Finance Handbook

The Scottish Information Commissioner's finance policy, associated procedures and internal controls

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Glossary and abbreviations

Term used	Explanation
FOISA	The Freedom of Information (Scotland) Act 2002
Commissioner	David Hamilton, Scottish Information Commissioner
AO	Accountable Officer
SPCB	Scottish Parliamentary Corporate Body
SMT	Senior Management Team
HOBS	Head of Corporate Services
BSM	Finance and Administration Manager
Administrator	Administrator within the Corporate Services Team

Finance Policy

Introduction

1. The Scottish Information Commissioner (the Commissioner) is a public official appointed by His Majesty the King on the nomination of the Scottish Parliament.

2. Any function of the Commissioner may be exercised on their behalf by any person (whether or not a member of staff) authorised by her to do so (and to the extent so authorised).

3. The Commissioner, David Hamilton, has been designated Accountable Officer (AO) under the Freedom of Information (Scotland) Act 2002, Schedule 2, paragraph 4, with effect from 16 October 2023. The Commissioner's responsibilities as AO are set out in the Memorandum to the Accountable Officer of the Office of the Scottish Information Commissioner from the Scottish Parliamentary Corporate Body.

Policy

4. As required by the Freedom of Information (Scotland) Act 2002, Schedule 2, paragraph 4, the AO will

    - sign the accounts of the expenditure and receipts of the Commissioner
    - ensure the propriety and regularity of the finances of the Commissioner
    - ensure that the resources of the Commissioner are used economically, efficiently and effectively.

5. As required by the Freedom of Information (Scotland) Act 2002, Schedule 2, paragraph 5, and in accordance with Scottish Ministers' directions, the Commissioner will

    - keep accounts
    - prepare annual accounts in respect of each financial year
    - send a copy of the annual accounts to the Auditor General for Scotland for auditing
    - make available, at any reasonable time, the audited accounts without charge and in printed or electronic form.

6. The Commissioner will comply with the guidance contained within the Scottish Public Finance Manual (SPFM) on the proper handling and reporting of public funds. The SPFM sets out the relevant statutory, parliamentary and administrative requirements, emphasises the need for economy, efficiency and effectiveness and promotes good practice and high standards of propriety.

7. As required by Part 3 of the Public Services Reform (Scotland) Act 2010, the Commissioner will provide information on the following expenditure:

    - public relations
    - overseas travel
    - hospitality and entertainment

- external consultancy

and an annual statement on the steps taken during the financial year to:

- promote and increase sustainable growth through the exercise of its functions
- to improve efficiency, effectiveness and economy in the exercise of its functions

8. Annually, the Commissioner will also publish expenditure statements on the categories of expenditure set out at paragraph 7 together with:

- details of any individual payments made that are over £25,000
- numbers of staff who receive remuneration of over £150,000.

Related Policies, Procedures, Internal Controls and Guidance

Associated policies, procedures and internal controls

Introduction

9. In order to fulfil the requirements of the Finance Policy, the Commissioner applies a number of individual policies, procedures and internal controls.

10. An overview is provided below.

Governance Arrangements

11. The Governance Arrangements set out the monitoring and reporting systems in place to ensure an appropriate level of accountability and control, including the governance framework, and the membership and purpose of the Senior Management Team (SMT) and the Advisory Audit Board (AAB)

12. The Governance Reporting Arrangements document sets out the reports that will be provided to the SMT as part of the governance arrangements to provide assurance of their effectiveness.

Scheme of Delegation

13. Under section 42(10) of FOISA, a Scheme of Delegation is in place which authorises specific staff to exercise certain functions on the Commissioner's behalf and specifies the limitations of this authority.

14. The Scheme of Delegation is updated as necessary to take account of new staff and any new or changing procedures. Any revisions must be approved at an SMT meeting and minuted accordingly.

Risk Management

15. The C1 Risk Management Policy ensures that the Commissioner manages its risk actively through an appropriate and proportionate framework which identifies, assesses, addresses, reviews and reports on risk in the context of its risk appetite and environment.

16. A strategic risk register and an operational risk register is in place for each financial year which identify the organisation's most significant risks and how these will be managed.

17. The strategic risks are reviewed every quarter and the operational risks every 2 months by the SMT (or more frequently, if required)

18. The Commissioner receives annual assurance from the Head of Business Support (HOBS) that risk is being monitored and managed appropriately.

Internal Audit

19. The C1 Internal Audit Policy recognises the added value to be derived from internal audit through the review and assessment of compliance with, and the efficacy of, the governance arrangements and operational procedures.

20. An internal audit plan, comprising a programme of proportionate audits of internal controls, governance arrangements and operational procedures is developed, implemented and reviewed at least annually.

21. The Commissioner is responsible for ensuring that appropriate internal control systems exist and for deciding to what extent to accept and implement internal audit findings and recommendations.

Anti-fraud

22. The Commissioner is committed to preventing fraud and corruption from occurring, to having appropriate systems of detection and correction in place and to maintaining an anti-fraud culture and there is an Anti-fraud Policy which supports this and sets out details of the relevant actions to be taken by the Commissioner and the Commissioner's staff and the related responsibilities.

Business Continuity

23. There are business continuity policies and procedures in place which are updated and reviewed.

Procurement

24. The C6 Procurement Policy and Procedures out the policy, guidance and procedures that apply to the Commissioner and the Commissioner's staff who are involved in procurement activity.

25. Procurement activity should be:

    - focussed on the delivery of Value for Money (VfM);
    - conducted to high professional standards and to the relevant legal requirements
    - overseen by appropriately trained and authorised staff to minimise the risk of legal challenge to the Commissioner and our staff.

Travel and Expenses

26. The C4 Travel and Expenses Policy is designed to reimburse staff for expenses reasonably and necessarily incurred as a result of being required to travel and/or stay overnight on business.

Fixed Assets

27. The Commissioner has a duty to ensure that the assets for which they are responsible such as land, buildings or other property - including stores and equipment - are properly and well managed. Robust systems should be in place to ensure that the accuracy and integrity of information held on registers, databases and inventories is safeguarded and readily available for inspection.

28. The C4 Fixed Assets Policy sets out the Commissioner's policies and procedures applying to fixed assets prescribes that expenditure on the acquisition of an asset, or expenditure which adds to the value of an existing asset, will be capitalised and classified as a fixed asset and a Fixed Asset Register is maintained.

Supporting Guidance

Funding

Submission of the annual budget bid

29. The Commissioner must submit an annual budget bid to the SPCB, which forms part of the SPCB's budget requirement and, as such, is reported to the Scottish Parliament's Finance and Constitution Committee as part of the SPCB's overall budget submission.

30. Timings for the submission of the budget and accompanying narrative are provided to the HOBS by the SPCB.

31. The submission is for the amount of funding required by the Commissioner during any one financial year.

32. The Commissioner may be asked to give evidence to the SPCB in person in advance of the Scottish Parliament's Finance and Constitution Committee's consideration of the budget bid.

33. The SPCB will notify the Commissioner in writing of the Commissioner's approved budget provision and provide a note of any related matters.

34. The approved budget amount is the maximum amount of funding available to the Commissioner in that financial year unless further need is identified and further funding approved.

Officeholders' Contingency Fund

35. Where additional funding is required for unplanned or unexpected expenditure on a one-off basis, and the costs cannot be met from the Commissioner's approved budget, the Commissioner may submit to the SPCB a request for contingency funding.

36. The arrangements are set out in a Memorandum of Understanding between the SPCB and the on Access to the Officeholders' Contingency Fund..

Draw-down of funds

37. Funds are requested from the SPCB approximately one month in advance of need.

38. The SPCB will email the Business Support Manager (BSM) and HOBS stating the deadline by which funds must be requested and providing a standard form for completion.

39. Funds should be drawn down as accurately as possible and not drawn in advance of need.

40. Monies are transferred electronically into the Commissioner's business bank account on the first working day of each month

Payroll and pensions

41. The Commissioner is paid directly by the SPCB which also deals with their associated tax, NI and pension contributions.

42. The Commissioner uses an external payroll provider, CGI, for processing of all payroll-related matters for their staff.

43. The staff payroll is administered by the Business Support Administrative Officer (BSAO) and BSM who will aim to ensure salaries are accurate and paid on time.

44. The BSAO or BSM will notify the payroll provider of any errors and omissions and required amendments within the timescales specified by the payroll provider. The BSM or HOBS verifies and approves the amendment forms (e.g. leave, expenses)/payroll summary prior to submission to CGI.

45. The payroll provider supplies a payroll report via encrypted email. It is the responsibility of the BSAO or BSM to check this report is accurate. The BSAO or BSM provides the BSM or HOBS with a monthly report on payroll activity and issues arising which is supported by the monthly payroll report from CGI and accompanied by the verified amendment forms. The BSM or HOBS reviews the report to ensure the amendments have been implemented as intended and any related issues are being resolved appropriately.

46. All staff are entitled to join the Civil Service pension scheme or a private pension scheme. The BSM has responsibility for ensuring staff are placed in the correct scheme and their deductions are accurate.

47. The BSM also liaises with the pension scheme administrator (MyCSP) and the Cabinet Office to ensure compliance with legislation and regulations, to obtain and provide information and to maintain awareness of any changes to the scheme requirements.

Income

48. The main source of the Commissioner's income (for the organisation) is the cash funding from the SPCB.

49. The Commissioner is not a trading organisation so does not generate income through raising sales invoices.

50. On occasion, staff have speaking engagements and we may ask for a contribution to travel and accommodation expenses.

51. Costs awarded to the Commissioner as a result of appeals to the Courts are paid into the Commissioner's business bank account when received. This income is offset against the approved budget and has the effect of reducing the amount of cash which will be drawn down from the SPCB.

Financial processing

Computerised accounts system

52. All financial transactions are recorded into the Sage accounting system. There are five users, all of whom have discrete password-protected log-ins. The BSM also has administrative access, using a separate log-in and password.

53. The Annual Accounts will be prepared from these accounting records.

54. Monthly management reports are provided to the HOBS for monitoring purposes. The BSM compiles these from the information in Sage. The HOBS and the BSM use this information to prepare a forecast of future expenditure and income to give a forecast outturn against budget.

55. The BSAO is responsible for processing all invoices through the system, including preparing them for payment and importing the payment file.

56. A list of disputed invoices is maintained, which is reviewed monthly by the BSM. The BSM prepares a report annually on invoice payments , which includes details of:

- YTD performance against the KPIs set out in the Performance and Quality Framework
- An analysis of undisputed invoices for the year to date where payment time was more than 10 working days
- A report on queried/disputed invoices at the quarter-end

57. Supplier payments entered into Sage are imported into the online banking system to enable payment by BACS.

58. Payments are authorised in accordance with the Scheme of Delegation and the bank mandate.

Control accounts

59. The BSM is responsible for ensuring the accuracy of bank and payroll transactions.

60. Bank transactions and balances are monitored monthly in the first instance through compiling the monthly management reports where final bank balances are reconciled via Sage.

61. The bank account and wages control account balances in Sage are also reconciled at least quarterly and any discrepancies addressed. The HOBS reviews the bank and wages control account reconciliations.

Petty cash

62. Petty Cash is held to a maximum amount of £250.

63. The petty cash system is administered by the BSAO/BSM.

64. Any claims for petty cash must be accompanied by a receipt.

Creditors

65. The Commissioner will meet the requirements for 'Expenditure and Payments' as set out in the SPFM.

66. The BSM is responsible for ensuring that all creditor accruals are recorded accurately for the purposes of the Annual Accounts.

Debtors

67. Any debts due to the Commissioner will be recorded in the debtors' ledger until paid.

68. The BSM is responsible for ensuring all prepayments are recorded accurately for the purposed of the Annual Accounts.

Bank account

69. The Commissioner maintains two bank accounts.

70. The current account is the bank account through which all receipts and payments are made.

71. The Special Interest Bearing Account is a holding account into which surplus funds at the start of the month are transferred automatically and transferred back to the current account (also automatically) to cover expenditure payments.

72. This account attracts interest which is offset against the approved budget and reduces the amount of cash drawn down accordingly.

73. The bank mandate, which is derived from the Scheme of Delegation specifies those who may sign cheques and authorise payments via the banking system. All cheques and payment authorisations require two signatures /approvals.

74. Those staff who have authority to access online banking have their own log-in and password. The online banking system requires the password be changed every month, with no repeat of previously used passwords allowed.

75. The BSM and the HOBS have administrative rights, with the HOBS having full access while the BSM's is more restricted.

Finance Processing Procedures

76. Further detailed administrative guidance and procedures are provided in the C4 Finance Processing Procedures.

Document control sheet

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