



THE SCOTTISH BIOMETRICS COMMISSIONER

Finance Policies

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Safeguarding our biometric future



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Budgetary control and financial planning policy

Policy statement

This policy sets out the principles and arrangements for budgetary control and financial planning by the Scottish Biometrics Commissioner (SBC) and the Scottish Public Services Ombudsman (SPSO). Through a Shared Services Agreement, all financial processing and transactions will be conducted by the SPSO on behalf of the SBC. Both the SBC and the SPSO are committed to managing their resources to ensure long term financial well-being and economic effectiveness of their organisation. To enable this, both must operate a robust business planning and financial control framework and effective systems to monitor and accurately report delivery of the SBC's plans. This includes ensuring that financial forecasts and plans are appropriate and based on reasonable assumptions and information.

This policy reflects the budgeting process agreement between the Scottish Parliamentary Corporate Body (SPCB), the Scottish Parliament Finance and Constitution Committee, the SBC and the SPSO.

Roles and responsibilities

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

Stakeholder(s)	Role, accountabilities and responsibilities
Scottish Parliamentary Corporate Body (SPCB)	The SPCB approves the Commissioner'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 Public Administration Committee for consideration as part of the SPCB's overall budget
Finance and Constitution Committee's Role	The Finance and Public Administration Committee will consider the Commissioner's budget proposals as part of the Committee's scrutiny of the SPCB's overall budget. The Commissioner will give evidence in person to the Committee if required
SBC Advisory Audit Board (AAB)	Provide advice to the Commissioner on the SBC's standard of corporate governance and internal control. The AAB considers matters of governance, audit and internal control for the SBC. In particular, the AAB provides confirmation for the Commissioner on whether the necessary assurances required for the signing of the Governance Statement contained within the annual accounts have been provided
Commissioner [Accountable Officer]	The SPCB as presiding officer has designated the Commissioner as the Accountable Officer (AO) with a direction that this may not be delegated. Appointment as the AO is a personal appointment The AO is answerable to Parliament in respect of the following functions: <ul style="list-style-type: none"> ▪ Signing the accounts of the expenditure and receipts of the SBC; ▪ Ensuring the propriety and regularity of the finances of the SBC; and



	<ul style="list-style-type: none">Ensuring that the resources of the SBC are used economically, efficiently and effectively <p>The specific duties of the AO are set out in the Memorandum to the Accountable Officer</p> <p>The Commissioner must, before the start of each financial year, prepare proposals for the SBC's 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 Commissioner may seek to revise the SBC budget during the year by submitting a revised budget to the SPCB for approval</p>
Corporate Services Manager	The Corporate Services Manager is responsible for ensuring the Budget Control and Financial Planning Policy and Procedure are fit for purpose and in place, and for participating effectively in the processes required to set, manage, and monitor the financial budgets
SPSO Corporate Services Manager [Finance Officer]	The Finance Officer (on behalf of the SBC) is responsible for processing financial transactions in line with the approved guidance and procedures
SPSO Accountant	The Accountant is responsible for working with the Finance Officer in preparing the monthly management reports and annual accounts which are sent to SBC's Corporate Services Manager and the Commissioner
SPSO Corporate Services Officer [Finance Administrator]	The Finance Administrator is responsible for checking, recording and preparing the invoices for payment, and entering the information on the SAGE accounting system
SPSO HR Manager	The HR Manager is responsible for recording and maintaining the staffing resource costs, in accordance with the latest estimates of pay awards, taking account of staffing trends and changes throughout the year
SPSO HR Officer [Payroll administrator]	The Payroll Administrator is responsible for ensuring the correct and timely entry of payroll information into the Moorepay HR system

Budget control and financial planning framework

Principles

There are four important principles for budgetary control:

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 Commissioner;



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 out with their remit;
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. 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 Commissioner for the purposes of carrying out, for a specific period, any or all of the functions of the SBC
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

The SBC'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.

By such date as determined by the SPCB, the Commissioner must submit for approval the SBC budget proposals for the use of resources and expenditure which must include estimates of any income expected to be received.

The Commissioner 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 budget is undertaken with this objective in mind.

Once the Budget Bill is passed by the Parliament, the SPCB will send the Commissioner a formal statement advising what the approved budget provision is.

Transfers of significant budgetary provision between different budget headings requires the prior approval of the SPCB.

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 Corporate Services Manager is responsible for guidance on budgetary timescales.



Budgetary responsibility

The Commissioner is responsible for ensuring that financial performance is within the targets agreed in the approved budget. In exercising this responsibility, the Commissioner will be guided by the advice of the Advisory Audit Board.

The Corporate Services Manager with support from the SPSO is responsible for ensuring that:

- an adequate system of monitoring financial performance is in place so that the SBC can fulfil its business plan objectives
- 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 – this area of business will be dealt with by the SPSO
- all budgetary control information is provided on time in the required format to the Advisory Audit Board (AAB)
- the total of all revenue budgets balance with the expected approved out-turn.

Role of the SBC and SPSO finance department

The SBC Corporate Services Manager will provide the framework within which the budget setting takes place, and will:

- discuss with the Commissioner all proposed changes, and budgetary variances;
- liaise with the SPCB for any contingency fund requirements, or in-year variations;
- ensure that all financial transactions are correctly authorised;
- ensure the procurement process is followed;
- monitor all actual expenditure against budgets;
- provide timely finance information to enable the Commissioner to make finance decisions.

The SPSO finance and HR departments will:

- review payroll records to ensure that staff costs are correctly forecast;
- maintain a record of the totals of all budget headings and department allocations;
- ensure that all financial transactions are correctly coded and authorised;
- monitor compliance with virements; and
- provide timely finance information to enable LT finance decision making.

The SPSO Accountant will:

- oversee transaction processes;
- maintain budget information through a management report each month for the SBC Corporate Services Manager and Commissioner and
- prepare the year-end accounts.



Budgetary control and financial planning procedure

Overview

This document sets out the procedures for budgetary control and financial planning by the Scottish Biometrics Commissioner (SBC) and the Scottish Public Services Ombudsman (SPSO). Through a Shared Services Agreement, all financial processing and transactions will be conducted by the SPSO on behalf of the SBC. Both the SBC and SPSO are committed to managing its resources to ensure the long term financial well-being and economic effectiveness of their organisation.

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

As a Scottish public service, the SBC has regard to the guidance in Scottish Public Finance Manual ([SPFM](#)) Model Framework, including that funding should be according to need.

The SBC has a budgeting process agreement between the SPCB and the Finance and Constitution Committee. The purpose of the Memorandum is to set out an understanding between the Scottish Parliamentary Corporate Body (SPCB), the Finance and Constitution Committee of the Scottish Parliament and the Scottish Biometrics Commissioner (SBC) in relation to administrative arrangements to be observed in connection with the annual budgeting process.

Schedule 29, of the Scottish Biometrics Commissioner Act 2020 provides that the Commissioner must, before the start of each financial year:

- ***prepare proposals for the Commissioner's use of resources and expenditure during the year (a budget) and***
- ***by such date as the Parliamentary corporation determines, send the budget to it for approval.***

The Commissioner may, in the course of a financial year, prepare a revised budget for the remainder of the year and send it to the Parliamentary corporation for approval. In preparing a budget or revised budget, the Commissioner must ensure that the Commissioner's resources will be used economically, efficiently and effectively. A budget, or revised budget must contain a statement confirming that the Commissioner has complied with the statement.

The SBC operates a Strategic Plan, annual Business Plan and annual cash-based budget to calculate its financial requirements. The SBC will identify any risks associated with the annual Business Plan when drafting the plan. Any risks identified will be added to the Strategic Risk Register and subsequent actions added to the annual Business Plan. In addition, requirements laid down in the SBC's founding legislation are used to establish core objectives.

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

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. The SBC starts the process around July/August each year.

The Corporate Services Manager will prepare the SBC budget working sheet for the Commissioner. This is based on:

- actual costs from the previous year;
- predictions based on the first four to six months of the current financial year; and
- comments for each budget heading, i.e. 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, other cost increases above inflation.

The Corporate Services Manager with the SPSO HR manager will prepare the staffing budget in accordance with the latest estimates of pay awards. The SPSO HR 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 SPSO Leadership Team (LT) and applicable Trade Unions or on the direction of the SPCB.

A separate budget is prepared and managed by the SPSO finance officer for Bridgeside House, the offices of the SBC, 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.

The Corporate Services Manager is responsible for ensuring that the budget proposal will meet the expected approved out-turn. Once approved by the Commissioner, the final budget is issued to the SPCB for approval.

Annual budget setting process timetable

<i>Activity</i>	<i>Timescale</i>	<i>Responsibility</i>	<i>Outcome</i>
Drafting the budget	August	Corporate Services Manager & Commissioner	The CSM develops a draft of the key priorities in consultation with the Commissioner, and taking into account Strategic and Business plan priorities for the coming financial year
Submission of budget bid	September	Corporate Services Manager	Once approved by the Commissioner, the CSM 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 Commissioner is notified of approved budget for the coming year



<i>Activity</i>	<i>Timescale</i>	<i>Responsibility</i>	<i>Outcome</i>
Monthly finance management reports	Monthly	SPSO Accountant	The SPSO accountant prepares monthly budget against expenditure reports for the SBC Corporate Services Manager and Commissioner to review
6-monthly and quarterly finance management reports	6-monthly and quarterly	Corporate Services Manager	The CSM prepares the Finance Report for the Advisory Audit Board (AAB) meetings and quarterly Strategic Management Team meetings
Continuous monitoring of income and expenditure against budget	Ongoing	Corporate Services Manager	Early detection of potentially significant variances from the budget / forecast for follow up actions to be considered (e.g. decision not to proceed with purchase, other mitigating actions, budget virement or request for additional budget)

Quarterly monitoring

A formal budget against expenditure review is carried out at the end of each quarter and the revised anticipated outturn for the year reported at Strategic Management Team meetings with any proposed changes to planned expenditure. The SBC reviews the recommendations for approval.

Ad hoc or interim reports maybe produced and considered in light of significant emergent risks or organisational challenges.

Investigation of variances

When significant deviation from the planned budgetary trend appears likely the Corporate Services Manager and/or SPSO finance team should notify the Commissioner as soon as known.

In respect of significant adverse variances, action to remedy the problem should be taken as quickly as possible, but only after seeking appropriate agreement from the Commissioner. The Commissioner 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.

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 Commissioner.

The SBC 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 CSM or Commissioner may choose to undertake a virement between budgets.



Finance processing procedures – shared services

Link: [Shared-Service-Finance-Policies-and-Procedures.pdf](#)