

HEALTH GOVERNANCE COMMITTEE 2016/17 ANNUAL ASSURANCE STATEMENT

Purpose

1. The purpose of this paper is to assure the Health Governance Committee, subsequently Audit Committee and then the Board, that the Committee has fulfilled its scrutiny and governance functions successfully over the period from 1 April 2016 to 31 March 2017.

Background

2. For governance and assurance purposes the Health Governance Committee needs to prepare an annual statement that gives assurance on such matters as member attendance, appropriateness of meeting content, Committee role in line with the Terms of Reference (ToR) and Committee effectiveness. This statement is attached as Appendix 1.

Finance and Resource Implications

3. There are no specific finance and resource implications

Staff Partnership

4. There are no specific staff partnership implications

Communication and engagement

5. There are no specific communication matters.

Corporate Risk

6. There are no specific corporate risk issues. Corporate risk is included as part of each of the Committees meetings

Promoting Fairness

7. The Health Governance Committee has considered the promotion of fairness and human rights as part of its function and its scrutiny of Core Programmes

Sustainability and Environmental Management

8. There are no specific sustainability and environmental issues

Action/ Recommendations

9. The Health Governance Committee is requested to approve the Annual Assurance Statement

Andrew Fraser
Director of Public Health Science
25 April 2017

Appendix 1

ANNUAL STATEMENT OF ASSURANCE OF NHS HEALTH SCOTLAND HEALTH GOVERNANCE COMMITTEE FOR 1 APRIL 2016 – 31 MARCH 2017

Purpose of annual assurance statement

1. Each sub-committee (excluding Audit Committee) would prepare its own Annual Assurance Statement and submit it to the Audit Committee annually (early May)
2. The Audit Committee will then prepare its own overview report to the Board as part of its Annual Report to the Board (early June)
3. The Board on review of the Audit Committee Annual Report can approve the Annual Accounts (late June)

Committee Purpose (As per January 2017 Terms of Reference)

4. The role of the Health Governance Committee is to review the evidence that NHS Health Scotland's activities make an effective contribution to tackling health inequalities and improving health. This is to ensure the alignment of work with the ten agreed principles; do good, do no harm; fairness; sustainability; respect; participation; empowerment; social responsibility; openness; and accountability.
5. The Health Governance Committee will, on behalf of the Board, examine and comment on the quality (including the dimension of impact) of work in each of the Strategic Priorities that support the Strategy of the organisation. This will be themed under Knowledge into Action to reflect the Board's purpose.
6. The Health Governance Committee will do this through a programme of business that includes the proper sampling of the work undertaken by the Board.

7. The Committee will ascertain whether there is consistent evidence that Health Scotland's activities are achieving outcomes which provide the greatest opportunity to make a positive impact and promote action to reduce inequalities and improve health.
8. The Committee will consider specific illustrations from each of the Strategic Priorities within the organisational strategy. The scrutiny questions in Appendix 1 of the Terms of Reference (ToR) will be used to assist members.
9. This is to ensure that these activities and illustrations:
 - (a) are consistent with NHS Scotland Quality Ambitions of:
 - being safe
 - person-centred and
 - effective
 - (b) meet the three Health Governance Committee quality assurance standards of "Knowledge into Action":
 - Standard 1 – Knowledge generation
 - Standard 2 – Knowledge management
 - Standard 3 – Knowledge application
 - (c) meet the Board's role in quality assurance, embracing the European Foundation of Quality Management (EFQM) standards of:
 - Leadership
 - Strategy
 - People
 - Partnership and Resources
 - Processes, Products and Services
 - And the results for: People, Customer, Society and Business
10. This will embrace members considering the scrutiny questions framed around these EFQM standards in Appendix 1 of the ToR when scrutinising the Strategic Priority work.
11. The Committee will review illustrations of work that have made positive contributions, as well as evidence of work that have encountered challenge, generated learning and necessitated improvement measures.
12. Papers to the Health Governance Committee will indicate their purpose, either for decision, discussion or noting.
13. In addition to the Strategic Priority illustrations, the Health Governance Committee will receive items as follows:

- Reports on the risks assigned to the Health Governance Committee from the Corporate Risk Register at each meeting
- An annual report on the equality outcomes assigned to the Health Governance Committee
- An annual report on Significant Risks
- A bi-annual review of Health Governance effectiveness
- Annual Assurance Statement
- Annual Review of Terms of Reference
- Forward planner of business

Membership

14. The membership of the Health Governance Committee as of its first meeting in this period on 24 June 2016 to its last meeting of this period on 3 March 2017 is as follows:

- Chair: Paul Stollard (non-executive Board member)
- Michele McCoy (non-executive Board member)
- Jane-Claire Judson (non-executive Board member)
- Paul McColgan (non-executive Board member)

Terms of reference (ToR), effectiveness review and schedule of business

15. The Health Governance Committee (HGC) conducted a thorough review of its effectiveness and considered improvements for the Committee scrutiny and assurance processes during its meeting of 14 October 2016. The HGC approved the revised ToR at its meeting of 13 January 2017. The ToR was then ratified at the Board meeting of 24 March 2017. The HGC approved the 2017/18 schedule of business at its meeting of 3 March 2017. All HGC minutes have been homologated through the Board.

16. It should be noted that the 14 October 2016 meeting was not quorate. The meeting went ahead with those members present and others in attendance. Further to internal auditor advice and benchmarking against a similar event with another Committee, the members who gave their apologies were contacted to inform them that the meeting went ahead and seek their agreement to presenting the minutes of the meeting in October at the meeting of 13 January, briefly summarising proceedings and seeking homologation (the agreement of members) to the minute. This agreement was obtained.

17. For the October and all other meetings, there was timely preparation and presentation of the minutes.

18. The 2016/17 business of the Committee was as follows:

24 June 2016

- Approval of minutes from meeting 15 January 2016
- Matters arising
- Induction for new non-executive members
- **Core programme 2:** The Places and communities in which people live, support and promote good health. (Illustrations: Communities are socially connected and Community justice)
- Statement of Assurance and Annual Report
- Risks Assurance

14 October 2016

- **Core programme 3:** “System Wide Change for Health Equity” (Illustrations: Community Planning Partnerships (CPPs) and Integrated Joint Boards (IJBs))
- Improving Health Governance Committee (HGC) scrutiny and assurance process
- Governing, learning from and dealing with catastrophic, significant and other adverse events
- Corporate Risk Register Update
- HGC equality and diversity outcomes in year update report and proposal to revise Equality & Diversity outcomes for 2017-2021

13 January 2017

- Approval of minutes from 24 June and presentation of 14 October minutes
- Matters arising: action note
- **Core programme 4:** “The right of every child to good health” (Illustrations: Adverse childhood experiences (ACE) and Redesigning Health Information for Parents (ReHIP))
- Health Governance Committee 2015/16 Effectiveness Review
- 2017/18 Terms of Reference
- Governance of Risk

3 March 2017

- Approval of minutes from 13 January meeting
- Matters arising: action note
- **Core Programme 1:** Fundamental Causes (Illustrations: Informing Investment to reduce Inequalities (III), Excess mortality, Awards scheme and advice line)
- Governance of Risk
- Forward Planner for 2017/18 HGC Meetings

19. With a new Chair, the rest of the committee membership changed in its entirety over the course of the year. There was a thorough review of the remit and effectiveness of the Committee, and ways in which it could work to support the

Board in carrying out its assurance task. There is work ongoing to encourage broader learning from meetings, with invitations to staff who may not have direct dealings with the business, but have wider commissioning, improvement, knowledge-into-action and other roles.

20. The work to improve the reach of the Committee's considerations, and integration of learning, will continue in the coming year. Several learning points are not confined to the programme under consideration for a particular meeting, but for more general reflection and potential application. Senior staff are seeking ways to disseminate and apply these messages.

21. It will be for the future *Public Health Scotland*, of which NHS Health Scotland will be a part, to determine the future shape of scrutiny and assurance for the work of the organisation. We believe that the role and function of the Health Governance Committee is a suitable model for consideration in its effective scrutiny role.

Best value

22. The Health Governance Committee operates within the revised Best Value/EFQM framework which was approved by Audit Committee at their meeting of 8 June 2016. This includes application of EFQM as part of our work towards becoming an excellent organisation and which shows how, at the same time, the parameters of Best Value are being met.

Risk Management

23. The Committee has adopted the practice of regular review of risks relating to the specific items presented at each meeting, and the overall risks relevant to programme delivery and quality and aspects of impact of work.

Conclusions

24. As Chair of the Health Governance Committee during financial year 2016/17, 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 Standing Orders and the Corporate Governance remit as detailed in the Scottish Public Finance Manual (SPFM) (Appendix 2).

25. I pay tribute to the dedication and commitment of fellow members of the Committee and to all attendees, and I would thank all those members of staff who have prepared reports and attended meetings of the Committee.

(signed)"

Signed: Committee Chair

Appendix 1

Committee Member Attendance

24 June 2016

Present

Paul Stollard
Michele McCoy
Jane-Claire Judson

Apologies

Paul McColgan

14 October 2016

Present

Paul Stollard
Michele McCoy

Apologies

Jane-Claire Judson
Paul McColgan

13 January 2017

Present

Paul Stollard
Jane-Claire Judson
Paul McColgan
Michele McCoy

Apologies

None

3 March 2017

Present

Paul Stollard
Paul McColgan
Michele McCoy

Apologies

Jane-Claire Judson

Appendix 2**SPFM Extract from SPFM re Corporate Governance March 2016****Scope**

1. This section gives guidance on the governance statements to be provided by Accountable Officers as part of the annual accounts of all organisations to which the Scottish Public Finance Manual (SPFM) is directly applicable.

Background

2. A governance statement, for which the Accountable Officer takes personal responsibility, is a key feature of the organisation's annual report and accounts. It should cover the accounting period and the period up to the date of signature and provide the reader with a clear understanding of the organisation's internal control structure and its management of resources. The statement should be informed by work undertaken throughout the period to gain assurance about performance and risk management, providing an insight into the organisation's risk profile and its responses to identified and emerging risks.

Format

3. There is no set format for a governance statement. Essential features, however, are as follows:

- the governance framework of the organisation, including information about the Committee structure of the governing board (or equivalent) and the coverage of its work;
- the operation of the governing board (or equivalent) during the period;
- an assessment of corporate governance with reference to compliance with generally accepted best practice principles and relevant guidance*, and explanations where a different approach has been adopted;
- an assessment of the organisation's [risk management](#) arrangements and risk profile, including, subject to a public interest test, details of significant risk-related matters arising during the period;
- a record of any written authorities provided to the Accountable Officer; and
- details of any significant lapses of data security.

4. Any personal or confidential matters should be mentioned in suitably careful terms, with details reported to the external auditor.

Preparation

5. Preparation of the governance statement should be informed by:

- the views of the organisation's Audit (and risk) Committee on the assurance arrangements;
- the opinion of internal (and external) audit on the quality of the systems of governance, management and risk control;

- assurances from senior staff along the lines of the framework described in the section of the SPFM on [Certificates of Assurance](#); and
- feedback from the delegation chain(s) within the organisation about its business, its use of resources, its responses to risks, and the extent to which in-year budgets and other targets have been met.

Significant Issues

6. In putting together the governance statement the Accountable Officer needs to take a view on the extent to which issues are significant enough to warrant recording. Questions that may be helpful in exercising that judgement include:

- might the issue prejudice achievement of the business plan or other priorities?
- could the issue undermine the integrity or reputation of the organisation?
- what view does the Audit Committee take on the issue?
- what advice or opinions have internal audit and/or external audit given?
- might the issue make it harder to resist fraud or other misuse of resources?
- does the issue put a significant programme or project at risk?
- could the issue divert resources from another significant aspect of the business?
- could the issue have a material impact on the accounts?
- might financial stability, security or data integrity be put at risk?

External Audit

7. The organisation's external auditor (normally persons acting on behalf of the Auditor General for Scotland) will review the governance statement for its consistency with evidence collected in the course of auditing the financial statement and with other work undertaken by the external auditor during the period.

*includes relevant guidance in the SPFM and any sector specific guidance such as Section 2 of [On Board: A Guide for Board Members of Public Bodies in Scotland](#)