



Scottish Public  
Pensions Agency  
Buidheann Peinnseanan  
Poblach na h-Alba

# Scheme of Financial Delegation

April 2026

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## Version Control

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	November 2024	V3.0 (post Audit review)
	June 2025	V4.0 (to reflect Oracle, SG Policy and Budgetary Delegation)
	April 2026	V4.1 (to reflect revised management structure, together with updated (albeit unchanged) Procurement Guidance on consultancy costs and clarification from SG Finance on SG CFO responsibilities.)

## 1. Introduction

The Scottish Government's (SG) [Scheme of Delegation](#) sets out the internal structures for delegating authority to senior executives across the SG. Within the agreed overall budgetary provision, and subject to the [Scottish Public Finance Manual](#) and Scottish procurement policy handbook, the Chief Executive of SPPA, as Accountable Officer, has delegated financial authority as set out in Annex A to the [Framework Document](#) between the SG and the SPPA.

The SG Scheme of Delegation includes the option of further sub-delegation as and when considered appropriate. The SPPA adopts the principles of the SG Scheme of Delegation and this document fulfils the SPPA's responsibility to establish and maintain documented internal delegated authority arrangements appropriate to its circumstances.

## 2. Financial authority, responsibility, and budgetary delegation

The Chief Executive is the Accountable Officer and is responsible for the propriety, regularity and good financial management of expenditure by the SPPA. As set out in the Framework Document, the Chief Executive has unlimited authority to commit expenditure and authorise payments within the overall budgetary position agreed with the SG, except for:

- a) the authorisation of write-offs and compensation payments for which limits apply as set out below; or
- b) any novel, contentious or repercussive (NCR) financial transactions (i.e. those having potentially wider, precedent-setting implications) or where incurring contingent liabilities outwith the normal course of business where the prior approval of the relevant SG finance official (e.g. SG's Chief Financial Officer) is still necessary even if they fall within delegated limits.

The Chief Executive can delegate financial management responsibilities to the

Executive Team through a formal authorisation note. The authorisation note delegates authority for a proportion of SPPA's overall budget that can then be used to deliver the areas of work for which the budget holder has lead responsibility.

The authorisation note should be issued at the start of the financial year. It may be subject to amendment through the course of the financial year, given the need to work collaboratively across the Agency and optimise the use of corporate resources.

In addition, this document sets out delegations for write offs and compensation payments, capital expenditure, and administrative costs (contracts for supplies and services, consultancy expenditure, and travel and subsistence claims) – which do not need to, but can be, set out in the delegation authorisation notes.

This scheme of delegation and the authorisation notes support the [Certificates of assurance](#) process that enable the Accountable Officer to discharge his responsibilities in relation to the signing off the Governance Statement in the SPPA's Annual Report and Accounts.

### 3. Write-off costs and compensation payments

The Chief Executive has authority to authorise write-offs up to a limit of £25,000 for individual losses/payments falling within any of the categories specified in the SPFM.

As stated 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 Executive Team members and the SPPA Chief Finance Officer may

authorise 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.

## 4. Contingent liabilities

The Chief Executive can incur contingent liabilities subject to the SG CFO being consulted about any proposals outside the normal course of business. A record of contingent liabilities must be maintained to support the compilation of notes to the accounts.

The accounting standard definition of a contingent liability is:

- 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 contingent liabilities that are likely to be incurred are:

- **those 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.
- **those resulting from non-insurance:** as a general rule 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 exist
- **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
- a letter or general statement of comfort which could be considered to impose a moral financial obligation on SPPA or SG; or
- 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.

## 5. Expenditures

The limits for authorising and paying administrative costs such as contracts for supplies and services, consultancy expenditure, and travel and subsistence claims are set out in Annex A – Authorised Limits, alongside the limits for write offs and compensation, contingent liabilities, and capital expenditure.

In the absence of the Chief Executive, the Deputy Chief Executive may authorise expenditure according to the Chief Executive’s limit.

## 6. Annex A – Authorised Limits

Category	Chief Executive (or, in the absence of, Deputy Chief Executive)	Deputy Chief Executive, Executive Team and Heads of Department	Others
Contingent liabilities	Unlimited subject to the SG CFO being consulted about proposals to incur contingent liabilities outside the normal course of business	None	None
Contracts for supplies and services	<p>Between £1m and £10m, SG CFO consultation and permission is required, with copy to Permanent Secretary, Portfolio Cabinet Secretary and Minister for Public Finance.</p> <p>Up to £50,000 for non-competitive action Over £50,000 SG CFO permission is required</p>	Up to £100,000 from delegated budget where funds are available	C grade staff : Up to £50,000 from delegated budget where funds are available unless specified.

<p>Consultancy expenditure</p>	<p>Between £10,000 and £50,000, expenditure must be approved at Chief Executive level. For above £50,000, submissions for approval must be endorsed by the Chief Executive. Expenditure must be approved by the Cabinet Secretary for Finance [ <a href="#">Procurement - use of consultants: guidance - gov.scot</a>; v2.0 05 March 2026]</p>	<p>None</p>	<p>None</p>
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Category	Chief Executive (or, in the absence of, Deputy Chief Executive)	Deputy Chief Executive, Executive Team and Heads of Department	Others
Authorise losses and special payments SPFM <a href="#">Annex: losses and special payments - Scottish Public Finance Manual - gov.scot</a>	Unlimited except for the following categories which are subject to a limit of £25,000:  1. Special payments claims waived or abandoned 2. Losses arising from failure to make adequate charges for services/use of property SG CFO consultation is required for individual payments above the £25,000 threshold	Up to £5000 where funds are available in delegated budget.	Finance B2s and above: Up to £250 for write-offs

<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>The Permanent Secretary has instructed that all expenditure over £100k should be reviewed by the Accountable Officer; otherwise: 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 SG 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>	
<p>Travel and Subsistence expense claims</p>	<p>Unlimited countersigning authority Personal claims require approval by SG DG Corporate</p>	<p>Countersign up to £1,000</p>	<p>Countersign up to £250 (all B2s and above)</p>

In accordance with SG policy, SPPA also adheres to the following in relation to the purchase of goods and services through the SG Oracle Cloud financial system:

The table below outlines approval levels for requisitions:

<b>Responsibility</b>	<b>Approval Level</b>	<b>Band</b>
Preparer	None	Generally, A3, A4
Approver 1	£0 - £5,000	B1
Approver 2	£5,000.01 - £50,000	B2
Approver 3	£50,000.01 - £100,000	B2 or B3 depending on business area roles
Approver 4	£100,000.01 - £250,000	C1 and above
Approver 5	£250,000.01 and above	C1 and above