Initiating Companies in Public Ownership to Deliver for The Public Good: Standard Operating Procedures

Part 1

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Scottish Government
Riaghaltas na h-Alba

1. Introduction

This guidance can be applied to circumstances where officials are required to initiate a completely new company as a public corporation or Non-Departmental Public Bodies (NDPB), or where an existing private company is brought under Ministerial control or public ownership.

Public corporations and NDPBs are constituted with an independent board and management teams. Governance measures should seek to preserve the company's independence to achieve objectives as far as possible, while balancing Ministerial control and oversight. Yet, given the diversity of such public bodies and the political contention which often surrounds their establishment, effective control to deliver public value is challenging to achieve.

In exercising oversight on behalf of Ministers, officials must ensure a requisite degree of control is secured, exercised and able to be demonstrated in practice. Those serving on public body boards, Chief Executives etc. are acting on behalf of Scottish Ministers. They must adhere to the principles of public life, Model Code of Conduct, etc. and not seek to contradict Ministers wishes or follow policies radically different to that of the Scottish Government (SG). Ministers are ultimately accountable for these bodies; they are not fully independent, but are at arms length from central government, and should conduct themselves as such.

This manual seeks to supplement, not replace, existing guidance with a focus on sharing practical experience when public corporations and NDPBs should be considered as an effective means to achieve specific policy objectives, and the critical factors needed to make them a success. Please note, this manual does not constitute as legal advice, officials should instruct legal advisors if required.

The manual is comprised of the following chapters which highlight the areas to consider when establishing public corporations and NDPBs to deliver public value:

Chapter 1: Classification of Public Bodies

Chapter 2: Initiating and Financing a Public Corporation or NDPB

Chapter 3: Articles of Association & Framework Documents

Chapter 1: Defining The Public Bodies

To produce accurate national accounts, the Office for National Statistics (ONS) determines a body's national accounting classification (central government, local government, etc.), based on whether an organisation is public or private, and market or non-market. The difference between the public and private sectors is determined by where control over the organisation lies, rather than by “ownership” or whether the entity is financed from public funds. The ONS makes the final decision on the classification type of new bodies from evidence submitted. Further information can be found in the UK economic statistics sector and transaction classifications: the classification process.

1.2 Public Bodies

For this guidance, the term 'Scottish public body' describes the range of public bodies which have a direct relationship with SG or Scottish Parliament and for which they are responsible. For an overview on establishing public bodies from a SG context, the Public Bodies in Scotland guide outlines the classification of bodies in Scotland and their accountability arrangements. An extract comparing public corporations and NDPBs follows at Annex A.

1.3 Legal Form

Public corporations and NDPBs are not alternatives to one another as the two are not mutually exclusive, indeed some public bodies are incorporated as companies. These descriptors refer to different attributes of an organisation. ‘Public body’ signifies that government controls the general corporate policy of the organisation, while ‘company’ signifies that it is incorporated under and is subject to the Companies Act 2006. Nonetheless, the standard practice of setting-up, governance, financial management, sponsorship, accountability, and reporting requirements per SPFM, ONS and Companies Act / Companies House will apply to both public corporations and NDPBs.

The SPFM’s Business Investment Framework notes intervention in a business always carries the risk of altering the perceived or actual balance of control over its operations. For example, where Ministers take an equity stake, this might result in achieving effective control even without a majority shareholding. It is therefore important to consider whether government intervention and/or support might alter the classification status of an entity in the National Accounts from the private sector to the public sector. Any such change is likely to carry significant budgetary implications because of the way in which its financial transactions are subsequently classified.

Chapter 2: Initiating and Financing a Public Corporation or NDPB

2.1 Setting up New Public Bodies SG Guidance

SG's policy on the establishment of new public bodies is detailed below and is overseen by SG's Public Bodies Unit:

a) Any new public body should only be set up as a last resort.

b) The approval process for setting up a new public body through the Ministerial Control Framework should be followed only after consideration of all other delivery mechanisms is exhausted.

c) Approval for setting up a new public body must be sought formally from Cabinet before any decision, or announcement is made.

The Public Bodies Unit can help you to contact policy and specialist support colleagues.

There are two main pieces of guidance:

a) The Ministerial Control Framework, which sets out the approvals process for the creation of new public bodies.

b) The guidance on the establishment of new public bodies is structured around nine separate guidance notes. These include: a list of key actions, links to reference documents, a general overview of key considerations, a detailed description of the issues.

Scottish Ministers previously committed that Public Bodies would be established within the Accountability Framework to allow audits to be carried out by Audit Scotland. The SPFM team should be contacted to discuss the required process under Article 483 of the Companies Act.

The guidance below does not supersede the established SG guidance and should only be used to supplement this.

2.2. Principles on Establishing Public Bodies

New Public Corporations or NDPBs should only be initiated if there is no viable alternative and a clear need for intervention to provide the function or service through such a public body. This requires an understanding of the various alternatives for delivering new services or functions.

When seeking to initiate a Public Corporation or NDPB, the OECD guidelines on corporate governance for State Owned Enterprises provide principles which departments within SG can apply in ensuring success of the public body and enhancing public value:

OECD Principle – rationale for ownership:

- Outcome – SG exercises the ownership of companies in the interest of Scotland by evaluating and disclosing the objectives that explain public ownership and subject these to a regular review.

OECD Principle – role as an owner:

- Outcome – SG should function as an informed and active owner, ensuring that the governance of public companies is conducted in a transparent and accountable manner, with a high degree of professionalism and effectiveness.

OECD Principle – public bodies in the marketplace:

- Outcome – consistent with the rationale for SG ownership, the legal and regulatory framework for public corporations / NDPBs should ensure a level playing field and fair competition in the marketplace when public corporations / NDPBs undertake economic activities.

OECD Principle – equitable treatment of shareholders and other investors:

- Outcome – where an SG owned company is listed or otherwise includes non-state investors among their owners, SG and the publicly owned company should recognise the rights of all shareholders and ensure shareholders' equitable treatment and equal access to corporate information.

OECD Principle – stakeholder relations and responsible business:

- Outcome – SG's ownership policy should fully recognise the body's responsibilities towards stakeholders and request it to report on their relations with stakeholders. It should make clear any expectations SG has in respect of responsible business conduct by companies in public ownership.

OECD Principle – disclosure and transparency:

- Outcome – Public corporations / NDPBs should observe high standards of transparency and be subject to the same high-quality accounting, disclosure, compliance, and auditing standards as listed companies.

OECD Principle – The responsibilities of the boards of public companies:

- Outcome – The boards of public corporations / NDPBs should have the necessary authority, competencies, and objectivity to conduct their functions of strategic guidance and monitoring of management. They should act with integrity and be held accountable for their actions.

2.3. Financing Public Corporations or NDPBs and Securing Commercial Outcomes

The SPFM's Investment in Business Framework advises that investing carries the risk of distorting the market(s) in which a business operates and also comes with an element of commercial risk to the public sector. For these reasons, a commercial outcome from any proposed business investment is essential, ensuring an acceptable risk/reward ratio supports the investment of public funds. Finance from the public purse needs to be provided on market-consistent terms which is key to maintaining a level playing field with private competitors.

Subsidy Control

From 4 January 2023, public funding became subject to a new, UK-wide subsidy control regime. The framework for this new regime is provided in the Subsidy Control Act 2022.

In general terms, and for the purposes of our international commitments, a subsidy is a measure which:

- is given by a public authority at any level – central, devolved, local government or a public body;
- makes a contribution (this could be a financial or an in-kind contribution) to an enterprise, conferring an economic advantage that is not available on market terms (examples of a contribution are grants, loans at below market rate, or a loan guarantee at below market rate or allowing a company to use publicly owned office space rent free);
- affects competition or investment within the UK (please note, a measure could have a relevant effect on competition and investment in the UK even where the market covers a small geographical area or where the amount of financial assistance is exceptionally low); and
- affects international trade (this can be trade with any World Trade Organisation (WTO) member or, more specifically, between the UK and a country with whom it has a Free Trade Agreement. Please note that you are not being asked whether the subsidy could harm trade but merely whether there could be some sort of effect).

The Subsidy Control Team acts as the Scottish interface on subsidy control and offers a range of assistance to help Scottish public bodies understand and comply with subsidy control rules.

To inform the commercial case of a business case on whether the decision to initiate a public corporation or NDPB represents long term sustainable solution, SG departments should consider the Business Investment Framework (BIF)'s guidance. It is important to consider the twin objectives of a clear policy rationale (i.e. wider impact on the public, such as job safeguarding, job creation and future growth opportunities in the sector) and an acceptable risk/reward ratio:

- **Determining an optimal capital structure**: An analysis of various capital structures should be performed prior to intervening where possible. SG departments should ensure they perform benchmarking activities with relevant sector companies / competitors. This is specifically relevant where a strategic objective of an intervention is to stabilise and grow to recruit and retain talent. SG officials will need to consider the respective roles and responsibilities of the Ministers' ownership function, SG's sponsorship, and board management in making decisions that affect capital structure. Officials will need to consider when the focus on a public body's capital efficiency and value creation gives way to public policy concerns or SG budgetary needs, that the public body is no longer operating on competitively neutral terms with private competitors.
  Such departures from competitive neutrality can occur notably through reductions in rate-of-return requirements imposed on the public body, but also through unwarranted capital outflows (e.g. dividend pay-outs that are not justified by company performance) or excessive capital inflows (e.g. direct subsidies that confer a competitive advantage on the public body's commercial activities).

- **Establishing rate-of-return**: Officials should seek to understand the rate-of-return per private sector practices and the extent to which public bodies will be held accountable for their fulfilment. Within SG, SNIB has a target rate of return which relates to repaying or investment.

- **Setting dividend policy**: Consider setting guidelines that direct the amount of dividends paid out by the public corporation or NDPB and the frequency with which the dividends are paid out. The following are examples of dividend policies in the public sector:

    - Within the Scottish Water group, the licensed and commercial activities are self-financing with any profits generated being retained and invested in future developments of the business. The Scottish National Investment Bank is seeking a similar framework;

    - The Royal Mint has an annual fixed dividend target; and

    - Met Office pays an annual dividend a least equal to its required rate of return on average capital employed;

  In practice, guidelines would be set by way of consultations between the board, the sponsorship team, SG Finance, Ministers, and external advisors. Usually, dividend pay-out levels would be based on profitability, investment needs and cash reserve requirements. The main reporting factors should be taken into account when determining annual dividend levels for the public body along with the process on the annual negotiation of dividend levels, and the respective roles of the ownership, sponsorship function, the public body board and management in determining the dividend policy (reinvest or distribute etc.) and be reflected in the framework document.

- **Providing direct state support**: Officials to examine the conditions and modalities for providing direct support to public bodies, where such support is possible by way of Minimum Financial Assistance (MFA), Services of a Public Economic Interest (SPEI) in line with Subsidy Control rules.

Chapter 3: Articles of Association & Framework Documents

3.1 Articles of Association

Every company registered (incorporated) on Companies House, must have articles of association. This is a fundamental constitutional document outlining the internal decision making, governance and administrative arrangements of the company. Typically, the articles outline the issue and transfer of shares, board and shareholder meetings, director's powers and duties, dividends, and borrowing powers and are open to inspection at Companies House.

The provisions within the articles are crucial to understanding where real responsibility lies for actions and omissions of the company. The Companies Act lays down the general duties of the directors such as promoting the success of the company, exercising independent judgment and reasonable care, skill and diligence, acting in the interests of the company, and avoiding conflicts of interest, but does not exclude that the articles may give Ministers, in their capacity as shareholder, an express authority to give directions to the board.

3.2 Amending Articles of Association

The Companies Act 2006 and Companies (Model Articles) Regulations 2008 provide default articles of association (also known as 'model' articles) for ease of use by those forming limited companies. The copy of the proposed articles of association that the company members must prepare and register may adopt some of the model articles or none of them. However, if articles are not registered, or as far as those that are registered do not exclude or modify the relevant model articles, those model articles will apply.

In the circumstances where an existing private company is brought into public ownership, the articles of association can be amended by special resolution (this is subject to exceptions) which requires a majority of at least 75% of the total votes of Ministers and other shareholders. This is a formal decision made by the company shareholders to set out the formal approval rights of shareholders and further Ministerial control. This will ensure that whilst the management and the board are responsible for the operations of the company, they are also accountable to Ministers (in their capacity as shareholders) for:

- The performance of the company;
- Regularity and propriety of expenditure;
- Value for money;
- Evaluation of mechanisms for delivering company policy objectives;
- The management of risk; and
- Accurate accounting for the use of resources.

The power to alter the articles of association must be exercised for the benefit of the company.

3.3 Approval of Articles of Association

There is an obligation to obtain Ministerial approval for amending the articles in their capacity as shareholder. However, there is no requirement for parliamentary

approval of the articles or to make Parliament aware of its contents as the information is freely available to the public in the register of companies maintained by Companies House.

3.4 Framework Documents – Background

Information about companies classed as public corporations or NDPBs should also be furnished by preparing a Framework Document that adds detail to the provisions of the articles or of general company matters such as, but not limited to:

- The details of the relationship between Ministers, officials, and the company;
- The purpose and responsibilities of the organisation;
- Its legal basis;
- How it engages and work with Ministers and its SG sponsorship team;
- Corporate planning, budgeting, reporting obligations, accounts, and audit;
- Specific matters to be reserved for the decision of Ministers;
- The degree of operational independence of the body;
- How performance targets will be set; and
- What will happen if they are not met.

The agreement should be made publicly available and, be updated at least every three years to reflect any changes to the body's remit or governance. The Public Bodies Support Unit and other relevant policy areas must be informed when updating the Framework Document. The updated version also requires Ministerial sign-off.

Framework Documents normally indicate that Ministers are responsible to Parliament for the activities and performance of the company even in cases where its document emphasises the intent that the body should enjoy "operational" or "day-to-day" independence. However, this Ministerial responsibility does not preclude direct parliamentary contact with company officials and board members, for example in the context of investigations by parliamentary committees.

The provisions of a Framework Document do not replace the legal safeguards which exist for shareholders in company law but rather set out the relationships between Ministers in their capacity as a shareholder and the company.

3.5 Framework Documents & Articles of Association

Normally a Framework Document states that it is not intended to create formal legal rights or obligations. That notwithstanding, AOs and Boards are expected to adhere to a Framework Document and the AO will be accountable for any failure to do so.

The articles of association will affect how the Framework Document can be drafted. These documents are also essentially different: the Framework Document is strongly associated with the accountability aspects of the Public Finance and Accountability (Scotland) Act 2000 whereas the articles of association are the creation of company law and are primarily regulated by the Companies Act 2006. The differences between the two should be used to good effect to meet the specific objectives of a company, Ministers as shareholders, and the public good.

Although, many of the provisions often contained in a Framework Document could equally have been inserted into the articles of association, there are no definite rules. Decisions often must be taken as to where to include a particular provision as Framework Documents are more flexible as to what arrangements they can contain while the articles of association must comply with company law.

Typically, Framework Documents are interpreted considering the articles with any legal and regulatory requirements (and the Companies Act, UK's Subsidy Control rules) taking precedence over any part of the agreement. Additionally, Framework Documents should also be interpreted considering the SPFM, and any other SG instructions and guidance required.

3.6 Framework Documents – Advantages

An advantage of a Framework Document is that, unless the agreement provides otherwise, any significant changes will be agreed between the Board and the Scottish Ministers. A Framework Document can be brought into effect by officials (by Ministerial approval) and then terminated at any time (by Ministerial approval) whereas a company must always have a set of articles of association. This gives the Framework Document a greater degree of flexibility. Another advantage of a Framework Document is that its negotiation will often compel Ministers, officials, and the company to confront their concerns and discuss the most effective way to address some of the more difficult scenarios they may encounter, avoiding costly and detrimental disputes later down the line.

3.7 Establishing Framework Documents

The BIF states that where SG takes control of a company, officials will need to establish a framework to manage the sponsorship arrangements. The SPFM provides model Framework Documents which can be used and amended as necessary. Further examples of Framework Documents have been provided in Annex B. The Public Bodies Unit have developed a helpful checklist used to review Framework Documents which can also be used by sponsorship teams to help inform amendments to model Framework Documents. Further guidance can be sought from the Public Bodies Unit as required.

3.8 Approval of Framework Documents

The checklist sets out the necessary process for amending and obtaining Ministerial approval for the Framework Document.

Annex A
Extract from Public Bodies in Scotland guide
Executive Non-Departmental Public Bodies (NDPBs)

Description:

- NDPBs, unlike Executive Agencies and NMOs, are not part of SG or the Scottish Administration. They conduct administrative, commercial, executive, or regulatory functions on behalf of Government; and operate within a framework of governance and accountability set by Ministers.
- Executive NDPBs conduct administrative, commercial, executive, or regulatory functions on behalf of Government. They are normally established by statute; they employ their own staff, who are not civil servants, and manage their own budgets; and are accountable to a board whose members are normally appointed by Ministers

Functions of NDPBs are such that:

- it is appropriate for Ministers to set the strategic framework for the body and remain ultimately but not directly responsible for the services it provides, as opposed either to bringing it under more immediate Ministerial control or transferring the function or service to a private sector body, contracting it out, or abolishing it
- the functions or services in question require specialist knowledge or expertise which civil servants would be unable to provide
- there is a need for a body to provide independent, expert advice to Ministers
- the services in question should be provided by a body which is responsible for taking its own decisions without political influence or interference

Characteristics:

- operate within a Strategic Framework set by Ministers
- have their own legal identity i.e. are established by statute or set up as companies Ltd by guarantee
- conduct administrative, commercial, executive, or regulatory functions on behalf of SG
- provide specialist advice to Ministers and others
- headed by a Board which is appointed by Ministers
- a body corporate, staff are employed by the body and are not civil servants
- allocated and manage their own budgets

Accountability:

- directly accountable to Ministers, and through Ministers to Parliament
- Chief Executive is designated as the Accountable Officer
- Accountable Officer responsible for the use of resources but Ministers remain accountable to the Parliament for the allocation of public funds
- Board holds the Chief Executive to account
- Ministers accountable to Parliament for the functions and performance of the body and have the power to wind it up (subject to Parliamentary approval (as required))

- the relationship between Ministers, SG and the NDPB is set out in the relevant legislation and the Management Statement/Financial Memorandum
- most NDPBs funded by Grant-in-aid (some are funded through sectoral levies) and receive an annual guidance letter
- subject to relevant guidance issued by Ministers e.g. the Scottish Public Finance Manual
- Ministers agree Corporate and Business plans and appoint (and can remove) Board members
- subject to a general or specific Ministerial power of direction (with appropriate safeguards in certain circumstances)
- prepares its own annual reports and accounts which are presented to Ministers and laid in front of Parliament

Public Corporations

Description:

- Public corporations are industrial or commercial enterprises under Government control which recover more than 50% of their costs through fees charged for services provided to customers.
- They employ their own staff, who are not civil servants, manage their own budgets and report to a Board whose members are appointed by Ministers.
- Bodies are normally established as public corporations if they operate in a commercial environment or work closely with private sector providers.

Characteristics:

- operates within a strategic framework set by Ministers
- are established by statute or under the Companies Act
- are industrial or commercial enterprises, trading bodies, under direct control of Scottish Ministers
- Ministers appoint (and can remove) the Board
- headed by a Board whose members are appointed by Ministers
- a body corporate, staff are employed by the body and are not civil servants
- allocated and manage their own budgets

Accountability

- directly accountable to Ministers, and through Ministers to Parliament
- Chief Executive is designated as the Accountable Officer
- Accountable Officer responsible for the use of resources but Ministers remain accountable to the Parliament for the allocation of public funds
- board holds the Chief Executive to account
- Ministers accountable to Parliament for the functions and performance of the body and have the power to wind it up (subject to Parliamentary approval (as required))
- relationship between Government and the Body set out in an appropriate Framework document
- provided loans from Government

- subject to relevant guidance issued by Ministers e.g. the Scottish Public Finance Manual
- Ministers agree Corporate and Business plans
- subject to a general or specific Ministerial power of direction (with appropriate safeguards in certain circumstances)
- prepares its own annual reports and accounts which are presented to Ministers and laid in front of Parliament

Annex B - Framework Documents – Contents Overview

Framework Contents Overview	Policies, Frameworks, Guidance Documents for reference in each content section
Introduction	Outlines the: Key roles and responsibilities of Ministers, the board, CEO and as the AO and the Portfolio AO within SG. Objectives of the body Classification and ownership arrangements of the body
Purpose	Briefly explains key duties, functions, powers and aims of the public body.
Governance & Accountability: **The Board** **The Chief Executive Officer** **The Accountable Officer** **The Scottish Ministers** **SG Portfolio Accountable Officer** **Responsibilities for accounting and reporting to Scottish Parliament** **Board Committees**	References: Code of Practice for Ministerial Public Appointments in Scotland Programme for Government National Performance Framework Best Value Guidance On Board – A Guide for Members of Statutory Boards Appraisal & Value section of the SPFM Memorandum to Accountable Officers for Other Public Bodies in the Scottish Public Finance Manual Memorandum to Accountable Officers for Parts of the Scottish Administration
Relationship between Scottish Ministers and the Public Body	Explains the: Strategic engagement between SG and the public body; Role of the policy sponsorship team; Matters reserved for Ministers; Reporting on performance against objectives to the sponsorship team; Reporting on ESG KPIs; Management information to be shared with the sponsorship team; and Reporting on legal risk, litigation, FOIs.
Staff Management responsibilities: **Pensions, Redundancy & Compensation** **Pay & Conditions of Service**	References: Pay Policy for Staff Pay Remits Tax Planning and Tax Avoidance section of the SPFM Non-Salary Rewards section of the SPFM SG's Pay Policy for Senior Appointments

Framework Contents Overview	Policies, Frameworks, Guidance Documents for reference in each content section
	Settlement Agreements, Severance, Early Retirement and Redundancy Terms section of the SPFM
Corporate & Business Plans	References: Business Plan Corporate / Strategic Plan National Performance Framework Environmental, Social and Governance framework and KPIs
Annual reports & Accounts	References compliance with the Financial Reporting Manual (FReM)
External Audit	Outlines the process for external audits
Internal Audit	References: Public Sector Internal Audit Standards section of the SPFM Internal Audit section of the SPFM Audit Committees section of the SPFM Audit and Assurance Committee Handbook
Budget Management & Delegated Authority	References the Annual Budget Processing section in the SPFM.
Governance & Risk: **Risk Management** **Internal Control** **Budget & Finance** **Remuneration** **Banking & Cash Management**	References: Internal control framework in the SPFM Delegated Authorities Fraud section of the SPFM Major Investment Projects section of the SPFM requirements of the Freedom of Information (Scotland) Act 2002 On Board - A Guide for Members of Statutory Boards Audit and Assurance Committee Handbook Public Sector Cyber Resilience Framework the Tax Planning and Tax Avoidance section of the SPFM Fees & Charges section of the SPFM Gifts section of the SPFM Non-Salary Rewards section of the SPFM

Framework Contents Overview	Policies, Frameworks, Guidance Documents for reference in each content section
	Borrowing, Lending & Investment section of the SPFM Contingent Liabilities section of the SPFM Property: Acquisition, Disposal & Management section of the SPFM SG Asset Management Policy Clawback guidance in the SPFM Losses and Special Payments section of the SPFM Procurement section of the SPFM Expenditure and Payments section of the SPFM Insurance section of the SPFM Grant & Grant in Aid section of the SPFM Banking section of the SPFM
Reviews & Winding Up Arrangements	Outlines the Review of the public body's status as a public corporation Arrangement if the public body as a public corporation is wound up
Specific Delegated Financial Authorities	Outlines the transactions and their respective delegated limits

Glossary

Accountable Officers – have a personal responsibility for the propriety and regularity of the finances under their stewardship and for the economic, efficient, and effective use of all related resources. Accountable Officers are personally answerable to the Parliament for the exercise of their functions.

Portfolio Accountable Officers - are Directors-General responsible for the putting in place of appropriate framework documents for each SG Executive Agency, Non-Ministerial Office (NMO), and SG sponsored body, setting out the accountability arrangements and other relevant matters. Also, where considered appropriate to do so, recommending to the Principal Accountable Officer the designation of the senior full-time official as Accountable Officer for the sponsored body.

Principal Accountable Officer - The Permanent Secretary of SG is the most senior officer of SG and therefore is the Principal Accountable Officer (Principal AO) for the Scottish Administration in accordance with section 14 of the PFA Act. They are answerable to Parliament for the exercise of their functions like other Accountable Officers (AO's), one of their key functions include designating Accountable Officers for "parts of the Scottish Administration" i.e.:

- Directors-General (also known as Portfolio Accountable Officers as explained above)
- the Crown Agent (for the Crown Office and Procurator Fiscal Service)
- Chief Executives (or if appropriate or a senior officer/employee of the body) of SG Executive Agencies and NMO's

The Principal AO also designates Accountable Officers "for other public bodies" (excluding the Scottish Parliament Corporate Body) the accounts of which are by law subject to audit by or under the control of the Auditor General for Scotland (AGS) (also known as sponsored bodies). The Principal Accountable Officer is also responsible for the removal of AO status if it is concluded that the AO is no longer a fit person to carry out the role

Acronyms

Business Investment Framework (BIF)
Chief Executive Officer (CEO)
Environmental, Social & Governance (ESG)
European System of Accounts (ESA)
Key Performance Indicators (KPIs)
Management Information (MI)
Manual for Government Deficit and Debt (MGDD)
Minimum Financial Assistance (MFA),
Non-Departmental Public Bodies (NDPB)
Non-profit institution (NPI)
Office of National Statistics (ONS)
Organisation for Economic Co-operation and Development (OECD)
Scottish Consolidated Fund (SCF)
Scottish Government (SG)
Scottish Public Finance Manual (SPFM)

Services of a Public Economic Interest (SPEI)
Specific, Measurable, Achievable, Relevant, and Time-bound (SMART)
UK Government (UKG)

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