sport aberdeen
Charity no SC040973

Financial Procedures

Issue 14, May 2026

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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 has approved its high-level financial regulations which set out the 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 Sport Aberdeen's financial regulations and procedures is compulsory. These procedures explain how the financial regulations are applied in practice and apply to all directors, staff and volunteers.

Where it is relevant, team or site-specific work instructions will be issued to staff. These are complementary to, and do not replace, the financial regulations and procedures.

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 and Investment

Capital expenditure up to £25,000 must be supported by an appropriate business justification and approved in line with delegated authority limits.

Capital expenditure between £25,001 and £75,000 (subject to periodic review) must be supported by a business case prepared by the Chief Executive and approved by the corporate governance committee or the board of directors, before Sport Aberdeen is committed to the expenditure.

For capital expenditure above £75,000, the Chief Executive will seek to enter discussions with Aberdeen City Council at an early stage. Prior to any agreement being entered which binds Sport Aberdeen, the Chief Executive will seek approval from the corporate governance committee or the board of directors.

All capital expenditure must also be approved through the purchase order system in line with delegated authority limits; however, delegated approval does not replace the requirement for corporate governance committee or board approval where applicable.

For the purposes of this section, capital expenditure includes all investment in Sport Aberdeen assets, including buildings, facilities, plant, equipment, systems and vehicles.

Where expenditure is externally funded, ring-fenced or forms part of a partnership arrangement, and does not result in Sport Aberdeen owning, maintaining or otherwise being liable for an asset, venue or capital works project, the Chief Executive will determine an appropriate and proportionate approval route, taking into account the value, purpose, funding conditions and any financial, legal or operational risk to Sport Aberdeen.

2.2 Fraud Prevention – Cybersecurity

Technology has changed the way in which organisations work, with a move away from physical processes (post, paper records and bank cheques) to digital processes (email, online and web-based bookings and financial transactions, data and electronic transfer of funds). This level of convenience has also led to a growth in cybercrime, with cyber-attacks increasing both in terms of their actual number and in the sophistication of the cybercrime.

The company operates within a robust, secure IT infrastructure which is protected by a range of cybersecurity controls. These include advanced endpoint protection, application whitelisting, asset inventory, database encryption, DDoS mitigation, DNS filtering, two-factor authentication, web application firewall and web content filtering. It is the responsibility of the Head of Digital and Technology to ensure that appropriate controls are in place via the ICT infrastructure to protect the company as far as is reasonably practicable from cyberattacks and thus its assets (financial, digital assets and data).

Preventing cyber fraud is everyone's responsibility. Staff can be either the first line of defence or the first line that cyber criminals seek to exploit when they attack an organisation. All staff will be required to undertake regular cyber awareness training which will ensure that they are familiar with examples of cybercrime including email impersonation, business email compromise, phishing attacks and ransomware.

2.3 Establishing the Identity and Legitimacy of Any Organisation

2.3.1 New Suppliers

Any organisation from whom Sport Aberdeen intends to purchase goods and services or capital works must complete a new supplier form before any order is placed. This form is to be returned by the supplier to the finance department, together with supporting evidence requested, and stored electronically within the supplier account record. Only finance staff may access Sage 200 to enter supplier details.

Where a request to amend supplier information is received, staff should always be aware of the potential of a cybercrime being committed. Any notification for any change to a supplier's details i.e. bank account or invoice payment must be verified with the supplier by telephone using the telephone number/s stored in Sage and subsequently confirmed in writing. Under no circumstances should email be used as the means of communication due to the potential for identity theft or social engineering having taken place with the supplier's email account.

Any changes can only be authorised in advance by the Chief Executive.

2.3.2 **Partners and Stakeholders**

Where Sport Aberdeen proposes to work with partners or stakeholders and where Sport Aberdeen's resources (which may be financial, staffing, equipment or facilities) are to be used or shared, appropriate checks must be undertaken to confirm that such organisations are legitimate entities.

Employees entering into such arrangements are responsible for carrying out preliminary checks and advising the Chief Executive before committing Sport Aberdeen.

2.3.3 **Third-Party Due Diligence**

Where Sport Aberdeen works with third parties outside standard supplier arrangements (e.g. delivery partners, community groups, fundraising partners or organisations acting on behalf of Sport Aberdeen), appropriate due diligence must be carried out.

Due diligence must be completed where:

- Sport Aberdeen resources (funding, staff, facilities or equipment) are shared; or
- the third party is acting on behalf of Sport Aberdeen.

The level of checks undertaken must be proportionate to the level of risk and may include:

- confirming legal status and governance arrangements;
- identifying key individuals involved;
- reviewing financial stability where appropriate;
- considering reputation and track record;
- ensuring appropriate safeguarding and regulatory compliance (where relevant); and
- verifying bank account details where payments are to be made.

All checks should be retained in an appropriate format. Higher-risk arrangements should be approved by the Chief Executive or relevant senior manager. Periodic review of ongoing arrangements should also be undertaken.

All staff and relevant decision-makers must declare any actual or potential conflicts of interest where these are material to their role, responsibilities or decisions, in line with the organisation's governance requirements.

2.4 Ordering of Goods and Services

The fundamental control principle in place is that at least two employees are involved in ordering goods and services and the certification of invoice payments. This is a key control measure for Sport Aberdeen and will also protect individual employees.

All staff may raise purchase requisitions through Sport Aberdeen's electronic purchase order (PO) system, where appropriate to their role. However, only authorised approvers may approve expenditure, in line with delegated authority levels held within the system.

The authority to approve expenditure is distinct from the ability to raise a requisition. Approval rights are restricted to authorised personnel and are controlled through the purchase order system.

2.5 Authorisation of Expenditure

Authorisation of expenditure is managed through Sport Aberdeen's electronic purchase order (PO) system.

The PO system provides a full audit trail of approvals, including the approver, date of approval and supporting documentation. All expenditure must be approved in advance through the PO system in line with these arrangements.

The finance team is responsible for maintaining and controlling the list of authorised approvers within the system, including their delegated approval limits. Access to amend this list is restricted to the finance team and the Customer and Corporate Support Manager and Customer and Corporate Support Team Lead.

Unless otherwise stated, all authorisation levels and thresholds in this section are exclusive of VAT.

As a general guide:

- Team leads will normally have authorisation limits up to £500;
- Managers will normally have authorisation limits within the range of £2,000 to £5,000; and
- Managers within the extended leadership team will normally have delegated limits appropriate to their responsibilities, not exceeding £10,000.
- Heads of Service and above may hold higher authorisation limits where these are approved by the board and formally documented.

The senior leadership team may determine authorisation limits up to £10,000 within their areas of responsibility proportionate to the role, including temporary changes due to interim arrangements or project needs.

Authorisation arrangements for members of the senior leadership team, including any approved variations to their standard authorisation limits, must be approved by the board and formally documented.

For individuals up to ELT level, any authorisation limit above £10,000, or any approved higher limit for a specific task, contract or category of expenditure, must be approved by the board and formally documented.

Where expenditure relates to a project that has been formally approved by the board, this approval provides authority for the project to proceed within the agreed scope and budget for the purposes of instructing works.

All purchase orders raised in respect of such projects must still be processed and approved through the purchase order system in line with delegated authority limits.

Where operational urgency requires works to be instructed in advance of formal purchase order approval, this must be supported by appropriate prior approval in line with the approved project and delegated authority levels and must be regularised through the purchase order system at the earliest opportunity.

Table 1: Current authorisation levels – SLT and individual exceptions above £10k

Designation / Tier	Limit of Authority for Purchasing and Certifying Invoices	Exceptions / Remarks
Chief Executive	**£75,000**	£75,000+ and unlimited with prior approval of the board of directors Except: payroll, no limit; utilities, no limit
Directors	**£35,000**	
Assistant Director / Heads of Service	**£25,000**	
Head of HR and Organisational Development	**£25,000**	Except payroll, no limit
Golf and Outdoor Services Manager	**£3,000**	Except grounds maintenance contract, monthly contract value to certify £125,000 maximum

The list of authorised approvers and their limits will be subject to six-monthly review by the senior leadership team to ensure that it remains appropriate, reflects current roles and responsibilities, and remains aligned to organisational needs.

The splitting of orders to avoid approval limits is not permitted.

2.6 Placing Orders

Prior to placing any order, a check must be made to ensure that there is adequate budget provision for the purchase within the identified budget code. Any expenditure outside the agreed budget must be authorised by the employee’s respective line manager prior to placing the order.

Each purchase order must be supported by:

- details of the relevant budget heading to which the purchase is to be 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 and any agreed delivery dates.

Approval of a purchase order may be delayed where this information is not provided.

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

Purchase orders may only be placed using Sport Aberdeen's electronic PO system, FlowForma except where contingency arrangements apply.

Contingency arrangements

In the event that the electronic purchase order system is unavailable, temporary alternative arrangements may be used to ensure continuity of operations.

Sport Aberdeen's existing service continuity arrangements will apply in the event of PO system downtime or other disruption. Where required, the company's paper purchase order forms may be used to obtain authorisation.

In such circumstances:

- appropriate approval must still be obtained in line with delegated limits;
- all transactions must be recorded using the approved manual processes; and
- all transactions must be entered into the purchase order system retrospectively once access has been restored.

The use of contingency arrangements should be limited to exceptional circumstances and appropriate oversight must be maintained.

2.7 Procurement and Tendering

All procurement must be carried out in a compliant, transparent and proportionate manner that demonstrates value for money.

2.7.1 Procurement thresholds

This section deals with procurement thresholds and tendering requirements. These are separate from internal authorisation limits set out in section 2.5 Authorisation of Expenditure. In all cases, expenditure must be approved through the purchase order system in line with delegated authority levels, and the appropriate procurement route must also be followed.

The procurement route must be determined by the estimated total value of the purchase or contract over its full term.

Unless otherwise stated, all authorisation levels and thresholds in this section are exclusive of VAT.

For goods and services with a value of less than £1,000, value for money must be demonstrated.

For goods and services with a value of £1,000 to £15,000, three written quotations must be obtained where practicable.

For goods and services with a value of £15,001 to £50,000, a detailed specification must be developed and a formal procurement process undertaken, with a minimum of three companies invited to quote or tender.

For goods and services with a value of £50,000 or more over the contract term, procurement must comply with the Procurement Reform (Scotland) Act 2014. Where the estimated contract value also exceeds the relevant Scottish procurement threshold, procurement must additionally comply with the Public Contracts (Scotland) Regulations 2015 and, where applicable, be advertised through Public Contracts Scotland.

The £50,000 threshold relates to regulated procurement under the Procurement Reform (Scotland) Act 2014. Higher Scottish procurement thresholds apply separately for supplies, services and works and determine when the Public Contracts (Scotland) Regulations 2015 also apply.

For works contracts above the applicable regulated threshold, procurement must comply with the relevant procurement legislation and guidance.

As a publicly funded company, Sport Aberdeen is required to comply with the Scottish procurement regulations where expenditure for supplies and services and works is above the defined threshold levels, currently £207,720 (indicative value excluding VAT £173,100) for supplies and services and £5,193,000 (indicative value excluding VAT £4,327,500) for works.

These values apply to the estimated total value of a contract over its full term, rather than to individual transactions. The value relates to all transactions expected under the arrangement, not a single transaction in isolation.

For small lots, the value for supplies and services is £70,778 (indicative value excluding VAT £58,982) and for works £884,720 (indicative value excluding VAT £737,267).

The Chief Executive is responsible for ensuring compliance with applicable procurement legislation.

Sport Aberdeen's approach to procurement is set out in its procurement strategy document.

Where regulated procurement activity exceeds £5 million in a financial year, the Chief Executive must ensure that the annual procurement strategy report includes a summary of the company's procurement activity.

Where expenditure is funded by an external organisation, any applicable procurement requirements of that organisation may be required to be followed.

2.7.2 **Roles and responsibilities**

- Staff are responsible for following these procedures and obtaining the required quotations, tenders and supporting records.

- Managers are responsible for ensuring compliance with procurement requirements within their areas of responsibility.

- The finance team will provide advice and support on procurement requirements and record-keeping.

- The senior leadership team is responsible for oversight of procurement compliance and any significant exceptions.

2.7.3 **Evaluation and record-keeping**
Procurement decisions must be based on an appropriate assessment of price, quality and fitness for purpose. The basis of the decision must be documented and retained with the relevant procurement and purchase order records.

2.7.4 **Use of frameworks**
Where appropriate, Sport Aberdeen may use national, local authority or other compliant framework agreements, provided that the framework is suitable for the purchase and its use represents value for money.

2.7.5 **Exceptions to procurement requirements**
In exceptional circumstances, the standard procurement process may be varied where there is a clear justification and this is approved in advance by the appropriate SLT authoriser.

Examples of acceptable exceptions may include:

- only one supplier is available for technical or exclusive reasons
- urgency arising from unforeseen circumstances
- additional works, goods or services which cannot reasonably be separated from an existing contract
- maintenance or repair work where the use of an alternative contractor would invalidate a warranty, compromise continuity of service, or create disproportionate technical or operational risk
- where contractors or suppliers are so substantially limited that obtaining the normal number of quotations is not practicable
- use of a compliant framework agreement where this is appropriate and represents value for money

The following do not normally justify an exception:

- convenience
- poor planning
- preference for a particular supplier

Where an exception is approved, the justification must be documented, the approval retained, and value for money must still be demonstrated.

2.8 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.

2.9 Invoices Received and Approving of Payments

All invoices for goods or services are to be sent to the company’s head office. All invoices are to be for the attention of Sport Aberdeen. Invoices in the name of individual facilities, Adventure Aberdeen 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 the finance team to undertake this check in FlowForma, check that segregation of duties has been observed and prepare payment documentation.

2.10 Bank Mandates and Cheque Signatories

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

The Chief Executive 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.

The finance team is 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. All senior leadership team members 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 that the goods or services have been received.

Under no circumstances are employees permitted to sign blank cheques.

The Assistant Finance Manager 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 Assistant Finance Manager shall inform the Chief Executive immediately and report their loss or theft to Virgin Money and Police Scotland (where theft is suspected).

2.11 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 Chief Executive. This is carried out jointly by the finance team and the digital and technology 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 Chief Executive to make sure this happens.

2.12 Credit Cards

The Chief Executive has the discretion to issue credit cards to members of the senior leadership team and customer and corporate support staff to aid the efficient and effective transaction of business. Payments made by credit 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 / head office address and may not be registered to an individual card holder's home address.

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.

Income (cash or cheques) received at head office by post shall be held securely in the HQ safe and recorded through the LMIS system at head office. It will be kept securely until such time that it is taken to a venue for banking or directly to Sport Aberdeen's bank by the appropriate number of authorised employees in line with Sport Aberdeen's cash in transit insurance limits.

The Chief Executive will undertake a periodic review of credit card use to ensure consistency of use with set policies. Any non-compliance may be investigated in accordance with the company's disciplinary policy.

The Assistant Finance Manager is responsible for ensuring that credit cards are cancelled and destroyed in the event that the assigned user leaves the employment of Sport Aberdeen, or if authorisation for use of the card is withdrawn. The responsibility falls to the Head of HR and Organisational Development in the event the Chief Executive ceases to be employed by Sport Aberdeen, or if authorisation for use of the card is withdrawn.

2.13 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 head office, indoor sports facility sites and Adventure Aberdeen venues, with a maximum value of £250 and £100 respectively. Responsibility for its use, reimbursement and safe keeping rests with:

a) the Customer and Corporate Support Manager (head office)
b) the Operations Manager(s) (indoor sports facilities)
c) the Adventure Aberdeen Manager (Adventure Aberdeen)

Petty cash may only be used for small value purchases (less than £50.00 per single item). 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 each office/venue. 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.

Ad-hoc spot checks of the petty cash float may be made by the Assistant Finance Manager, Finance Assistant or another person independent of the petty cash process.

2.13.1 **Petty Cash Balance Top Up**

Where the petty cash balance requires to be topped up, the finance team will arrange payment into the agreed personal bank account of a member of SLT.

The SLT member is required to withdraw the corresponding amount from their bank account in cash and return it to the finance team as soon as practically possible. A bank receipt or cash machine receipt is required to be returned to the finance team along with the cash.

2.14 Loans

Borrowing money is a restricted matter under the current contractual agreement with the council, (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 Chief Executive 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 Chief Executive is also responsible for reporting the details of the loan including full terms and conditions to the corporate governance committee.

The Chief Executive 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 Chief Executive 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 Chief Executive shall ensure that this can be justified. This situation should also be reported to the corporate governance committee.

2.15 Business Continuity Management Plan – Emergency Expenditure

When there is a requirement to enact the company's business continuity plan which sets out the arrangements for dealing with unplanned loss of access to its headquarters, loss of services, staff or systems, the Chief Executive, senior leadership team and the incident management team leader and deputy leader, are authorised to incur expenditure which may be required to deliver the plan effectively and to respond to the given situation. Where such expenditure is incurred this shall be recorded on the incident management log and reported to the corporate governance committee at its next meeting.

The usual financial controls may be suspended, if unavailable e.g. loss of system / access, during the time that the business continuity plan is being enacted.

3 Budgets and Budgetary Control

3.1 Budget Preparation

Budget preparation is the responsibility of the company's senior leadership team. 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.

Indicative budgets with adequate supporting working papers and Sport Aberdeen's business plan will be considered and agreed by the senior leadership team. Following agreement of the budget with the senior leadership team, the Chief Executive 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 ongoing basis and to ensure that adequate budgetary provision exists for all orders placed and in light of known future budgetary commitments. The Chief Executive 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 Chief Executive. Detailed management accounts for Sport Aberdeen's overall position will be produced on a monthly basis by the Chief Executive.

The senior leadership 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 quarterly 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/heads of department including explanations for variances between actual and predicted budgets.

The monitoring of income receipts through LMIS will be undertaken by Finance who will highlight any anomalies for investigation to the Group Operations Manager. The Group Operations Manager will also undertake spot checks of income receipts through LMIS on a periodic basis.

The monitoring of income receipts through the OnCourse system will be the responsibility of the Coached Programmes Manager.

At each board meeting or corporate governance committee, it will be the responsibility of the Chief Executive to present the latest management accounts to the board of directors.

3.3 Monitoring and testing of controls

In addition to budget monitoring, controls must be subject to periodic testing to ensure they are operating effectively.

3.3.1 Control checks:

Sample-based and targeted checks will be carried out across key risk areas, including:

- refunds and credits issued to customers;
- changes to supplier details (including bank accounts);
- payroll changes (starters, leavers, pay changes);
- expense claims;
- cash handling and reconciliations; and
- procurement and ordering processes.

3.3.2 Frequency:

Checks will be carried out on a rolling basis throughout the year, with higher-risk areas subject to more frequent review.

3.3.3 Recording exceptions:

Any discrepancies, control failures or unusual patterns identified will be:

- recorded in a central log;
- investigated promptly; and
- escalated where appropriate.

3.3.4 Remedial actions and sign-off:

Where issues are identified:

- an action plan will be agreed to address the issue;
- a responsible officer will be allocated; and
- completion of actions will be reviewed and formally signed off by an appropriate senior manager (e.g. Head of Service or Chief Executive, depending on significance).

Findings from monitoring activities will be used to inform improvements to controls and training.

Appropriate arrangements must be in place to ensure continuity of key financial processes in the event of system failure, service disruption or emergency situations.

4 Controls on Financial Assets

4.1 General Responsibilities

The Chief Executive 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 Marketing and Communications prior to their use.

The Chief Executive 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 Chief Executive 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 Chief Executive shall ensure that appropriate arrangements are in place to identify these sums as restricted funds in Sport Aberdeen's accounts.

Access to financial systems is restricted to authorised personnel only, with roles and permissions assigned based on job responsibilities and subject to periodic review.

Financial records must be retained in accordance with statutory requirements and the organisation's records management policies.

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, where abuse of these booking privileges takes place without good justification e i.e. frequent / regular non-attendance, the company reserves the right to seek payment in line with current policy.

4.3 Cash Receipts

All monies received at the company HQ or at frontline 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 Head Office

Income (cash or cheques) received at head office by post shall be held securely in the HQ safe and recorded through the LMIS system at head office. It will be kept securely until such time that it is taken to a venue for banking or directly to Sport Aberdeen's bank by the appropriate number of authorised employees in line with Sport Aberdeen's cash in transit insurance limits.

4.5 Income Received by Sports Facilities

Receipt of income at sports facilities shall be immediately recorded via the LMIS system, in accordance with the venue's detailed financial operating procedures.

4.6 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' 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 formal action is required of staff declaring an 'under' declaration. However, variances of over £5 should be reported to the Assistant/Operations Manager of the venue for review. The Operations Manager is responsible for interrogating overs/unders on a regular basis and is responsible for investigating any large variances or regular occurrences. Subject to these findings, a formal investigation may follow from any suspected purposeful wrongdoing.

4.7 Reconciling Bank Statements to Sage Financial Solutions

The Chief Executive is responsible for overseeing the preparation for reconciling bank statements to the Sage system on a monthly basis.

Finance Assistants are responsible for ensuring that all income slips generated by the LMIS system for all divisions' income are entered into the Sage system on a daily basis.

They are also responsible for checking that security cash 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 Chief Executive who will carry out an urgent investigation. Where the matter remains unresolved, the Chief Executive will bring this to the attention of the corporate governance committee.

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

The bank reconciliation process is undertaken by Finance Assistants and authorised by the Chief Executive on a monthly basis, by cross-checking bank statements to all Sage income and expenditure records. Any discrepancies identified shall be investigated as a matter of urgency. Where the matter remains unresolved, the Chief Executive 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 Chief Executive.

4.8 Insurance Cover for Safes and Cash in Transit

The Chief Executive is responsible for ensuring that insurance cover for cash handling, including safe limits and cash in transit, is reviewed annually. Cash held above insured limits may not be fully covered. Where cash is transported by staff, insurer requirements on staffing levels must be followed.

The insured safe limits and all other cash handling, storage and transportation arrangements must comply with the organisation's insurance requirements. The Group Operations Manager, Adventure Aberdeen Manager and Customer and Corporate Support Manager must ensure that relevant staff are made aware of the requirements for storing and escorting cash and that the operating procedures ensure that these limits are not exceeded.

4.9 Collection of Debts

The Chief Executive 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 leadership team.

Provision for bad debts reflected within Sport Aberdeen's financial accounts is the responsibility of the Chief Executive.

Levels for debt write-off will be determined by the corporate governance committee. It is the responsibility of the Chief Executive to present an annual report of debts written off.

4.10 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 Chief Executive. 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.

4.11 VAT

It is the responsibility of the Chief Executive 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 Chief Executive.

4.12 HMRC

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

The Head of HR and Organisational Development is also responsible for undertaking periodic checks to ensure such payments are made, informing the Chief Executive of any concerns immediately.

4.13 Use of Restricted Funds

External grants awarded to Sport Aberdeen are received for particular purposes and may only be ring-fenced for these purposes. It is the responsibility of the Chief Executive 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 Chief Executive of such restricted funds.

4.14 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 Chief Executive is responsible for undertaking a periodic review of the arrangement to ensure that it remains beneficial for Sport Aberdeen.

4.15 Public Cash Collections e.g. Charitable Collections

Where collections of donations 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 leadership 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 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 are 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 in 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 Chief Executive immediately, who will carry out an investigation. They will be responsible for bringing any concerns to the attention of the corporate governance committee.

4.16 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 leadership 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 that the following controls are in place:

- Records are maintained for each fundraising / 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 Chief Executive 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 Donations, Gifts and Fundraising Compliance

Sport Aberdeen may receive donations of money or goods as part of its charitable activities, including specific projects, fundraising activity and ad hoc donor support. All such donations must be managed in line with good financial practice and regulatory expectations, including the Scottish Fundraising Code of Practice.

The organisation will ensure that appropriate controls, records and oversight arrangements are in place to safeguard donations, maintain transparency and protect the charity's reputation.

4.17.1 **Recording Donated Goods**

All donated goods (including sports kit, seasonal gifts and other items) must be recorded using the donated goods form.

- Donations may be recorded in batches where appropriate (e.g. "mixed donation, approximately 40 items").
- Small or seasonal items (e.g. selection boxes, Easter eggs, individual kit items) may be grouped.
- Goods are treated as belonging to the charity once they are clearly donated and accepted for use within Sport Aberdeen's activities.
- An internal record must be maintained regardless of whether the goods are later included in the financial accounts.

Where required for financial reporting purposes:

- Donated goods will only be included in the formal accounts where their value can be reliably estimated.
- Where value cannot be reasonably determined (e.g. mixed second-hand items), goods will be recorded internally but excluded from the accounts.
- Where items are clearly of significant value (for example, new goods with known retail prices), the finance team may, on a case-by-case basis, decide whether to include these within the accounts, taking account of the value of the item and the supporting documentation available.

4.17.2 **Recording financial donations**

All financial donations must be processed through Sport Aberdeen's formal financial systems and must not be retained or processed locally.

- All donations (cash, card or bank transfer) must be passed promptly to the finance team.
- Donations will be recorded through the organisation's accounting system in line with standard income procedures.
- Staff are not required to maintain separate financial records outside of this process.

Staff may keep informal notes where needed to support donor acknowledgement, but these do not replace formal accounting records.

4.17.3 **Major gifts and higher-risk donations**
Where significant, unusual or potentially higher-risk donations (for example high-value donations or those outside normal fundraising activity) are received, additional oversight will be applied.

- Such donations must be referred to the finance team or senior leadership team.
- Appropriate due diligence checks will be undertaken where required to:
  - confirm the source of funds;
  - assess any reputational or ethical risk; and
  - ensure alignment with Sport Aberdeen's values and activities.

Decisions relating to the acceptance of significant donations will be documented and retained.

4.17.4 **Fundraising compliance**
All fundraising activity undertaken by or on behalf of Sport Aberdeen must comply with:
- relevant legislation and charity regulation; the Scottish Fundraising Code of Practice (2025); and
- No commission payments being made to staff members on any funds raised.

This includes ensuring that fundraising is:
- lawful, open and transparent;
- respectful of donors and the public;
- properly authorised and controlled; and
- consistent with the organisation's charitable purposes.

Responsibility for compliance sits with the senior leadership team, supported by Finance and relevant services.

4.17.5 **Staff responsibilities**
- All donated goods must be recorded using the donated good form available on the staff hub.
- Financial donations must be passed promptly to the finance team and not retained locally.
- Staff are not responsible for assessing or approving donations.
- Any significant or unusual donations must be escalated.
- Fundraising activity must be carried out in line with organisational procedures and recognised good practice.

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 Digital and Technology 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 now covered under Sport Aberdeen's insurance policy.

5.2 Computer Software and Data

Staff should be aware of the potential for cybercrime to be committed against Sport Aberdeen, via its IT network. Preventing cyber fraud is everyone's responsibility. Staff can be either the first line of defence or the first line that cyber criminals seek to exploit when they attack an organisation.

All staff will be required to undertake regular cyber awareness training which will ensure that they are familiar with examples of cybercrime including email impersonation, business email compromise, phishing attacks and ransomware.

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 Head of Digital and Technology, in accordance with the company's data protection policy which now includes the enhanced requirements for data security under the Data Protection Act 2018.

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 head office 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 third-party fully automated payroll provider, ADP.

6.1 Legal Requirements

It is the responsibility of the Head of HR and 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 Northeast 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, before the employee commences work; 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 and Organisational Development to periodically monitor the arrangements in place to ensure compliance. Any concerns should be raised with the Chief Executive immediately who will investigate and, subject to the findings, advise the Corporate Governance Committee accordingly.

6.2 Fraud Awareness and Training

Sport Aberdeen recognises that staff awareness is a key control in preventing fraud.

All employees must receive basic fraud awareness information as part of their induction. This will include:

- common types of fraud relevant to Sport Aberdeen's activities;
- expected standards of behaviour; and
- how to report concerns.

Additional targeted training or briefings will be provided for roles with higher exposure to fraud risk, including:

- income handling and cash collection;
- refunds processing;
- procurement and supplier management;
- payroll and HR administration; and
- expenses processing and approval.

Refresher training and awareness updates will be provided periodically, particularly where new risks or fraud trends emerge.

The Head of HR and Organisational Development is responsible for ensuring that appropriate training is delivered and recorded.

6.3 Staff Complement

The Chief Executive 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. 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 and 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 Chief Executive. This will be done as a business case paper and submitted to the Head of HR and Organisational Development.

6.4 Staff Salaries

Salaries will be determined by the Chief Executive 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 Chief Executive.

6.5 Payroll System

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

All payroll is paid via the ADP Bacs system. It is the responsibility of the Head of HR and Organisational Development to process and authorise the payroll run, which is then endorsed by the Chief Executive. In the absence of the Head of HR and Organisational Development, the Chief Executive 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 and Organisational Development.

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

6.6 Starters and Leavers

The role of the Head of HR and 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, Operations Managers may undertake the recruitment process up to Assistant Operations Manager 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 HR colleagues in conjunction with the Head of HR and 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 HR in conjunction with the Head of HR and Organisational Development, who will confirm outstanding annual leave and other terms. The Payroll and Pension Co--ordinator in conjunction with the Head of HR and Organisational Development is responsible for deleting the employee from the payroll system, issuing of P45 and amending the staffing complement.

The HR team, in conjunction with the Head of HR and Organisational Development, is responsible for ensuring that personnel records for each member of staff are held separately from payroll records. The Chief Executive is responsible for undertaking periodic checks between these records to prevent payment to people who are no longer employees.

Information about leavers must be circulated monthly to all relevant teams so that staff benefits such as memberships and any other associated entitlements can be removed as appropriate. On receipt of leavers information, the relevant teams must take the necessary action to remove access to staff memberships and associated benefits in line with the employee's leaving date and local processes.

6.7 Self Employed Coaches

Only bonafide 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 limited 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 Chief Executive to carry out checks to ensure compliance with this procedure.

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

6.8 Staff Regrading

Any requests for regrading made directly by employees or recommended by a member of the senior leadership team will be considered by the senior leadership team. It will be the responsibility of the relevant service director, Chief Executive or Head of HR and Organisational Development to present the case for discussion by the senior leadership team.

If the request for regrading directly concerns a member of the senior leadership 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 Chief Executive, this is a matter solely for the HR&OD Committee to review and report to the board of directors to consider.

6.9 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 four weeks.

The level of additional remuneration is calculated on a percentage 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 service, Chief Executive or Head of HR and Organisational Development to present the case for discussion by the senior leadership team.

6.10 Contracts of Employment

It is the responsibility of the Head of HR and 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

The company's expenses policy applies without exception to all trustee directors, employees and volunteers. The company does not wish any individual to be 'out of pocket' while undertaking the duties associated with their role and therefore provision has been made to reimburse for loss by a claims process. 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 Chief Executive, this will be the Chairman. For board trustees, this will be by the Chairperson of Corporate Governance Committee

The claimant is required to certify that the claim is accurate and has been incurred in connection with the business pertaining to 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 will result in disciplinary action.

All claims made under the expenses policy will be checked for accuracy by the Payroll and Pension Co-ordinator in conjunction with the Head of HR and Organisational Development, prior to approving payment. 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 (non-car allowance recipients)

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.

Travel out with the city of Aberdeen where practicably possible should be made by public transport and booked by the customer and corporate support team in advance. Where an individual is making their own arrangements, travel will only be reimbursed at economy rates. Where staff prefer to use their car for such travel, reimbursement equivalent to the lowest cost of either standard class rail travel or economy air fare will be made.

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 undertaking their duties, Sport Aberdeen operates a car mileage claim process for journeys undertaken which should be recorded on a claims form and submitted at the end of the calendar month. 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 leadership 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.

For employees who are required to use their car in undertaking their duties, it will be necessary to notify their car insurance provider of this fact under the 'business use' classification. On an ad-hoc random basis the HR&OD department will ask for evidence that appropriate cover is in place.

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.

In order to minimise business travel expenses and to reduce emissions, those staff over the age of 25 who regularly undertake business travel within and outwith the city, will be encouraged to use the company's fleet, in preference to their own vehicles.

7.4 Accommodation and Subsistence Expenses Incurred

Where overnight accommodation is required for employees in connection with their work, whether away from the city or within the city, this should be booked in advance via the customer and corporate support team and must be authorised in advance by their head of department. Where feasible, this will be with hotels where Sport Aberdeen has an established account.

If, in exceptional circumstances, this is booked and paid for by the individual, this may be claimed retrospectively and will be reimbursed on production of a properly completed accommodation and subsistence expenses claim form supported by relevant receipts.

A claim for overnight accommodation should be based on a standard 3* accommodation e.g. Premier Inn, or similar in the locality, including bed and breakfast.

It is permissible for a booking to be made at a higher standard of accommodation where the venue forms part of a conference, training or similar activity, or is the only realistic option available. The same process as above applies in terms of advance booking and reimbursement.

It is assumed that where an overnight stay is required that the reservation may also include an evening meal and breakfast. Where possible, these should be booked and paid for in advance. If this option is not available at the overnight accommodation, employees will be permitted to make their own arrangements and claim accordingly. The allowances in this situation are:

- **Breakfast:** £10.00
- **Lunch**: £15.00
- **Evening meal**: £35.00 (this may also include a beverage of choice)

Subsistence is also 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:

- **Lunch:** £12.50
- **Evening meal:** £25.00 (this may also include a beverage of choice)

7.5 Mobile Phones / Tablets

Where employees are considered to have a requirement to use a mobile phone in the course of their employment, there are two options:

a) provided for by the employee themselves, or

b) provided by Sport Aberdeen.

Where an employee provides their own mobile phone for use in connection with work activities, they will be reimbursed at the approved allowance rate each calendar month through the payroll system.

This is conditional on the employee publicising their personal mobile phone number on email signatures and on other appropriate forms. For the avoidance of doubt, Sport Aberdeen will make this number publicly available. In addition, they must ensure the mobile phone is switched on during reasonable working hours and / or out of hours if a requirement of their position. In the event that an employee incurs excessive mobile phone costs which can be mainly attributable to work activities, they may request payment of an additional sum. This will be considered for approval by their head of department.

Where an employee opts to have a 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 the mobile phone bill remains below the approved allowance rate each month. In the event that the mobile phone bill is above this level due to personal use, 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. It is acknowledged that due to the nature of Sport Aberdeen's business, and the environment that managers operate within, that there will be instances when hospitality and gifts is offered. Their acceptance must be carefully considered to protect the reputation of both Sport Aberdeen and its employees.

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

- Gifts and hospitality under the value of £25.00 may be accepted by an employee where it is incurred wholly in connection with their duties.
- Gifts over the value of £25.00 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 unless their head of department deems it low risk to do so. If not, their disposal will be subject to the Chief Executive's discretion. In each circumstance, the gift and action taken will be recorded in the gifts and hospitality register.
- Working lunches or dinners and attending functions and special events where hospitality is offered is acceptable.
- Hospitality between the value of £25.00 and £250 may be accepted where it is appropriate based on the circumstances in which it is offered, providing that the employee is at a level of senior management (i.e. extended leadership team and above) or where it is impossible not to accept without causing offence. All such cases of hospitality shall be declared in advance of the event/occasion where known, in Sport Aberdeen's register of gifts and hospitality which is administrated by the Customer and Corporate Support Manager.
- Hospitality over the value of £250 may only be accepted with prior approval of the Chief Executive. If it concerns the Chief Executive, he/she will seek the approval of the Chairperson of the Board.
- 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 Customer and Corporate Support Manager 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

In certain circumstances, the company will meet the cost of an individual's professional body annual subscription/fees, where it forms part of an agreed employment package, an employee's CPD programme, or if it is specifically required to allow them to meet their role obligations.

8 Fraud and Irregularity

8.1 General

Financial fraud and abuse may arise from a number of different activities including bribery, fraud, theft, money laundering and cybercrime. Such activity may result in significant financial loss for Sport Aberdeen and damage its reputation. 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 through income-related fraud, expenditure-related fraud, investment fraud, procurement fraud, fraudulent invoicing and grant applications, identify theft / fraud, banking fraud and cybercrime (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 committees of the board and decisions taken by the those bodies.

All staff and decision-makers must declare any actual or potential conflicts of interest in relation to financial decisions in line with Sport Aberdeen's governance arrangements.

In the event that it is known or suspected that Sport Aberdeen has been the victim of fraud or financial crime, the Chief Executive is responsible for reporting the matter to Police Scotland.

Implementation of the control measures set out within these financial procedures plays an important role in preventing and managing the risk of fraudulent activity. Controls relating to donations, fundraising activity and associated due diligence are set out in Section 4.

8.2 Fraud Response and Triage Process

Where fraud or irregularity is suspected, the following actions must be taken:

8.2.1 Immediate actions

Staff must**:**

- secure relevant evidence, including emails, documents and system records;
- take steps to prevent further financial loss, such as suspending payments or restricting access where appropriate; and
- report the matter immediately in line with the whistleblowing procedure.

8.2.2 Initial assessment

The Chief Executive, or delegated senior officer, will:

- assess the nature and scale of the issue;
- determine whether immediate escalation is required; and
- assign responsibility for investigation.

8.2.3 **Escalation and support**

Depending on the circumstances, the matter may be:

- escalated to the corporate governance committee;
- reported to Police Scotland where criminal activity is suspected; and/or
- supported by internal teams including Finance, HR and Digital and Technology.

External support may be sought where appropriate, including internal audit, external audit, legal advisers or specialist investigators.

8.2.4 **Systems and digital considerations**

Where systems or data may be affected, the Head of Digital and Technology will:

- secure system access and audit logs;
- support evidence gathering; and
- assess whether wider system vulnerabilities exist.

All actions taken will be documented, and lessons learned will be used to strengthen controls.

8.3 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 Chief Executive is responsible for undertaking an investigation. He/she will decide if the matter is referred to the corporate governance committee.

8.4 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 leadership team. This policy applies to all employees, including any concerns about the conduct of senior management or board directors.

8.5 Reporting Significant Concerns to OSCR

Trustees are expected to manage significant issues, such as fraud or other irregularities, in line with their legal duties. Where trustees are unable to resolve an issue of significant concern to their satisfaction which threatens to have a significant impact on the charity or its assets or where a significant concern indicates a failure of trustees to meet their legal duties, the matter should be reported to OSCR.

9 Risk Management Strategy and Strategic Risk Register

9.1 A risk management strategy is in place which sets out 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 Customer and Corporate Support Manager 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.

9.2 Risks are categorised in 1 of 6 risk categories, as follows:

- **Strategic** – risk that Sport Aberdeen cannot meet its business objectives;
- **Compliance** - risk that changes in legislation increase the company's operating costs;
- **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 SLT members and service managers are required to consider risks arising from their activities and advise the Customer and Corporate Support Manager of new risks or changes to the level of risk as soon as they become aware of them.

9.3 Fraud Risk Assessment

Sport Aberdeen will undertake a structured fraud risk assessment to identify, evaluate and manage the risk of fraud across all activities.

- **Scope**
  The assessment will consider all areas of activity including income collection, procurement, supplier management, payroll, expenses, grants, partnerships and digital systems.

- **Frequency**
  A formal fraud risk assessment will be completed at least annually, with interim reviews where there are significant changes to services, systems or risks.

- **Method**
  The assessment will be carried out using a combination of:
  - Industry / sector guidance , with relevant managers and / or subject matter experts; and
  - a standard fraud risk checklist covering known fraud risk areas.

- **Outputs**
  The assessment will result in:
  - updates to the strategic risk register, where necessary;
  - identification of control gaps and weaknesses; and
  - a documented action plan with clear owners and timescales.

Responsibility for coordinating the fraud risk assessment rests with the Chief Executive, with input from operations, finance, HR, digital and technology and customer and corporate support teams.

10. Review of Financial Procedures

10.1 These financial procedures will be reviewed every two years unless an earlier review is required due to a material change.

10.2 Any significant changes will be subject to approval by the corporate governance committee or board of directors.

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