



**FRAMEWORK DOCUMENT BETWEEN THE SCOTTISH
GOVERNMENT AND THE SCOTTISH COMMISSION ON SOCIAL
SECURITY**

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Introduction

1. This framework document is agreed between the Scottish Commission on Social Security and the Scottish Ministers. It summarises how the Scottish Commission on Social Security (SCoSS) and Scottish Government (SG) will work together, and the key roles and responsibilities of:

- the Board;
- the Secretary of SCoSS;
- the Accountable Officer; and
- the Scottish Ministers.

2. The framework document does not confer any legal powers or responsibilities. However, it forms a key part of the accountability and governance framework and should be reviewed by the SG and SCoSS regularly and at least every two to three years. Any changes will be agreed between the SCoSS Board and the Scottish Ministers.

3. Any question regarding the interpretation of the document will be determined by the SG after consultation with the Board of SCoSS. However, legislative provisions shall take precedence over any part of the framework document. SCoSS's statutory responsibilities as defined in the Social Security (Scotland) Act 2018, agreed by the Scottish Parliament, therefore take priority.

4. SCoSS is an independent advisory Non-Departmental Public Body ("NDPB"). As is the case with all other relevant NDPBs, SCoSS has certain responsibilities to the SG in undertaking its work. However, in performing its statutory functions, SCoSS is not subject to the direction or control of any member of the Scottish Government.

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

6. References to SCoSS include the Chair, Members and any working groups or committees formed by SCoSS.

7. Copies of the document shall be published on the SCoSS and SG websites.¹

¹ The Scottish Commission on Social Security website can be accessed at—
[Home - Scottish Commission on Social Security \(socialsecuritycommission.scot\)](https://www.socialsecuritycommission.scot)

Purpose

8. SCoSS was established under Section 21 of the Social Security (Scotland) Act 2018 (hereafter ‘the Act’) on 21 January 2019. The primary purpose of SCoSS is to provide scrutiny of the Scottish social security system (including benefit regulations). It was therefore established as an independent advisory Non-Departmental Public Body (hereafter ‘NDPB’).

9. Section 22 of the Act details SCoSS’s statutory functions as follows—

- to scrutinise legislative proposals in accordance with section 97 of the Act;
- to prepare and submit to the Scottish Ministers a report on any matter, relevant to social security, that the Ministers request SCoSS to report on;
- to prepare and submit to the Scottish Parliament a report on any matter, relevant to social security, that SCoSS is requested to report on by the Parliament after the Parliament has resolved that the request should be made;
- to prepare and submit to the Ministers and the Parliament, from time to time, a report containing an assessment of the extent to which any or all of the expectations set out in the Scottish [Social Security Charter](#) are being fulfilled, and recommendations for improvement where the assessment is that those expectations are not being fulfilled; and
- any functions the Ministers confer on the Commission by regulations.

10. Section 22(2) of the Act provides that SCoSS when performing any functions under that section may have regard to any relevant human rights instruments. In addition, Section 97(6) of the Act requires that SCoSS must have regard to the Scottish social security principles and any relevant human rights instruments when reporting on draft regulations.

Governance and Accountability

11. SCoSS was established by section 21 of the Act as a body corporate and does not carry out its functions on behalf of the Crown. The body's functions are defined in Section 22 of the Act. Schedule One of the Act sets out the parameters of the body's legal status, powers, procedures, finance and membership.

12. The remainder of this section summarises the specific responsibilities and accountabilities of the key people involved in governance of SCoSS.

The Board

13. Members of the SCoSS Board, including the Chair or Chairing Member(s), are non-executives appointed by Scottish Ministers in line with the [Code of Practice for Ministerial Public Appointments in Scotland](#). The Chair and Board Members are accountable to the Scottish Ministers and also to the Scottish Parliament, and may be required to give evidence to Parliamentary Committees.

14. The Board has overall responsibility for the delivery of the functions of SCoSS, as set out at paragraphs 8 to 10 above, in accordance with the aims, policies and priorities of the Scottish Ministers. In fulfilling this responsibility, individual Members, under the leadership of the Chair, will:

- a. set strategic and operational plans to deliver the functions of SCoSS, focusing on how the work of SCoSS 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 that key risks are identified and managed;
- d. 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; and
- e. promote the wellbeing, learning and development of staff assigned to work for SCoSS.

15. The role of Members of the Commission is to act in the best interests of the Commission as a whole. When undertaking their roles, individual Members of the Commission should not ask the Secretariat to take action on their behalf, unless the request is in the best interests of the Commission as a whole or there is an agreed consensus among a majority of Commissioners prior to any request.

16. 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 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 disabled people.
- f. ensure that SCoSS delivers its principal aims as set out in the Act and that the Board is working effectively;
- g. work with the rest of the Board and the Accountable Officer to oversee effective management of SCoSS's budget;
- h. in discussion with Members, ensure that SCoSS's work plan is set and tasks are allocated to the secretariat and Members;

17. Board Members of SCoSS, including the Chair, are non-executive appointments made by the Scottish Ministers in line with the Code of Practice for Ministerial Public Appointments in Scotland. The role of Members is to provide direction, support and guidance to ensure the body delivers and is committed to delivering its functions effectively and efficiently and in accordance with the aims, policies and priorities identified within the Act. Individual Members, under the leadership of the Chair, have the following responsibilities, including, but not limited to:

- a. taking forward the strategic aims and objectives for SCoSS as agreed with the Scottish Ministers;
- b. bringing their unique experience, perspective and knowledge to SCoSS discussions;

- c. representing the agreed views of SCoSS in public forums where appropriate; and
- d. complying at all times with the agreed behaviours in the Code of Conduct and within the rules relating to the use of public funds and conflict of interest.
- e. Promoting transparency through clear reporting and sustainability through taking a long-term view.

18. If SCoSS choose to set up a committee to lead on any report or topic, the Committee shall have clear Terms of Reference setting out its relationship with the SCoSS Board. Any co-opted members shall have formal letters of appointment setting out the expectations of them in their role and are expected to abide by the Code of Conduct at all times.

19. Specific guidance on how the Chair and Board Members should discharge their duties will be provided in their appointment letters and helpful information can be found in [On Board – A Guide for Members of Statutory Boards](#). Guidance on governance good practice is available in the [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 Governance and Risk section below.

SCoSS Secretary and staff

20. SCoSS cannot employ staff in their own right. All staff, including the Secretary, are civil servants on SG terms and conditions. They are required to comply with the Civil Service Code and SG HR policies, but their primary responsibility for all operational matters is to the Board and it will not be possible for the Accountable Officer, Senior Sponsor, members of the Sponsor Team or other SG officials to instruct the staff of SCoSS in the performance of their duties except by agreement with the Chair or the Board. Arrangements for the provision of SG staff, HR services and applicability of HR policies will be set out in a separate management agreement between SG and SCoSS and reflected in letters of appointment for SG staff assigned to SCoSS.

21. The Secretary will be the principal adviser to the Board on the discharge of its functions and is accountable to it. The role of the Secretary is to provide operational leadership to staff working for SCoSS 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.

22. The specific duties of the Secretary will be set out in a job description and annual objectives will be agreed with the Senior Sponsor and used in the performance appraisal process.

23. In addition to any other specific duties, the Secretary 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. manage the staff of SCoSS in line with guidance, policies and procedures in place in the SG, and ensure their wellbeing and development;
- d. manage the budget for SCoSS in line with Finance guidance, policies and procedures, including the [Scottish Public Finance Manual](#);
- e. agree with the Board and the AO or Senior Sponsor what information is required to enable the Board and SG to scrutinise the performance of SCoSS and progress against overall strategic and business plan aims and objectives, and ensure that the agreed information is provided and that it is both accurate and timely; and
- f. 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 SCoSS and other key stakeholders, including staff of other public bodies.

24. In advising the Board, the Secretary will ensure that the key governance issues highlighted in the Governance and Risk section below are addressed.

The Scottish Ministers

25. The Scottish Ministers appoint the Chair and Board Members of SCoSS, and hold the Board to account for the performance of SCoSS 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 SCoSS directly as it does with all public sector bodies. The Scottish Ministers are not directly responsible for the operation of SCoSS and Schedule One of the Act prevents them from directing the Board in relation to specific statutory functions.

26. The Scottish Ministers will:

- a. agree the strategic aims, objectives and key targets of SCoSS as part of the corporate planning process;
- b. agree the budget for SCoSS, and secure the necessary Parliamentary approval; where necessary;
- c. approve the Code of Conduct of the SCoSS Board;
- d. Provide SCoSS with such staff and resources as required to carry out its functions;

- e. Carry out responsibilities specified in the Act, such as appointments to SCoSS's Board and approving the terms and conditions of the Chair and members of SCoSS, and;
- f. Undertake other matters such as approving the remuneration of the Chair and Board Members of SCoSS in line with SG Pay Policy and laying accounts (together with the annual report) before the Parliament.

SG Accountable Officer

27. The Principal Accountable Officer for the Scottish Administration (the Permanent Secretary of the SG) has designated the Deputy Director, Head of Social Security Policy, as the Accountable Officer (AO) for the budget which will provide funding for SCoSS.

28. The AO's duties are to establish a framework for the relationship between SG and SCoSS, 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.

29. These activities are known collectively as 'sponsorship'. In practice, the AO has delegated all sponsorship duties to other SG officials in a 'Sponsor Team'. The responsibilities of an Accountable Officer are set out in detail in the [Memorandum to Accountable Officers for Parts of the Scottish Administration](#).

30. The AO will:

- a. make sure this framework document is agreed between the Scottish Ministers and SCoSS, ensure that it is reviewed regularly and oversee the operation of the roles and responsibilities set out in it;
- b. ensure that financial and other management controls being applied by SCoSS 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 continuous assessment and annual appraisal of the performance of the Chair;
- d. support regular and effective engagement between SCoSS 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 SCoSS are aware of these delegated responsibilities.

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

Relationship between Scottish Government and SCoSS

32. Strategic engagement between the SG and SCoSS 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 SCoSS will take all necessary steps to ensure that their relationship is developed and supported in line with the jointly agreed principles set out in the statement on '[Strategic Engagement between the Scottish Government and Scotland's NDPBs](#)'. This emphasises the need for cooperation and good communication, and in particular, early warning from either side about any emerging risks or issues with significant implications for the operation or governance of SCoSS. This includes the Scottish Government seeking the views of SCoSS in advance of any changes to the formal role and remit of the body in legislation.

33. SCoSS's statutory functions under section 22 of the 2018 Act include the duty to scrutinise legislative proposals in accordance with section 97 of the 2018 Act, and to prepare and submit to the Scottish Ministers a report on any matter, relevant to social security, that the Ministers request SCoSS to report on. Following the recommendations of an independent review of SCoSS arrangements accepted by the Scottish Government and the SCoSS Board, various regulation-making powers are due to be brought under section 97 of the Act by legislation currently moving through the Scottish Parliament. The list of powers to be included reflect where SCoSS has been commenting on such regulations in practice, because they were likely to have a material impact on Social Security Scotland clients. In addition to implementing the extension of the list of regulations that will formally come to SCoSS for scrutiny, the Scottish Government undertakes to request SCoSS to report on proposals made using regulation-making powers under Compensation Recovery provisions in the Social Security (Amendment) (Scotland) Bill, using section 22(1)(b) of the 2018 Act, where the Scottish Government considers there likely to be significant impact on outcomes for individual claimants.

34. The Sponsor Team's primary function is to carry out the responsibilities delegated to it by the AO, directly or via a 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 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 AO, they must ensure that key actions and decisions agreed are documented and implemented. This includes ensuring that SG teams implement any agreed actions.

Planning and Reporting

35. SCoSS 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. The final, agreed version of the strategic or corporate plan will be published on the SCoSS website. The Board will agree annual operational business plans to enable SCoSS to deliver the overall strategic aims, objectives and targets.

Budget Management

36. The Scottish Ministers are required to provide staff and resources to enable SCoSS to carry out its functions. A budget is provided for SCoSS. The Secretary of SCoSS will be responsible to the Board for managing the budget provided, in line with SG Finance policies and guidance including the [Scottish Public Finance Manual](#) and requirements for monitoring and reporting. The AO or their delegate(s) can provide advice as required.

37. If SCoSS identifies a need for increased resource from a future budget or spending review, a business case for additional funding should be submitted to the Sponsor Team for consideration as part of the budget setting process. If additional resources are needed in-year, or underspends become apparent, then the body should raise these as soon as possible with the AO and/or their delegate(s).

38. The SCoSS Secretariat has the following responsibilities with regard to financial management:

- a) To review financial management information provided by SG Social Security Programme Finance on a monthly basis;
- b) To provide assurance that expenditure on the cost centre is correct and categorised correctly;
- c) To provide details to SG Social Security Programme Finance of any costs that need to be accrued and / or pre-paid;
- d) To explain variances or changes in expenditure;
- e) To provide an updated financial forecast to SG Social Security Programme Finance on a monthly basis within reporting deadlines;
- f) To provide other standard or ad-hoc information as required by SG Social Security Programme Finance such as future year planning, capital / resource checks etc;
- g) Overall responsibility for producing year-end accounts and liaising with Audit Scotland; and
- h) To raise financial risks with Sponsor Unit and Finance as appropriate.

39. Scottish Government Social Security Programme Finance have the following responsibilities with regard to financial management in relation to SCoSS:

- a) To provide monthly financial management information in the form of cost centre and budget holder packs which will be checked and quality assured by SG Social Security Programme Finance;
- b) To provide payroll details to assist with reconciliation of finances;
- c) To support the movement of expenditure and / or accruals and pre-payments as directed by SCoSS;
- d) To identify any expenditure in the cost centre and investigate any finance issues associated with the cost centre;
- e) To fulfil a role as a 'critical friend' to SCoSS, providing financial support and advice as well as challenging expenditure and assisting with financial forecasting and planning; and
- f) To provide support to SCoSS in preparing year-end accounts and working with Audit Scotland to provide the financial tables required as well as supporting information and assurance within required timescales.

Audit

40. Schedule One of the Act requires SCoSS to submit a statement of accounts to the Auditor General for Scotland. Therefore, SCoSS is currently subject to external audit by Audit Scotland. Accordingly, SCoSS is required to comply with the requirements of external audit and has established an Audit Sub-Committee to manage this process.

Annual Report and Accounts

41. SCoSS 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 SCoSS. It will comply with the Government [Financial Reporting Manual](#) (FReM) and outline the NDPB's main activities and performance against agreed objectives and targets for the previous financial year. It is the responsibility of the Accountable Officer to sign the accounts.

42. 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.

43. The SG Sponsor Team should receive a copy of the annual report for comment, and a copy of the draft accounts for information. SCoSS 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 Auditor General for Scotland (AGS) is 31 December after the end of the relevant financial year, the Scottish Ministers expect that accounts will be laid before the Scottish Parliament and published as early as possible.

External audit

44. The AGS audits, or appoints auditors to audit, SCoSS'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 SCoSS to secure Best Value.

45. 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 SCoSS. SCoSS 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

46. SCoSS, with advice and support as necessary from Scottish Government Social Security Programme Finance and its Sponsor Unit, 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 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;
- keep records of, and prepare and forward promptly to the SG an annual report on fraud and theft suffered by SCoSS and notify the AO or Senior Sponsor immediately of any unusual or major incidents.

47. 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. SCoSS 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

Budget management and delegated authority

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

49. SCoSS's specific delegated financial authorities - as agreed in consultation between the Board and the Scottish Ministers - are set out in **Annexe A**. The Board will obtain the prior written approval from sponsors 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

50. 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](#)

51. If in any doubt about a governance issue, the Secretary of SCoSS should consult the 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.

52. The Board and Secretary of SCoSS are advised to pay particular attention to guidance on the following issues.

Risk management

53. SCoSS 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 AO or Senior Sponsor.

54. The SCoSS 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](#).

Internal control

55. The Board should establish clear internal delegated authorities with the Secretary of SCoSS, who may in turn delegate responsibilities to other members of staff. SCoSS have a responsibility to set a framework of prudent and effective controls that enables risk to be assessed and managed.

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

57. SCoSS 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. SCoSS 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. Staff data will be managed by Scottish Government in line with information governance requirements and applicable legislation.

Budget, finance and procurement

58. As SCoSS is unable to enter into contracts in its own name, any procurement activity must be undertaken through the SG in line with the requirements of the [Procurement](#) section of the SPFM. SCoSS must not engage in financial investments, borrowing, lease holding or lending.

59. SCoSS is not under normal circumstances permitted to: generate income; receive gifts, bequests or donations; provide grant funding to a third party; make gifts or special payments; or write off losses. Any exceptions must be agreed in advance with the AO or Senior Sponsor and the SG Financial Management Directorate.

Remuneration

60. 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.

61. All individuals who would qualify as employees for tax purposes should be paid through the payroll system with tax deducted at source.

62. As part of overall compliance with SG HR policies and procedures the staff (who will normally be civil servants) will come under SG policies, which includes Scottish Government pay agreements.

Specific Financial Provisions

63. SCoSS as established by the Act, is an advisory NDPB established by the Scottish Ministers. SCoSS does not enjoy any status, immunity or privilege of the Crown and is therefore unable to enter into contracts in its own name.

64. This prohibits SCoSS from engaging in the following: financial investments; borrowing; lease holding; lending, etc. This is not intended to be an exhaustive list, and advice should be sought from the sponsor unit on any financial matters not otherwise covered in this framework.

65. The budget allocated to SCoSS will be held on its behalf by the Secretary to SCoSS.

Delegated authorities

66. SCoSS's specific delegated financial authorities – as agreed in consultation between SCoSS and the SG – are set out in **Annexe A**. SCoSS shall obtain the SG's prior written approval before incurring any expenditure that falls outside these delegations. The Commission shall also comply with any requirements for prior SG approval included in the SPFM and/or this document. Prior SG approval must always be obtained 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.

Income generation

67. SCoSS does not hold the ability to generate income.

68. If gifts are offered to SCoSS or its Members then they consider if there are any associated costs in receiving these or any conflicts of interests arising. SCoSS shall keep a written record of any such gifts, etc. and what happened to them.

Tax arrangements


69. SCoSS must comply with all relevant rules on taxation, including VAT. All individuals who would qualify as employees for tax purposes should be paid through the SG payroll system with tax deducted at source. It is the responsibility of SCoSS to observe VAT legislation and recover input tax where it is entitled to do so. The implications of VAT in relation to procurement and shared services should be considered at an early stage to ensure that financial efficiency is achieved.

Third party grants

70. Unless covered by a specific delegated authority SCoSS shall not, without the SG's prior written agreement, provide grant funding to a third party. Such funding would be subject to the SPFM guidance. Guidance on a framework for the control of third party grants is provided as an annexe to the Grant and Grant in Aid section of the SPFM.

Procurement and payment

71. Procurement shall be undertaken by Scottish Ministers on behalf of SCoSS. Procurement should be undertaken by appropriately trained and authorised staff and treated as a key component of achieving SCoSS's objectives consistent with the principles of 'Value for Money', the highest professional standards and any legal



requirements. All external consultancy contracts over the value of £10,000 or any proposal to award a contract without competition (non-competitive action) must be endorsed in advance by the Accountable Officer. Contracts over £50,000 must be approved by the Cabinet Secretary for Finance.

72. SCoSS shall pay all matured and properly authorised invoices relating to transactions with suppliers in accordance with the 'Expenditure and Payments' section of the SPFM and in doing so shall seek, wherever possible and appropriate, to meet the SG's target for the payment of invoices within 10 working days of their receipt.

Special payments and losses

73. Unless covered by a specific delegated authority SCoSS shall not, without the SG's prior written approval, make special payments or write-off of losses. Special payments and losses are subject the guidance in the 'Losses and Special Payments' section of the SPFM.

Annexe A – Specific Delegated Financial Authorities

The limits outlined below represent the total which may be agreed by the named party in relation to a single expense or over the life of a contract award.

Lead Secretary

The Lead Secretary has authority to authorise any routine expenditure of SCoSS, inclusive of remuneration claims, travel expenses, contractor invoices and publication costs, etc, to the limit of £10,000. Beyond this level, clearance should be sought from the Accountable Officer.

Accountable Officer

The Accountable Officer has authority to authorise contracts and or expenses in excess of £10,000 and up to £50,000. For expenditure beyond £50,000 the Accountable Officer shall obtain approval from the Director of Social Security.