

## ANNUAL STATEMENT OF ASSURANCE FOR THE AUDIT & RISK COMMITTEE 2023/24

### 1. Purpose of Committee

- 1.1 The purpose of the Audit & Risk Committee is to provide the Board with assurance that the activities of Fife NHS Board are within the law and regulations governing the NHS in Scotland and that an effective system of internal control is maintained.
- 1.2 The duties of the Audit & Risk Committee are in accordance with the principles and best practice outlined in the Scottish Government [Audit & Assurance Committee Handbook](#), dated April 2018.

### 2. Membership of Committee

- 2.1 During the financial year to 31 March 2024, membership of the Audit & Risk Committee comprised:

Alastair Grant	Chair / Non-Executive Member
Cllr Graeme Downie	Non-Executive Stakeholder Member, Fife Council (from December 2023)
Cllr David Graham	Non-Executive Stakeholder Member, Fife Council (to August 2023)
Anne Haston	Non-Executive Member
Aileen Lawrie	Non-Executive Stakeholder Member, Area Clinical Forum
Kirstie MacDonald	Non-Executive Member (Whistleblowing Champion)

- 2.2 The Committee may choose to invite individuals to attend the Committee meetings for the consideration of particular agenda items, but the Chief Executive, Director of Finance & Strategy (who is also the Executive lead for risk), Head of Financial Services & Procurement, Risk Manager, Board Secretary, Chief Internal Auditor and statutory External Auditor are normally in routine attendance at Committee meetings. Other attendees, deputies and guests are recorded in the individual minutes of each Committee meeting.

### 3. Meetings

- 3.1 The Committee met on five occasions during the year to 31 March 2024, on the undernoted dates:

- 23 June 2023 (approval of Annual Accounts)
- 31 August 2023
- 12 October 2023 (Development Session)
- 13 December 2023
- 14 March 2023

Note, the meeting due to take place on 18 May 2023 was cancelled due to the unavailability of the Chair and the bulk of its business was rolled over to the June meeting.

- 3.2 The attendance schedule is attached at Appendix 1.

## 4. Business

4.1 The range of business covered at meetings held throughout the year, as further detailed below, demonstrates that the full range of matters identified in the Audit & Risk Committee's remit is being addressed. In line with its Constitution and Terms of Reference, reviewed annually in March 2024, the Committee has considered standing agenda items concerned with the undernoted aspects:

- Internal Control frameworks and arrangements;
- Internal & External Audit planning and reporting;
- Corporate Governance, including the Board's implementation of and compliance with the NHS Scotland *Blueprint for Good Governance*;
- Regular updates to the NHS Fife Code of Corporate Governance, including within the Standing Financial Instructions and Scheme of Delegation;
- Scrutiny of the Board's Annual Statutory Financial Statements, including the meaningfulness of the accompanying Governance Statement;
- Risk Management arrangements and reporting, including progress with revising the risk management framework and review of the effectiveness of the Corporate Risk Register; and
- other relevant matters arising during the year.

4.2 The first meeting of the Audit & Risk Committee's reporting period in 2023/24 was cancelled at short notice due to the unavailability of the Chair. However, papers had been issued and comments thereon were sought from members by circulation. This included the annual Code of Corporate Governance, which went onward to the Board, as the formal approving body, at its May 2023 meeting. The Draft Governance Statement for 2022/23 was reviewed via email, and comments given prior to its final formal consideration as part of the business of the June 2023 annual accounts meeting. An initial draft of the Risk Management Annual Report for 2022/23 was issued to members, with a number of comments made to be reflected in the final iteration, and an update was also provided on the risk management framework and risk register / risk assessment policy. Also issued was an initial draft of the Audit & Risk Committee Annual Assurance Statement for 2022/23. The final timeline for the Board's annual accounts preparation was provided, for members' awareness around key deadlines to be met.

4.3 The meeting in June 2023 went ahead as planned and members scrutinised in full the governance-related year-end documentation, auditor reports and statutory financial statements for 2022/23. This included the Board's annual accounts, internal and external audit annual reports, plus the Patients' Private Funds and Service Auditor Reports on Third Party Services provided on behalf of NHS Fife by NHS National Services Scotland (NSS) and NHS Ayrshire & Arran. Each of the auditor reports gave an unqualified opinion. The Annual Internal Audit Report for 2022/23 concluded that there were adequate and effective internal controls in place and that the 2022/23 Internal Audit Plan has been delivered in line with Public Sector Internal Audit Standards. In reference to External Audit, the annual audit report from Azets on 2022/23 summarised their audit of the annual financial statements, as well as their comment on financial sustainability, governance and best value. The Committee took significant assurance from these reports as part of the portfolio of evidence provided in support of its evaluation of the internal environment and the approval of the Governance Statement. The Committee was pleased to endorse to the Board the formal signing of the 2022/23 annual accounts and the Board approved the 2022/23 financial statements at their meeting on 27 June 2023.

4.4 Also at their June 2023 meeting, the Internal Audit Annual Plan for the current 2023/24 reporting year was considered, noting its alignment to the Population Health & Wellbeing

Strategy and ongoing risk management developments. At the same meeting, the Committee were advised that there were no significant amendments to the NSS Practitioner Services Partnership Agreement (for the period April 2023 to March 2028), and the Committee were thus able to take assurance from the arrangements in place to register and pay primary care contractors on the Board's behalf.

- 4.5 The Committee warmly endorsed the appointment of Jocelyn Lyall as the Board's new Chief Internal Auditor from 1 August 2023, thanking Tony Gaskin for his long service in the role and wishing him all the best in his retirement from the NHS. In relation generally to internal audit, members have reviewed and discussed in detail at meetings reports from the internal auditors covering a range of service areas and have considered management's progress in completing audit actions raised, through regular follow-up reporting. The interim evaluation of the internal control framework supplied at the mid-year point (December 2023) gave useful reference to any potential issues to be addressed before year-end. The largely positive findings gave a reasonable level of assurance to members. The revised Internal Audit Framework was approved by the Committee in March 2023, following earlier approval by the FTF Partnership Board. This includes the FTF Audit Charter, which is required to be approved on an annual basis, in line with public sector internal audit standards.
- 4.6 In relation to internal audit follow-up work, review dates had been considered for actions that have remained open longer than one year, and extensions were routinely reviewed to consider how likely it is that actions will be implemented by the revised implementation date. To provide greater assurance to the Committee, Internal Audit reports were agreed to be initially considered by the Executive Directors' Group, Chief Executive, Director of Finance and individual audit colleagues to help with oversight over outstanding action points. The Audit Follow up Protocol has been updated, as reported to the Committee in August 2023, to reflect a change to the authorisation required for extensions, to link these more explicitly to the risk assessment of the findings and recommendations of the original report.
- 4.7 In March 2024, the Committee in detail considered the findings of the Business Continuity Arrangements Internal Audit Report, which reported that only limited assurance could be provided from current arrangements in that area. The Executive Lead, the Director of Public Health, attended the meeting to provide further information on the resulting action plan that has been created to improve the position. The report was commissioned in recognition of the recommendations from a previous internal audit report, and through informal discussions at a national level. Further detail was provided on the risk associated to introducing a new Business Continuity Management System, noting that a new risk descriptor is being developed, to be added to the Corporate Risk Register. Members welcomed the further information given, taking assurance that progress in implementing the auditors' recommendations will be tracked via the existing follow-up process.
- 4.8 The Committee has approved the planning memorandum for the 2023/24 statutory accounts cycle, as also for the Patients' Private Funds from the respective External Auditor. Members have noted the approval by the Board of Trustees of the planning memorandum for the audit of Endowment Funds held by Fife Health Charity. Regular updates on the 2023/24 accounts approval timeline have been reported to the Committee, with input from both the internal and external auditor, noting the intention to seek Board approval for the annual accounts in late June 2024, meeting the relevant Scottish Government deadlines.
- 4.9 A summary self-assessment against the various requirements of the NHS Scotland *Blueprint for Good Governance* was carried out by Board members in late 2023, and reflection on the survey results was given at a Board Development Session in February 2024, facilitated by colleagues from NHS Education for Scotland. Subsequently, an action plan was approved by the full NHS Fife Board in March 2024, which shall be monitored to completion by the Committee. A related internal audit review on the Board's compliance

against the standards within the Blueprint has been undertaken in the reporting year and this will be reported as part of the year-end work.

- 4.10 The Committee has also considered national reviews undertaken by Audit Scotland, including the findings of their report 'NHS in Scotland 2023', with consideration of its implications locally. The Committee considers the content of Audit Scotland Technical Bulletins on a regular basis, noting the areas therein of relevance to public sector bodies and health boards specifically.
- 4.11 In year, a review of the Financial Operating Procedures for 2023 has been undertaken, with a number of key sections having had significant amendments. Confirmation was provided to the Committee in December 2023 that key individuals across NHS Fife were consulted during the review to ensure that appropriate expertise was utilised. The Committee was pleased to approve the changes for immediate effect, to support the annual Code of Corporate Governance review and the Standing Financial Instructions therein.
- 4.12 For assurance purposes, the Audit & Risk Committee has considered the annual assurance statements of each of the governance committees of the Board, namely: the Clinical Governance Committee; the Finance, Performance & Resources Committee; the Public Health & Wellbeing Committee; the Remuneration Committee; and the Staff Governance Committee. These detail the activity of each committee during the year, the business they have considered in discharging their respective remits and an outline of what assurance the Board can take on key matters delegated to them. No significant issues were identified from these reports for disclosure in the financial statements, as per the related content of the 2023/24 Governance Statement.
- 4.13 Appropriate assurance has been provided that each Committee has fulfilled their key remit areas on behalf of the Board during the reporting year. The Clinical Governance Committee report has provided due reflection on the assurance that can be taken around matters of clinical quality and safety, information security & governance, digital & information, resilience and Health & Safety. The Finance, Performance & Resources Committee has closely monitored the position in relation to the Board's year-end position, financial targets and delivery progress thereon, and has also considered key performance targets around waiting times and delivery of clinical services. The Public Health & Wellbeing Committee has responsibility for oversight of the Board's immunisation delivery programme and delegated community-based services such as children's mental health services, plus scrutiny of progression of the Board's organisational Population Health & Wellbeing Strategy and related work around health inequalities. The Staff Governance Committee has received regular updates on recruitment to support key programmes and staff development activities, in addition to ongoing detail on staff well-being initiatives and work underway to reduce sickness absence. The Remuneration Committee has completed its usual business of Executive cohort performance appraisal and objective setting. Further detail on all these areas can be found within the individual Committee reports mentioned above. In addition to the Committee reports, the individual Executive Directors' Assurance letters have provided helpful detail on the internal control mechanisms and mitigation of risks within individual portfolios and Directorates.
- 4.14 In reference to the Fife Integration Joint Board, due to its own year-end accounts approval timeline, it is not possible for the NHS Fife Board to receive a final version of an assurance statement from the IJB prior to the Board's approval of its own statutory financial accounts in June 2024. The Committee has, however, taken assurance from a formal letter received from the Chair of the IJB's Audit & Assurance Committee providing assurance on the adequacy of the governance and internal control environment of that body. The Committee will consider the final IJB Internal Audit report at its forthcoming meeting in September 2024.

- 4.15 During the year, members of the Committee engaged in a number of training opportunities, covering best practice arrangements for Audit & Risk Committees. In October 2023, members attended a Committee Development Session to review the effectiveness of the new Corporate Risk Management processes and to discuss areas that require further refinement. A training session with the Internal and External Auditors was held in May 2024 outlining the year-end processes each undertake as part of the review of the financial statements, responsibilities of the Audit & Risk Committee in reference to scrutiny of these, and details on the systems of internal control, in preparation for the review and scrutiny of the annual accounts, prior to the Committee's formal consideration of the 2023/24 financial statements. The presentation slides were usefully adapted to be used as a helpful checklist by members, when the accounts are tabled for formal approval in June 2024.
- 4.16 Progress with fraud cases and counter fraud initiatives were discussed by the Committee in private session on a regular basis throughout the year. The Committee received quarterly fraud updates, on relevant cases and investigations; initiatives undertaken to identify and address fraud; and the work carried out by Practitioner & Counter Fraud Services in relation to detecting, deterring, disabling and dealing with fraud in the NHS. These reports also detail the counter fraud training delivered to staff, including the roll-out of a newly updated Fraud Awareness module. This has provided the Committee with the assurance that the risk of fraud is being proactively managed across NHS Fife. The Committee acknowledged that whilst there were no significant findings following the Board's participation in the National Fraud Initiative Assignment 2023, there were a number of minor outcomes, and a summary of these was provided to support the Committee's understanding of the process and provide assurance that this source of intelligence was appropriately actioned. In August 2023, the Committee took reasonable assurance from the Counter Fraud Standards Assessment report for 2022/23, noting the anticipated position that NHS Fife did not assess itself as fully meeting all the Standards by the end of 2022/23 and that the aim is for all the Standards to be met fully by the end of the three-year partnership agreement, which is line with other NHS Boards. The Committee were assured from the Fraud Annual Action Plan, which was developed between all NHS Scotland Health Boards and Counter Fraud Services, and in addition has been tailored locally to support the delivery of the Counter Fraud Standards.
- 4.17 Regular reporting on losses and special payments is factored into the Committee's workplan on a quarterly basis, to help support the annual accounts reconciliation process generally and, in support of Counter Fraud Standards, to increase the Committee's oversight. The Committee is also provided with regular updates on the application of any Procurement Waivers of Competitive Tender to provide assurance that the process is being correctly applied and therefore the risk to the board of non-compliance is effectively managed.
- 4.18 Minutes of Committee meetings have been approved by the Committee and presented to Fife NHS Board. The Board also receives a verbal update at each meeting from the Chair, highlighting any key issues discussed by the Committee at its preceding meeting. The Committee maintains a rolling action log to record and manage actions agreed from each meeting, and reviews progress against deadline dates at subsequent meetings. The Committee's workplan is presented to each meeting, detailing any delays to agenda items and providing information on delivery dates, to increase the visibility over the completion of each Committee's annual schedule of business.

## **5. Best Value**

- 5.1 Since 2013/14 the Board has been required to provide overt assurance on Best Value. The introduction of both the SPRA process in 2020/21 and the Financial Improvement & Sustainability Programme established in 2022/23 build on the aims of the previous organisational Best Value Framework (2018). Their combined impact facilitates a more

effective triangulation of workforce, operational and financial planning, which supports the promotion and delivery of best value across all of our resource allocation. Appendix 3 provides evidence of where and when the Committee considered the relevant matters during 2023/24.

## **6. Risk Management**

- 6.1 All NHS Boards are subject to the requirements of the Scottish Public Finance Manual (SPFM) and must operate a risk management strategy in accordance with the relevant guidance issued by Scottish Ministers. The general principles for a successful risk management strategy are set out in the SPFM.
- 6.2 All of the key areas within the organisation maintain a risk register. All risk registers are held on Datix, the Risk Management digital information system. Training and support for all Datix modules, including risk registers, is provided by the risk management team according to the requirements of individuals, specialities and teams etc.
- 6.3 In line with the Board's agreed risk management arrangements, the Audit & Risk Committee has considered risk through a range of reports and scrutiny, including review of the Corporate Risk Register. During 2023/24, the high-level risks identified as having the potential to impact on the delivery of NHS Fife's strategic priorities, and related operational high-level risks, were reported bi-monthly through the Corporate Risk Register to the governance committees, and subsequently to the Audit & Risk Committee and the Board.
- 6.4 The Corporate Risk Register report was presented to the full NHS Board at the November 2023 meeting for scrutiny, and Board members were provided with the necessary levels of assurance on the effectiveness of mitigating actions. The Committee were informed of a new approach of reviewing corporate risks, with some risks moving to a triannual reporting schedule. Furthermore, the Committee held a Development Session in October 2023 to review the effectiveness of the new Corporate Risk Register process and explored members' understanding of their risk management responsibilities.
- 6.5 Operationally, the Risk & Opportunities Group have continued with the risk management improvement programme work during 2023/24, particularly around the work on the presentation of the Corporate Risk Register. Linkages to the Board's overall risk appetite have been discussed with members, noting that for those individual risks currently facing a risk profile in excess of the Board's agreed appetite, a degree of tolerance was required, given the complexity, system volatility and scale of external challenges at this time. The Risk & Opportunities Group have also been acknowledging feedback from the Governance Committees and taking forward considerations and recommendations on the corporate risk register to further support this, particularly around opportunities and risks directly related to the Population Health & Wellbeing Strategy. The Covid-19 risk was removed from the Corporate Risk Register following extensive discussions and due diligence, reflecting its transition to business-as-usual activity, with a related new risk, on future preparedness for any potential future pandemics, being developed as a replacement. A new corporate risk on the preparation for implementing the legislation around the Health & Care Staffing (Scotland) Act was approved in late 2023, and new risks around capital funding restrictions and Pandemic Preparedness / Biological Threats are being developed. Deep dives were carried out across all the Board's committees, allowing greater scrutiny of the root causes of risks, and providing an opportunity for discussion on the effectiveness of management actions in place to reduce risk levels. Enhancements have also been made to the risk guidance for Governance papers and SBAR templates, to strengthen the content of the risk assessment and risk management sections.
- 6.6 The Committee endorsed the updated risk management framework in August 2023, which reaffirms the Board's commitment to embed an effective risk management framework and

culture to support the achievement of the strategic priorities, and the ambitions of the Population Health and Wellbeing Strategy. In December 2023, the Committee approved an expansion to the risk management framework document to capture essential content from the previous standalone risk policy. The framework now contains all new or additional content, which will enable easier engagement and guidance for staff.

- 6.7 The Board began reassessing its risk appetite at a dedicated Development Session held in April 2024. Further work is required to complete this, which is anticipated to be complete early in the 2024/25 reporting year.

## **7. Self-Assessment**

- 7.1 The Committee has undertaken a self-assessment of its own effectiveness, utilising a revised questionnaire considered and approved by the Committee Chair. Attendees were also invited to participate in this exercise, which was carried out via an easily accessible online portal. A report summarising the findings of the survey was considered and approved by the Committee at its March 2024 meeting, and action points are being taken forward at both Committee and Board level.

## **8. Conclusion**

- 8.1 As Chair of the Audit & Risk Committee during financial year 2023/24, I am satisfied that the integrated approach, the frequency of meetings, the breadth of the business undertaken and the range of attendees at meetings of the Committee has allowed us to fulfil our remit as detailed in the Code of Corporate Governance. As a result of the work undertaken during the year, I can confirm that adequate and effective governance arrangements were in place throughout NHS Fife during the year. Audit & Risk Committee members conclude that they have given due consideration to the effectiveness of the systems of internal control in NHS Fife, have carried out their role and discharged their responsibilities on behalf of the Board in respect of the Committee's remit as described in the Standing Orders.
- 8.2 I can confirm that that there were no significant control weaknesses or issues at the year-end which the Committee considers should be disclosed in the Governance Statement, as they may have impacted financially or otherwise in the year or thereafter.
- 8.3 I would pay tribute to the dedication and commitment of fellow members of the Committee and to all attendees. I would thank all those members of staff who have prepared reports and attended meetings of the Committee.

Signed:  Date: 20 June 2024

**Alastair Grant, Chair**

On behalf of the Audit & Risk Committee

**Appendix 1 – Attendance Schedule**

**Appendix 2 – Best Value**

**AUDIT & RISK COMMITTEE - ATTENDANCE RECORD**  
**1 April 2023 – 31 March 2024**

	23.06.23	31.08.23	13.12.23	14.03.24
<b>Members</b>				
<b>A Grant</b> , Non-Executive Member (Chair)	✓	✓	✓	✓
<b>Cllr G Downie</b> , Stakeholder Member, Fife Council			✓	✓
<b>Cllr D Graham</b> , Stakeholder Member, Fife Council	✓			
<b>A Haston</b> , Non-Executive Member	✓	✓	✓	✓
<b>A Lawrie</b> , Area Clinical Forum Representative	x	✓	x	✓
<b>K McDonald</b> , Non-Executive Member	✓	✓	✓	x
<b>In attendance</b>				
<b>K Booth</b> , Head of Financial Services	✓	✓	✓	✓
<b>A Brown</b> , Principal Auditor		✓	✓	✓
<b>C Brown</b> , Head of Public Sector Audit (UK), Azets	✓	✓	✓	✓
<b>P Cumming</b> , Risk Manager	x	✓	✓	✓
<b>A Ferguson</b> , Senior Audit Manager, Azets			✓	
<b>T Gaskin</b> , Chief Internal Auditor	✓	✓		
<b>Alistair Graham</b> , Associate Director of Digital & Information	✓		✓	✓ Item 8.2
<b>B Hudson</b> , Regional Audit Manager	✓	x	✓	✓
<b>A Hughes</b> , Senior, Azets			✓	✓
<b>K Jones</b> , Director of Audit & Assurance, Azets	✓	x		
<b>J Lyall</b> , Chief Internal Auditor		x	✓	✓
<b>G MacIntosh</b> , Head of Corporate Governance & Board Secretary	✓	✓	✓	✓
<b>Sally McCormack</b> , Associate Medical Director for Emergency Care and Planned Care				
<b>M McGurk</b> , Director of Finance & Strategy (Exec Lead)	✓	✓	✓	x
<b>Alan Mitchell</b> , Thomson Cooper				✓ Item 5.1
<b>C Potter</b> , Chief Executive	✓	✓	x	✓ Part
<b>Shirley-Anne Savage</b> , Associate Director of Quality & Clinical Governance	✓			x



	<b>23.06.23</b>	<b>31.08.23</b>	<b>13.12.23</b>	<b>14.03.24</b>
<b>J Tomlinson</b> , Director of Public Health				✓ Item 7.5

**BEST VALUE FRAMEWORK****Vision and Leadership**

A Best Value organisation will have in place a clear vision and strategic direction for what it will do to contribute to the delivery of improved outcomes for Scotland's people, making Scotland a better place to live and a more prosperous and successful country. The strategy will display a clear sense of purpose and place and be effectively communicated to all staff and stakeholders. The strategy will show a clear direction of travel and will be led by Senior Staff in an open and inclusive leadership approach, underpinned by clear plans and strategies (aligned to resources) which reflect a commitment to continuous improvement.

<b>REQUIREMENT</b>	<b>MEASURE / EXPECTED OUTCOME</b>	<b>RESPONSIBILITY</b>	<b>TIMESCALE</b>	<b>OUTCOME / EVIDENCE</b>
The Board has identified the risks to the achievement of its strategic and operational plans are identified together with mitigating controls.	Each strategic risk has an Assurance Framework which maps the mitigating actions/risks to help achieve the strategic and operational plans. Assurance Framework contains the overarching strategic risks related to the strategic plan.	<b>COMMITTEES</b>	Bi-monthly	Corporate Risk Register (to CG/FP&R/PH&W/SG Committees)
		<b>AUDIT &amp; RISK COMMITTEE</b>	5 times per year	Corporate Risk Register (to A&R Committee)
		<b>BOARD</b>	2 times per year	Board

## GOVERNANCE AND ACCOUNTABILITY

The “Governance and Accountability” theme focuses on how a Best Value organisation achieves effective governance arrangements, which help support Executive and Non-Executive leadership decision-making, provide suitable assurances to stakeholders on how all available resources are being used in delivering outcomes and give accessible explanation of the activities of the organisation and the outcomes delivered.

A Best Value organisation will be able to demonstrate structures, policies and leadership behaviours which support the application of good standards of governance and accountability in how the organisation is improving efficiency, focusing on priorities and achieving value for money in delivering its outcomes. These good standards will be reflected in clear roles, responsibilities and relationships within the organisation. Good governance arrangements will provide the supporting framework for the overall delivery of Best Value and will ensure open-ness and transparency. Public reporting should show the impact of the organisation’s activities, with clear links between the activities and what outcomes are being delivered to customers and stakeholders. Good governance provides an assurance that the organisation has a suitable focus on continuous improvement and quality. Outwith the organisation, good governance will show itself through an organisational commitment to public performance reporting about the quality of activities being delivered and commitments for future delivery.

REQUIREMENT	MEASURE / EXPECTED OUTCOME	RESPONSIBILITY	TIMESCALE	OUTCOME / EVIDENCE
Board and Committee decision-making processes are open and transparent.	Board meetings are held in open session and minutes are publicly available.  Committee papers and minutes are publicly available	<b>BOARD</b>  <b>COMMITTEES</b>	On going	Meetings publicly accessible  NHS website
Board and Committee decision-making processes are based on evidence that can show clear links between activities and outcomes	Reports for decision to be considered by Board and Committees should clearly describe the evidence underpinning the proposed decision.	<b>BOARD</b>  <b>COMMITTEES</b>	Ongoing	SBAR reports  EQIA forms



## USE OF RESOURCES

The “Use of Resources” theme focuses on how a Best Value organisation ensures that it makes effective, risk-aware and evidence-based decisions on the use of all of its resources.

A Best Value organisation will show that it is conscious of being publicly funded in everything it does. The organisation will be able to show how its effective management of all resources (including staff, assets, information and communications technology (ICT), procurement and knowledge) is contributing to delivery of specific outcomes.

REQUIREMENT	MEASURE / EXPECTED OUTCOME	RESPONSIBILITY	TIMESCALE	OUTCOME / EVIDENCE
NHS Fife maintains an effective system for financial stewardship and reporting in line with the SPFM.	Statutory Annual Accounts process	<b>AUDIT &amp; RISK COMMITTEE</b>	Annual	Statutory Annual Accounts Assurance Statements SFIs
NHS Fife understands and exploits the value of the data and information it holds.	Annual Delivery Plan Integrated Performance & Quality Report	<b>BOARD</b>  <b>COMMITTEES</b>	Annual  Bi-monthly	Annual Delivery Plan  Integrated Performance & Quality Report

## PERFORMANCE MANAGEMENT

The “Performance Management” theme focuses on how a Best Value organisation embeds a culture and supporting processes which ensures that it has a clear and accurate understanding of how all parts of the organisation are performing and that, based on this knowledge, it takes action that leads to demonstrable continuous improvement in performance and outcomes.

A Best Value organisation will ensure that robust arrangements are in place to monitor the achievement of outcomes (possibly delivered across multiple partnerships) as well as reporting on specific activities and projects. It will use intelligence to make open and transparent decisions within a culture which is action and improvement oriented and manages risk. The organisation will provide a clear line of sight from individual actions through to the National Outcomes and the National Performance Framework. The measures used to manage and report on performance will also enable the organisation to provide assurances on quality and link this to continuous improvement and the delivery of efficient and effective outcomes.

REQUIREMENT	MEASURE / EXPECTED OUTCOME	RESPONSIBILITY	TIMESCALE	OUTCOME / EVIDENCE
Performance is systematically measured across all key areas of activity and associated reporting provides an understanding of whether the organisation is on track to achieve its short and long-term strategic, operational and quality objectives	<p>Integrated Performance &amp; Quality Report encompassing all aspects of operational performance, Annual Delivery Plan targets / measures, and financial, clinical and staff governance metrics.</p> <p>The Board delegates to Committees the scrutiny of performance</p> <p>Board receives full Integrated Performance &amp; Quality Report and notification of any issues for escalation from Committees.</p>	<p><b>COMMITTEES</b></p> <p><b>BOARD</b></p>	Every meeting	<p>Integrated Performance &amp; Quality Report</p> <p>Code of Corporate Governance</p> <p>Minutes of Committees</p>

REQUIREMENT	MEASURE / EXPECTED OUTCOME	RESPONSIBILITY	TIMESCALE	OUTCOME / EVIDENCE
The Board and its Committees approve the format and content of the performance reports they receive.	The Board / Committees review the Integrated Performance & Quality Report and agree the measures.	<b>COMMITTEES</b> <b>BOARD</b>	Annual	Integrated Performance & Quality Report
Reports are honest and balanced and subject to proportionate and appropriate scrutiny and challenge from the Board and its Committees.	Committee Minutes show scrutiny and challenge when performance is poor as well as good; with escalation of issues to the Board as required	<b>COMMITTEES</b> <b>BOARD</b>	Every meeting	Integrated Performance & Quality Report  Minutes of Committees
The Board has received assurance on the accuracy of data used for performance monitoring.	Performance reporting information uses validated data.	<b>COMMITTEES</b> <b>BOARD</b>	Every meeting  Annual	Integrated Performance & Quality Report  Annual Accounts including External Audit report
NHS Fife's performance management system is effective in addressing areas of underperformance, identifying the scope for improvement, agreeing remedial action, sharing good practice and monitoring implementation.	Encompassed within the Integrated Performance & Quality Report	<b>COMMITTEES</b> <b>BOARD</b>	Every meeting	Integrated Performance & Quality Report  Minutes of Committees

REQUIREMENT	MEASURE / EXPECTED OUTCOME	RESPONSIBILITY	TIMESCALE	OUTCOME / EVIDENCE
<p>NHS Fife overtly links Performance Management with Risk Management to support prioritisation and decision-making at Executive level, support continuous improvement and provide assurance on internal control and risk.</p>	<p>Corporate Risk Register</p>	<p><b>AUDIT &amp; RISK COMMITTEE</b> <b>BOARD</b></p>	<p>Ongoing</p>	<p>Corporate Risk Register  Minutes of Committees</p>



## CROSS-CUTTING THEME – SUSTAINABILITY

The “Sustainability” theme is one of the two cross-cutting themes and focuses on how a Best Value organisation has embedded a sustainable development focus in its work.

The goal of Sustainable Development is to enable all people throughout the world to satisfy their basic needs and enjoy a better quality of life without compromising the quality of life of future generations. Sustainability is integral to an overall Best Value approach and an obligation to act in a way which it considers is most sustainable is one of the three public bodies’ duties set out in section 44 of the Climate Change (Scotland) Act 2009. The duty to act sustainably placed upon Public Bodies by the Climate Change Act will require Public Bodies to routinely balance their decisions and consider the wide range of impacts of their actions, beyond reduction of greenhouse gas emissions and over both the short and the long term. The concept of sustainability is one which is still evolving. However, five broad principles of sustainability have been identified as:

- promoting good governance;
- living within environmental limits;
- achieving a sustainable economy;
- ensuring a stronger healthier society; and
- using sound science responsibly.

Individual Public Bodies may wish to consider comparisons within the wider public sector, rather than within their usual public sector “family”. This will assist them in getting an accurate gauge of their true scale and level of influence, as well as a more accurate assessment of the potential impact of any decisions they choose to make. A Best Value organisation will demonstrate an effective use of resources in the short-term and an informed prioritisation of the use of resources in the longer-term in order to bring about sustainable development. Public bodies should also prepare for future changes as a result of emissions that have already taken place. Public Bodies will need to ensure that they are resilient enough to continue to deliver the public services on which we all rely.

REQUIREMENT	MEASURE / EXPECTED OUTCOME	RESPONSIBILITY	TIMESCALE	OUTCOME / EVIDENCE
NHS Fife can demonstrate that it is making a contribution to sustainable development by actively considering the social, economic and environmental impacts of activities and decisions both in the shorter and longer term.	Sustainability and Environmental report incorporated in the Annual Accounts process.	<b>AUDIT &amp; RISK COMMITTEE</b>  <b>BOARD</b>	Annual	Annual Accounts  Climate Change Template

## CROSS-CUTTING THEME – EQUALITY

The “Equality” theme is one of the two cross-cutting themes and focuses on how a Best Value organisation has embedded an equalities focus which will secure continuous improvement in delivering equality.

Equality is integral to all our work as demonstrated by its positioning as a cross-cutting theme. Public Bodies have a range of legal duties and responsibilities with regard to equality. A Best Value organisation will demonstrate that consideration of equality issues is embedded in its vision and strategic direction and throughout all of its work.

The equality impact of policies and practices delivered through partnerships should always be considered. A focus on setting equality outcomes at the individual Public Body level will also encourage equality to be considered at the partnership level.

REQUIREMENT	MEASURE / EXPECTED OUTCOME	RESPONSIBILITY	TIMESCALE	OUTCOME / EVIDENCE:
NHS Fife meets the requirements of equality legislation.	Evidence of equality considerations in Board’s decision-making structure	<b>BOARD</b> <b>COMMITTEES</b>	Ongoing	EQIA form on all reports
The Board and senior managers understand the diversity of their customers and stakeholders.	Equality Impact Assessments are reported to the Board and Committees as required and identify the diverse range of stakeholders.	<b>BOARD</b> <b>COMMITTEES</b>	Ongoing	EQIA form on all reports
NHS Fife’s policies, functions and service planning overtly consider the different current and future needs and access requirements of groups within the community.	In accordance with the Equality and Impact Assessment Policy, Impact Assessments consider the current and future needs and access requirements of the groups within the community.	<b>BOARD</b> <b>COMMITTEES</b>	Ongoing	Population Health & Wellbeing Strategy EQIA forms on reports
Wherever relevant, NHS Fife collects information and data on the impact of policies, services and functions on different equality groups to help inform future decisions.	In accordance with the Equality and Impact Assessment Policy, Impact Assessments will collect this information to inform future decisions.	<b>BOARD</b> <b>COMMITTEES</b>	Ongoing	EQIA forms on reports