Introduction

1. This framework document has been drawn up by the Scottish Government (SG) in consultation with Scottish Children’s Reporter Administration (the SCRA). It sets out the broad framework within which the SCRA will operate and defines key roles and responsibilities which underpin the relationship between the SCRA and the SG. While this document does not confer any legal powers or responsibilities, it forms a key part of the accountability and governance framework and should be reviewed and updated as necessary, and at least every 2-3 years. Any proposals to amend the framework document either by the SG or SCRA will be taken forward in consultation and in the light of SG priorities and policy aims. Any question regarding the interpretation of the document shall be determined by the SG after consultation with the SCRA. Legislative provisions shall take precedence over any part of the document.

2. References to the SCRA include any subsidiaries and joint ventures owned or controlled by the SCRA. The SCRA shall not establish subsidiaries or enter into joint ventures without the express approval of the SG/Sponsor Directorate/Sponsor Team. The SCRA has no subsidiaries.

3. Copies of the document shall be placed in the Scottish Parliament Reference Centre. It shall also be published on the SG and the SCRA websites.

Purpose

4. The SCRA is to contribute to the achievement of the SG’s primary purpose by aligning its aims and objectives with the SG’s published Economic Strategy and National Performance Framework, and specifically the National Outcomes:

   - Young people are successful learners, confident individuals, effective contributors and responsible citizens
   - Our children have the best start in life and are ready to succeed
   - We have improved the life chances for children, young people and families at risk
   - We live our lives safe from crime, disorder and danger
   - We have strong, resilient and supportive communities where people take responsibility for their own actions and how they affect others
   - Our public services are high quality, continually improving, efficient and responsive to local people’s needs

5. The SCRA’s statutory duties are to:

   - Assist the Principal Reporter in carrying out the functions conferred on that officer by virtue of the Children’s Hearings (Scotland) Act 2011 (2011 Act) or any other enactment and to facilitate the carrying out of those functions.
   - Provide suitable accommodation and facilities for children’s hearings under the terms set out in section 21 of the 2011 Act.
   - Comply with the duties set out in Schedule 3 of the 2011 Act.
   - Comply with any general or specific directions given by the Scottish Ministers about the carrying out of its functions.

6. The SCRA is also required to contribute as appropriate to the implementation of statutory responsibilities and partnership obligations in respect of new and emerging legislation, including the Children and Young People (Scotland) Act, and in particular the harmonisation of GIRFEC within the Hearings System.
7. The Children’s Hearings System provides the operational setting in which SCRA and its partner agencies work. SCRA’s key aims and performance targets, as agreed by the Scottish Ministers, are set out in the SCRA’s Corporate and Business Plans. The main aim is to provide a safety net for vulnerable children and deliver tailored solutions, which meet the needs of the individuals involved, while helping to build stronger families and safer communities. Focused on children most at risk, SCRA’s role and purpose is to

- Make effective decisions about a need to refer a child to a Children’s Hearing to consider whether Compulsory Measures of Supervision are necessary.
- Prepare and disseminate information and data essential for the Children's Panel to make decisions about children and young people
- Provide National Statistics and data for Scotland on vulnerable children and young people, for the benefit of SCRA, Scottish Government and partners, to inform and influence improved outcomes for children and young people.
- Provide a research facility, drawing in particular on the data within SCRA and that of partner agencies, to undertake research to inform and influence improved outcomes for children and young people.

Relationship between Scottish Government and SCRA

8. Effective strategic engagement between the SG and the SCRA is essential in order that they work together as effectively as possible to maintain and improve public services and deliver improved outcomes. Both the SG and SCRA 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”

Governance and Accountability

Legal origins of Powers and Duties

9. The SCRA, which was established under section 128 of the Local Government Etc. (Scotland) Act 1994 and continued under section 15 of the Children’s Hearings (Scotland) Act 2011 (the 2011 Act), became fully operational on 1 April 1996. The SCRA is a body corporate and does not carry out its functions on behalf of the Crown.

Ministerial Responsibilities

10. The Scottish Ministers are ultimately accountable to the Scottish Parliament for the activities of the SCRA and its use of resources. They are not, however, responsible for day to day operational matters. Their responsibilities include:

- agreeing the SCRA’s strategic aims and objectives and key targets as part of the corporate planning process;
- agreeing the budget and the associated grant in aid requirement to be paid to the SCRA, and securing the necessary Parliamentary approval;
- carrying out responsibilities specified in the founding legislation such as appointments to the SCRA Board, approving the terms and conditions of board members, and appointment of the Principal Reporter/Chief Executive; and
- other matters such as approving the SCRA’s pay remit and laying the accounts (together with the SCRA Annual Report) before the Parliament.
SCRA Board Responsibilities

11. The SCRA Board, including the Chair, normally consists of non-executives appointed by the Scottish Ministers in line with the Code of Practice for Ministerial Public Appointments in Scotland. The role of the SCRA Board is to provide leadership, 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 of the Scottish Ministers. It has corporate responsibility, under the leadership of the Chair, for the following:

- taking forward the strategic aims and objectives for the body agreed by the Scottish Ministers;
- determining the steps needed to deal with changes which are likely to impact on the strategic aims and objectives of the SCRA or on the attainability of its operational targets, ensuring that Scottish Ministers are kept informed of any changes;
- promoting the efficient, economic and effective use of staff and other resources by the SCRA consistent with the principles of Best Value, including, where appropriate, participation in shared services arrangements and ensuring that effective arrangements are in place so that the SCRA acts corporately in accordance with the priorities set out in the Scottish Government’s statement of corporate expectations;
- ensuring that effective arrangements are in place to provide assurance on risk management, governance and internal control. The SCRA Board must set up an Audit Committee chaired by a non-executive member to provide independent advice and assurance on the effectiveness of the internal control and risk management systems;
- (in reaching decisions) taking into account relevant guidance issued by the Scottish Ministers;
- ensuring that the Board receives and reviews regular financial information concerning the management and performance of the SCRA and is informed in a timely manner about any concerns regarding the activities of the SCRA;
- appointing with the approval of the Scottish Ministers, the SCRA Principal Reporter/Chief Executive and in consultation with the SG, set appropriate performance objectives and remuneration terms linked to these objectives, which give due weight to the proper management and use of resources within the stewardship of the SCRA and the delivery of outcomes; and
- demonstrating high standards of corporate governance at all times, including openness and transparency in its decision making.

Further guidance on how the SCRA Board should discharge its duties is provided in appointment letters and in ‘On Board - A guide for Board Members of Public Bodies in Scotland’.

The SCRA Chair’s Responsibilities

12. The Chair is accountable to the Scottish Ministers and, in common with any individual with responsibility for devolved functions, may also be held to account by the Scottish Parliament. Communications between the SCRA Board and the Scottish Ministers should normally be through the Chair. He or she is responsible for ensuring that the SCRA’s policies and actions support the Scottish Ministers’ wider strategic policies and that its affairs are conducted with probity.
13. In leading the SCRA Board the Chair must ensure that:

- the work of the Board is subject to regular self-assessment and that the Board is working effectively;
- the Board has a balance of skills appropriate to directing the SCRA business, in accordance with recognised good practice in corporate governance;
- the SCRA Board members are fully briefed on terms of appointment, duties, rights and responsibilities;
- he or she, together with the other Board members, receives appropriate induction training, including on financial management and reporting requirements and, as appropriate, on any differences that may exist between private and public sector practice;
- the Scottish Ministers are advised of the SCRA needs when Board vacancies arise;
- there is a code of conduct for Board members in place, approved by the Scottish Ministers;
- Representing the views of the Board and work of the SCRA to the general public.

14. The Chair assesses the performance of individual SCRA Board members on a continuous basis and undertakes a formal appraisal at least annually. The Chair, in consultation with the Board as a whole, is also responsible for undertaking an annual appraisal of the performance of the Principal Reporter/Chief Executive.

**Individual SCRA Board Members’ Responsibilities**

15. Individual SCRA Board members should act in accordance with the responsibilities of the Board as a whole and comply at all times with the code of conduct adopted by the SCRA, and with the rules relating to the use of public funds and to conflicts of interest. (In this context “public funds” means not only any funds provided to the SCRA by the Scottish Ministers, but also any other funds falling within the stewardship of the SCRA, including trading and investment income, gifts, bequests and donations.) General guidance on Board members’ responsibilities is summarised in their appointment letters and is also provided in *On Board: A Guide for Board Members of Public Bodies in Scotland*.

**SCRA Principal Reporter/Chief Executive’s Responsibilities**

16. The Principal Reporter/Chief Executive of the SCRA is employed and appointed by the Board with the approval of the Scottish Ministers. He or she is the SCRA Board’s principal adviser on the discharge of its functions and is accountable to the Board. His or her role is to provide operational leadership to the SCRA and ensure that the Board’s aims and objectives are met and the SCRA’s functions are delivered and targets met through effective and properly controlled executive action. His or her general responsibilities include the performance, management and staffing of the SCRA. General guidance on the role and responsibilities of the Chief Executive is contained in ‘On Board.’ Specific responsibilities to the Board include:

- advising the SCRA Board on the discharge of its responsibilities - as set out in this document, in the founding legislation and in any other relevant instructions and guidance issued by or on behalf of the Scottish Ministers - and implementing the decisions of the SCRA Board;
- ensuring that financial considerations are taken fully into account by the SCRA Board at all stages in reaching and executing its decisions, and that appropriate financial appraisal
and evaluation techniques, consistent with the Appraisal and Evaluation section of the Scottish Public Finance Manual (SPFM), are followed;

- ensuring that the SCRA adheres, where appropriate, to the SG’s Programme and Project Management Principles;

- having robust performance and risk management arrangements - consistent with the Risk Management section of the SPFM - in place that support the achievement of the SCRA’s aims and objectives and that facilitate comprehensive reporting to the SCRA Board, the SG and the wider public;

- ensuring that adequate systems of internal control are maintained by the SCRA, including effective measures against fraud and theft consistent with the Fraud section of the SPFM;

- establishing appropriate documented internal delegated authority arrangements consistent with the Delegated Authority section of the SPFM;

- advising the SCRA Board on the performance of the SCRA compared with its aims and objectives;

- preparing the SCRA’s Corporate and Business Plans, in the light of the strategic aims and objectives agreed by the Scottish Ministers;

- preparing appropriate plans to ensure SCRA is resourced with staff in the right capacity, and with the right capabilities;

- ensuring effective relationships with SG officials;

- ensuring that timely forecasts and monitoring information on performance and finance are provided to the SG, that the SG is notified promptly if over or under spends are likely and/or if performance targets are at serious risk; ensuring that corrective action is taken; and that any significant problems whether financial or otherwise, and whether detected by internal audit or by other means, are notified to the SG in a timely fashion.

- ensuring that an effective complaints procedure is in place including, where applicable, reference to the Scottish Public Service Ombudsman;

ensuring that internal controls, information raising and training are in place to manage the risk of sensitive information loss arising and therefore reducing the risks associated with non-disclosure orders and case information breaches, and ensuring that regular updates on non-disclosure orders and case information breaches are provided to the Board and SG;

- taking forward improvement areas and continuing to work with partners to raise awareness of secure data handling to maximise compliance with the Data Protection Act 1998, so that sensitive information about children, young people, and their families, as well as other personal information is handled safely;

- giving evidence when summoned before Committees of the Scottish Parliament on the use and stewardship of public funds by SCRA;

- reporting as required by the Public Services Reform(s) Act 2010 against sustained economic growth and demonstrating economy, effectiveness and efficiency in the discharge of its functions

- Reporting as required by the Equalities Act 2010 in relation to the discharge of functions of SCRA as an employer and public service provider in relation to promoting and delivery
of equality to individual and groups with a protected characteristic and to eliminating discrimination in its organisational practice.

SCRA Accountable Officer Responsibilities

17. The Principal Accountable Officer for the Scottish Administration (the Permanent Secretary of the SG) will designate the Chief Executive as the Accountable Officer for the SCRA. Accountable Officers are personally answerable to the Scottish Parliament for the exercise of their functions, as set out in the Memorandum to Accountable Officers for Other Public Bodies. These include:

- ensuring the propriety and regularity of the SCRA’s finances and that there are sound and effective arrangements for internal control and risk management;
- ensuring that the resources of the SCRA are used economically, efficiently and effectively and that appropriate arrangements are in place to secure Best Value;
- ensuring compliance with relevant guidance issued by the Scottish Ministers, in particular the SPFM;
- signing the SCRA Annual Accounts and associated governance statements; and
- a statutory duty to obtain written authority from the SCRA Board / Chair before taking any action which he or she considered would be inconsistent with the proper performance of the Accountable Officer functions.

18. It is incumbent on the Principal Reporter/Chief Executive to combine his or her Accountable Officer responsibilities to the Scottish Parliament with his or her wider responsibilities to the SCRA Board. The SCRA Board/Chair should be fully aware of, and have regard to, the Accountable Officer responsibilities placed upon the Principal Reporter/Chief Executive, including the statutory duty described above.

Portfolio Accountable Officer Responsibilities

19. The Principal Accountable Officer for the Scottish Administration will designate the Director-General for Learning and Justice as the Accountable Officer for the SG portfolio budget for the SCRA. Withdrawal of the Accountable Officer designation would also be a matter for the Principal Accountable Officer. The responsibilities of a Portfolio Accountable Officer are set out in detail in the Memorandum to Accountable Officers for Parts of the Scottish Administration. He or she is personally answerable to the Scottish Parliament for ensuring that:

- the financial and other management controls applied by the SG are appropriate and sufficient to safeguard public funds and, more generally that those being applied by the SCRA conform to the requirements both of propriety and of good financial management;
- the key roles and responsibilities which underpin the relationship between the SG and the SCRA are set out in a framework document - and that this document is regularly reviewed;
- effective relationships are in place at Director and Deputy Director level between the SG and the SCRA in accordance with the strategic engagement principles; and
- there is effective continuous assessment and appraisal of the performance of the Chair of the SCRA, in line with the requirements of the Code of Practice for Ministerial Public Appointments in Scotland.
Scottish Government Director and Deputy Director

20. The Director for the Children and Families Directorate and the Deputy Director for the Care and Justice Division have responsibility for overseeing and ensuring effective relationships between the SG and SCRA, which support alignment of the SCRA's business to the SG’s Purpose and National Outcomes and high performance by the SCRA. They will work closely with the SCRA Principal Reporter/Chief Executive and be answerable to the Portfolio Accountable Officer for maintaining and developing positive relationships with SCRA characterised by openness, trust, respect and mutual support. They will be supported by a Sponsor Unit in discharging these functions. The Director shall be responsible for assessing the performance of the SCRA Chair, at least annually.

Sponsor Unit Responsibilities

21. The SG Sponsor Unit for the SCRA is the Children’s Hearings Team. It is the normal point of contact for the SCRA in dealing with the SG. The Unit, under the direction of the Director/Deputy Director, is the primary source of advice to the Scottish Ministers on the discharge of their responsibilities in respect of the SCRA and undertakes the responsibilities of the Portfolio Accountable Officer on his/her behalf. Specific responsibilities include:

- discharging sponsorship responsibilities in line with the principles and framework set out in the document ‘Strategic Engagement between the Scottish Government and Scotland’s NDPBs’ and ensuring that sponsorship is suitably flexible, proportionate and responsive to the needs of the Scottish Ministers and the SCRA;

- ensuring that appointments to the SCRA Board are made timeously and, where appropriate, in accordance with the Code of Practice for Ministerial Appointments to Public Bodies in Scotland;

- proportionate monitoring of the SCRA’s activities through an adequate and timely flow of appropriate information, agreed with the SCRA, on performance, budgeting, control and risk management;

- addressing in a timely manner any significant problems arising in the SCRA, alerting the Portfolio Accountable Officer and the Minister for Children and Young People where considered appropriate;

- ensuring that the objectives of the SCRA and the risks to them are properly and appropriately taken into account in the SG’s risk assessment and management systems; and

- informing the SCRA of relevant SG policy in a timely manner.

Internal Audit

22. The SCRA shall:

- 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 SCRA Board, in accordance with the Audit Committees section of the SPFM, to advise both the Board and the Chief Executive in his or her capacity as the SCRA Accountable Officer;

- forward timeously to the SG the audit charter, strategy, periodic audit plans and annual audit assurance report, including the SCRA Head of Internal Audit opinion on
risk management, control and governance and other relevant reports as requested; and

- keep records of, and prepare and forward timeously to the SG an annual report on fraud and theft suffered by the SCRA and notify the SG at the earliest opportunity of any unusual or major incidents.

23. The SG’s Internal Audit Division has a right of access to all documents held by the SCRA internal auditor, including where the service is contracted out. The SG has a right of access to all SCRA records and personnel for any purpose.

**External Audit**

24. The Auditor General for Scotland (AGS) audits, or appoints auditors to audit, the SCRA’s Annual Accounts and passes them to the Scottish Ministers who shall lay them before the Scottish Parliament, together with the auditor’s report and any report prepared by the AGS. For the purpose of audit the auditors have a statutory right of access to documents and information held by relevant persons. The SCRA shall instruct its auditors to send copies of all management reports (and correspondence relating to those reports) and responses to the SG.

25. The AGS, or examiners appointed by the AGS, may carry out examinations into the economy, efficiency and effectiveness with which the SCRA has used its resources in discharging its functions. The AGS may also carry out examinations into the arrangements made by the SCRA to secure Best Value. For the purpose of these examinations the examiners have a statutory right of access to documents and information held by relevant persons. In addition, the SCRA shall provide, in contracts and any conditions to grants, for the AGS to exercise such access to documents held by contractors and sub-contractors and grant recipients as may be required for these examinations; and shall use its best endeavours to secure access for the AGS to any other documents required by the AGS which are held by other bodies.

**SCRA Annual Report and Accounts**

26. The SCRA must publish an Annual Report of its activities together with its audited accounts after the end of each financial year. The Annual Report must cover the activities of any corporate, subsidiary or joint ventures under the control of the SCRA. It should comply with the Government Financial Reporting Manual (FReM) and outline the SCRA’s main activities and performance against agreed objectives and targets for the previous financial year.

27. The accounts must be prepared in accordance with relevant statutes and the specific accounts direction (see Appendix 1) (including compliance with the FReM) 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. Any subsidiary or joint venture owned or controlled by the SCRA shall be consolidated in its accounts in accordance with International Financial Reporting Standards as adapted and interpreted for the public sector context.

28. The draft report should be submitted to the SG Sponsor Unit for comment, and the draft accounts for information, at least six weeks before the proposed laying date and in advance of full Board approval. The final version should be available for laying before the Scottish Parliament by the Scottish Ministers by 31 October. Whilst the statutory date for laying and publishing accounts audited by the AGS is by 31 December, following the close of the previous financial year, there is an expectation on the part of the Scottish Ministers that accounts will be laid and published as early as possible. The accounts must not be laid before they have been formally sent by the AGS to the Scottish Ministers and must not be
published before they have been laid. The SCRA shall be responsible for the publication of the report and accounts e.g. on the SCRA website.

**Management responsibilities**

**SCRA Corporate and Business plans**

29. The SCRA must ensure that a Corporate Plan, agreed with the Scottish Ministers, is in place and published on the SCRA’s website. The SCRA shall agree with the SG the issues to be addressed in the plan and the timetable for its preparation and review. The finalised plan shall reflect the SCRA’s strategic aims and objectives as agreed by the Scottish Ministers, indicative budgets and any priorities set by the Scottish Ministers. It shall demonstrate how the SCRA contributes to the achievement of the SG’s primary purpose of increasing sustainable economic growth and alignment with the SG’s National Performance Framework (NPF). The Corporate Plan for the SCRA should include:

- the purpose and principal aims of the SCRA;
- an analysis of the environment in which the SCRA operates;
- key objectives and associated key performance targets for the period of the plan, the strategy for achieving those objectives and how these will contribute towards the achievement of the SG’s primary purpose and alignment with the NPF;
- indicators against which performance can be judged;
- details of planned efficiencies, describing how the SCRA proposes to achieve better value for money, including through collaboration and shared services; and
- other matters as agreed between the SG and the SCRA.

30. The SCRA Corporate Plan should inform the development of a separate Business Plan for each financial year. The Business Plan for the SCRA should include key targets and milestones for the year immediately ahead, aligned to the NPF, and be linked to budgeting information so that, where possible, resources allocated to achieve specific objectives can be identified. A copy of the SCRA’s Business Plan should be provided to the Sponsor Unit prior to the start of the relevant financial year.

**Budget Management**

31. Each year, in the light of decisions by the Scottish Ministers on the allocation of budgets for the forthcoming financial year, the SG will send to SCRA a formal statement of its budgetary provision, a note of any related matters and details of the budget monitoring information required by the SG. The statement of budgetary provision will set out the budget within the classifications of resource Departmental Expenditure Limits (DEL), capital DEL and Ring-fenced (non-cash) DEL. SCRA will also inform the Sponsor Unit at the earliest opportunity if a requirement for Annually Managed Expenditure (AME) budget is identified. Transfers of budgetary provision between the different classifications would require the prior approval of the SG Finance Directorate. Any proposals for such transfers should therefore be submitted to the Sponsor Unit. The SG should also be advised in the event that budget provision was forecast to be higher than estimated net expenditure. Subject to the above, transfers of provision within the classifications may be undertaken without reference to the SG, subject to any constraints on specific areas of expenditure e.g. the approved pay remit.

32. If the trading and other resource income - or the net book value of disposals of non-current assets - realised is less than included in the agreed budget SCRA shall, unless otherwise agreed with the SG, ensure a corresponding reduction in its gross expenditure (The extent to which SCRA exceeds agreed budgets shall normally be met by a corresponding reduction in the budgets for the following financial year.) If income realised is more than included in the most up to date agreed budgets SCRA must consult, and obtain the prior approval of, the SG before using any excess to fund additional expenditure or to
meet existing pressures. Failure to obtain prior approval for the use of excess income – excluding income from gifts, bequests and donations – to fund additional expenditure may result in corresponding reductions in budgets for the following financial year.

**Cash Management**

33. Any grant in aid (i.e. the cash provided to the SCRA by the SG to support the allocated budget) for the year in question must be authorised by the Scottish Parliament in the annual Budget Act. Grant in aid will normally be paid in monthly instalments to SCRA on the basis of updated profiles and information on unrestricted cash reserves. Payment will not be made in advance of need, as determined by the level of unrestricted cash reserves and planned expenditure. Unrestricted cash reserves held during the course of the year by SCRA should be kept to the minimum level consistent with the efficient operation of the SCRA and the level of funds required to meet any relevant liabilities at the year-end. Grant in aid not drawn down by the end of the financial year shall lapse. Grant in aid shall not be paid into any restricted reserve held by the SCRA.

34. Finance and Accountability meetings between the SCRA and Sponsor Unit will be held at least four times yearly to monitor progress against planned expenditure.

35. The banking arrangements adopted by the SCRA must comply with the Banking section of the SPFM.

**Risk Management**

36. The SCRA shall ensure that the risks that it faces are dealt with in an appropriate manner, in accordance with relevant aspects of generally recognised best practice in corporate governance, and develop a risk management strategy, consistent with the Risk Management section of the SPFM. Reporting arrangements should ensure that the sponsor Directorate is made aware of relevant risks and how they are being managed. The SCRA Audit Committee is also required, at the earliest opportunity, to notify the relevant SG Audit and Risk Committee if it considers that it has identified a significant problem which may have wider implications.

**Fraud Management**

37. The SCRA should adopt and implement policies and practices to safeguard itself against fraud and theft, in accordance with the Fraud section of the SPFM. Application of these processes must be monitored actively, supported by a fraud response plan and robust reporting arrangements. This includes the establishment of avenues to report any suspicions of fraud. In addition the SCRA should take risk-based and proportionate steps to appraise the financial standing of any supplier or other body with which it intends to enter into a contract or to provide funding.

**Performance Management**

38. The SCRA shall operate management information and accounting systems that enable it to review, in a timely and effective manner, its financial and non-financial performance against the strategic aims, objectives, targets and milestones set out in its Corporate and Business Plans. The results of such reviews should be reported on a regular basis to the SCRA Board and copied to the SG. The SG shall assess the SCRA’s performance on a continuous basis and undertake a formal internal review at least twice a year. The responsible Cabinet Secretary/Scottish Minister shall meet the SCRA Chair formally at least once a year to discuss SCRA’s performance, its current and future activities and any policy developments relevant to those activities.
SCRA Staff Management

Broad responsibilities for SCRA staff

39. The SCRA will have responsibility for the recruitment, retention and motivation of its staff. The broad responsibilities toward its staff are to ensure that:

- personnel policies, practices and systems comply with employment and equalities legislation, and standards expected of public sector employers;
- the level and structure of its staffing, including grading and staff numbers, are appropriate to its functions and the requirements of economy, efficiency and effectiveness (subject to the SG Pay Policy for Staff Pay Remits);
- the performance of its staff at all levels is satisfactorily appraised and the SCRA’s performance measurement systems are reviewed from time to time;
- its staff are encouraged to acquire the appropriate professional, management and other expertise necessary to achieve the SCRA’s objectives;
- proper consultation with staff takes place on key issues affecting them;
- adequate grievance and disciplinary procedures are in place;
- whistle-blowing procedures consistent with the Public Interest Disclosure Act 1998 are in place; and
- a Code of Conduct for staff is in place based on the Model Code for Staff of Executive NDPBs – see chapter 5 of Public Bodies: A Guide for Departments.

Pay and Conditions of Service

40. The SCRA shall submit to the SG for approval (normally annually unless a multi-year deal has been agreed) a pay remit in line with the SG Pay Policy for Staff Pay Remits and negotiate a pay settlement within the terms of the approved remit. Proposals on non-salary rewards must comply with the guidance in the Non-Salary Rewards section of the SPFM. The SCRA shall comply with employment and equalities legislation. The terms and conditions of the Chief Executive are subject to a separate approval exercise in line with the SG Pay Policy for Senior Appointments.

Pensions, Redundancy and Compensation

41. Superannuation arrangements for the SCRA staff are subject to the approval of the SG. SCRA staff shall normally be eligible for a pension provided by Falkirk Council Pension Fund. Staff may opt out of the occupational pension scheme provided by the SCRA, but the employers’ contribution to any personal pension arrangement, including stakeholder pension, shall normally be limited to the national insurance rebate level.

42. Any proposal by the SCRA to move from existing pension arrangements, or to pay any redundancy or compensation for loss of office, requires the prior approval of the SG. Proposals on compensation payments must comply with the Severance, Early Retirement and Redundancy Terms section of the SPFM. This includes referral to the SG of any proposed compensation payment being considered for an individual outwith any existing approved scheme and before the individual is approached and any offer made either orally or in writing.
Asset and Property Management

43. The SCRA shall maintain an accurate and up-to-date record of its current and non-current assets consistent with the Management of Assets section of the SPFM. “Fixed” assets should be disposed of in accordance with the Disposal of Property, Plant & Equipment section of the SPFM. The SG’s Property Advice Division and the SG Sponsor Unit should be notified of relevant proposed SCRA disposals of property at the earliest opportunity and at least 1 month prior to them being advertised on the open market. Proceeds from a disposal will normally require to be surrendered or clawed back through a corresponding reduction in grant in aid. Alternatively, following a successful application to the SG Sponsor Unit, the proceeds may be reinvested. Any SCRA proposal to acquire land, buildings or other rights in property should comply with the Acquisition of Property section of the SPFM. The SCRA is also subject to the SG Asset Management Policy, including the requirement for any new commitments to be signed off by the Scottish Ministers. Information concerning the SCRA should be accurately recorded and updated as necessary by the SCRA on the Office of Government Commerce electronic Property Information Mapping System (e-PIMS).

Specific Financial Provisions

[Many of the provisions included in this section - and other sections - of the framework document highlight specific requirements in the SPFM that are considered of particular relevance to NDPBs. It should be noted however that guidance in the SPFM should always be considered in its entirety as and when relevant issues arise.]

Exceptional Cases Protocol for Legal Challenges

44. SCRA must ensure that detailed guidance is developed setting out the process to follow within SCRA when dealing with legal challenges relating to SCRA practice and the legislative framework for the Hearings system, whereby cases raise systemic, structural and other issues and are exceptional in terms of complexity. The Protocol will be reviewed to ensure it reflects SCRA’s experience of legal challenges arising from current legislation and case law.

45. SCRA should alert the SG Unit of impending exceptional legal cases and to the issues surrounding those particular cases; and will engage with the SG to discuss the merits of the case(s) prior to the formal process of instructing Counsel.

46. Applications for funding will be by submission of a Business Case to the SG covering a single or multiple cases. The SG will respond within 4 weeks of its submission, indicating whether the expenses associated with each individual case can be covered – in full or in part – by the Protocol.

47. SCRA must have in place processes to monitor the costs of cases covered by the Protocol, along with an estimate of the costs. SCRA must provide regular updates to the SG on costs incurred.

Delegated Authorities

48. The SCRA’s specific delegated financial authorities - as agreed in consultation between the SCRA and the SG - are set out in the attached Appendix 2. The SCRA shall obtain the SG’s prior written approval before entering into any undertaking to incur any expenditure that falls outside these delegations. The SCRA 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

49. The SCRA shall seek to optimise income - grant in aid does not qualify as income - from all sources, including from the European Union, and ensure that the SG is kept informed. Novel or contentious proposals for new sources of income or methods of fundraising must be approved by the SG. Fees or charges for any services supplied by the SCRA shall be determined in accordance with the Fees & Charges section of the SPFM.

50. Gifts, bequests or donations received by the SCRA score as income and should be provided for in the agreed resource DEL and capital DEL budgets, updated as necessary in consultation with the SG. However, the SCRA should be able to demonstrate that expenditure funded by gifts etc. is additional to expenditure normally supported by grant in aid (i.e. SG core funding) or by trading and other income. Before accepting such gifts etc. the SCRA shall consider if there are any associated costs in doing so or any conflicts of interests arising. The SCRA shall keep a written record of any such gifts etc. and what happened to them.

Financial Investments

51. Unless covered by a specific delegated authority the SCRA shall not make any financial investments without the prior approval of the SG. That would include equity shares in ventures which further the objectives of the SCRA. The SCRA shall not invest in any venture of a speculative nature.

Borrowing

52. Borrowing cannot be used to increase the SCRA’s spending power. All borrowing by the SCRA - excluding agreed overdrafts - shall be from the Scottish Ministers in accordance with guidance in the Borrowing, Lending & Investment section of the SPFM.

Lease Arrangements

53. Unless covered by a specific delegated authority as detailed in the attached Appendix 2, the SCRA shall not enter into any finance, property or accommodation related lease arrangement - including the extension of an existing lease or the non-exercise of a tenant’s lease break - without the SG’s prior approval. Before entering/continuing such arrangements the SCRA must be able to demonstrate that the lease offers better value for money than purchase and that all options of sharing existing public sector space have been explored. Non-property accommodation related operating leases are subject to a specific delegated authority. The SCRA must have capital DEL provision for finance leases and other transactions which are in substance borrowing.

Tax Arrangements

54. Non-standard tax management arrangements should always be regarded as novel and/or contentious and must therefore be approved in advance by the SG. Relevant guidance is provided in the Tax Planning and Tax Avoidance section of the SPFM. The SCRA 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 payroll system with tax deducted at source. It is the responsibility of the SCRA to observe VAT legislation and recover input tax where it is entitled to do so. The SCRA must also ensure that it accounts properly for any output tax on sales or disposals.

Lending and Guarantees

55. Any lending by the SCRA must adhere to the guidance in the Borrowing, Lending & Investment section of the SPFM on undertaking due diligence and seeking to establish a security. Unless covered by a specific delegated limit the SCRA shall not, without the SG’s
prior approval, lend money, charge any asset, give any guarantee or indemnity or letter of comfort, or incur any other contingent liability (as defined in the Contingent Liabilities section of the SPFM or in International Financial Reporting Standards), whether or not in a legally binding form. Guarantees, indemnities and letters of comfort of a standard type given in the normal course of business are excluded from this requirement.

Third Party Grants

56. Unless covered by a specific delegated authority the SCRA shall not, without the SG prior agreement, provide grant funding to a third party. Such funding would be subject to the guidance in the State Aid section of the SPFM. Guidance on a framework for the control of third party grants is provided as an annex to the Grant & Grant in Aid section of the SPFM.

Impairments, Provisions and Write-offs

57. Assets should be recorded on the balance sheet at the appropriate valuation basis in accordance with the FReM. Where an SCRA asset - and that includes investments - suffers impairment it is important that the prospective impairment and background is communicated to the SG at the earliest possible point in the financial year to determine the implications for the SCRA’s budget. Similarly any significant movement in existing provisions or the creation of new provisions should be discussed in advance with the SG. Write-off of bad debt and/or losses scores against the SCRA’s resource DEL budget classification and is subject to a specific delegated limit.

Insurance

58. The SCRA is subject to the SG policy of self-insurance. Commercial insurance must however be taken out where there is a legal requirement to do so and may also be taken out in the circumstances described in the Insurance section of the SPFM - where required with the prior approval of the SG. In the event of uninsured losses being incurred the SG shall consider, on a case by case basis, whether or not it should make any additional resources available to the NDPB. The SG will provide the NDPB with a Certificate of Exemption for Employer's Liability Insurance.

Procurement and Payment

59. The SCRA’s procurement policies shall reflect relevant guidance in the Procurement section of the SPFM and relevant guidance issued by the SG’s Procurement and Commercial Directorate. Procurement should be undertaken by appropriately trained and authorised staff and treated as a key component of achieving the SCRA’s objectives consistent with the principles of Best Value, the highest professional standards and any legal requirements. Unless covered by a specific delegated authority any proposal to award a contract without competition (non-competitive action) must be approved in advance by the SG. Any external consultancy contracts with a value of more than [£100,000] must be approved in advance by the Cabinet Secretary for Infrastructure and Capital Investment and the Cabinet Secretary for Finance, Employment and Sustainable Growth.

60. Any major investment programmes or projects undertaken by the SCRA shall be subject to the guidance in the Major Investment Projects section of the SPFM and is also subject to a specific delegated authority. The Sponsor Unit must be kept informed of progress on such programmes and projects and Ministers must be alerted to any developments that could undermine their viability. ICT investment plans must be reported to the SG’s Information Services Investment Board.

61. The SCRA 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.
Gifts made, Special Payments and Losses

62. Unless covered by a specific delegated authority as detailed in the attached Appendix 2, the SCRA shall not, without the SG’s prior approval, make gifts or special payments or write-off of losses. Special payments and losses are subject to the guidance in the Losses and Special Payments section of the SPFM. Gifts by management to staff are subject to the guidance in the Non-Salary Rewards section of the SPFM.

Clawback

63. Where the SCRA has financed expenditure on assets by a third party, the SCRA shall make appropriate arrangements to ensure that any such assets above an agreed value are not disposed of by the third party without the SCRA’s prior consent. The SCRA shall put in place arrangements sufficient to secure the repayment of its due share of the proceeds - or an appropriate proportion of them if the SCRA contributed less than the whole cost of acquisition or improvement. The SCRA shall also ensure that if assets financed by the organisation cease to be used by the third party for the intended purpose an appropriate proportion of the value of the asset shall be repaid to the SCRA.

Board expenses

64. Remuneration, allowances and expenses paid to SCRA Board members must comply with the SG Pay Policy for Senior Appointments and any specific guidance on such matters issued by the Scottish Ministers.

May 2014
SCOTTISH CHILDREN’S REPORTER ADMINISTRATION

DIRECTION BY THE SCOTTISH MINISTERS

1. The Scottish Ministers, in pursuance of Schedule 3 of the Children’s Hearing Scotland Act (2011), hereby give the following direction.

2. The statement of accounts for the financial year ended 31 March 2014, and subsequent years, shall comply with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual (FRMe) which is in force for the year for which the statement of accounts are prepared.

3. The accounts shall be prepared so as to give a true and fair view of the income and expenditure and cash flows for the financial year, and of the state of affairs as at the end of the financial year.

4. This direction shall be reproduced as an appendix to the statement of accounts. The direction given on 10 January 2006 is hereby revoked.

ROBERT MARSHALL

A member of the staff of the Scottish Ministers

Dated 4 March 2014
## Specific Delegated Financial Authorities

<table>
<thead>
<tr>
<th>Category</th>
<th>Limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>External business and management consultancies</td>
<td>£100,000</td>
</tr>
<tr>
<td>Capital investment projects</td>
<td>£249,000 * see Note 1 below</td>
</tr>
<tr>
<td>Non-competitive action</td>
<td>£10,000</td>
</tr>
<tr>
<td><strong>Cash loss</strong>, but excluding overpayments of salaries, wages, pensions and allowances</td>
<td>£3,000 in individual instances; annual aggregate limit of £10,000</td>
</tr>
<tr>
<td><strong>Cash loss</strong> arising out of theft, fraud, arson or gross carelessness; includes cash equivalents e.g. stamps</td>
<td>£3,000 in individual instances; annual aggregate limit of £10,000</td>
</tr>
<tr>
<td>Stores and equipment losses arising out of theft, fraud, arson, sabotage or gross carelessness; or through events such as fire, weather or accident</td>
<td>£3,000 in individual instances; annual aggregate limit of £10,000</td>
</tr>
<tr>
<td>Compensation payment for loss or damage to personal property whilst on duty</td>
<td>£3,000 in individual instances, annual aggregate limit of £10,000</td>
</tr>
<tr>
<td>Personal injuries (employees)</td>
<td>NIL</td>
</tr>
</tbody>
</table>

### Note 1
- Subject to SPFM guidance and Scottish Ministers current policies, Capital Project approval limits are:

<table>
<thead>
<tr>
<th>Range</th>
<th>Approval Process</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to £249k</td>
<td>appraised and approved by SCRA</td>
</tr>
<tr>
<td>£250k to £500k</td>
<td>outline details of Project sent to Sponsor Unit for consideration **</td>
</tr>
<tr>
<td>Over £500k</td>
<td>detailed appraisal sent to Sponsor Unit for approval</td>
</tr>
<tr>
<td>Novel, contentious or high-risk projects</td>
<td>detailed appraisal sent to Sponsor Unit for approval</td>
</tr>
</tbody>
</table>

**This would determine whether SCRA could appraise and approve the Project itself, or whether a detailed appraisal would need to be submitted for approval**