

SPSO Finance Policies and Procedures, including Budgetary Controls

This document should be read in conjunction with [Shared Service - Finance policy and procedures](#)

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1.0	Split SPSO specific policies into separate document	2024 Jul	Corporate Services Manager

Note: Highlighter is used in this document to indicate **outstanding actions** or where **links** to other documents under review, are required.

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Overview

1. The Procurement Procedure lays out the process to procure goods for the Officeholder to run its operations, otherwise not contracted. The [purchase order \(PO\) number sheet](#) is the main control mechanism for the various payment facilities used for Officeholder procurement, which include payment by invoice, credit card, cheques and petty cash. Additionally, staff may claim expenses through payroll.
2. The policies below relate to SPSO staff members only.
3. Refer to the Scheme of Delegation for the relevant Officeholder.

Sustainable procurement

1. Public bodies are subject to duties imposed by the Climate Change (Duties of Public Bodies: Reporting Requirements) (Scotland) Order 2015 and The Climate Change (Duties of Public Bodies: Reporting Requirements) (Scotland) Amendment Order 2020 to reduce carbon emissions to net zero, contribute towards delivering the Scottish Climate Change Adaptation Programme and act in a way they consider most sustainable. Procurement has a role in minimising our contribution to climate change and supporting goods, services and works that are well-adapted to the consequences of our changing climate.
2. We will establish clear leadership to promote the embedding and continuous improvement of sustainable procurement.
3. We will ensure that what we intend to purchase is necessary and that there is a strong business case for doing so. We will robustly specify our requirements so as to meet the needs of users and to avoid purchasing more than is needed. Otherwise, the SPSO will re-use existing items wherever possible, consider refurbishment / upgrade etc. and the extent to which goods contain recycled materials or are recyclable at end of life.
4. We will, where possible, assess the whole life-cycle costs of our procurement and not simply consider the initial purchase price (ie cost of product, maintenance, replacement costs, running costs, life expectancy, environmental impact by using a 'whole life costing model').
5. We will, when available, procure goods, services and works in line with current best practice standards and specifications for sustainability, including considering the environmental cost of production and delivery of products.

6. We will, where appropriate, specify goods and materials made with a high content of recycled material and / or goods and materials that can be re-used or recycled. We will specify minimum packaging, reusable packaging and packaging take back. We will specify the most energy efficient goods, services and works in line with current best practice standards and specifications.

Disposing of goods

7. Some assets may have a resale value, whilst for others there may be a cost (including an environmental cost) of their disposal. All these factors should be taken into account at the outset. Goods should be re-used wherever possible to reduce their impact on their environment. Goods that cannot be re-used must always be disposed of in a manner that minimises their impact on the environment, recycling as many components as possible.
8. Whatever the method of disposal, it is particularly important that clear records are kept, documenting decisions and actions taken. Reference should be made to the SPSO Finance Processing Procedures where appropriate.

Use of SPSO Credit card policy

4. A credit card facility is a major convenience and can, if properly managed, contribute to easier and more secure accounting of some expenses. Credit cards are issued to allow the purchase of low value, business related non-recurring goods and services that are not covered by existing contracts and where it is not possible to be invoiced. It is anticipated that this will include personal incidental expenses and unforeseen travel needs while the cardholder is not working from within the office.
5. This policy must be adhered to at all times. Failure by cardholders to adhere to the policy and procedures may result in the withdrawal of their credit card facility and possible disciplinary action. This policy should be used in conjunction with the [Travel and Expenses Policy](#) and the Anti-Fraud Policy.

Card holders

6. Credit cards are issued as described in the SPSO Scheme of Delegation. The card should only be used for those activities that are a direct result of the cardholder's role within the SPSO. Cardholders will be held responsible for purchases made on that card.

Card holder responsibilities

7. The SPSO credit card must not be used for personal purchases. Where doubt exists as to whether an item is business related or not, prior authorisation should be obtained from the accountable officer or finance manager. The use of the card for services that threaten the reputation of the accountable officer are expressly prohibited.
8. The card holder shall:
 - 8.1. sign a declaration to confirm they have understood the procedure for use of the SPSO credit card;
 - 8.2. ensure the credit card is only used by the named card holder;
 - 8.3. keep the credit card secure;
 - 8.4. obtain and retain a receipt for all transactions;
 - 8.5. mark receipts with the reason for purchase and details of the goods or services; and
 - 8.6. pass all receipts to the finance administrator, thereby confirming these purchases are legitimate business expenses.

Advance purchase travel arrangements

9. The procurement or finance officer's credit cards are used to purchase travel in advance for members of staff attending business out with the office. Requests for such purchases are passed to the procurement officer in advance of the date of travel with authorisation from line managers where appropriate. The best value travel option is sourced, booked, and recorded on the PO number spreadsheet.

One-off Purchase of Goods and Services

10. The SPSO credit cards can also be used to make payments for one-off goods and services such as training courses, catering for office related events and incidental office expenses. In line with the Finance Processing Procedure, all requests for one-off goods or services purchased on an Officeholder credit card will be accompanied by a PO number. All PO numbers should be pre-authorised by a member of staff with the appropriate authorisation level as declared in the Scheme of Delegation. Once the transaction is completed the electronic receipt must be forwarded to the finance officer for stage 1 reconciliation at the end of each month.

Purchases out with the Office

11. Where the SPSO credit card is used out with the office and it is not possible to obtain a PO number, the card holder must obtain and retain a receipt for all transactions, mark receipts with the reason for purchase and details of the goods or services and

pass all receipts to the finance administrator on return to the office, thereby confirming these purchases are legitimate business expenses.

Credit card reconciliation

12. When the monthly bank statement for each credit card is received the finance administrator will check the purchases against receipts to complete stage 1 reconciliation of these statements. Where a purchase occurs and no receipt has been received, the finance administrator will approach the relevant cardholder to confirm the purchase and request the receipt. If there is no receipt available, the cardholder must confirm to the finance administrator the nature and legitimacy of the purchase and explain why no receipt is available. The finance officer will pass the statement with receipts attached to the Accountant.
13. The Accountant is responsible for the monthly stage 2 reconciliation of accounts where all credit card payments are posted to the correct nominal code. Completed credit card statements are then filed.

Petty cash processing procedures

14. The SPSO hold a petty cash balance of £200. Petty cash is used to pay for ad-hoc items such as milk, cleaning products, and one off stationery items for amounts totalling no more than £25 (any higher amount should be claimed through payroll expenses).
15. The finance officer is responsible for withdrawal and safekeeping of petty cash from the bank. They will provide a signed cheque detailed 'to cash' to withdraw the money.
16. When petty cash expenditure is incurred, a receipt must be provided with appropriate authorisation. A record of the purchase is made on the petty cash spreadsheet which is password protected and securely stored in the Financial Transactions Management folder. A record of the date, goods purchased, the total amount is made, and the receipts stored for the Accountant. Petty cash expenditure is recorded on SAGE by the Accountant on a monthly basis.

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Travel and expenses policy

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Overview

1. This policy sets out the principles and arrangements for work related travel and subsistence expenditure by Scottish Public Services Ombudsman (SPSO) staff. Reasons for work related travel include meeting complainants, representatives of listed authorities and other relevant parties during the consideration of a complaint, promoting the work of the SPSO, attending courses and conferences and representing the SPSO at meetings.

Principles

2. All SPSO staff are required to obtain the authority of their line manager before incurring travel or subsistence related expenditure. Before undertaking an official business journey you should discuss it with your line manager. They must be satisfied that it is unavoidable, not practicable or appropriate for it to be undertaken by telephone or video conference, or postponed until another visit to the same area is made.
3. SPSO staff who travel for work related reasons must comply with SPSO guidance on personal safety in relation to travel. Staff must ensure they use the most efficient, economic and environmentally sound means of travel, taking into account costs and savings in official time. You must explore alternative fare options.
4. The general principle of reasonableness underlies the claiming and payment of travel and subsistence expenses. Work related travel can be costly in terms of staff time, money and the impact on the environment. All staff have a responsibility to ensure that the expense to the SPSO is kept to a minimum without unduly reducing the safety and efficiency with which they carry out their duties.
5. SPSO staff are reimbursed for all travel and subsistence expenses reasonably and necessarily incurred in the performance of their duties. The reimbursement of expenses is subject to the receipt of a properly completed claim form and, wherever possible, the appropriate original receipt.
6. The SPSO aims to contribute towards reducing the use of the private car for work related travel. A primary reason for the continued location of the SPSO office in central Edinburgh is the easy access to major public transport routes for complainants, SPSO staff and visitors to the office.
7. On their normal work days, SPSO staff travel to and from home to the SPSO office in their own time. SPSO staff also travel to and from home to the SPSO office at their own expense.

Work related travel

8. SPSO staff are encouraged to consider alternatives to work related travel, wherever possible, such as the use of the telephone, email, audio and video conferencing.
9. It is recognised that visits can be necessary and can assist consideration of a complaint. However, SPSO staff are encouraged to consider whether a meeting with a complainant or a representative of a listed authority would be better held within the SPSO office or at a neutral venue. Considerations include staff safety and the better use of staff time. Complainant travel expenses are reimbursed by the SPSO on completion of a claim form and production of receipts. Listed authorities are responsible for their own expenses.
10. Where it is not helpful or practicable for a complainant or listed authority representative to come to the SPSO office, for example, because of the nature of the complaint, the circumstances of the complainant or the travel distance, then the staff member can decide to carry out a home visit. The staff member is encouraged to discuss proposed visits with their line manager, as there may be other visits or outreach possibilities in the area that could be undertaken by the staff member at the same time.

Public transport

11. With reference to our obligations to promote sustainability and reduce organisational carbon emissions, SPSO staff are encouraged to travel on work related business by public transport, wherever safe and reasonably practicable. This requirement does not apply to staff who are unable to use public transport on the grounds of health or disability.
12. Wherever possible, SPSO administrative staff will pre-arrange travel by public transport (contact finance@sps.gov.scot). Rail or air travel should be booked as far in advance as possible in order to obtain the best deals on available fares.
13. Standard class rail travel should be used for all official business in the United Kingdom. A staff member may also travel First Class if they are required to travel at night (after 20:00) and are travelling alone. These and any other reasons for First Class travel must be approved in advance by a line manager.
14. Air travel should be economy or tourist class. If economy or tourist class is not available, then the agreement of the line manager must be obtained before booking a higher class.
15. The SPSO will reimburse the cost of work related bus, coach, rail or air travel that cannot be booked in advance. Reimbursement will be the cost of the actual fare

incurred, or the cost that would have been incurred if the journey had started and finished at SPSO office, whichever is the lower.

Taxis

16. Taxis can be used (and the fares reimbursed) for work related travel where it is appropriate to do so, for example, where there is no suitable public transport, for personal safety, in cases of disability or ill health, if heavy items need to be transported or where it is cost effective (there is a saving in time or where a taxi can be shared with another member(s) of the office).
17. The SPSO has a business contract with a taxi firm in Edinburgh. Booking details can be obtained from the Corporate Services Manager. Wherever possible, the contract taxi should be booked by an administrative staff member, but it is recognised that staff may need to book their own return journeys. For audit purposes, a receipt for the contract taxi (which can include a tip of up to ten percent of the fare) must be obtained from the taxi driver and either sent digitally (ie photo of the receipt by email) or the receipt itself passed to finance.
18. For taxi travel other than by contract taxi, the staff member can reclaim the cost, but must provide details of the journey undertaken, obtain a receipt for the fare (again, a tip of up to ten percent of the fare may also be included) and attach it to the travel claim.

Use of a private vehicle

Application form to [Private Vehicle business use form](#).

19. There is no obligation on SPSO staff to use their private vehicle for work related travel. Many work related journeys can be made by public transport or, where public transport is unavailable, by the [use of a hire car](#).
20. The agreement of the line manager is needed before a staff member uses a private vehicle for work related travel. The staff member should let the line manager know why other travel options are not feasible.
21. The term private vehicle includes motorcycle, scooter or moped. SPSO staff who use a private vehicle for work travel must have already met a number of qualifying criteria, including the written agreement of the Ombudsman that they be designated as a casual car user. These qualifying criteria are:
 - 21.1.1. the private vehicle must be registered in the name of the staff member or registered in the name of the spouse or partner of the staff member;

- 21.1.2. the staff member must have a current full driving licence and present it to the SPSO on request;
 - 21.2. the staff member must satisfy the SPSO that they have current insurance cover for business use of the private vehicle (see [Annex 1](#) to this policy). The SPSO does not accept any insurance liability for private vehicles used on work related business;
 - 21.3. the staff member accepts responsibility for ensuring that a private vehicle used for work related travel is maintained in a roadworthy condition; and
 - 21.4. the staff member must agree to notify the SPSO in writing of any current or subsequent driving convictions or disqualification.
22. SPSO approval to use a private vehicle for work related travel purposes is granted according to business needs and is subject to review at any time.
 23. [Annex 1](#) also sets out the SPSO position should a staff member have a private vehicle vandalised or have personal effects stolen when the staff member is using a private vehicle for SPSO work related business.
 24. SPSO staff who use a private vehicle for work related travel will have the expenses actually and necessary incurred met by payment of a mileage allowance at the standard rate per mile as set out in [Annex 2](#). The SPSO has dispensation from the Inland Revenue for the Travel and Expenses Policy. The Inland Revenue regards individuals as liable to tax on the difference between the Inland Revenue rates and any higher rate paid. Mileage can be claimed for:
 - 24.1. work related journeys made direct from and return to the SPSO office where the journey starts and finishes on the same day at the base. In this case, the mileage claimable is the actual mileage incurred; and
 - 24.2. work related journeys made direct from or return to home (or other non-work location) if a member of staff travels directly from home to place of duty and / or returns home directly from that place of duty. Unless the distance is shorter, the mileage to be claimed is the mileage actually incurred less the normal mileage of travelling to and/or from the staff member's home and the SPSO office ie the excess mileage.
 25. SPSO staff may claim a passenger supplement, in conjunction with the standard rate of motor mileage, for each official passenger they carry in their private vehicle.
 26. SPSO staff may claim the cost of parking fees, tolls and ferry charges when using a private vehicle for work related travel. This includes fees for parking near to the

SPSO office if it has been agreed in advance with the line manager that a private vehicle can be used for work related travel that day. Again, these charges must have been actually and necessarily incurred and the claim must be supported by receipts, wherever possible.

27. Financial penalties (including parking tickets) for motoring offences when a private vehicle is being used for SPSO work related business are not paid by the SPSO.

Hiring a self-drive vehicle

28. If needed, the SPSO can arrange for the hire of self-drive vehicles for the use of staff on official work related travel. In order to make reservations, staff will need to advise their Team Assistant at least two working days before the vehicle is required giving the following information:

- 28.1. name of the driver;
- 28.2. required pick-up location;
- 28.3. date and time of collection;
- 28.4. drop-off location; and
- 28.5. date and time of return.

29. Staff may need to produce their driving licence for inspection by the car hire firm at the start of each hire and are responsible for ensuring that their driving licence and qualifications comply with the car hire requirements (and those of the Road Traffic Acts) for the vehicle hired.

30. Financial penalties (including parking tickets) for motoring offences when a hire vehicle is being used for SPSO work related business are not paid by the SPSO. Such costs remain the responsibility of the driver of the hire vehicle. Staff should ensure that vehicles are returned in a satisfactory condition and that any loss or damage is reported to car hire firm and the Head of Corporate and Shared Services.

Other travel arrangements

31. The ability to drive is not an essential requirement for SPSO staff. Also, it is recognised that an SPSO staff member may be unable to drive for health or disability related reasons. In these situations, if travel is necessary and it is not possible to reach a work related destination by public transport or taxi, the SPSO will arrange for a car and driver (who may be a work colleague) to be made available to the staff member.
32. SPSO staff can claim a bicycle mileage allowance if they use a bicycle for work related travel (see [Annex 2](#)).

33. The SPSO will reimburse reasonable extra expenditure incurred during a transport emergency to enable nominated operationally essential staff to get to work. The SPSO will circulate a separate guidance note when sustained disruption occurs.

Application form [Private Vehicle business use form](#).

Travel loans

Season ticket loan

34. In order to encourage the use of public transport and reduce indirect travel emissions, a loan for an annual season ticket is available to staff members who have both completed their probation period with the SPSO and who use public transport to travel to and from work. A staff member who wishes to apply for a season ticket loan must provide verifiable details of the nature, cost and duration of the required season ticket. The season ticket must be shown to the HR Officer as soon as possible after purchase and a photocopy taken and retained for audit purposes.
35. Season ticket loans are interest free and repayments are made by monthly salary deductions. The repayment period will normally be equivalent to the length of the loan, ie an annual season ticket will be repaid in 12 monthly instalments.
36. If a staff member is due to retire, the repayment period will be determined in proportion to the service remaining. If a member of staff leaves the SPSO before the loan is repaid, the outstanding balance will be due in full and deductible from the final salary payment. If the staff member surrenders the season ticket for any reason, repayment of the balance of the outstanding loan will be required immediately.

Bicycle loan

37. A bicycle and safety equipment loan is available to staff members who have completed their probation period with the SPSO and who want to buy a new bicycle for travel to or from work, or for work related travel reasons. The SPSO also provides shower facilities and secure storage for bicycles in order to encourage bike travel.
38. The loan is made up to a maximum of £1000. SPSO staff are not eligible for a bike loan if they have a season ticket loan still outstanding. Bicycle loans are interest free and repayments are made by monthly salary deduction. The repayment period may not exceed a year.
39. If a staff member is due to retire, the repayment period will be determined in proportion to the service remaining. If a member of staff leaves the SPSO before the loan is repaid, the outstanding balance will be due in full and deductible from the final salary payment.

40. If the staff member disposes of the bike for any reason before the loan has been repaid, repayment of the balance of the outstanding loan will be required immediately.

[Cycle and Safety Equipment Loan application](#)

Travel and expenses payments

41. If you have to travel on official business, you will be reimbursed for the cost of any travel and expenses which you actually and necessarily incur. Wherever possible, receipts must be provided in support of a claim. The current expenses rates are set out in [Annex 2](#).
42. The SPSO will reimburse the actual cost of overnight accommodation within the limits set out in [Annex 2](#). This Appendix also contains details of the minimum hotel accommodation standards. The expenses limits are intended to cover the cost of accommodation, breakfast and evening meal.

[Expenses Claim Form - Staff](#)

Accommodation choices:

43. Travel and accommodation expenses, should be, where possible, arranged by Corporate Services within the overnight accommodation financial limit, and with anticipated costs paid in advance. Where this is not possible, the staff member will make their own accommodation arrangement within the overnight accommodation financial limit and repayment will be based on actual, receipted expenditure.
44. The staff member is responsible for paying any additional costs, such as evening meals at the hotel and telephone calls, directly to the hotel before departure. Alternatively, the staff member can decide to have their evening meal at a restaurant elsewhere. The staff member should obtain acceptable receipts for these costs and submit these together with a claim form in order to be reimbursed up to the additional allowance levels. An acceptable receipt must:
 - 44.1. bear the name, address and telephone number of the hotel or restaurant to whom the payment was made; and
 - 44.2. state clearly the date, the amount of money paid and for services, the service supplied and, where possible, the name of the person receiving the service.

Make their own arrangements (for example, staying with friends or relatives)

45. SPSO staff who choose to stay with friends or relatives can claim a fixed rate allowance for each night of stay. This allowance is claimed instead of accommodation and subsistence costs.

Travel and expenses claims

46. Claims for travel and should be made on the [Expenses Claim Form - Staff](#). The claim should, if relevant, be supported by acceptable original receipts unless there is good reason that receipts are not available. The SPSO reserves the right to refuse a claim if acceptable receipts cannot be produced.
47. Advances for travel and expenses are only paid in very exceptional circumstances and must be approved in advance by the Ombudsman or Head of Corporate and Shared Services
48. Claim forms must be signed by the staff member and authorised by the line manager. The authorisation of claims shall be taken to mean that the certifying person is satisfied that the expenditure was authorised, the expenses properly and necessarily incurred and that the allowances are properly payable by the SPSO.
49. Claim forms should be submitted at calendar monthly intervals or, for occasional claims, not later than one month after the expenditure took place.

Abuse of the travel and expenses policy

50. Staff are expected, when recording their travel time and claiming expenses, to ensure that they accurately reflect the amount of time that they have travelled and the expenditure incurred. As with all expenditure, travelling and expenses will from time to time be subject to inspection and analysis by the SPSO's auditors. On occasion it may be necessary for further information to be sought in support of a claim. It is recommended that an independent supporting record be kept by the staff member (for example, on the SPSO electronic diary).
51. Abuse of the Travel and Expenses Policy, such as submitting expenses that have not been incurred on SPSO work related business, is considered to be a falsification of documents and as such is an offence under the SPSO's Disciplinary Procedure – see [SPSO - Working for SPSO](#) handbook. This Disciplinary Procedure will be used to investigate any suspected or alleged abuses.

Disputes

52. There are a number of options open to a staff member if they do not agree with a decision or action relating to this policy:
 - 52.1. informal discussions with their line manager as there may be some simple misunderstanding of the procedure or facts which can be resolved by an informal route;
 - 52.2. use of the SPSO's Grievance Procedure – see [SPSO - Working for SPSO handbook](#); and
 - 52.3. assistance from a third party such as a trade union representative or some other suitably experienced person.

Annex 1: Use of private vehicle - additional arrangements

Private vehicle insurance

The SPSO will only authorise use of a private vehicle for work related business travel where the staff member has adequate insurance cover. Adequate insurance cover will provide the staff member with unlimited insurance against claims in respect of:

- death or bodily injury to third parties;
- death or bodily injury to passengers; and
- damage to the property of third parties.

The policy must contain a clause which permits use of the vehicle by the staff member for business purposes. The staff member must provide an undertaking that they will not seek to recover from the SPSO any excess payable by the staff member under the policy. The staff member should check that the policy will not be invalidated or affected if the staff member carries official equipment in the vehicle.

The staff member will need to sign a statement saying that they have understood the policy requirements and confirm that they have and will maintain adequate insurance cover for as long as the vehicle is used for work related business travel.

The SPSO reserves the right to inspect the insurance policy.

Vandalism to own vehicle

If the vehicle of a staff member is vandalised while on SPSO business, the SPSO will consider a claim for reimbursement where the following circumstances are met in full:

- the business duties required the staff member to be present in the area where the vandalism occurred;
- the vehicle was unattended when the damage was done;
- the use of public or other SPSO arranged transport was not reasonably practicable;
- there was no reasonable and safer alternative place to leave the vehicle;
- the police and the vehicle's insurers have been notified; and
- an immediate verbal report (or as soon as practicable) to the line manager / Ombudsman is followed up with a written report and estimates of the repair cost.

If agreed, an ex-gratia payment may be made to cover full or part repair or any lost no-claims bonus.

Personal effects

Should personal property, excluding cash, be stolen from any vehicle while the owner is on SPSO work related travel, an ex-gratia payment may be made by the SPSO provided:

- the staff member provides an acceptable written statement as to why the property was not insured;
- there was good reason for the property to be carried in the car (for example, a briefcase); and
- all reasonable steps were taken to conceal and secure the property (for example, by locking in the boot).

The staff member should notify the line manager / Ombudsman immediately (or as soon as practicable) and follow this up with a written report recording the relevant facts and the extent of the loss.

Annex 2: Rates and allowances - effective from 2023

Travel rates

a. Standard mileage rate	Private Car 45p per mile for first 10,100 miles 25p per mile thereafter	Private Motor cycle, Scooter or Moped 24p per mile
b. Passenger supplement	2p per mile for each passenger	
c. Bicycle mileage rate	20p per mile	
d. Rail travel	Standard class rail travel should be used for all official business in the United Kingdom. A staff member may also travel First Class if they are required to travel at night (after 20:00) and are travelling alone. These and any other reasons for First Class travel must be approved in advance by a line manager.	
e. Air travel	Should be economy or tourist class. If economy or tourist class is not available, then the agreement of the line manager must be obtained before booking a higher class.	
f. Foreign travel	If you are required to travel abroad on official business, you will be reimbursed for the cost of any travel and expenses which you actually and necessarily incur, your entitlement will be based on actual, receipted expenditure. Travel and accommodation expenses will be arranged by Corporate Services. Anticipated costs need to be paid in advance when possible.	

Expenses

a. Expenses	If you have to travel on official business, you will be reimbursed for the cost of any travel and expenses which you actually and necessarily incur. You will also be reimbursed for any necessary expenditure incurred by you if you have to stay away from home overnight, up to the
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	limit set out below. Reasonable cost will be reimbursed on receipts.
b. Overnight accommodation rate limits	<p>Overnight expenses rate covers dinner, bed and breakfast. In exceptional circumstances these rates may be exceeded but only on approval of your line manager.</p> <p><i>Greater London and outside the UK</i></p> <p>Expense limit for reclaim is up to £204 per night.</p> <p><i>UK excluding Greater London</i></p> <p>Expense limit is up to £175 per night.</p> <p><i>Minimum accommodation standards</i></p> <ul style="list-style-type: none"> • single rooms with en-suite facilities (showers instead of baths are acceptable); TV, and tea / coffee making facilities in the room; a telephone in the room is desirable; • adequate space and, where it is necessary to work in the room, facilities (writing surface and telephone) for doing so; • the hotel should have satisfactory personal security arrangements and adequate emergency procedures. The surrounding area should be safe and environmentally pleasant; and • restaurant facilities should be available either in the hotel or locally, offering a table d'hote menu at reasonable prices for two courses with coffee but excluding other drink
c. Staying with friends or family allowance	Fixed rate of £25.00

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Gifts and hospitality

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Overview

1. This policy sets out the approach of the Scottish Public Services Ombudsman (SPSO) in ensuring that the integrity, impartiality and probity of staff members are not compromised by the inappropriate offer, acceptance or rejection of gifts and hospitality.

Introduction

2. It is the policy of the SPSO that staff should not accept gifts or hospitality for personal benefit as a consequence of their position. It is the responsibility of all staff to ensure that their actions do not give rise to, or foster, suspicion that outside individuals or organisations have gained favour or advantage through the offer or acceptance of any gifts or hospitality.
3. Additionally, SPSO staff must not offer, promise or give a gift, hospitality or other benefit to a third party which may be perceived as inducing that person or organisation to perform a relevant function or activity improperly.
4. Any gift or hospitality that is accepted by staff, or supplied by the SPSO, must be justified in terms of benefit to the SPSO.

Key principles

5. In most circumstances, SPSO staff do not directly give or receive any gifts or hospitality from other organisations, stakeholders, suppliers or contractors. Where such a situation arises, the general test of caution is one of common sense.
6. Would the public question the appropriateness of hospitality or gifts received by an SPSO staff member?
7. Would a reasonable person, assessing the hospitality, sponsorship or any gift provided by the SPSO, judge that it was appropriate and represented reasonable value for money to the public purse?

Legal implications

8. There is a wide range of complex, primarily criminal, legislation dealing with bribery and corruption which may arise where seriously inappropriate business gifts are made or received. This legislation includes:
 - 8.1. The Corruption Act 1889
 - 8.2. The Prevention of Corruption Act 1906

- 8.3. The Anti-terrorism, Crime and Security Act 2001
 - 8.4. The Proceeds of Crime Act 2002.
9. Careful legal advice requires to be sought if issues of bribery and corruption arise. It is an offence for public servants to accept or solicit any gift or consideration as an inducement or reward for:
- 9.1. doing, or knowingly not doing, anything in their official capacity, or;
 - 9.2. for showing favour or disfavour to any person in their official capacity.
10. Other relevant legislation includes the Public Interest Disclosure Act 1998 which protects whistle-blowers from victimisation and dismissal where they raise concerns, in good faith, about misconducts and malpractices (see Whistleblowing Policy – see [SPSO - Governance and Risk.](#))

Contractual provisions concerning gifts

- 11. A number of implied terms are automatically imposed by the law into an employment contract. These implied terms include a duty of fidelity whereby all staff should serve the SPSO faithfully and honestly. This implied duty encompasses an obligation not to accept bribes and to account to the SPSO for 'secret profits'.
- 12. Accepting a bribe may amount to a breach of a staff member's implied duty of fidelity.

Acceptance of gifts, rewards and hospitality

- 13. SPSO staff must not offer, promise or give a gift, hospitality or other benefit to a third party which may be perceived as inducing that person or organisation to perform a relevant function or activity improperly. If a staff member is in any doubt, they should seek guidance from their line manager before proceeding.
- 14. SPSO staff must exercise particular care in relation to the acceptance of gifts, hospitality or other benefit from any member of the public, or any individual or organisation with whom they have been in contact through official duties. This is due to the potential risks of creating a perceived obligation to the giver and of others perceiving such to influence your advice and / or decisions. Staff should only accept gifts of a trivial nature. Modest hospitality (for example, lunch, sandwiches) may be accepted, provided it is for a legitimate reason, is infrequent and that a situation is not reached where impartiality may be influenced, or be perceived by others to be influenced.
- 15. It is a disciplinary matter for an SPSO staff member to accept gifts or consideration as an inducement or reward for:

- 15.1. doing or refraining from doing something; and / or
 - 15.2. showing favour or disfavour to any person or organisation.
16. Staff must not accept gifts and / or hospitality with an estimated value of £50 or more, without the express approval from a member of the Leadership Team. If the refusal of such a gift is likely to cause offence to the giver, for example, for cultural reasons, the staff member should discuss the facts immediately with their line manager. Isolated gifts of a modest or promotional nature (for example, a diary, calendar, confectionery, pen or key-ring) or modest hospitality such as a working lunch may be accepted without approval provided that this is not a regular occurrence.
17. The Corporate Services Manager (on behalf of the Ombudsman) keeps a central Register of Gifts and Hospitality. Where the estimated value of a gift or hospitality is in excess of £50, details must be reported to the Corporate Services Manager. Details should be provided in terms of the nature of the gift or hospitality, the giver, the relationship between the giver and recipient, the reason it was given, and the estimated value. The Ombudsman will advise as to the use and distribution of the gift.
18. Staff involved in procurement activity, or others who may be perceived to be in a position of influencing purchasing decisions, may not solicit or accept contributions of any kind from SPSO contractors, or those bidding for SPSO contracts. Invitations from suppliers or potential suppliers to attend social functions or offers of corporate entertainment (for example tickets to sporting events, theatre and travel) must always be politely refused.
19. If there is any doubt about whether or not a gift or hospitality should be accepted, contact a member of the Leadership Team for advice.

Hospitality and entertainment which staff may provide

20. The provision of modest hospitality to third parties, in the form of refreshments and lunches, is permitted, so long as it is in the context of SPSO business. Prior written approval, including reasons why, must be obtained from a member of the Leadership Team. The written approval should be attached to invoices or expense claim forms as evidence.

Provision of alcohol

21. Alcohol may only be provided if appropriate to the occasion. Alcohol and associated costs will generally be approved in the case of evening receptions and dinners where the SPSO is the official host. Prior written approval must be obtained from the

Ombudsman. This must be attached to invoices or expense claims before payment is made.

Disputes

22. There are a number of options open to a staff member if they do not agree with a decision or action relating to this policy:
 - 22.1. informal discussions with their line manager as there may be some simple misunderstanding of the procedure or facts which can be resolved by an informal route;
 - 22.2. use of the SPSO's Grievance Procedure – see [SPSO - Working for SPSO handbook](#); and
 - 22.3. assistance from a third party such as a trade union representative or some other suitably experienced person.

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Budgetary control and financial planning policy

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Policy statement

1. This policy sets out the principles and arrangements for budgetary control and financial planning by the Scottish Public Services Ombudsman (SPSO). SPSO is committed to managing its resources to ensure the long term financial well-being and economic effectiveness of the organisation. To enable this, the SPSO must operate a robust business planning and financial control framework and effective systems to monitor and accurately report delivery of its plans. This includes ensuring that financial forecasts and plans are appropriate and based on reasonable assumptions and information.
2. This policy reflects the budgeting process agreement between the Scottish Parliamentary Corporate Body (SPCB), the Scottish Parliament Finance and Constitution Committee and the SPSO.

Roles and responsibilities

3. The table below details the roles and responsibilities of key stakeholders in the Budgetary Control Processes

<i>Stakeholder/s</i>	<i>Role, Accountabilities and Responsibilities</i>
Scottish Parliamentary Corporate Body (SPCB)	The SPCB approves the Ombudsman's budget. The SPCB will determine the date when the budget proposals should be submitted and following scrutiny by the SPCB, the budget proposals will be forwarded to the Finance and Constitution Committee for consideration as part of the SPCB's overall budget.
Finance and Constitution Committee's Role	The Finance and Constitution Committee will consider the Ombudsman's budget proposals as part of the Committee's scrutiny of the SPCB's overall budget. The Ombudsman will give evidence in person to the Committee if required.
SPSO Advisory Audit Board (AAB)	Provide advice to the Ombudsman (and LT) on the SPSO's standard of corporate governance and internal control. The AAB considers matters of governance, audit and internal control for the SPSO. In particular, the AAB provides confirmation for the Ombudsman on whether the necessary assurances required for the signing of the Governance

Statement contained within the annual accounts have been provided.

Ombudsman
[Accountable Officer]

The SPCB is to designate the Ombudsman, or a member of the Ombudsman's staff as the accountable officer (AO). Appointment as the AO is a personal appointment.

The AO is answerable to Parliament in respect of the following functions:

- signing the accounts of the expenditure and receipts of the Ombudsman;
- ensuring the propriety and regularity of the finances of the Ombudsman; and
- ensuring that the resources of the Ombudsman are used economically, efficiently and effectively.

The specific duties of the AO are set out in the Memorandum to the Accountable Officer.

The Ombudsman must, before the start of each financial year, prepare proposals for the SPSO use of resources and expenditure during the year (a 'budget') and, by such date as the SPCB determines, send the budget to the SPCB for approval. The Ombudsman may seek to revise the SPSO budget during the year by submitting a revised budget to the SPCB for approval.

Head of Corporate and
Shared Services
[Finance Manager]

The Ombudsman (AO) is to designate the role of finance manager to the Head of Corporate and Shared Services. The finance manager is accountable for reviewing the Budget Control and Financial Planning Policy and Procedure and giving sign off for the policy and procedures to be adopted. The finance manager reviews and proposes the recommendation of the annual budget and financial plans to the Leadership Team for final approval.

The finance manager ensures a policy and associated procedures which are fit for purpose is in place.

Leadership Team (LT)

The LT are accountable for ensuring the processes detailed in this document are resourced and carried out effectively.

LT members are responsible for ensuring they contribute effectively to the processes required to set, manage, and monitor financial budgets / quarterly forecasts.

LT members will be held accountable for any mitigating actions deemed necessary to ensure that the approved budget is achieved.

Budget Holders

[LT, Corporate Services
Manager, Building
Coordinator, Comms
Manager, ISA]

Budget Holders will be responsible for participating effectively in the processes required to set, manage, and monitor financial budgets.

They will also be held accountable for any mitigating actions deemed necessary to ensure that the approved budget is achieved. Some of these actions may be delegated to them by members of the LT.

Corporate Services Manager
[Finance Officer]

The Ombudsman (AO) is to designate the role of finance officer to the Corporate Services Manager. The finance officer is responsible for participating effectively in the processes required to set, manage, and monitor the financial budgets.

Corporate Services Officer
[Finance Administrator]

The finance administrator is responsible for processing financial transactions in line with the approved guidance and procedures.

Accountant

The Accountant is responsible for working with the finance manager and finance officer in preparing the monthly management reports and annual accounts.

Staff

All employees are responsible for identifying possible opportunities to make savings or to use resources more effectively and highlighting these to their line manager.

Budget control and financial planning framework

Principles

4. There are four important principles for budgetary control:

- 4.1. ensuring that there is accurate and appropriate budgets in place before the beginning of the new financial year which meet the financial performance targets set by the LT;
- 4.2. effective controls are in place to prevent staff placing orders above their level of authority as set out in the Scheme of Delegation or incurring expenditure against a budget heading outwith their remit without the express agreement of the budget holder;
- 4.3. ensuring that there is accurate and timely reporting, and adequate analysis of performance against budget, during the course of the financial year allowing identification of any areas of concern; and
- 4.4. prompt decision making regarding any actions required in respect of potential overspends. Actions could include budget virement, seeking authorisation for additional budget, or mitigating actions to avoid variation from the budget.

Glossary of Terms

Term	Definition
Budget	A resource expressed in numerical terms proposed by the LT for the purposes of carrying out, for a specific period, any or all of the functions of the SPSO.
Budget Holder	The individual with delegated authority to manage finances (income and expenditure) for a specific area of the organisation.
Virement	A transfer of resources between two budget headings and is in effect a downward revision in one budget heading offsetting an upward revision in another.

Financial management framework

5. The Ombudsman's funding forms part of the SPCB's budget requirement and as such, is reported to the Parliament's Finance and Constitution Committee as part of the SPCB's overall budget submission.
6. By such date as determined by the SPCB, the Ombudsman must submit for approval the SPSO budget proposals for the use of resources and expenditure which must include estimates of any income expected to be received.
7. The Ombudsman has a duty to ensure that all resources are used economically, efficiently and effectively and a statement confirming that this requirement has been complied with must be included as part of the budget submission. The preparation and maintenance of the annual budgets is undertaken with this objective in mind.

8. Once the Budget Bill is passed by the Parliament, the SPCB will send the Ombudsman a formal statement advising what the approved budget provision is.
9. Transfers of significant budgetary provision between different budget headings requires the prior approval of the SPCB.
10. The production and interpretation of timely and accurate budgetary control information is an essential ingredient of the management of the SPSO. Staff involved with the budgetary process have a responsibility to the LT for identifying all possible opportunities to make savings or to use resources more effectively. All such opportunities should be brought to the attention of the appropriate manager for consideration and possible inclusion in the business plan.
11. The budgetary process requires adherence to particular timescales for the performance of tasks and duties. These are outlined in Budget Control And Financial Planning Procedures. The finance manager is responsible for guidance on budgetary timescales. It is the responsibility of all budget holders to adhere to the timetable and to inform the finance manager of any reasons preventing the achievement of a specific deadline.
12. The LT will periodically assess all functions of the business that incur financial consequences and ensure that the responsibility for exercising budgetary control is delegated to an appropriate Budget Holder.
13. The LT will annually review the range of delegated functions and budgetary responsibilities. Account shall be taken of the scope and approximate value of resources and the seniority of a prospective Budget Holder. These limits are laid down with the Scheme of Delegation.

Budgetary responsibility

14. The Ombudsman is responsible for ensuring that financial performance is within the targets agreed in the approved budget. In exercising this responsibility, the Ombudsman will be guided by the advice of the Leadership Team and Audit Advisory Board.
15. The finance manager is responsible for ensuring that:
 - 15.1. an adequate system of monitoring financial performance is in place so that the SPSO can fulfil its business plan objectives.
 - 15.2. there is a suitable and adequate system of budgetary control. This will include ensuring that systems for invoicing and receipt of income, payroll, and payment of invoices adequately match the needs of the budgetary control system.

- 15.3. all budgetary control information is provided on time in the required format to the LT and Advisory Audit Board (AAB).
- 15.4. the total of all revenue budgets balance with the expected approved out-turn.
16. The finance manager reserves the right to require explanations on performance and spending/income trends within the remit of the Budget Holder. In normal circumstances, access will be through the LT.
17. The finance manager will review where necessary, the financial expertise of employees involved in the budgetary process and ensure that the appropriate guidance and training in respect of their budgetary duties is available.
18. The finance officer will ensure that all routines have been carried out in accordance with these instructions and that all appropriate persons have been properly informed of all pertinent matters.

Delegated powers

19. All Budget Holders should be encouraged to demonstrate efficient and effective use of resources whilst considering the overall financial health and priorities of the SPSO. The Ombudsman should be able to give reasonable managerial freedom to proven efficient Budget Holders, but reserves the right to have greater control in those areas where budgetary performance has previously come into question or future difficulties are anticipated.
20. The finance manager will ensure that Budget Holders are notified of their budget with a clear definition of:
 - 20.1. the functions / services for which the budget is provided; and
 - 20.2. the amount of the budget.
21. Once a budget heading has been delegated, no staff may incur expenditure against a budget heading outside their particular remit without the express agreement of the delegated Budget Holder for the budget heading concerned.
22. All purchases must be made in accordance with the Scheme of Delegation and Procurement Policy. No purchase requisition (purchase order) may be split in such a way as to circumvent particular spending limits attached to a Budget Holder or budget heading.
23. Members of the LT have delegated power to vire between budget headings. No virement action should be authorised without consultation with the finance manager.

Role of the finance department

24. The finance manager will provide the framework within which the budget setting takes place, and will:
 - 24.1. review payroll records to ensure that staff costs are correctly forecast;
 - 24.2. calculate the financial effect of all proposed budgetary changes and prepare a quarterly reforecast out-turn position;
 - 24.3. discuss with the Ombudsman all proposed changes, and budgetary variances; and
 - 24.4. liaise with the SPCB for any contingency fund requirements, or in-year variations.

25. The Accountant will:
 - 25.1. oversee transaction processes;
 - 25.2. maintain budget information through a management report each month for the finance manager; and
 - 25.3. prepare the year-end accounts.

26. The Finance Team will:
 - 26.1. maintain a record of the totals of all budget headings and department allocations;
 - 26.2. ensure that all financial transactions are correctly coded and authorised;
 - 26.3. ensure the procurement process is followed;
 - 26.4. monitor all actual expenditure against budgets;
 - 26.5. monitor compliance with virements; and
 - 26.6. provide timely finance information to enable LT finance decision making.

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Budgetary control and financial planning procedure

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Budget control and financial planning system

Overview

1. This document sets out the procedures for budgetary control and financial planning by the Scottish Public Services Ombudsman (SPSO). SPSO is committed to managing its resources to ensure the long term financial well-being and economic effectiveness of the organisation.
2. This procedure reflects the processes outlined in the SPCB Officeholders Finance Manual. The budgetary control system is made up of annual, quarterly, monthly and continuously running processes and these elements are described in more detail in the sections below.

Annual budget setting

3. As a Scottish public service, the Ombudsman has regard to the guidance in Scottish Public Finance Manual ([SPFM](#)) Model Framework, including that funding should be according to need.
4. The SPSO has a budgeting process agreement between the Scottish Parliament Corporate Body (SPCB) and the Finance and Constitution Committee. The purpose of the Memorandum is to set out an understanding between the SPCB, the Finance and Constitution Committee of the Scottish Parliament and the Scottish Public Services Ombudsman (SPSO) in relation to administrative arrangements to be observed in connection with the annual budgeting process.
5. Schedule 1, paragraph 13 of the Scottish Public Services Ombudsman Act 2002 provides that the SPCB will pay the salary and allowances of the Ombudsman and any expenses properly incurred by the Ombudsman in the exercise of SPSO functions so far as these expenses are not met out of sums received and applies for any services the SPSO provides.
6. The Ombudsman must before the start of each financial year, prepare budget proposals and send the budget to the SPCB for approval. The Ombudsman may, in the course of a financial year, prepare a revised budget for the remainder of the year and send it to the SPCB for approval.
7. In preparing a budget or revised budget, the Ombudsman must ensure the resources will be used 'economically, efficiently and effectively'. The Ombudsman's budget or revised budget must contain a statement confirming that the SPSO has complied with the statement.

8. The SPSO operates a strategic plan, annual business plan and annual cash-based budget to calculate its financial requirements. The SPSO will identify any risks associated with the annual business plan when drafting the plan. Any risks identified will be added to the Risk Register and subsequent actions added to the annual business plan or to individual staff member's action plans. In addition, requirements laid down in the SPSO's founding legislation are used to establish core objectives.
9. The objectives in the annual business plan are used to form the core of the budget. Only with these in place can funds required be ascertained.

Budget preparation

10. The timetable for the budget setting and approval process is dictated by the SPCB's budget timetable, who require the officeholders' budget submissions in September. SPSO starts the process around July/ August each year.
11. The finance officer will prepare the SPSO budget working sheet for the finance manager. This is based on:
 - 11.1. actual costs from the previous year;
 - 11.2. predictions based on the first four to six months of the current financial year; and
 - 11.3. comments for each budget heading, ie significant in-year changes and expenditure trends in current and previous years, and if there are any known or likely increases to these for the forthcoming year, such as inflation, rent increases, other cost increases above inflation.
12. The staffing costs account for approximately 75 percent of the total budget bid request by SPSO. The finance manager will prepare the staffing budget in accordance with the latest estimates of pay awards. The finance manager takes cognisance of the staffing trends and changes throughout the year and anticipates any changes which will be required, or which might impact on the forthcoming year's budget. The SPCB expect a cost-of-living increase to be included in the staffing budget. The value of this is arrived at in consultation with the Leadership Team (LT) and applicable Trade Unions.
13. A separate budget is prepared and managed by the finance officer for Bridgeside House, the offices of SPSO, on behalf of the officeholders who share this space under a shared services agenda. The costs for this relate to facilities, property and running costs. Most of these are fixed costs based on contracts, rents, and utilities / service charges. It is SPSO who submits, administers, and accounts for this budget, on behalf of all officeholders located in Bridgeside House.

14. SPSO does have some income from training. Any expected income generated by SPSO independently is deducted from the annual budget bid submission to SPCB. The Ombudsman may determine and charge reasonable sums for anything done or provided in the performance of, or in connection with the SPSO functions, for example, organising a training event and charging delegates a fee to attend. Income generated must be for the offset of known expenditure incurred by the Ombudsman in providing the service.
15. The finance manager is responsible for ensuring that the budget proposal will meet the expected approved out-turn. Once approved by LT, the final budget is issued to the SPCB for approval.

Annual budget setting process timetable

Activity	Timescale	Responsibility	Outcome
Drafting the budget	August	finance manager	The finance manager develops a draft of the key priorities in consultation with the LT, and taking into account Strategic and Business plan priorities for the coming financial year. The finance manager and finance officer prepare the budget bid, consulting with members of the LT, in line with prior agreements and direction from the SPCB.
Submission of budget bid	September	Ombudsman	Once approved by the Ombudsman, the finance manager submits the budget bid for the next financial year to SPCB, and responds to any requests for additional information.
Notification of approved budget	February	SPCB	The Finance Bill goes through Scottish Parliament and the Ombudsman is notified of approved budget for the coming year.
Monthly finance management reports	Monthly	Accountant	The accountant prepares monthly budget against expenditure reports for the finance manager to review and update the LT.
Quarterly finance management reports	Quarterly	finance manager	The finance manager prepared the Finance Report for the quarterly LT Governance

Activity	Timescale	Responsibility	Outcome
			meetings and the Advisory Audit Board (AAB) meetings.
Continuous monitoring of income and expenditure against budget	Ongoing	Finance team	Early detection of potentially significant variances from the budget / forecast notified to the finance manager for follow up actions to be considered (for example, decision not to proceed with purchase, other mitigating actions, budget virement or request for additional budget)

Quarterly monitoring

16. A formal budget against expenditure review is carried out at the end of each quarter and the revised anticipated outturn for the year reported to LT with any proposed changes to planned expenditure. The LT reviews the recommendations for approval.
17. Ad hoc or interim reports maybe produced and considered in light of significant emergent risks or organisational challenges.

Investigation of variances

18. When significant deviation from the planned budgetary trend appears likely the finance manager should notify the Ombudsman as soon as known, and a comment should be included within the monthly Finance Report reported to LT.
19. In respect of significant adverse variances, action to remedy the problem should be taken as quickly as possible, but only after seeking appropriate agreement at LT. The LT must ensure that the overall spending position is controlled and the required budgeted surplus percentage is maintained. Appropriate prompt action is to be taken in order to minimise the serious consequences of potential overspends.
20. Budget holders are required to ensure that anticipated material under spends or possible significant overspends, whether planned or not, are notified to the finance manager at the earliest opportunity.
21. Expenditure for which no budgetary provision has been made and which cannot be covered by delegated powers must not be incurred without the express permission of the LT.

22. SPSO must be able to respond to overspends or under spends if the variations are due to activity and workload, or as the result of external factors influencing expenditure. Therefore, the LT may choose to undertake a virement between budgets.

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