

FINANCIAL PROCEDURES

File Directory	
File Name	Financial Procedures (issue 6)
Issue Date	June 2017
Planned Review Date	June 2018

DOCUMENT CONTROL SHEET

This document replaces in its entirety Sport Aberdeen Financial Regulations, Issue 5, (March 2016) and is complementary to the Financial Regulations approved by the Board of Directors (June 2017).

Issue / Amendment / Review	Date	Pages Amended	Author
			Approved By
1	09/07/2013	New document	Jill Franks
			Sport Aberdeen Board 24/07/2013
1A	29/07/2013	P7 – Increase in signing authority for Nigel Spencer to take account ISS actual payment level;	Jill Franks
2	23/01/2014	P8 – Revised OJEU thresholds for 2014	Jill Franks
		P9 – Invoices Received	
		P12 – Petty Cash	
		P13 – Budget Preparation	
		P14 – Budget Monitoring	
		P17 – Bank reconciliations	
		P18 – VAT Returns	
3	10/07/2014	P 8 Table 1 Ordering and Invoice	Jill Franks

		Payment Limits	
		P9 – OJEU limits	
4	24/08/2015	Throughout – References to Chief Executive (CE) changed to Managing Director (MD)	Jill Franks
		Throughout – References to Finance & Resources Sub Committee changed to Corporate Governance Committee	
		P8 – Updated with new Grounds Maintenance Contractor details	
		P9 – Approved Suppliers list – variation of responsibility	
		P9 – Small lots threshold for supplies / services and works packages included	
		P10 – cheque payment, factual correction	
		P11 – BACS payment reflecting new process	
		P12 – Petty cash – variation of responsibility	
		P14 – Budget preparation – variation to reflect SA’s additional transfer responsibilities	
		P14 – Frequency of budget monitoring / reporting changed to reflect new Committee schedules	
		P28 – mileage reimbursement – additions to reflect varied arrangements for some staff	
		P33 – inclusion of Risk Management Strategy	
5	19/02/2016	P7 – Amendment to staff designations and signing authority limits to reflect new structure	Jill Franks
		P11 – cheque payments to suppliers only in exceptional circumstances	
		P34 – amendment to format of Sport Aberdeen’s Risk Register	

		Throughout – changes to designations to reflect new SA structure	
6	19/06/2017	Throughout – changes to reflect Sport Aberdeen’s new HQ at Broadfold House	Jill Franks
		Table 1 updated to reflect new staffing structures	
		Table 1 updated to reflect reduction in Grounds Maintenance contract signing authority	
		Section 2.4 updated to reflect new OJEU contract thresholds	
		Section 2.4 updated to include Scottish Procurement Reform Act requirements and Procurement Strategy and reporting thereof	
		Section 3.1 updated to reflect agreement of budget setting process with Aberdeen City Council	
		Section 8.4 updated to reflect requirement to report Notifiable Events to OSCR.	

TABLE OF CONTENTS

Ref	Detail	Page Number
	TABLE OF CONTENTS	4
1.	INTRODUCTION	7
2.	CONTROLS ON EXPENDITURE	7
2.1	Capital Expenditure	7
2.2	Fraud Prevention – Establishing the identify and legitimacy of any organisation with whom Sport Aberdeen works	8
2.3	Ordering of Goods and Services	8
2.4	Quotes and Tender	10
2.5	Goods Received	11
2.6	Invoices Received and Approving of Payments	11
2.7	Bank Mandate and Cheque Signatories	12
2.8	Standing Orders, Direct Debits and BACS Payments	12
2.9	Credit Cards	13
2.10	Petty Cash	14
2.11	Loans	14
3.	BUDGETS AND BUDGETARY CONTROL	15
3.1	Budget Preparation	15
3.2	Budget Monitoring	15
3.3	Virement	16
4.	CONTROLS ON FINANCIAL ASSETS	16
4.1	General Responsibilities	16
4.2	Bookings Policy	17
4.3	Cash Receipts	17
4.4	Income Received by Post at Broadfold House	18
4.5	Income received by Sports Facilities	18
4.6	Income received by Sport and Physical Activity Development Team (Outreach Activities)	18
4.7	Cash Handling	18
4.8	Reconciling Bank Statement to Sage Financial Solutions	19
4.9	Insurance Cover for Safes and Cash in Transit	19
4.10	Collection of Debts	20
4.11	Stock Control Procedures	20
4.12	VAT	21

Ref	Detail	Page Number
4.13	HMRC	21
4.14	Use of Restricted Funds	21
4.15	Cash on Deposit	21
4.16	Public Cash Collections e.g. Charitable Collections	21
4.17	Fundraising and Sponsored Events	22
5.	CONTROLS ON PROPERTY ASSETS	23
5.1	Computer Equipment including laptops, mobile phones and tablets	23
5.2	Computer Software and Data	24
5.3	Sports Coaching Equipment	24
6.	CONTROLS ON HUMAN RESOURCES	24
6.1	Legal Requirements	24
6.2	Staff Complement	25
6.3	Staff Salaries	25
6.4	Payroll System	26
6.5	Starters and Leavers	26
6.6	Self Employed Coaches	27
6.7	Staff Regrading	27
6.8	Extra Responsibility Allowances	28
6.9	Contracts of Employment	28
7.	EXPENSES POLICY	28
7.1	Expenses Policy - General	28
7.2	Travel Expenses incurred in Carrying Out Work Activities	29
7.3	Travel Expenses for mileage incurred in Carrying Out Work Activities	29
7.4	Accommodation and Subsistence Expenses Incurred in Carrying Out Work Activities	30
7.5	Mobile Phones / Tablets	30
7.6	Accepting gifts and hospitality	31
7.7	Professional Fees	32
8.	FRAUD AND IRREGULARITY	32
8.1	General	32
8.2	Breaches of Financial Procedures	33

Ref	Detail	Page Number
8.3	Whistleblowing	33
8.4	Reporting to OSCR	33
9.	RISK REGISTER	34

1. INTRODUCTION

Sport Aberdeen is a Private Company Limited by Guarantee with Charitable Status. This means that it must fully comply with both Company and Charity Law. As part of this duty Sport Aberdeen's Board of Directors have approved its high level Financial Regulations (March 2016, annually updated) which sets out financial framework for the company, including the responsibilities for all financial matters for both the Board of Directors and for all employees of the Company.

Sport Aberdeen also has a Code of Conduct setting out the minimum standards which are expected of all its employees. Standards are in place to help ensure that the work of Sport Aberdeen is conducted fully in accordance with the law and in an open and transparent manner. Governance refers to the systems, processes and standards we use to manage our work and help us deliver our services. Openness, integrity and accountability of individuals within Sport Aberdeen form the cornerstone of effective governance.

Compliance with Financial Regulations is compulsory for all staff. These Financial Procedures set out in more detail arrangements for dealing with all financial matters and are applicable to all Directors, staff and volunteers and are also compulsory.

Where it is relevant, venue-specific work instructions will be issued to staff. These are complementary to, and do not replace, these Financial Regulations.

2. CONTROLS ON EXPENDITURE

Controls on expenditure are required to ensure that only necessary and authorised purchases are made and that funds exist within approved budgets to meet the expenditure. Controls also ensure that payments are only made for goods and services actually received at the price and / or quality agreed.

2.1 Capital Expenditure

Sport Aberdeen is restricted by the terms of its Funding and Services Agreement to a limit of £35,000 (indexed from 2010) for expenditure relating to any arrangement, contract or transaction relating to capital expenditure. (Part 6, Restricted Matters, item 16).

Any proposals relating to capital expenditure up to £35,000 (indexed from 2010) will be approved by the Managing Director who will prepare a business case for the capital works for approval from the Corporate Governance Committee or the Board of Directors, prior to committing Sport Aberdeen to any capital expenditure project.

For capital expenditure above this limit the Managing Director will seek to enter discussions with Aberdeen City Council at an early stage. Prior to any agreement being entered which binds Sport Aberdeen the Managing Director will seek approval from the Corporate Governance Committee or the Board of Directors.

2.2 Fraud Prevention - Establishing the identity and legitimacy of any organisation with whom Sport Aberdeen works

Where Sport Aberdeen proposes to work with partners or stakeholders and where Sport Aberdeen's resources (which may be financial, staffing, equipment or its buildings) are to be used or shared, efforts commensurate with the level of resources to be used will be made to determine that such partners or stakeholders are legitimate entities e.g., limited companies, other public bodies or properly constituted sports clubs or community groups.

It will be the responsibility of the Head of Finance & Corporate Resources to undertake such checks on request and to carry out a periodic audit of such arrangements.

It will be the responsibility of any employee entering into such arrangements to make preliminary checks and to advise the Head of Finance & Corporate Resources of such arrangements prior to committing Sport Aberdeen.

2.3 Ordering of Goods and Services

The fundamental control principle in place is that at least 2 employees are involved in ordering and certifying invoice payments. This is a key control measure for Sport Aberdeen and will also protect individual employees.

Only the staff listed below may place orders for goods and services. The limit on the value of an order placed is also identified. Other staff requiring goods and services must do so via their Line Manager.

Designation / Tier	£ Limit of Authority for Purchasing and Certifying Invoices	Exceptions / Remarks
Managing Director (Tier 1)	£50,000	£50,001+ and unlimited with prior approval of the Board of Directors
SMT Directors (Tier 2)	£20,000	
Head of Finance & Corporate Resources (SMT)(Tier 2)	£20,000	Except: Payroll, no limit Utilities, no limit
Head of HR & Organisational Development (SMT) (Tier 2)	£20,000	Except Payroll, no limit
Extended Management Team (Tier 3)	£10,000	
Property and Assets Manager (Tier 4)	£5,000	

Designation / Tier	£ Limit of Authority for Purchasing and Certifying Invoices	Exceptions / Remarks
Senior Operations Managers (Tier 4) Sales and Retention Manager (Tier 4), Operations Managers (Tier 4), Health and Safety, Quality and Environment Manager (Tier 4) Development Officer (Sport) (Tier 4) Digital and Design Marketing Officer (Tier 4) Aquatics Co-ordinators (Tier 4) ITC Manager (Tier 4) Communications Manager (Tier 4) Senior Business Support Administrator (Tier 4) Events Co-ordinator (Tier 4) Senior Active Schools Officer (Tier 4) Development Officers (Tier 4)	£2,000	
Golf and Outdoor Services Manager / (Tier 4)	£2,000	Except Grounds Maintenance Contract, monthly contract value to certify £100,000 maximum
Assistant Managers (Tier 5) Golf and Outdoor Services Assistants (Tier 5) Active School Co-ordinators (Tier 5) Maintenance Officer (Tier 5)	£500	

Table 1- Ordering and Invoice Payment Financial Limits

Prior to placing any order a check must be made to ensure that there is adequate funding within the identified budget code for the purchase. Any expenditure outside the agreed budget should be authorised by the employee's respective Line Manager prior to placing of the order.

This process also applies to orders placed by telephone. Where telephone orders are placed, confirmation orders should be clearly marked as placed by telephone.

Each order shall be supported by details of the relevant budget heading to which the purchase is to coded, evidence of the agreed price of the purchase, full details of the goods / services to be purchased, full details of the Company to whom the order is to be sent including company, name, address, VAT number (where applicable) and any

agreed delivery dates. The placing of an order may be delayed where this information is not provided.

Orders may only be placed using Sport Aberdeen's Official Purchase Order form.

2.4 Quotes and Tenders

To ensure the best value for money and transparency, staff responsible for ordering goods and services, are required to conform to the company's procurement policies. It is the responsibility of all staff to ensure they understand these requirements.

Wherever possible, orders should be placed with Sport Aberdeen's Approved Suppliers. The Director of Business Development is responsible for the compilation and updating of this Approved Suppliers List. Sport Aberdeen seeks where possible quotations from local companies, although value for money should be the key factor in accepting quotes.

For goods and services with a value of less than £1,000, orders may be placed without restriction.

For goods and services with a value of £1,000 and £5,000, 3 written quotes must be obtained where practicable and retained as part of the company's accounting records. Where 3 quotes are not obtained, prior written approval must be sought from the relevant Service Director.

For goods and services with a value above £5,001 but below the European Tendering Thresholds (see below) a detailed specification is required to be developed and a formal procurement process undertaken, with a minimum of three companies invited to quote / tender. Where expenditure is likely to be above £25,000 a tendering process should be undertaken. Below this level formal quotes must be obtained. All associated records are to be retained as part of the company's accounting records.

As a publicly funded company Sport Aberdeen is required to conform to the European Procurement Regulations where expenditure for supplies and services and works is above defined threshold levels, currently £164,176 (until 31/12/18) for supplies and services and £4,104,394 for works (until 31/12/18).

These values apply to goods and services over the lifespan of a contract ie which may be purchased over a 5-year term. Therefore if a supplier supplies Sport Aberdeen with goods and services to the value of £32,835 during the course of a single year, this should be tendered in accordance with the European Regulations. The value relates to ALL transactions, not a single transaction.

For small lots, the values for supplies and services is £62,842 and for works £785,530.

It is the responsibility of the Head of Finance & Corporate Resources to ensure that all supplies and services and works contracts above the threshold level are procured in accordance with the European Procurement Regulations.

Sport Aberdeen is also required to conform with the Procurement Reform (Scotland) Act 2014 which requires tenders to be placed for contracts under the OJEU Regulated Procurement threshold. This applies to all contracts (with a value over the contract term) of more than £50,000. Sport Aberdeen's approach to this procurement is set out in its Procurement Strategy.

It is the responsibility of the Head of Finance and Corporate Resources to ensure compliance with the Procurement Strategy and report on an annual basis a summary of the company's procurement activities.

2.5 Goods Received

On receipt of goods / services the delivery note should be cross referenced to the goods / services actually received and to the official order. Goods should not be signed for unless they have been verified. Where this is not possible the delivery note should be clearly marked as 'Not Inspected'.

The receipt of goods / services should be recorded in the Goods Received book and /or the HQ / Facility Inventory updated accordingly. The goods received note should be retained with the official order as part of the company's accounting records.

2.6 Invoices Received and Approving of Payments

All invoices for goods or services are to be sent to the company's HQ, Broadfold House. All invoices are to be in the name of Sport Aberdeen. Invoices in the name of individual facilities or Aberdeen City Council will not be accepted. Invoices should clearly show the goods or services supplied, any discounts offered and account for VAT, where applicable, in accordance with current HMRC Regulations.

Invoices will be sent to the relevant service area / sports facility. It will be the responsibility of the ordering employee's Line Manager to confirm that the goods as ordered have been received and authorise the payment. The employee ordering the goods / services must not certify the payment. This is a key control measure for Sport Aberdeen.

Employees signing authority for invoice certification is the same as for ordering. (See Table No. 1).

Invoices received for the supply of goods and services are to be checked for arithmetical accuracy and against orders confirming the price paid and against the delivery note to ensure that the goods and services as invoiced have actually been received. It is the responsibility of Finance Assistants to undertake this check and prepare payment documentation. A scanned copy of the originating purchase order

should be submitted to Broadfold House in order to demonstrate that the invoice has been matched to the order and that segregation of duties has been observed.

2.7 Bank Mandates and Cheque Signatories

Sport Aberdeen only pays suppliers in exceptional circumstances via cheque payments.

The Head of Finance & Corporate Resources is responsible for arranging the necessary proof of identity and completion of bank authority signing mandates. He is also responsible for ensuring deletion of the bank signing authority when an employee's employment with Sport Aberdeen is terminated.

Finance Assistants are responsible for completing payee details and amounts to be paid. Prompt recording of payments in the Sage Accounting System is required, including details of the cheque number, payees' details and the value of the payment.

Bank mandates and cheques require two signatures. The Managing Director, Service Directors and the Head of Finance & Corporate Resources are authorised to sign cheques on behalf of Sport Aberdeen. There is no limit to their signing authority, if all other control mechanisms for expenditure control have been complied with.

Cheques shall not be signed unless supported by evidence of the validity of the payment, including relevant invoices and confirmation that the goods or services have been received.

Under no circumstances are employees permitted to sign blank cheques.

The Head of Finance & Corporate Resources is responsible for the security of cheque books. These shall be stored securely at all times. In the event that a loss or theft of cheque books is noticed the Head of Finance & Corporate Resources shall inform the Managing Director immediately and report their loss or theft to the Clydesdale Bank and Police Scotland (where theft is suspected).

2.8 Standing Orders, Direct Debits and BACS Payments

Appropriate controls are required for these forms of payments to ensure that direct payments are only made for expenditure properly authorised and incurred by the company.

For standing orders only the company can make changes to the amount or collection date of a standing order. Currently, standing orders are not used as a form of payment within the company.

For direct debit payments only the recipient of the money can amend the amount, with Sport Aberdeen protected under the Direct Debit guarantee.

BACS payments require stringent controls since it is difficult to recall them before the payee's account is credited, in the event of errors or fraudulent transfers being discovered.

Any BACS payment set up by the company is the responsibility of the Head of Finance & Corporate Resources. This is now carried out jointly by the Finance and Corporate Resources team and the Business Services team, with two members of staff approving the BACS payment run.

Documents relating to the set-up of standing orders, direct debits and BACS payments should be retained by Sport Aberdeen as part of the Company's accounting records. The payments should be monitored so that the arrangement is cancelled when the company stops using the goods or services being supplied. It is the responsibility of the Head of Finance & Corporate Resources to make sure this happens.

2.9 Credit Cards

The Managing Director and the Head of Finance & Corporate Resources hold Sport Aberdeen Company Credit Cards. Payments made by the use of these cards should only be made in connection with goods or services wholly incurred for business purposes.

Credit cards may only be registered to Sport Aberdeen's Registered Office / HQ address and may not be registered to an individual card holder's home address.

Credit cards should not be used for purchases from food retailers, for alcohol (except where consumed as part of a meal in connection with Company business), fuel, private flights or holidays, illegal activities and gambling.

Credit cards shall not be used for cash withdrawals.

Where credit cards are used for purchases via the internet, prior to engaging in this transaction checks shall be made to ensure that the transaction is being undertaken on a secure internet site, as evidenced by the 'https://' or 'padlock' symbol.

All credit card expenditure must be supported by a voucher and / or invoice and recorded and analysed within Sport Aberdeen's Sage Accounting System. Credit card statements are used to record and analyse all transactions within the accounting records and are matched with supporting vouchers and invoices provided to, or obtained by, the card holders. This is the responsibility of the Finance Support Assistants. Discrepancies are brought to the immediate attention of the Managing Director for transactions incurred by the Head of Finance & Corporate Resources or to the Corporate Governance Committee for transactions incurred by the Managing Director.

They will undertake a periodic review of credit card use to ensure consistency of use with set policies. Any non-compliance will be investigated and reported to the Corporate Governance Committee.

The Head of HR & Organisational Development is responsible for ensuring that credit cards are cancelled and destroyed in the event that the Managing Director or Head of Finance & Corporate Resources ceases to be employed by Sport Aberdeen or if authorisation for use of the card is withdrawn.

2.10 Petty Cash

Payments made in cash by Sport Aberdeen should be kept to a minimum. Under no circumstances may cash payments be made from incoming cash receipts or by way of direct withdrawal from Sport Aberdeen's bank accounts.

Petty cash is held at Broadfold House and at Indoor Sports Facility sites, with a maximum value of £250 and £100 respectively. Responsibility for its use, reimbursement and safe keeping rests with the Business Services Administrator (Broadfold House) or the Senior Operations Manager (Indoor Sports Facilities). Petty cash may only be used for small value purchases (less than £25.00). Where expenditure is over this level alternative forms of payment must be used.

All purchases made through petty cash shall be entered into a Petty Cash book held at Broadfold House / Indoor Sports Facility. Supporting documentation for the cash payment should be authorised by someone other than the person who maintains the petty cash or the person making the payment. A Petty Cash Claim form shall be used for each and every transaction.

The balance of petty cash in hand, and the records, shall be kept securely.

Regular spot checks of the petty cash float shall be made by the Finance Assistant or another person independent of the petty cash process.

Petty Cash balances shall be reimbursed to the value of the Petty Cash held as required by the submission of Petty Cash Claim forms and supporting documentation to the Senior Business Services Manager. The Senior Business Services Manager will check and approve the Petty Cash Reimbursement Form and pass to Finance Staff for processing. Payment will be in the form of a cheque, issued to Broadfold House / Indoor Sports Facility. On receipt the cheque and proof of identity is required to be taken to the designated Clydesdale Bank for the collection of cash, which shall be immediately returned to Petty Cash.

2.11 Loans

Borrowing money is a Restricted Matter under the Funding and Services Agreement, (Part 6, clause 5). Loan arrangements are administered by Aberdeen City Council within the terms of the Treasury Management Policies.

Where consent is given for Sport Aberdeen to borrow money the Head of Finance & Corporate Resources is responsible for the taking out of any loan which shall be in the name of Sport Aberdeen where it is in the interests of Sport Aberdeen to do so.

The Head of Finance & Corporate Resources is also responsible for reporting the details of the loan including full terms and conditions to the Corporate Governance Committee.

The Head of Finance & Corporate Resources shall ensure that:

- Sport Aberdeen is able to meet the repayments of the principal and interest as they fall due before taking out any loan, with a plan in place to support this;
- all loans are documented including the amount of the loan, any charges and interest due;
- a record of all outstanding loans is kept noting the history of repayments of principal and interest for each loan and the outstanding balance;
- if a loan is secured or subject to bank covenants, the terms of the security or bank covenants are in the interests of the charity and appropriate details are logged on the register of assets;

Where a loan is advanced by a Trustee the Head of Finance & Corporate Resources is responsible for recording and managing any conflict of interest and for ensuring that the terms of the loan are in Sport Aberdeen's interest. Where it is proposed that a rate of interest be charged that exceeds the prevailing Bank of England Bank Rate (base rate) the Head of Finance & Corporate Resources shall ensure that this can be justified. This situation should also be reported to the Corporate Governance Committee.

3. BUDGETS AND BUDGETARY CONTROL

3.1 Budget Preparation

Budget preparation is the responsibility of Service Directors, Head of Finance & Corporate Resources and Head of HR & Organisational Development. Initial budget preparation will be carried out in a timely manner in line with Sport Aberdeen's Business Planning processes and in conjunction with Service Managers. Sport Aberdeen's business planning processes will allow time for adequate scrutiny of its budgets by Aberdeen City Council in advance of formal Board approval. The timetable for budget preparation will be agreed annually with Aberdeen City Council. Aberdeen City Council.

Indicative budgets with adequate supporting working papers and Sport Aberdeen's Business Plan will be considered and agreed by the Senior Management Team. Following agreement of the budget with the Senior Management Team the Managing Director will prepare a report recommending the budget to the Corporate Governance Committee and thereafter to the Board for approval.

3.2 Budget Monitoring

It will be the responsibility of Service Managers to manage and monitor their budget on an on-going basis and to ensure that adequate budgetary provision exists for all orders placed and in light of known future budgetary commitments. The Head of Finance & Corporate Resources is responsible for ensuring that for each budget line, a budget holder is identified who is fully familiar with their budget responsibilities.

Preparation of budgetary reports will be the responsibility of the Head of Finance & Corporate Resources. Detailed management accounts for Sport Aberdeen's overall position will be produced on a monthly basis by the Head of Finance & Corporate Resources. The Senior Management Team, in conjunction with the individual budget holders within their teams, will be responsible for reviewing the overall Sport Aberdeen management accounts on a monthly basis. Sport Aberdeen's financial position will be reported on a bi-monthly basis to the Corporate Governance Committee. Responsibility for properly investigating and explaining budget variances will rest with the Service Directors. The report will also be provided to Aberdeen City Council as part of the agreed monitoring processes.

On a monthly basis Service Managers shall report their budgetary position to Service Directors, including explanations for variances between actual and predicted budgets.

The monitoring of income receipts through the LMIS system will be the responsibility of Senior Operations Managers.

At each Board Meeting it will be the responsibility of the Head of Finance & Corporate Resources to present the latest management accounts to the Board of Directors.

3.3 Virement

Virement between budget codes may occur within divisions at the discretion of the relevant Service Director. They will be responsible for advising the Head of Finance & Corporate Resources who will make the necessary changes to the budget codes and accounting system.

Where there is considered to be a need for virement between divisions, this shall be the subject of a report prepared by the relevant Service Director/s and discussed by the Senior Management Team. Subject to the outcome it will be the responsibility of the Head of Finance & Corporate Resources of this who will make the necessary changes to the budget codes and accounting system.

Under no circumstances may external grant funding streams be vired.

4. CONTROLS ON FINANCIAL ASSETS

4.1 General Responsibilities

The Head of Finance & Corporate Resources is responsible for ensuring that appropriate procedures are in place to enable Sport Aberdeen to receive all income to which it is entitled. The format of all forms, tickets, invoices and other official Sport Aberdeen forms in use must be approved by the Head of Finance & Corporate Resources prior to their use.

Fees and charges for goods and services provided will be submitted by the Managing Director to the Board of Directors on an annual basis, as part of Sport Aberdeen's Business Planning processes.

The Head of Finance & Corporate Resources is responsible for arranging for the prompt collection, security and banking of all income received, taking account of the levels of income receipts at sports facilities, insurance levels for safes, staff safety and budgetary considerations. This will be reviewed on an annual basis.

The Head of Finance & Corporate Resources is responsible for ensuring that all external grants, including that received from Aberdeen City Council, are invoiced or otherwise received promptly and appropriately recorded in Sport Aberdeen's accounts. Where grants are to be ring-fenced for a particular purpose this shall be noted. Where this involves more than one financial year the Head of Finance & Corporate Resources shall ensure that appropriate arrangements are in place to identify these sums as restricted funds in Sport Aberdeen's accounts.

4.2 Bookings Policy

All casual bookings made directly at the facilities by non-member customers must be paid for at the time of booking. This applies to both bookings in person, via the telephone and online. Payments may be made by cash or credit / debit cards. No refunds are offered.

For Sport Aberdeen Members who receive booking privileges, three 'no shows' will be permitted in any one membership year. On the 4th and subsequent occasions a 'no-show' will be charged and the member treated as having a debt to the Company. Payment will be sought in line with current policy.

4.3 Cash Receipts

All monies received at Broadfold House or at the Sports Facilities must be recorded at the time of the transaction using the LMIS system or Sage Financial System, in line with the detailed LMIS operating procedures applicable to Sports Facilities. Monies must be banked at the end of each employee's shift, at the end of the day in accordance with the Sports Facilities detailed operating procedures. No deductions for whatever reason may be made from cash receipts prior to banking. Where such action has been found to take place, disciplinary action may result.

4.4 Income Received by Post at Broadfold House

Income (cash or cheques) received at Broadfold House by post shall be held securely in the HQ Safe and a record kept until such time that it is taken to the Beach Leisure Centre by the Senior Business Services Manager or directly to Sport Aberdeen's Bank by the Head of Finance & Corporate Resources. If taken to the Beach Leisure Centre income is accounted for via the LMIS system, in accordance with the site's detailed Financial Operating Procedures.

4.5 Income Received by Sports Facilities

Income received at Sports Facilities shall immediately record its receipt via the LMIS system, in accordance with the venue's detailed Financial Operating Procedures.

4.6 Income Received by Sport and Physical Activity Development Team (Outreach Activities)

Coaches: where possible payment should be made for an activity block in advance and collected by the Active Schools Coordinator. If payments (cash or cheques) are received directly by coaches they must record any payments received on a Payments Received form and the Register. The completed Payments Received form and money must be given to an Active Schools Coordinator within one week of receipt.

Active Schools Coordinators: Any cash or cheque payments received greater than £5.00 must be recorded in a receipt book, including Payments Received forms from coaches. All payments for activity programmes must be recorded on the appropriate register, including receipt number, payment type, payment date and amount.

Banking of money received in advance of a programme should be banked within 7 days of the programme starting; any money received after the start of a programme should be banked within 7 days of receipt. It is the responsibility of Active Schools Coordinators to complete a Banking Record form detailing who the money has been received from, the amounts and what the payment is for. On completion of a Banking record, the relevant section of the budget spreadsheet identifying the amount of 'Pending'. Banking record forms should then be passed to Finance Support Assistants. Finance Support Assistants are responsible for receiving and banking income and updating the relevant spreadsheet to 'Actual'.

4.7 Cash handling – overs and unders

It is accepted that occasional errors in the handling of cash will occur. Staff operating the LMIS system are required to declare the actual contents of their cash drawers prior to a till reading being undertaken. Any overs or unders of actual cash declared

compared with the till reading are to be banked. Any member of staff found to be removing any 'overs' may be subject to disciplinary action.

No action is required of staff declaring an 'under' declaration. However the Operations Manager is responsible for reviewing over's / under's on a regular basis and is responsible for investigating regular occurrences. Subject to these findings an employee may be the subject of disciplinary action.

4.8 Reconciling Bank Statements to Sage Financial Solutions

The Head of Finance & Corporate Resources is overseeing the preparation for reconciling bank statements to the Sage Financial Solutions system on a monthly basis.

Finance Support Assistants are responsible for ensuring that all income slips generated by the LMIS system for all divisions' income are entered into the Sage Financial Solutions system on a daily basis. They are also responsible for checking that Loomis collections have been deposited into Sport Aberdeen's bank account. Any discrepancies identified between collections and missed deposits will be brought to the attention of the Head of Finance & Corporate Resources immediately they are discovered who will carry out an urgent investigation. Where the matter remains unresolved the Head of Finance & Corporate Resources will bring this to the attention of the Corporate Governance Committee.

Finance Support Assistants are also responsible for ensuring that all expenditure purchases are entered onto the Sage Financial Solution system on a weekly basis.

The bank reconciliation process is undertaken by the Head of Finance & Corporate Resources on a monthly basis by cross checking bank statements to all Sage Financial Solutions income and expenditure records. Any discrepancies identified shall be investigated as a matter of urgency. Where the matter remains unresolved the Head of Finance & Corporate Resources will bring this to the attention of the Corporate Governance Committee. Bank reconciliations should be signed by the preparer and reviewed and authorised by the Head of Finance & Corporate Resources.

4.9 Insurance cover for Safes and Cash in Transit

The Head of Finance & Corporate Resources is responsible for an annual review of insurance levels of safes located at Broadfold House and the Sports Facilities and for cash in transit. Current insurance levels are £10,000 for cash in transit and in premises respectively.

The insurance level of safes is to be advised to the Senior Business Services Manager on an annual basis. The Senior Business Services Manager is responsible for ensuring that the operating procedures as implemented ensure that these levels are not exceeded.

4.10 Collection of Debts

The Head of Finance & Corporate Resources shall have overall responsibility for the collection of monies due to Sport Aberdeen and to ensure that systems are in place so that:

- Debtors invoices are raised promptly in respect of income due to Sport Aberdeen;
- Debtors are raised on official Sport Aberdeen invoices;
- Swift and efficient action is taken to collect overdue debts in accordance with Sport Aberdeen's policy; and
- Outstanding debts are monitored and reports prepared for the Senior Management Team.

Provision for bad debts reflected within Sport Aberdeen's financial accounts is the responsibility of the Head of Finance & Corporate Resources.

Levels for debt write-off will be determined by the Corporate Governance Committee. It is the responsibility of the Head of Finance & Corporate Resources to present an annual report of debts written off.

4.11 Stock Control Procedures

It is the responsibility of Service Managers to implement appropriate stock control procedures which serve to protect the stocks held by Sport Aberdeen. Of key concern are catering, vending, stationery and cleaning products, although this list is not exhaustive.

All stocks should be held securely, with access to stocks limited to designated employees. The minimum stock level at which economies of scale for purchasing can be achieved commensurate with the demand for stocks according to operations should be maintained.

All stock (in and out) should be recorded. Regular and ad hoc stock checks should be carried out by Service Managers. These should be recorded. Where discrepancies are noted between recorded and actual stock levels, these should be investigated as a matter of urgency. Where the discrepancies are considered to be significant, this should be brought to the attention of the relevant Service Director and the Head of Finance & Corporate Resources. They will be responsible for carrying out a further investigation.

Where employees are found to be misusing or removing stocks for personal use, this may be the subject of disciplinary action.

4.12 VAT

It is the responsibility of the Head of Finance & Corporate Resources to complete and submit quarterly VAT returns within the required timescales and deal with all associated correspondence. Copies of all returns will form part of the company's accounting records. VAT returns should be prepared in a timely manner to allow for adequate review and reflection by the Head of Finance & Corporate Resources.

4.13 HMRC

HMRC Returns form part of the managed payroll service provided by ADP. It is the responsibility of the Head of HR & Organisational Development to ensure that submissions to ADP clearly identify gross payments payable as part of the managed service.

The Head of HR & Organisational Development is also responsible for undertaking periodic checks to ensure such payments are made, informing the Head of Finance & Corporate Resources of any concerns immediately.

4.14 Use of Restricted Funds

External grants receivable by Sport Aberdeen are received for particular purposes and may only be ring-fenced for these purposes. It is the responsibility of the Head of Finance & Corporate Resources to identify such restricted funds and ensure that where grant funding remains at the end of a financial year or where funding is allocated over more than one financial year that such funding is clearly identified as restricted funding within Sport Aberdeen's Accounts.

It is the responsibility of the employee submitting successful external grant funding applications to advise the Head of Finance & Corporate Resources of such restricted funds.

4.15 Cash on Deposit

This service is provided by Aberdeen City Council's Treasury Management team who manage Sport Aberdeen's cash on deposit to attract the best interest rates for the company at the lowest level of risk. The Head of Finance & Corporate Resources is responsible for undertaking a periodic review of the arrangement to ensure that it remains beneficial for Sport Aberdeen.

4.16 Public Cash Collections e.g. Charitable Collections

Where collections of donations are carried by Sport Aberdeen as part of its wider activities employees must ensure that the necessary licensing arrangements are in place prior to the activity taking place. It will be the responsibility of the Senior Management Team to ensure that any public collection is properly licensed.

Staff shall exercise proper controls when dealing with any cash income collected in this way. It will be the responsibility of the Senior Manager involved at the time of collection to ensure that the following controls are in place:

- at least two employees to be involved in the handling and recording of the money received;
- collection boxes are individually numbered and their issue and return is recorded;
- collection boxes are sealed before use so that it is apparent if they have been opened before they are returned;
- all collection boxes are regularly opened and their contents counted;
- general public collections are counted in the presence of the collectors and a numbered receipt given to them;
- cash collected is banked or otherwise distributed to the appropriate causes (Charities), for which a receipt is obtained; and
- reconciliation of the receipted amount against the recorded collection amount is made.

Any discrepancies should be reported to the Head of Finance & Corporate Resources immediately, who will carry out an investigation. They will be responsible for bringing any concerns to the attention of the Corporate Governance Committee.

4.17 Fundraising and Sponsored Events

Where fundraising and sponsored events are carried out by Sport Aberdeen as part of its wider activities employees must ensure that the necessary licensing arrangements are in place prior to the activity taking place. It will be the responsibility of the Senior Management Team to ensure that any fundraising or sponsored event is properly licensed.

Staff shall exercise proper controls when dealing with any cash income/ sponsorship income collected in this way. It will be the responsibility of the Senior Manager involved at the time of the fundraising or sponsored event to ensure that the following controls are in place:

- Records are maintained for each fund raising / sponsored event, in sufficient detail to identify gross receipts or takings and costs incurred; and

For all events for which there is ticket income or gate money the following controls should be in place:

- That all tickets are pre-numbered;

- A record is kept of all persons who have been issued with tickets to sell, and the ticket numbers allocated to each person;
- A record is kept of which tickets have been sold;
- All money from tickets and any unsold tickets are collected; and
- A reconciliation is made of receipts against tickets sold.

Any discrepancies should be reported to the Head of Finance & Corporate Resources immediately, who will carry out an investigation. They will be responsible for bringing any concerns to the attention of the Corporate Governance Committee.

5. CONTROLS ON PHYSICAL ASSETS

It is recognised that in order to effectively carry out their job roles, certain employees will be provided with Sport Aberdeen equipment which will be taken away from an employee's main place of work, including to home addresses. An employee's Line Manager will make clear during an induction process the assets an employee is authorised to remove from their main place of work. It is the responsibility of the Head of HR & Organisational Development to retain a list identifying staff and asset permissions. Where an employee is authorised to remove certain assets it is expected that they will take all reasonable precautions to protect these assets.

In the event that loss of damage to Sport Aberdeen assets occurs, where it can be demonstrated that all reasonable steps have been taken the asset will be replaced by Sport Aberdeen and no further action will be taken. Where it cannot be demonstrated that all reasonable steps have been taken the employee will be required to repair / replace the asset (to at least the same specification) at their own expense.

Where an employee is not authorised to remove a Sport Aberdeen-owned asset from their main place of work and is found to be doing so, disciplinary action may be taken. Where damage to a Sport Aberdeen asset occurs in these situations, disciplinary action may be taken and the employee required to repair / replace the asset (to at least the same specification) at their own expense.

5.1 Computer Equipment including laptops, mobile phones and tablets

Where employees are provided with computer equipment, including laptops, and are authorised to remove the asset from their main place of work, employees are responsible for ensuring that they take all reasonable steps to protect the computer equipment from theft e.g. where it is necessary to leave a laptop in a locked car it must be placed out of site in a locked boot. Where employees park in an area with notices advising not to leave laptops in cars, they should remove the laptop and take it with them.

Employees with authorisation to use laptops at home are covered under Sport Aberdeen's insurance policy.

5.2 Computer Software and Data

Misuse of Computer software may knowingly or unknowingly involve Sport Aberdeen in illegal practices. Under no circumstances may employees download bootleg software onto Sport Aberdeen's ICT systems or make illegal copies of software provided to them for use as part of their job.

Storage of data on portable memory sticks, external hard drives or other storage systems may expose Sport Aberdeen and staff, partners, suppliers and customers to the risk of theft, fraud, identity theft and loss. Employees should take the greatest care of such devices and should always ensure that devices taken away from Sport Aberdeen's premises are encrypted or password protected. Any member of staff who has reason to believe that a storage device may have been lost, howsoever caused, shall immediately report its loss to the Senior Business Services Manager.

Loss of any external memory device may be treated as a disciplinary offence.

5.3 Sports Coaching Equipment

It is recognised that some staff will need to remove equipment from HQ and / or Sports Facilities as part of outreach programme delivery. Where employees are authorised to remove sports equipment from their main place of work, employees are responsible for ensuring that they take all reasonable steps to protect the sports equipment from theft e.g. not leaving the equipment unattended or in unlocked cars.

6. CONTROLS ON HUMAN RESOURCES

As salaries and wages are a significant proportion of Sport Aberdeen's expenditure, it is essential that appropriate controls are in place to minimise the risk of unintended errors or intended theft or fraudulent activities. In addition controls are required to ensure that Sport Aberdeen is not exposed to additional liabilities resulting from a breach of statutory requirements e.g., through failing to deduct and account for tax and national insurance contributions through the PAYE system.

Sport Aberdeen currently manages its payroll through a 3rd party fully automated payroll provider, ADP.

6.1 Legal Requirements

It is the responsibility of the Head of HR & Organisational Development to ensure:

- The records required by HMRC of PAYE deducted from the wages and salaries of employees are maintained;

- Statutory deductions are paid to HMRC as required and pension contributions paid across to the North East Scotland Pensions Fund (NESPF) (or other appropriate pension provider) and other third parties promptly;
- Deadlines for year-end returns to HMRC are met including P35 and P60 or the date required for real time submission to HMRC are complete and submitted on a timely basis;
- Minimum wage legislation is adhered to;
- Only authorised or required deductions are made from pay;
- Each employee has a proper contract of employment, issued within the legal timeframe, currently 8 weeks from date of employment; and
- Legal obligations in relation to the pension scheme are met.

A number of the above activities may be outsourced to ADP. It is the responsibility of the Head of HR & Organisational Development to periodically monitor the arrangements in place to ensure compliance. Any concerns should be raised with the Head of Finance & Corporate Resources immediately who will investigate and, subject to the findings, advise the Finance and Resources Committee accordingly.

6.2 Staff Complement

The Managing Director will be responsible for determining the staff complement (structure) for Sport Aberdeen and for confirming this on an annual basis to the Board of Directors, as part of Sport Aberdeen's Business Plan. This will identify the number of employees (FTE) for each service area, their salary scale / grade, other enhancements that may be payable and a summary of their terms and conditions. This is deemed to be the maximum staff complement for Sport Aberdeen.

It will be the responsibility of the Head of HR & Organisational Development to ensure that this is communicated to all Service Managers. It is the responsibility of Service Managers to maintain this on a monthly basis.

No member of staff shall seek to recruit additional staff which will increase the staffing complement above its maximum level, without the express prior approval of the Managing Director.

6.3 Staff Salaries

Salaries will be determined by the Managing Director taking account of the rights of transferred employees from Aberdeen City Council, job evaluation processes or comparison with market rates. They shall be agreed annually by the Board of Directors as part of Sport Aberdeen's Business Planning processes.

No member of staff shall be involved in setting the remuneration rate for their own position or for their own terms and conditions of employment. The Board of Directors will agree to the remuneration and terms and conditions for the employment of the Managing Director.

6.4 Payroll System

Responsibility for the management of the payroll system rests with the Head of HR & Organisational Development.

All payroll is paid via the ADP BACS system. It is the responsibility of the Head of HR & Organisational Development to process the payroll run. The Head of Finance & Corporate Resources is responsible for authorising the payroll run. In the absence of the Head of Finance & Corporate Resources the Head of HR & Organisational Development is authorised to undertake this function.

Under no circumstances is any employee permitted to pay salaries or wages outside of the ADP BACS payroll system i.e. via a cheque payment or via cash from any source. Employees found to be in contravention of this will be disciplined.

All staff are responsible for certifying their hours worked in any payroll period through the completion of a timesheet which must be submitted to the appropriate Line Manager for approval at the end of each month. Line Managers are responsible for ensuring that the hours claimed have actually been worked prior to certifying the timesheet. This includes both normal hours of worked, hours attracting enhanced payments and any overtime payments. Annual timelines for submission of timesheets are sent on an annual basis to all Managers.

Employees should certify timesheets only for their own staff and not for staff employed in another division.

Only in exceptional circumstances are emergency payments made. These are investigated and each case dealt with through the appropriate channel, with authorisation by the Head of HR & Organisational Development.

Falsification of time sheet claims either by a claimant or an authorising Line Manager will be subject to disciplinary action.

6.5 Starters and Leavers

The role of the Head of HR & Organisational Development is to provide advice and guidance on the recruitment process.

Line Managers are responsible for undertaking the recruitment process leading to new starters. For Operations, Customer Services Managers may undertake the recruitment process up to Supervisor level. Prior to starting the recruitment process they shall satisfy themselves that there is a vacancy to fill by comparing their current staffing complement FTE with their establishment FTE.

Start dates should be agreed with the Head of HR & Organisational Development who will be responsible for updating the payroll system.

Staff receiving an employee's notice of resignation should forward this at the earliest opportunity with the appropriate paperwork to the Head of HR & Organisational Development, who will confirm outstanding annual leave and other terms. The Head of HR & Organisational Development is responsible for deleting the employee from the Payroll system, issuing of P45 and amending the staffing complement.

The Head of HR & Organisational Development is responsible for ensuring that personnel records for each member of staff are held separately from payroll records. The Head of Finance & Corporate Resources is responsible for undertaking periodic checks between these records to prevent payment to people who are no longer employees.

6.6 Self Employed Coaches

Only bona fide self-employed coaches shall be used to deliver Sport Aberdeen's health and fitness, coaching and activity programmes, where employment by Sport Aberdeen is not possible or preferred. This is to ensure that self-employed coaches are properly accounting for HMRC NI and tax requirements and do not place Sport Aberdeen in a position where it itself may become liable for their HMRC NI and tax contributions.

Employees responsible for engaging self-employed coaches will ensure that they are provided with appropriate documentary evidence to confirm self-employed status and accounting for HMRC contributions. Suitable documentary evidence may include photocopies of their self-assessment return, evidence of Ltd Company ownership (through which invoices are paid) or confirmation from their accountant.

In addition evidence of their professional qualifications for the activity/ies in question, public liability / professional indemnity insurance and PVG check (where applicable) shall be obtained by employees engaging such self-employed coaches. These records shall be retained on site.

Self-employed coaches may only be paid on receipt of a properly completed invoice detailing place of work, dates and times of work and agreed hourly rate. Where applicable a VAT registration number should also be included. Invoices should be completed on a monthly basis. They will be dealt with in accordance with Sport Aberdeen's usual payment process.

On a periodic basis it will be the responsibility of the Head of Finance & Corporate Resources Manager to carry out checks to ensure compliance with this procedure.

Failure to adhere to the procedure may result in disciplinary action.

6.7 Staff Re-grading

Any requests for re-grading made directly by employees or recommended by a member of the Senior Management Team will be considered by the Senior Management Team. It will be the responsibility of the relevant Service Director, Head of Finance & Corporate Resources or Head of HR & Organisational Development to present the case for discussion by the Senior Management Team.

If the request for re-grading directly concerns a member of the Senior Management Team they shall play no part in the discussion and shall remove themselves from the discussion, in accordance with the principle of no employee setting their own salary, grade or terms and conditions.

In the case of the Managing Director this is a matter solely for the Board of Directors to consider.

6.8 Extra responsibility allowances

Sport Aberdeen recognises that there are occasions where employees undertake duties and responsibilities at a level beyond their substantive post. Sport Aberdeen's policy in relation to extra responsibility allowances requires the additional responsibilities to be undertaken, or likely to be undertaken, for a minimum period of 4 weeks.

The level of additional remuneration is calculated on a % basis, comparing the employee's substantive post with the higher graded post, where the additional responsibilities relate to an employee vacancy. Where additional responsibilities are undertaken for some other reason, comparison with a post of a similar nature will be made.

It is the responsibility of the relevant Service Director, Head of Finance & Corporate Resources or Head of HR & Organisational Development to present the case for discussion by the Senior Management Team.

6.9 Contracts of Employment

It is the responsibility of the Head of HR & Organisational Development to ensure that each employee has a proper contract of employment and that individuals are not incorrectly classified as self-employed. Such contracts may only be issued against a vacant post within Sport Aberdeen's approved establishment.

7. EXPENSES POLICY

7.1 Expenses Policy – General

Sport Aberdeen's expenses policy applies without exception to all Trustee Directors, employees and volunteers.

In all cases expense claims are required to be authorised by someone other than the claimant. In most cases this will be an employee's Line Manager. In the case of the Managing Director this will be the Chairman. The Employee is required to certify that the claim is accurate and has been incurred in connection with the business of Sport Aberdeen. This may include voluntary work undertaken by Sport Aberdeen Trustee Directors and employees in connection with other sporting organisations, professional bodies and similar organisations. Falsification of expenses claims may result in disciplinary action.

All claims made under the Expenses Policy will be checked for accuracy by HR, prior to approving payments. All payments for employees will be paid through Payroll. All expenses for Volunteers will be paid via a cheque in accordance with Sport Aberdeen's procedures.

7.2 Travel Expenses Incurred in Carrying out Work Activities

Travel expenses incurred in the course of undertaking activities in connection with an employee's work will be reimbursed on production of a properly completed Travel Expenses Claim Form and supported by relevant receipts.

Staff travel is restricted to 2nd Class Rail Travel or Economy Air Fare (where applicable). Where staff prefer to use their car for such travel reimbursement equivalent to the lowest cost of either 2nd Class Rail Travel or Economy Air Fare will be made, providing that the expenditure has been authorised by an employee's Line Manager in advance.

Travel Expense claim forms should be submitted promptly for authorisation by an employee's Line Manager. Expenses are payable in arrears through Payroll.

7.3 Travel Expenses for Mileage Incurred in Carrying out Work Activities

Where staff are required to use their cars wholly in connection with carrying their duties, Sport Aberdeen will reimburse mileage expenses where they have been incurred wholly in connection with work activities. Reimbursement will be at the current HMRC rates (£0.45 per mile for the first 10,000 miles, £0.25 thereafter). No tax or NI contributions are required for either the Employee or Sport Aberdeen for mileage payments at these rates. Car sharing is encouraged at all times. Where an employee takes a passenger an additional payment of £0.05 per mile is also payable. This arrangement does not apply to members of the Senior Management Team.

Reimbursement will be made on receipt of a monthly certified Car Mileage Claim Form through Payroll.

Reimbursement for journeys undertaken by motorbike will also be reimbursed at the current HMRC rate (£0.24/mile). No tax or NI contributions are required for either the Employee or Sport Aberdeen for mileage payments at these rates. Reimbursement

will be made on receipt of a monthly certified Bike Mileage Claim Form through Payroll.

Travel by bicycle as part of an Active Travel Policy / Active Lifestyle is also encouraged. Where an employee uses a bicycle reimbursement is at the rate of £0.20 per mile. No tax or NI contributions are required for either the Employee or Sport Aberdeen for mileage payments at these rates. Reimbursement will be made on receipt of a monthly certified Bicycle Mileage Claim Form through Payroll.

7.4 Accommodation and Subsistence Expenses Incurred in Carrying out Work Activities

Accommodation and subsistence expenses incurred in the course of undertaking activities in connection with an employees work will be reimbursed on production of a properly completed Accommodation and Subsistence Expenses Claim Form and supported by relevant receipts.

Accommodation is restricted to 3* or equivalent standard accommodation e.g. Premier Inn, Holiday Inn Express and similar standard accommodation in the locality, including Bed and Breakfast. The expenditure is to be authorised by an employee's Line Manager in advance.

Where accommodation at a higher standard forms part of a Conference, training or similar activity payment or reimbursement will be made on production of a properly completed Accommodation and Subsistence Expenses Claim Form and supported by relevant receipts.

Subsistence is payable to employees who are prevented whilst undertaking duties in connection with their employment from taking a meal at their home, usual place of work or usual establishment where they usually take their meals and thereby incur additional expenditure. The allowance shall not be paid where a suitable meal is provided or where the employee has been previously reimbursed. The maximum allowances are as follows:

Breakfast: £8.00

Lunch: £12.00

Dinner: £25.00

Accommodation and Subsistence Expense claim forms should be submitted promptly for authorisation by an employee's Line Manager. Expenses are payable in arrears through Payroll.

Reimbursement for alcoholic drinks will only be made where they form part of an evening meal and are included within the maximum allowance identified above.

7.5 Mobile Phones / Tablets

Sport Aberdeen recognises that by adopting effective working arrangements and embracing new technology where appropriate, employees will be better motivated and more effective.

Where employees are considered to have a requirement to use a mobile phone in the course of their employment this may be provided for by the employee themselves or by Sport Aberdeen. It will be the responsibility of the Senior Management Team to identify such employees.

Where an employee provides their own mobile phone for use in connection with work activities they will be reimbursed to a minimum sum of £17.50 per calendar month through the payroll system where a Smart Phone is provided and enabled for an employee to receive Sport Aberdeen emails. This is conditional on the employee being prepared to publicise their personal mobile phone number on email signatures and on other appropriate forms and to ensure their mobile phone is switched on during reasonable working hours and / or out of hours, commensurate with the position. In the event that an employee incurs excessive mobile phone costs which can be wholly or mainly attributable to work activities they may request payment of an additional sum. This will be considered by the Senior Management Team whose decision is final.

Where an employee wishes to have a specific Sport Aberdeen mobile phone this will be provided to the employee free of charge. Reasonable personal use of the mobile phone is permitted. Provided that an employee's mobile phone bill remains below £17.50 per calendar month no contribution from an employee is required. In the event that the mobile phone bill is above this level and where the employee is unable to provide suitable justification to the Senior Management Team, they will be required to reimburse Sport Aberdeen an amount equivalent to the difference between the two values. The employee is required to publicise their work mobile phone on email signatures and on other appropriate forms and to ensure their mobile phone is switched on during reasonable working hours and / or out of hours, commensurate with the position.

7.6 Accepting gifts and hospitality

Transparency in all decisions taken by Sport Aberdeen employees is an essential part of the culture of Sport Aberdeen. This includes decisions recommended by Sport Aberdeen employees to the Board of Directors and Sub-Committees of the Board and decisions taken by the Board of Directors and Sub-Committees of the Board. The acceptance of gifts and hospitality must be carefully considered to protect Sport Aberdeen's reputation.

Sport Aberdeen's policy on the acceptance of gifts and hospitality is as follows:

- Gifts and hospitality under the value of £10 may be accepted by an employee where it is incurred wholly in connection with their duties. Such gifts may include diaries, calendars, pens and similar. Working lunches or dinners provided that no extravagance is involved may also be acceptable.

- Gifts over the value of £10 may not be accepted, except where their refusal may cause offence. In such circumstances gifts may be accepted but shall not be personally retained by the employee. Their disposal will be subject to a Senior Management Team or Board Approval. The gift and action taken will be recorded in the Gifts and Hospitality Register.
- Hospitality between the value of £10 and £250 may only be accepted where it is impossible not to do so without causing significant offence. All such cases of hospitality shall be declared in Sport Aberdeen's Register of Gifts and Hospitality.
- Hospitality involving sexual or gambling activities and / or activities of a nature likely to bring Sport Aberdeen into disrepute may not be accepted in any circumstances.
- Hospitality over the value of £250, involving overseas travel or events may only be accepted with prior approval of the Board of Aberdeen.
- During any active procurement process no gifts or hospitality may be accepted by an employee from any company directly or indirectly associated with the procurement process. Any contravention will automatically disqualify the company from the procurement process.

The Director of Business Development will be responsible for maintaining the Register of Gifts and Hospitality, including gifts and hospitality offered but declined. Its existence will form part of the induction procedure for all staff and it is the responsibility of all Managers responsible for the induction process that the attention of new employees is drawn to it.

7.7 Professional Fees

Professional fees can only be paid or reimbursed with the prior approval of the Managing Director, Service Directors, the Head of Finance & Corporate Resources or the Head of HR & Organisational Development.

8. FRAUD AND IRREGULARITY

8.1 General

Financial fraud and abuse may arise from a number of different activities: bribery, fraud, theft and money laundering or the loss of electronic data may result in significant loss for Sport Aberdeen but also damage to its reputation with both Aberdeen City Council and its customers. There may be significant risk to Sport Aberdeen's reputation from association with bribery or the making of facilitation payments. Sport Aberdeen's Code of Conduct is to be followed at all times by all employees and volunteers. Fraud and financial crime may occur by income-related fraud, expenditure-related fraud, investment fraud, procurement fraud, fraudulent

invoicing and grant applications, identify theft / fraud, banking fraud and E-Crime (including phishing).

Transparency in all decisions taken by Sport Aberdeen employees is an essential part of the culture of Sport Aberdeen. This includes decisions recommended by Sport Aberdeen employees to the Board of Directors and Sub-Committees of the Board and decisions taken by the Board of Directors and Sub-Committees of the Board.

Implementation of the control measures identified within these Financial Procedures play an important part in managing the risk from fraudulent activities.

8.2 Breaches of Financial Procedures

It is important to stress that Sport Aberdeen will not automatically treat an initial breach of these financial procedures as a disciplinary matter. In the spirit of Sport Aberdeen's Company values encompassing transparency, integrity and honesty staff are trusted to act appropriately at all times. However it is also recognised that at times genuine mistakes may be made by employees due to particular circumstances, lack of training, misunderstanding of requirements or, very occasionally, in emergency situations.

Where it is recognised by an employee that they themselves have committed a breach of financial regulations, it is important that the employee brings this breach to the attention of their Line Manager at the earliest opportunity. The Line Manager is responsible for investigating the breach and for its rectification, where possible. In addition the Line Manager is responsible for ensuring that the employee who committed the breach understands the correct action to take in the future. The action taken should be recorded.

Where a breach of financial procedures has resulted in a financial loss to Sport Aberdeen the Head of Finance & Corporate Resources is responsible for undertaking an investigation and for reporting the breach and actions subsequently to the Corporate Governance Committee.

8.3 Whistleblowing

Where employees or volunteers suspect fraudulent or other criminal activity they are encouraged to report their suspicions to their Line Manager, or in the event of their Line Manager being implicated or otherwise uncomfortable with raising the issue with their Line Manager, they should report the matter to an appropriate member of the Senior Management Team. This policy applies to all employees, including any concerns about the conduct of Senior Management or Board Directors.

8.4 Reporting to OSCR – Notifiable Events

In the event that it is known or suspected that Sport Aberdeen has been the victim of fraud (financial crime) the Head of Finance & Corporate Resources is responsible for reporting the matter to Police Scotland and as a matter of best practice to OSCR immediately under a Serious Incident reporting regime.

Sport Aberdeen is also required to report to OSCR under the Reporting of Notifiable Events the following:

- a) Fraud and theft;
- b) Substantial financial loss;
- c) Incidents of abuse or mistreatment of vulnerable beneficiaries;
- d) Insufficient charity trustees to make a legal decision;
- e) Charity has been subject to a criminal investigation or an investigation by another regulator or agency; sanctions have been imposed, or concerns raised by another regulator or agency;
- f) Significant sums of money or other property have been donated to the charity from an unknown or unverified source;
- g) Suspicion that the charity and/or its assets are being used to fund criminal activity (including terrorism); and
- h) A charity trustee is acting whilst disqualified.

A charity trustee is acting whilst disqualified.

9. Risk Management Strategy and Strategic Risk Register

A Risk Management Strategy is in place which sets our Sport Aberdeen's approach to risk management. Its risk register is an essential part of a Company's Governance arrangements and is a key means by which an effective Board of Directors identifies and reviews the major risks to which the company is exposed and the systems and procedures it has in place to manage those risks.

The Director of Business Development is responsible for the routine updating of the Risk Register as and when new risks arise and for undertaking a periodic review of the Risk Register. Risks are categorised in 1 of 5 risk categories, as follows:

- Strategic – risk that Sport Aberdeen cannot meet its business objectives;
- Reputational – risk that Sport Aberdeen's public / media perception will be adversely affected by its performance;
- Financial – risk that the Company's Financial Situation is such not to be able to meet its business objectives;
- Operational – risk that the Company's operational costs vary from budgeted, that performance standards decline or that basic services cannot be provided; and
- External – risks arising from circumstances not within the control of Sport Aberdeen's Board eg national and local factors.

Identified risks may fall into one or more category. Risks are currently categorised within the category in which the greatest risk is thought to exist.

All Service Managers are required to consider risks arising from their activities and advise the Director of Business Development of new risks or changes to the level of risk as soon as they become aware of them.