

SCOTTISH AMBULANCE SERVICE FRAMEWORK DOCUMENT

**SCOTTISH GOVERNMENT HEALTH AND SOCIAL
CARE DIRECTORATES**

Version 2.0 [23.02.2024]



Scottish Government
Riaghaltas na h-Alba
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DOCUMENT VERSION CONTROL & SIGNATORIES

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			Scottish Ambulance Service Board
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Introduction

1. This framework document is agreed between the Scottish Ambulance Service NHS Board (SAS) (commonly known as the Scottish Ambulance Service) and the Scottish Ministers. It summarises how SAS and Scottish Government (SG) will work together, and the key roles and responsibilities of:

- the Board
- the Chief Executive and Accountable Officer of SAS;
- the Scottish Ministers; and
- the Portfolio Accountable Officer within the SG whose remit includes SAS.

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 by SG and SAS regularly, and at least every 2-3 years. Any significant changes will be agreed between the Board and the Scottish Ministers.

2. Any question regarding the interpretation of the document will be determined by the SG after consultation with SAS. Legislative provisions take precedence over any part of the document.

3. SAS is not permitted to establish any subsidiaries or enter into joint ventures without express approval from Scottish Ministers.

4. Copies of the document will be published on the SAS website.

Purpose

5. SAS is a Special Health Board, constituted by the Scottish Ministers under the Scottish Ambulance Service Board Order 1999 (1999 Order) using powers in the National Health Service (Scotland) Act 1978. SAS does not carry out its functions on behalf of the Crown. The 1999 Order and 1978 Act set out a number of functions that are held by SAS. This legislation sits within a wider legislative context, within which, among other things, SAS is subject to legal requirements with which it must comply.

6. The functions of SAS include:

contributing to the achievement of the Scottish Ministers' objectives and priorities by aligning its aims and objectives with the [National Performance Framework](#), [Scotland's Economic Strategy](#) and [Programme for Government](#).

- Providing, throughout Scotland, an ambulance service staffed, trained and equipped to:
 - receive, record and respond to all messages, whether by 999 call or by another means, notifying injury or illness and seeking the attendance of an ambulance;

- administer any necessary life-sustaining immediate care and stabilising to people who are ill or injured and to prepare them for transport, if required;
- transport, and care for in transit, patients to, from and between hospitals or other healthcare facilities.

7. At the frontline of NHS Scotland, SAS provides an emergency, unscheduled and scheduled service to people across mainland Scotland and its island communities. As a national Board, they offer a vital link for patients and the wider NHS, supporting service change and development through a paramedic-led emergency service with enhanced clinical skills and competencies. Their core function is to respond to patients when they need them, provide clinical treatment and care, and ensure patients are routed quickly and efficiently to the care they need. Following the Service's 2020 Strategy 'Taking Care to the Patient' and the emerging [2030 Strategy](#), the service ambitions, building upon these core functions, have also recognised SAS's unique role in public safety, health care and public health and as a mobile service meeting the needs of the population in every community 24 hours a day, 7 days a week. In addition, the advancement in the "see and treat" and "hear and treat" response to patients avoids unnecessary admissions to hospital with paramedics supporting primary care services as part of their multi-disciplinary teams.

- SAS must also develop clinical governance so as to ensure that quality of patient care is given the highest priority, within available resources, at every level in the SAS;
- support area Health Boards, Health and Social Care Partnerships and Integrated Joint Boards by providing, deploying and operating resources within their areas in a manner that is supportive of, and in partnership with, the plans and priorities of the area Health Boards as set out in their Local Delivery Plans, in their Emergency Plans, or otherwise as necessary to ensure the co-ordinated provision of healthcare service in their areas; ensure patients with a medical need are transported to and from their appointments.

Medical need is defined as:

- where a medical condition is such that patients require the skills or support of Patient Transport Service staff on/after the journey and/or where it would be detrimental to their condition or recovery if they were to travel by other means;
- where a medical condition impacts on a patient's mobility to such an extent that they would be unable to access health care and/or it would be detrimental to their condition or recovery to travel by other means.

SAS's strategic aims, objectives and key targets are agreed with the Scottish Ministers as part of the corporate planning process.

The affairs of the SAS are managed by a "Management Committee", comprising the members of the SAS, including the Chair, and referred to as "the Board". The Board is supported by the following sub-committees :-

- Audit & Risk Committee – assists the Board in delivering its responsibilities by providing assurance that an appropriate system of internal control has been implemented and is operating effectively;
- Clinical Governance Committee – scrutinises all parts of SAS operation to ensure that clinical governance mechanisms are in place and effective throughout all SAS services;
- Remuneration Committee – ensures the application and implementation of fair and equitable pay systems on behalf of the Board as determined by Scottish Ministers and the SG; and
- Staff Governance Committee – supports and maintains a culture within SAS where the delivery of the highest possible standard of staff management is understood to be the responsibility of every employee and is built upon partnership working and collaboration, and within the direction provided by the Staff Governance Standard.
- In July 2019 the Performance and Planning Steering Group was established as the main performance scrutiny body prior to submission of performance reports to the Board. This Steering Group, with an open invite to Non-Executive Board members, receives and scrutinises both the operational and corporate performance of the organisation on behalf of the Board ensuring all activities are aligned to the Board's corporate objectives and SG priorities.
- The Board is empowered to exercise, among other functions, the functions of the Scottish Ministers in relation to the provision of ambulances and other means of transport conferred by section 45 of the National Health Service (Scotland) Act 1978 .
- takes precedence over any summary included in the framework document.

Governance and Accountability

8. This section summarises the specific responsibilities and accountabilities of the key people involved in governance of SAS.

The Board

9. Members of the Board, including the Chair, are Executive Members and non-executives appointed by the Scottish Ministers in line with the [Code of Practice for](#)

[Ministerial Appointments to Public Bodies in Scotland](#) . The Board are accountable to the Scottish Ministers and also to the Scottish Parliament and may be required to give evidence to Parliamentary Committees.

10. The Board has overall responsibility for the delivery of the functions of SAS, as set out above, in accordance with the aims, policies and priorities of the Scottish Ministers. The Board has corporate responsibility, under the leadership of the Chair, to:

- a. set strategic plans to deliver the functions of SAS, focusing on how the work of SAS can most effectively contribute to achievement of the outcomes in the [National Performance Framework](#), the [Programme for Government](#) and Scotland's Economic Strategy in collaboration with the SG and other public bodies;
- b. regularly scrutinise current and projected performance against the aims, objectives and targets set out in plans and take decisions on remedial action where required;
- c. ensure that effective governance is established and maintained, including ensuring that decision-taking is open and transparent and, with support from the Accountable Officer and the Audit and Risk Committee, ensure that key risks are identified and managed;
- d. approve the annual report and accounts and ensure these are provided to the Scottish Ministers to be laid before the Scottish Parliament;
- e. 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;
- f. promote the wellbeing, learning and development of staff, provide support and challenge to the Chief Executive on staffing matters and ensure that SAS meets the SAS staff management responsibilities described in the section below.

Further guidance on how the Board should discharge its duties is provided in appointment letters and in [On Board - A Guide for Members of Statutory Boards](#).

11. The Chair will:

- a. lead the Board, ensuring that all Board members have suitable induction to understand the role and their responsibilities, that the skills and experience of all Board Members are used effectively and that the Board undertakes regular self-assessment of its performance;
- b. ensure that the performance of each Board member is reviewed at least once per year and that the Board and/or individual Board members undertake development activity when required to ensure the effectiveness of the Board;
- c. ensure that the Board reviews its effectiveness annually;

- d. 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 Standards Commission](#);
- e. 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.

12. Specific guidance on how the Chair and Board Members should discharge their duties will be provided in their appointment letters and [On Board – A Guide for Members of Statutory Boards](#). Guidance on governance good practice is available in the Scottish Public Finance Manual [Scottish Public Finance Manual](#) and from the Sponsor Team, 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.

Individual Board Members' Responsibilities

13. Individual Board Members should act in accordance with the responsibilities of the Board as a whole and comply at all times with the [Model Code of Conduct](#) adopted by SAS 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 SAS by the Scottish Ministers but also any other funds falling within the stewardship of SAS, including trading and investment income, gifts, bequests and donations.

The Chief Executive

14. The Chief Executive is employed and appointed by the Board, with the approval of the Scottish Ministers and is the principal adviser to the Board on the discharge of its functions and is accountable to the Board. The Chief Executive role is to provide operational leadership and day to day management of SAS and its workforce, and to ensure that its aims and objectives are met, its 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 Chair and used in appraisal of the Chief Executive's performance.

16. In addition to any other specific duties, the Chief Executive will:

- a. advise the Board 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 the Scottish Ministers;

- b. implement or oversee implementation of the decisions of the Board;
- c. work with the Board on preparation of the Corporate Plan, including liaising with the Senior Sponsor and/or Sponsor Team on key points which need to be addressed and the timetable for preparation and review, and work with the Board to ensure that business plans are put in place to meet the Corporate Plan aims, objectives and performance measures;
- d. lead and manage the staff of SAS, ensuring their wellbeing, learning and development are prioritised, and ensuring that the SAS staff management responsibilities set out in the section below are addressed;
- e. manage the budget for SAS in line with Scottish Government Finance guidance, policies and procedures, including the Scottish Public Finance Manual [Scottish Public Finance Manual](#) , and advise the Board on financial implications of all Board decisions, ensuring that appropriate financial appraisal and evaluation techniques are followed (see the [Appraisal and Evaluation](#) section of the SPFM);
- f. agree with the Board and the Portfolio AO or Senior Sponsor what information is required to enable the Board and SG to scrutinise the performance of SAS and progress against overall strategic and business plan aims and objectives, and ensure that the agreed information is provided and that is both accurate and timely;
- g. the Chief Executive's Executive Team will manage the day-to-day relationship with the Senior Sponsor and/or Sponsor Team, with other SG officials who have an interest in the work of SAS and other key stakeholders, including staff of other public bodies.

17. In advising the Board, the Chief Executive will ensure that the key governance issues highlighted in the section on Governance and Risk below are addressed

The Accountable Officer

18. The Principal Accountable Officer for the Scottish Administration will designate a senior official in SAS, usually the Chief Executive unless there are specific reasons not to, as the Accountable Officer. The Accountable Officer is personally responsible for the propriety and regularity of the public finances of SAS 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 and 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 full in the [Memorandum to Accountable Officers for Other Public Bodies](#) in the Scottish Public Finance Manual.

19. It is important for the Chair and Board 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 and send a copy of the written authority to the Auditor General for Scotland as soon as possible and to the Clerk of the Public Audit Committee. The Accountable Officer should consult the Portfolio Accountable Officer before seeking written authority from the Board in these circumstances and should always notify the Portfolio Accountable Officer when such a written authority has been issued.

20. Where the duties of the Accountable Officer and the Chief Executive are not combined in one person, the Accountable Officer will work closely with the Chief Executive on governance, and in particular to ensure that the key governance issues highlighted in the section on Governance and Risk below are addressed.

The Scottish Ministers

21. The Scottish Ministers appoint the Chair and Board Members and hold the Board to account for the performance of SAS and its use of resources. Ministers are ultimately accountable to the Scottish Parliament for ensuring that the Board is discharging its duties effectively, although the Parliament will scrutinise the performance of SAS directly as it does with all public sector bodies. The Scottish Ministers are not directly responsible for the operation of SAS.

22. The Scottish Ministers will:

- a. agree the strategic aims, objectives and key targets of SAS as part of the corporate planning process;
- b. agree the budget for SAS, and secure the necessary Parliamentary approval;
- c. approve the Code of Conduct of the Board;
- d. approve pay remits or proposals and superannuation arrangements for the staff, Chief Executive, Chair and Board members;
- e. lay the accounts of SAS before the Scottish Parliament.

SG Portfolio Accountable Officer

23. The Principal Accountable Officer for the Scottish Administration (the Permanent Secretary of the SG) has designated the Director General for NHS Recovery, Health and Social Care as the Portfolio Accountable Officer (AO) for the SG portfolio budget which will provide funding for SAS.

24. The Portfolio AO's duties are to establish a framework for the relationship between SG and a public body, oversee the operation of that framework, ensure the public appointments to the body are made appropriately and ensure that appropriate assurance is provided on the performance and governance of the body. 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 as Senior Sponsor and/or to other SG officials in a 'Sponsor Team'. The responsibilities of a Portfolio Accountable Officer are set out in detail in the [Memorandum to Accountable Officers for Parts of the Scottish Administration](#).

25. The Portfolio AO will:

- a. make sure this framework document is agreed between the Scottish Ministers and the Board, reviewed regularly and oversee the operation of the roles and responsibilities set out;
- b. ensure that financial and other management controls being applied by SAS are appropriate and sufficient to safeguard public funds and conform to the requirements both of propriety and of good financial management;
- c. in line with [Code of Practice for Ministerial Appointments](#), ensure that public appointments are made in good time and secure appropriate skills, experience and diversity amongst Board members, working with the Chair 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 Chair;
- d. support regular and effective engagement between SAS and the relevant Scottish Minister(s); and
- e. make sure there is clear, documented delegation of responsibilities to a Senior Sponsor and/or Sponsor Team and that the Board and senior officials of SAS are aware of these delegated responsibilities.

26. The Portfolio AO remains personally answerable to the Scottish Parliament for the effectiveness of sponsorship activity.

Relationship between Scottish Government and SAS

27. Strategic engagement between the SG and SAS 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 the SG and SAS will take all necessary steps to ensure that their relationship is developed and supported in line with the jointly agreed principles set out in this framework agreement.

Scottish Government Director/ Deputy Director as Senior Sponsor

28. The Director and Deputy Director of Primary Care have responsibility for overseeing and ensuring effective relationships between the SG and SAS which support alignment of the SAS's business to the SG's Purpose and National Outcomes and high performance by SAS. They will work closely with the SAS Chief Executive and be answerable to the Portfolio AO for maintaining and developing

positive relationships with SAS characterised by openness, trust, respect and mutual support. They will be supported by a sponsor unit (the “Sponsor Team”) in discharging these functions.

The Sponsor Team

29. The Sponsor Team’s primary function is to carry out the responsibilities delegated to it by the Portfolio AO, directly or via the Senior Sponsor, as described above. In addition to ensuring that the arrangements in this framework document operate effectively, managing public appointments and providing assurance to the Portfolio AO, the Sponsor Team will usually be the first point of contact for the body on any issue with SG. As part of the assurance they provide to the Portfolio AO, they must ensure that key actions and decisions agreed are documented and implemented. This includes ensuring that SG teams implement any agreed actions.

Sponsor Team responsibilities include:

- discharging sponsorship responsibilities in line with the principles and framework set out in this framework agreement. and ensuring that sponsorship is suitably flexible, proportionate and responsive to the needs of the Scottish Ministers and SAS;
- ensuring that appointments to the Board are made timeously and, where appropriate, in accordance with the [code of practice](#) for Ministerial Appointments to Public Bodies in Scotland.
- proportionate monitoring of SAS’s activities through an adequate and timely flow of appropriate information, agreed with SAS, on performance, budgeting, control and risk management;
- addressing in a timely manner any significant problems arising in the SAS, alerting the Portfolio AO and the responsible Minister(s) where considered appropriate;
- ensuring that the objectives of SAS and the risks to them are properly and appropriately taken into account in the SG’s risk assessment and management systems;
- informing SAS of relevant SG policy in a timely manner;

The Sponsor team will meet regularly with SAS, with a programme of engagements including

- bi-monthly operational meetings with relevant SG and SAS stakeholders
- quarterly Strategic Sponsorship meetings, which will include the Bi-Annual, Mid-Year and Annual Reviews

- 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, management and other expertise necessary to achieve SAS'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 and how to use;

Pay and conditions of service

33. SAS 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.

34. SAS 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

35. Superannuation arrangements for staff are subject to the approval of the Scottish Ministers. SAS staff will normally be eligible for a pension provided by the NHS Pension (Scotland) 2015 Scheme. 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.

36. Any proposal by SAS to move from existing pension arrangements, or to pay any redundancy or compensation for loss of office, requires the prior approval of the 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 the 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, a body should engage with the Sponsor Team prior to proceeding with proposed severance options, and prior to making any offer either orally or in writing.

Corporate and business plans

37. SAS will prepare a draft strategic or corporate plan every 3 to 5 years setting out its strategic aims, objectives and targets over that period, for consideration by the Scottish Ministers. When a new plan is to be prepared, the Chief Executive or their delegate will liaise with the Sponsor Team to agree the key points to be addressed and the timetable for preparation and review. The final, agreed version of the strategic or corporate plan will be published on the SAS website.

38. The strategic or corporate plan will include SAS's:

- purpose and principal aims;
- contribution to the national outcomes set out in the [National Performance Framework](#) [National Performance Framework | 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 Team as described above.

39. The Delivery Plan will inform the development of a separate financial and workforce 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 Annual Delivery Plan supported by a financial plan and a workforce plan will be provided to the sponsor unit prior to the start of the relevant financial year.

Annual report and accounts

40. SAS 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 SAS. It will comply with the [Financial Reporting Manual](#) (FReM) and outline SAS'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 the Scottish Ministers. Any financial objectives or targets set by the Scottish Ministers should be reported on in the accounts and will therefore be within the scope of the audit.

42. The SG Sponsor Team should receive a copy of the annual report for comment, and a copy of the draft accounts for information by 30 June each year. SAS 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 AGS is 31 December, after the end of the relevant financial year, the Scottish Ministers expect that accounts will be laid before Scottish Parliament and published as early as possible.

External audit

43. The Auditor General for Scotland (AGS) audits, or appoints auditors to audit, SAS's annual accounts and passes them to the 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 also carry out examinations into the economy, efficiency and effectiveness with which the body has used its resources in discharging its functions and/or carry out examinations into the arrangements made by SAS to secure Best Value.

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 SAS. SAS 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. SAS 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 Board, in accordance with the [Audit Committees](#) section of the SPFM, to advise both the board and the Accountable Officer;
- ensure that the Sponsor Team and the Portfolio AO/Senior Sponsor receive promptly after they are produced or updated: the audit charter, strategy, periodic audit plans and annual audit assurance report, including the Head of Internal Audit opinion on risk management, control and governance – and provide any other relevant audit reports as requested by sponsors;

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. SAS 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.

The information engagement document will also recognise the need for further controls relating to internal audits reports which, depending on the contractual arrangements with SAS and the internal audit provider, will affirm that these reports have not been prepared for the use or benefit of a third party including SG's Internal Audit and Assurance Directorate. The reports can be released through an arrangement that will involve approval by the Internal Audit provider and SAS - all of which will be described and agreed within the information engagement document.

Budget management and delegated authority

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

47. 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 SAS will not transfer budgetary provision between the categories without the prior approval of the SG Finance Directorate, which should be sought via the Sponsor Team. Transfers within the categories are at the discretion of the Board or, subject to delegated authority, the Chief Executive or relevant senior manager, if these do not breach any other constraints, for instance the approved pay remit.

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 Team 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 Team 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 Team. 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.

48. SAS's specific delegated financial authorities - as agreed in consultation between the Board and the Scottish Ministers - are set out in Annex A. The Board

will obtain the prior written approval from the Sponsorship Team 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

49. 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 - gov.scot \(www.gov.scot\)](#)

50. If in any doubt about a governance issue, the Chair or Chief Executive should consult the Senior Sponsor or Sponsor Team in the first instance, and sponsors may in turn consult the SG Public Bodies Unit, the SG Governance and Risk Branch and/or other teams with relevant expertise.

51. The Board and Chief Executive are advised to pay particular attention to guidance on the following issues.

Risk management

52. SAS 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 AO or Senior Sponsor.

53. The Board 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: [Having and Promoting Business Resilience](#) (part of the Preparing Scotland suite of guidance) and the [Public Sector Cyber Resilience Framework](#).

54. Reporting arrangements should ensure that the Sponsor Team is made aware of relevant risks and how they are being managed. The SAS audit and risk committee is also required, at the earliest opportunity, to notify the relevant Director General if it considers that it has identified a significant problem which may have wider implications.

55. As a patient facing National Health Board SAS has its own internal escalation processes to help manage risk and ensure consistent performance in line with key performance indicators.

56. SAS continues to report performance to SG on a weekly basis with the Sponsor Team responsible for scrutinising these reports and engaging with the Board on any

issues regarding performance, reporting to Senior Management within SG and Ministers as appropriate. The Board is now also publishing data on performance against its key performance indicators on a weekly basis.

57. As well as regular reporting and publishing of data, SAS has regular engagement with the Sponsor Team formally through annual/mid-year reviews, supported by a programme of performance monitoring meetings throughout the year. This regular engagement allows the Sponsor Team to work collaboratively with Board colleagues on any issues affecting performance, workforce, finance or any other concerns impacting service delivery. This engagement will continue to be the method used for the Sponsor Team to engage appropriately with internal colleagues within SG, as well as with partners within the Board to make decisions on any required escalation of performance issues.

Internal control

58. The Board 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.

59. Counter-fraud policies and practices should be adopted to safeguard against fraud, theft, bribery and corruption - see the [Fraud](#) section of the SPFM.

60. 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 Team must be kept informed of progress on such programmes and projects and Ministers must be alerted to any developments that could undermine their viability. Information and Communication Technology investment plans must be reported to the SG's Office of the Chief Information Officer.

61. SAS 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. SAS must also register with [Information Commissioners Office](#) and ensure that it complies with the Data Protection Act 2018 and the General Data Protection Regulations, commonly known as GDPR.

Budget and finance

62. Unless covered by a specific delegated authority, financial investments are not permitted without the prior approval of sponsors and SG Finance. This includes equity shares in ventures which further a body's objectives. Public bodies should not invest in any venture of a speculative nature.

63. Non-standard tax management arrangements should always be regarded as novel and/or contentious and must therefore be approved in advance by the Portfolio AO and SG Finance. Relevant guidance is provided in the [Tax Planning](#)

[and Tax Avoidance](#) section of the SPFM. SAS must comply with all relevant rules on taxation, including VAT, and recover input tax where it is entitled to do so.

64. Optimising income (not including grant-in-aid) from all sources should be a priority, and sponsors 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 sponsors and SG Finance. Fees or charges for any services supplied must be determined in accordance with the [Fees & Charges](#) section of the SPFM.

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 the body - gifts to individuals are covered in the Model Code of Conduct.

66. Borrowing cannot be used to increase SAS's spending power. All borrowing - excluding agreed overdrafts - must be from the Scottish Ministers in accordance with guidance in the [Borrowing, Lending & Investment](#) section of the SPFM.

67. Any lending must be in line with the 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 SAS must not lend money, charge any asset, give any guarantee or indemnity or 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 prior approval of sponsors, SG Finance and where necessary the relevant committee of the Scottish Parliament. 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. SAS 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. When 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 sponsors and SG Finance as soon as possible to determine the implications for the SAS 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 sponsors and SG Finance is required before making gifts or special payments or writing off 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.

72. Unless covered by a specific delegated authority SAS must not enter into any finance, property or accommodation related lease arrangement – including the extension of an existing lease or the non-exercise of a tenant’s lease break - without prior approval from the Sponsor Team. Before entering/ continuing such arrangements SAS 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 / 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. SAS 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 sponsors 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 SAS. The relevant sponsor team will provide a Certificate of Exemption for Employer's Liability Insurance.

76. SAS is a member of the Clinical Negligence and Other Risks Indemnity Scheme (CNORIS). CNORIS is not an insurance scheme, but is a risk sharing scheme between all NHS Scotland Boards. CNORIS provides indemnity to Member organisations in relation to Employer’s Liability, Public/product Liability and Professional Indemnity type risks (inter alia). The Scheme will provide “Indemnity to Principal” where required. CNORIS also provides cover in relation to Clinical Negligence

77. Unless covered by a specific delegated authority SAS must not provide grant funding to a third party without prior agreement from sponsors 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.

The Subsidy Control Act 2022 sets out the framework for the UK's domestic subsidy control regime, and the requirements that apply to the giving of subsidies. This is supplemented by related statutory instruments and statutory guidance published by the UK Government. The UK's international obligations, including various Free Trade Agreements and those arising as a consequence of World Trade Organisation membership also continue to apply.

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 SAS 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 SAS 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. SAS 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. SAS 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. SAS will not pay Grant-in-Aid into any restricted reserve it holds.

83. Helpful information.

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

Item No.	Category	Delegated Authority per case (£)
	Theft / Arson / Wilful Damage	
1	Cash	10,000 15,000
2	Stores / procurement	20,000 30,000
3	Equipment	10,000 15,000
4	Contracts	10,000 15,000
5	Payroll	10,000 15,000
6	Buildings & Fixtures	20,000 30,000
7	Other	10,000 15,000
	Fraud, Embezzlement & other irregularities (including attempted fraud)	
8	Cash	10,000 15,000
9	Stores / procurement	20,000 30,000
10	Equipment	10,000 15,000
11	Contracts	10,000 15,000
12	Payroll	10,000 15,000
13	Other	10,000 15,000

14	Nugatory & Fruitless Payments	10,000 15,000
	Claims Abandoned	
15(a)	Private Accommodation	10,000 15,000
15(b)	Road Traffic Acts	20,000 30,000
15(c)	Other	10,000 15,000
	Stores Losses	
16	Incidents of the Service –	
	- Fire	20,000 30,000
	- Flood	20,000 30,000
	- Accident	20,000 30,000
17	Deterioration in Store	20,000 30,000
18	Stocktaking Discrepancies	20,000 30,000
19	Other Causes	20,000 30,000
	Losses of Furniture & Equipment	
20	Incidents of the Service -	
	- Fire	10,000 15,000
	- Flood	10,000 15,000
	- Accident	10,000 15,000
21	Disclosed at physical check	10,000 15,000
22	Other Causes	10,000 15,000
	Compensation Payments - legal obligation	

23	Clinical *	250,000
24	Non-clinical *	100,000
	Ex-gratia payments	
25	Extra-contractual Payments	10,000 15,000
26	Compensation Payments - Ex-gratia - Clinical * Note this includes clinical negligence claims as per HDL	250,000
27	Compensation Payments - Ex-gratia - Non Clinical *	100,000
28	Compensation Payments - Ex-gratia - Financial Loss *	25,000
29	Other Payments	2,500
	Damage to Buildings and Fixtures	
	Incidents of the Service	
30	- Fire	20,000 30,000
	- Flood	20,000 30,000
	- Accident	20,000 30,000
	- Other Causes	20,000 30,000
31	Extra-Statutory & Extra-regulatory Payments	Nil
32	Gifts in cash or in kind	10,000 15,000
33	Other Losses	10,000 15,000

* This delegated limit was revised as at 1st August 2001 HDL (2001)65.

+ those losses which do not broadly fall within the definitions of theft, arson, wilful damage, fraud, embezzlement and attempted fraud and would have fallen within the previous item 2 “Cash Losses – overpayments of salaries, wages and allowances” and the previous item 3 “Cash Losses – Other” should be included within this heading