblach na h-Alba

Scheme of Financial Delegation

October 2024

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1. Introduction

The SG has put in place a Scheme of Delegation detailing internal structures for the delegation of authority to senior executives across the SG. This includes the option of further sub-delegation as and when considered appropriate. SPPA as an organisation to which the [Scottish Public Finance Manual \(SPFM\)](#) is directly applicable must establish and maintain documented internal delegated authority arrangements appropriate to its circumstances. It is, however, for Accountable Officers to determine precisely how authority should be delegated to individual managers.

SPPA adopts the principles of the SG Scheme of Delegation. The delegation of financial responsibilities is linked to the Framework Document which sets out the key relationships between SPPA and the core SG. The delegation contained within this document has been approved by the core SG. The prior approval of the relevant SG finance official (e.g. SG's Chief Financial Officer (CFO)) is necessary with regard to novel, contentious or repercussive financial transactions, even if they fall within delegated limits. The SG's CFO is the SPPA's Chief Executive line manager and SPPA's 'Fraser Figure'.

Within an agreed overall budgetary provision, SPPA has delegated authority as set out below. These delegations support a system of delegated budgeting within SPPA. Such delegations are subject to the guidance contained in the SPFM and Scottish Public Procurement Manuals and are referred to in the [Agency's Framework Document](#).

2. Write-off costs and compensation payments

The Chief Executive has unlimited authority to commit expenditure and authorise payments except for the authorisation of write-offs where a limit of £25,000 applies for individual losses/payments falling within any of the categories specified

in the SPFM. Special payments include extra- contractual, regulatory and statutory payments and ex-gratia payments.

Special rules apply if payments are made in connection with severance, early retirement and redundancy.

Individual Heads of Department may commit write-off and compensation payments subject to a limit of £5000.

Finance B and C Band staff may commit write-offs up to a limit of £250.

3. Contingent liabilities

The Chief Executive also has the authority to incur contingent liabilities subject to the Scottish Government's CFO being consulted about any proposals to incur contingent liabilities outside the normal course of business. It is necessary to maintain a record of contingent liabilities in order to assist with the compilation of notes to the accounts.

The accounting standard definition of a contingent liability is as follows:

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or
- a present obligation that arises from past events but is not recognised because it is not probable that a transfer of economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

In terms of SPPA the particular contingent liabilities that would apply are those which are essentially legally enforceable undertakings given in the form of:

- a guarantee or indemnity which would bind the SPPA or SG into providing the resources in the event of the guarantee or indemnity maturing
- or a letter or general statement of comfort which could be considered to impose a moral financial obligation on SPPA or SG

- undertakings to meet costs resulting from a guarantee or indemnity which will inevitably arise in the future even though the amount and timing may be unknown.

Examples of contingent liabilities arising in the normal course of business are:

- contingent liabilities resulting from non-insurance. As a general rule the government bodies only purchases commercial insurance where this would be more cost effective than non-insurance. Contingent liabilities resulting from non-insurance do not need to be reported where they arise in connection with activities for which parliamentary authority exists.
- contingent liabilities arising in the course of the purchase or supply of goods and services in the discharge of SPPA's business as authorised by the Framework Agreement.

4. Administrative costs

In the absence of the Chief Executive, a nominated individual may authorise expenditure according to the Chief Executive's limit. The limits for authorising and paying administrative costs are set out in Annex A

5. Annex A – Authorised Limits

Category	Chief Executive	Heads of Department	Others
Contingent liabilities	Unlimited subject to the CFO being consulted about proposals to incur contingent liabilities outside the normal course of business	None	None
Let contracts	Up to £2 million. CFO consultation is required for sums above this amount. Up to £50,000 for non-competitive action Over £50,000 CFO permission is required	Up to £100,000 from delegated budget where funds are available	Customer Services CIs : Up to £50,000 from delegated budget where funds are available unless specified.
Commission consultants	Up to £50,000. Above £50,000. Submissions for approval must be endorsed by the Chief Executive. Expenditure must be approved by the Cabinet Secretary for Finance <i>[Consultancy procedures v1.7Mar2017]</i>	None	None

Category	Chief Executive	Heads of Department	Others
<p>Authorise losses and special payments</p>	<p>Unlimited except for the following categories which are subject to a limit of £25,000:</p> <ol style="list-style-type: none"> 1. Special payments claims waived or abandoned 2. Losses arising from failure to make adequate charges for services/use of property <p>CFO consultation is required for individual payments above the £25,000 threshold</p>	<p>Up to £5000 where funds are available in delegated budget.</p>	<p>Finance B2s and above: Up to £250 for write-offs</p>
<p>Authorise capital expenditure</p>	<p>Unlimited except for: A limit of £250,000 for the basic cost of computer purchases/projects, use of the computer services industry</p>	<p>Up to £250,000 where funds are available in the delegated Capital budget except for: a limit of £100,000, where funds are available in the delegated Capital budget and where the Director of Digital Transformation and IT Operations has given approval, for the basic costs of computer purchases/projects, use of the computer services industry</p>	

Category	Chief Executive	Heads of Department	Others
Authorise invoices except IT maintenance invoices	Unlimited	Up to £100,000	CIs: up to £10,000 Facilities Manager: up to £ 7,500 (B1 minimum)
Authorise IT maintenance	Unlimited	up to £100,000 (Head of Digital Transformation and IT Operations only)	
Travel and Subsistence expense claims	Unlimited countersigning authority Personal claims require CFO approval	Countersign up to £1,000	Countersign up to £250 (all B2s and above)