



## BOARD MEETING: 15 February 2019

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## BOARD GOVERNANCE SELF-ASSESSMENT

### Recommendation/action required:

The Board is invited to:

- Approve the process by which NHS Health Scotland has conducted our Governance Self-Assessment as satisfactory.
- Comment on and approve the NHS Health Scotland Governance Self-Assessment (Appendix 2).
- Approve the proposal that NHS Health Scotland will not produce an improvement plan for the last 9 months of its life as an NHS Board and note the 2 actions that have emerged as part of this review as detailed in paragraph 2 of this paper.
- Agree that a further 2019 NHS Health Scotland Board Annual Effectiveness Review is not required and the Governance Self-Assessment Report fulfils this function.
- Approve the proposal to share the Self-Assessment and suggestions and recommendations for the future governance arrangements of Public Health Scotland with the Public Health Reform Team and COSLA.

Author:

Sponsoring Director:

Della Thomas Executive and Governance Lead	Gerry McLaughlin Chief Executive
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## Board Governance Self-Assessment Proposals

### Purpose

1. This paper proposes a process and product by which NHS Health Scotland responds to the “NHS Scotland Blueprint for Good Governance” (previously shared with the Board in the November 2018 Board paper) and other governance benchmarks.
2. The process outlined in paragraphs 9 – 15 of this paper, aims to be proportionate, given that NHS Health Scotland has entered into our last nine months as a Board, producing a document that highlights governance good practice and learning for consideration by Public Health Scotland and identifies if there are any major areas for immediate attention and improvement for the NHS Health Scotland Board.

### Background

3. There has been a lot of attention around NHS governance over recent months. A number of reports and documents have been published or circulated, some of which are listed below. NHS governance has been the topic of discussion at the NHS Board Chairs and NHS Board CEOs meetings and is one of the Cabinet Secretaries four priorities.
  - The Health and Sport Committee report: “The Governance of the NHS in Scotland – ensuring delivery of the best healthcare for Scotland” was published 2 July 2018. An NHS Health Scotland Board member briefing was issued to Board members on 30 July 2018. The full report can be accessed [here](#)
  - The response from the Cabinet Secretary to the Health and Sport Committee report can be found [here](#)
  - The first stage of work from which the “Blueprint for Good Governance” emerged was conducted with NHS Highland and the report can be found [here](#)
  - The Audit Scotland NHS in Scotland 2018 published in October can be found [here](#).
  - The final version of the NHS Scotland Blueprint for Good Governance was issued to Board Chairs on 17 October 2018 and has since been issued formally to all NHS boards by Scottish Government on 1 February 2019.
  - The 2018 Audit Handbook [here](#) and key messages from the Institute of Internal Auditors (IIA) review of NHS Fife, NHS Tayside and NHS Forth Valley Audit and Management Services (FTF).
4. The Blueprint defines corporate governance as:
  - setting strategic aims
  - holding the executive to account for the delivery of those aims
  - determining the level of risk the Board is willing to accept
  - influencing the organisation’s culture
  - reporting to stakeholders on their stewardship.

5. At the time NHS Health Scotland agreed to conduct a desk based review against the Blueprint headings in November 2018, there wasn't a set of Self-Assessment questions relating to the Governance Blueprint for NHS Boards to use. These were currently being piloted in NHS Glasgow and Clyde Board and then further in NHS Lanarkshire.
6. A NHS Scotland Corporate Governance Steering Group was established towards the end of 2018. This includes membership from Board Chairs, Scottish Government, CEOs and Board Secretaries. This group has met several times and are progressing a series of "Once for Scotland" actions to support the implementation of the Blueprint, including the development of the questions.
7. The DL (2019) 02 NHS Scotland Health Boards And Special Health Boards - Blueprint For Good Governance, issued on the 1 February 2019, outlines that the Self-Assessment questions will be made available to all Boards in February and following receipt of the final version of the survey tool, all Boards members will be asked to complete the baseline survey in February 2019; Boards will hold their development event on the survey output and develop an appropriate action plan by the end of March 2019; this should enable a report on the outcome of the self-assessment to be published and discussed by the Boards at their meetings in April 2019.
8. Prior to the issuing of the DL, we have had discussion with Colin Brown Head of the Office of the Director General and Chief Executive NHSScotland and also discussed our response with our Scottish Government Sponsor Division. We have agreement from both parts of Scottish Government that our process as outlined below is acceptable given our stage as a Board.

## Process

9. The Blueprint document advises that the Self-Assessment questionnaire used by NHS Boards should be drafted to include questions on the delivery of the **functions, enablers and support** described in the corporate governance blueprint.
10. The NHS Health Scotland Self-Assessment has therefore been prepared using the Blueprint Corporate Governance **function, enablers and support** headings. It also includes reference to additional major themes highlighted by the Scottish Parliament Health and Sport Committee NHS Governance report for example Duty of Candour, Bullying and Harassment and Whistleblowing. The headings are as follows:

### The Functions

- Setting the Direction
- Holding to Account
- Assessing and Assuring Risk
- Engaging Stakeholders
- Influencing Culture including Duty of Candour, direct engagement with staff, eliminating bullying, discrimination and harassment - Whistleblowing

### The Enablers

- Board skills, experience, diversity
- Board and governance roles, responsibilities, accountabilities
- Board values, relationships, behaviours

### The Support

- Assurance information including Information Governance, Complaints and Serious Adverse Events
  - Audit Services including external and internal audit
  - Board governance administration arrangements
11. It was agreed at the 23 November 2018 Board meeting that a draft Self-Assessment document would be prepared for the Board to discuss and approve at 15 February 2019 Board meeting. This would focus on current good practice; highlight any gaps and frame learning for consideration by Public Health Scotland.
  12. The 23 November 2018 board meeting proposed and agreed that unless this process identified any areas that needed urgent attention and improvement, it was not intended that we would develop an improvement plan as we are in the last nine months of our life as an NHS Board.
  13. The Blueprint advises that the Self-Assessment should be validated and enhanced by the Board commissioning a tri-annual **independent review** of their corporate governance system. This should involve an initial desk based research exercise to consider relevant NHS Board documents; face-to-face interviews with Board Members and members of the Executive Leadership Team using a semi-structured interview technique and observation of Board and Standing Committee meetings. Since NHS Health Scotland will cease to exist as a board in nine months' time, this aspect is not applicable, but will be something for Public Health Scotland to consider in due course.
  14. The Executive and Governance Lead has reviewed the NHS Health Scotland governance approaches against the areas listed in paragraph 10 above. She has worked with the corporate executive leads from Staff Governance Committee, Audit Committee, Health Governance Committee and Remuneration Committee for peer support, review and challenge. She has also discussed the Self-Assessment process and initial findings with NHS Health Scotland's internal auditors to ensure alignment with the governance of change internal audit work.
  15. The Board considered and approved the Board Effectiveness Review at the 28 September 2018 Board meeting and asked for a report in 2019 on wider NHS Health Scotland governance processes and lessons learnt instead of a 2019 Board Annual Effectiveness Review. It is proposed that this Governance Self-Assessment Report would fulfil that function.

### The Self-Assessment Findings

16. The Self-Assessment can be found in Appendix 1 of this paper, for board comment and approval.
17. There are no findings that would raise concerns over our current governance processes. It is therefore not recommended that an improvement plan is necessary.
18. There are two sections of the Self-Assessment where action in the next nine months will or may be required these are as follows:
- Section 2.4 **Freedom Of Information (FOIs)**. The January 2019 Information Governance audit recommendation is to include FOI in Information Governance and Business Continuity Annual Statement of Assurance. This will be included in the future annual report to Audit Committee.
  - Section 5.4 **Whistleblowing**. New training materials will be available to Boards in relation to Whistleblowing. Once these materials are available the relevant staff will need to be trained in whistleblowing issues. It is likely that this will be appropriate in the next nine months of the NHSHS board's life, but it is less likely that this training will apply to HS Board non-executive members. A proposal should come to Staff Governance Committee in this regard.

### **Finance and Resource Implication**

19. There are no specific resource implications associated with this paper.

### **Staff Partnership**

20. There are no specific staff partnership implications associated with this paper.

### **Communication and engagement**

21. The specific communication and engagement implications associated with this paper, relate to the external NHS Corporate Governance Steering Group as the NHS Health Scotland Board Chair is a member of this group and the Executive and Governance Lead in her role as Chair of the National NHS Board Secretaries Group is also a member.
22. There is specific engagement required with our Scottish Government Sponsor Division, Public Health Reform colleagues and COSLA in terms of the suggestions for Public Health Scotland governance processes and approaches. It is recommend that the Executive and Governance Lead makes this report available to them further to its approval at February Board.

### **Corporate Risk**

23. There are no risks currently associated with this paper.

## Issues Associated with Transition

24. The main issues associated with transition arising from this paper are in relation to:

- Taking a proportionate approach by conducting a strategic Self-Assessment and as this process has not revealed any areas requiring significant improvement in the next nine months, an improvement plan for NHS Health Scotland has not been proposed. The final Self-Assessment, once approved, includes changes and improvements which may be helpful to Public Health Scotland and should be shared with the Scottish Government Public Health Reform Team as outlined in paragraph 22 of this paper.
- It should be noted that the Self-Assessment does not attempt to highlight the Board governance issues associated with Board governance transition. These are covered in the Board Governance Transition Action Plan paper also part of the 15 February 2019 Board meeting agenda and may be further developed in the internal audit of change and transition.

## Promoting Fairness

25. The principles and values of human rights and fairness are embraced within the working of the Health Scotland Board and the Board governance processes.

## Sustainability and Environmental Management

26. We continue to apply an approach to Board and Committee business that uses electronic devices and approaches as opposed to paper copies to contribute to environmental targets.

## Action/ Recommendations

27. The Board is invited to:

- Approve the process by which NHS Health Scotland has conducted our Governance Self-Assessment as satisfactory.
- Comment on and approve the NHS Health Scotland Governance Self-Assessment (Appendix 2).
- Approve the proposal that NHS Health Scotland will not produce an improvement plan for the last 9 months of its life as an NHS Board and note the 2 actions that have emerged as part of this review detailed in paragraph 18 of this paper.
- Agree that a further 2019 NHS Health Scotland Board Annual Effectiveness Review is not required and the Governance Self-Assessment Report fulfils this function.
- Approve the proposal to share the Self-Assessment and suggestions and recommendations for the future governance arrangements of Public Health Scotland with the Public Health Reform Team and COSLA.

Della Thomas

Executive and Governance Lead

2 February 2019

Appendix 1

NHS Health Scotland Board Governance Self-Assessment - January 2019

The Self-Assessment has been compiled using the following governance themes:

- **Setting the Direction (Function)**
- **Holding to Account (Function)**
- **Assessing and Assuring Risk (Function)**
- **Engaging Stakeholders (Function)**
- **Influencing Culture (Function) including key aspects from Health and Sport Committee NHS governance report**
- **Board Skills, Experience, Diversity (Enabler)**
- **Board and Governance Roles, Responsibilities, Accountabilities (Enabler)**
- **Board Values, Relationships, Behaviours (Enabler)**
- **Assurance Information (Support)**
- **Audit Services (Support)**
- **Board Governance Administration Arrangements (Support)**

Governance themes	Evidence of good progress	Progressing less well. Potential Gaps	Changes or improvements for NHS Health Scotland February- November 2019	Changes or improvements for Public Health Scotland Board to consider
<b>1. Setting the Direction (Function)</b>				
1.1 Board leadership, support and guidance to the organisation, including determining the organisation's purpose and ambition.	A Fairer Healthier Scotland strategy is evidence based and linked to annual planning with long, medium and short term organisational outcomes.	None	None	New Board Strategy required for Public Health Scotland (PHS) that embraces and continues A Fairer Healthier Scotland in the context of Public Health Reform and the whole public health system.
1.2 Budgets allocated, and scrutinised to deliver	Working within available funding, routine Audit Committee and Board reports.	None	None	A process and approach for the governance of organisational plans and financial scrutiny will be required.

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the operational plans.	The SFI appears at board on an annual basis.			
1.3 Agree aims, objectives, standards and targets for service delivery in line with Scottish Government's priorities.	10 prioritisation scores are used by staff to agree work put forward for Board approval on an annual basis. Service delivery has been agreed with the Scottish Government sponsor division as a result of the 2017 Annual Review and the 2018 Annual Self-Assessment of Board performance held 23 November 2018.	None	None	This function will require to be reviewed as the aims and objectives will be required to be set in line with Scottish Government <b>and</b> Local Government priorities.
1.4 Approve capital investment arrangements for the management of land, buildings and other assets belonging to or leased by the Board.	NHS Health Scotland doesn't have any significant capital investments. IT and equipment are included as a capital investment.	None	None	In time, PHS may have building assets to which this applies.
<b>2. Holding to Account (Function)</b>				



Governance themes	Evidence of good progress	Progressing less well. Potential Gaps	Changes or improvements for NHS Health Scotland February- November 2019	Changes or improvements for Public Health Scotland Board to consider
2.1 Monitor, scrutinise, challenge and then, if satisfied, support the Executive Leadership Team's management of the organisation's activities, in order to ensure that the organisation's aims, objectives, performance standards and targets are met.	Through collective Board Seminar discussion; scrutinising Board quarterly and annual performance reports, reports through Audit, Staff Governance and Health Governance Committees. Involvement of executive team members and other senior leaders as appropriate in board discussion and reporting.	Defining and measuring impact on a long term agenda such as health inequalities remains a challenge. The approach to impact has been a recent area for Board Seminar discussion (1 February 2019).	None	As the governance of Public Health Scotland (PHS) will involve Scottish Government <b>and</b> Local Government the impact the organisation will achieve and at what "level" will need to be agreed and processes for scrutiny developed. This will be an important component to include in new board members induction and on-going Board Development.
2.2 Ensure continuous improvement is embedded in all aspects of service delivery, identifying system failures and receiving assurances of remediation action.	EFQM quality approaches and assessment has formed part of the NHS Health Scotland (NHSHS) approach to quality as well as the Knowledge into Action (KIA) approach.  Health Governance Committee (HGC) have developed scrutiny questions based on EFQM quality standards to assist members and authors. These form part of the HGC ToRs.	The 2018 Audit handbook offers some useful scrutiny questions and a framework for Audit Committee members (Appendix 3).	None	The governance approach to improvement and quality of service delivery and clinical governance will need to be determined for/with the Public Health Scotland Board. As new members take up roles Public Health Scotland may wish to adopt the principle of HGC scrutiny questions to assist new members develop their scrutiny skills and roles.  Audit Committee scrutiny questions could be based upon the 2018 Audit Committee Handbook functions of an Audit Committee listed in Appendix 3 of this paper.

Governance themes	Evidence of good progress	Progressing less well. Potential Gaps	Changes or improvements for NHS Health Scotland February- November 2019	Changes or improvements for Public Health Scotland Board to consider
	Continuous improvement and learning has formed part of the rolling agenda for HGC.			Including improvement focused NHS governance for non-executive roles <a href="#">here</a> .
2.3 Ensure the application and implementation of fair and equitable systems of performance management for the Executive Leadership Team.	This is achieved through Remuneration Committee. This Committee considers executive performance and remuneration annually.	<p>The new 2018 UK Corporate Governance Code <a href="#">here</a> states: “The board should establish a remuneration committee of independent non-executive directors, with a minimum membership of three, or in the case of smaller companies, two.11 In addition, the chair of the board can only be a member if they were independent on appointment and cannot chair the committee. Before appointment as chair of the remuneration committee, the appointee should have served on a remuneration committee for at least 12 months.”</p> <p>At the time of the NHSHS Board Chair taking up the role of Chair of Remuneration Committee, the Executive and Governance Lead benchmarked with other NHS Boards and compared practice which revealed that</p>	None	<p>It is recommended that a Remuneration Committee is required for PHS and the membership and remit could be developed further to benchmarking with similar organizations elsewhere.</p> <p>Some other NHS Boards include “Succession Planning” as part of the remit of Remuneration Committee and consider “workforce” as per the <b>UK corporate governance code. Diversity and succession planning</b> – the new Code requires Boards to demonstrate how senior management and Board appointment and succession planning practices are designed to promote diversity, not only of gender but also of social and ethnic backgrounds. The Nomination Committee report will also need to explain its approach to succession planning, actions taken to promote diversity in the talent pipeline, the link between diversity and corporate strategic objectives and the gender composition of its senior managers.</p> <p>If PHS follows NHS staff governance recommendations then the Remuneration will be a sub-group of SGC, this is not the practice in other non NHS boards.</p> <p>It is recommended that PHS continues with the governance of the Equal Pay gap and its source (vertical segregation).</p>

Governance themes	Evidence of good progress	Progressing less well. <b>Potential Gaps</b>	Changes or improvements for NHS Health Scotland February- November 2019	Changes or improvements for Public Health Scotland Board to consider
		<p>Board Chairs also chaired the Remuneration Committee in other NHS Boards. Another benchmarking activity with one local NHS Board and two National NHS Board has been conducted in January 2019 and this has concluded that the local NHS Board Chair also chairs the Remuneration, however in the other 2 NHS Boards this is now not their practice.</p> <p>The NHS Scotland roles and responsibilities for Remuneration do not provide any guidance on Committee Chair. They do however advise that the Employee Director should be a member of Remuneration Committee and that there is a direct relationship with the Staff Governance Committee <a href="#">here</a>. The Employee Director is a member of the NHSHS Remuneration Committee.</p> <p>The new Code now requires the Remuneration Committee to "review workforce remuneration and related policies and the alignment of incentives and rewards with</p>		

Governance themes	Evidence of good progress	Progressing less well. Potential Gaps	Changes or improvements for NHS Health Scotland February- November 2019	Changes or improvements for Public Health Scotland Board to consider
		culture, taking these into account when setting the policy for executive director remuneration". The final new Guidance expands on this obligation and confirms that "workforce" in this context means those engaged under an employment contract or a contract, or other arrangement, to do work or provide services personally.		
2.4 Ensure compliance with the requirements of relevant regulations or regulators.	<p>This includes Governance and Partnership Frameworks; Records Management, Data Protection including Caldicott Guardianship, Information Governance, Risk Management, Business Continuity, Organisational Policies (PIN compliant for workforce policies, Health and Safety, FOI, Sustainability and Environmental Management, NHS Scotland Partnership Working, Public Sector Equality Duties.</p> <p>The process for reporting on the above is included as part of Board and Committee reports.</p> <p>HS reports on: -Data protection/IG through annual statement of assurance</p>	None	FOIs – Jan 2019 IG audit recommendation to include that in IG&BC Annual Statement of Assurance, so will be included in future reports to Audit Committee.	PHs will be required to consider their own board and committee process for compliance and a management operating model that will provide the assurances.

Governance themes	Evidence of good progress	Progressing less well. Potential Gaps	Changes or improvements for NHS Health Scotland February- November 2019	Changes or improvements for Public Health Scotland Board to consider
	<p>from the IG&amp;BC Group to the AC.</p> <ul style="list-style-type: none"> <li>-Risk through CRR updates to Committees and Board, Annual Report to Board and AC.</li> <li>-Business Continuity through Updated Plan going to CMT, is covered in -Annual Statement of Assurance from IG&amp;BC Group to the AC.</li> <li>-Significant Adverse Events Report to HCG and Board (new for 2018).</li> <li>-Policies through Workforce Policy Update to PF and SGC.</li> <li>-Sustainability and Environment through Report to AC.</li> </ul> <p>HS doesn't report on:</p> <ul style="list-style-type: none"> <li>-FOIs – Jan 2019 IG audit recommendation to include that in IG&amp;BC Annual Statement of Assurance, so will be included in future reports.</li> <li>-Records Management – No Annual Report, RM Policy approved via PF and SGC but currently suspended as waiting on SG RM CoP update.</li> </ul>			

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2.5 Safeguard and account for public money to ensure resources are used in accordance with Best Value principles.	As per Audit Committee role and reports and Board quarterly financial reports and annual report.  Health Scotland has a well-developed EFQM system which includes best value.	None	None	Recommendation that PHS applies the EFQM approach which includes best value.
<b>3. Assessing and Assuring Risk (Function)</b>				
3.1 Agree the organisation's risk appetite.	This is achieved through full Board on an annual basis.	None	None	PHS will require an approach to satisfy 3.1-3.4
3.2 Approve risk management strategies and ensure they are communicated to the organisation's staff.	This is achieved through full Board on an annual basis and then through work with staff as part of the Corporate Planning Tool and other approaches.	None	None	
3.3 Identify current and future corporate, clinical, legislative, financial and reputational risks.	The process of reporting and reviewing at each Committee meeting enables any new risks to be highlighted.  Risk is also a heading in all Board and Committee papers.	None	None	
3.4 Oversee an effective risk management system	Through the quarterly performance reports and	None	None	

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that assesses level of risk, identifies mitigation and provides assurance that risk is being effectively treated, tolerated or eliminated.	<p>through each Board Committee meeting.</p> <p>Audit Committee oversees risk on behalf of the Board.</p> <p>As per the Audit Committee Guidance 2018, the Committee acts as the conscience of NHSHS, providing insight and strong constructive challenge where required, such as on risks arising from fiscal and resource constraints, cyber-attack and transformation programmes. It also challenges the agility of the organisation to respond to emerging risks.</p>			
<b>4.Engaging Stakeholders (Function)</b>				
4.1 Involve stakeholders in the development of policies and the setting of priorities.	NHSHS as a board has engaged directly with Scottish Government Public Health Reform and our sponsor division during recent Board Seminar sessions 13 April, 5 October, 7 December 2018 and 1 February 2019. The 1 February 2019 Board Seminar has also included local authority representative inputs from Perth and Kinross Council.	NHSHS do not directly engage with or involve the public or citizens as part of the existing governance process and approach.	None	<p>A core principle of the UK Code of Corporate Governance is “Boards should determine which stakeholders they need to engage with directly, as opposed to relying solely on information from management”. Public Health Scotland will need to carefully consider the make-up of the Board in terms of direct experience and when the Board will wish to actively engage and <b>involve</b> which key stakeholders.</p> <p>The role of the Public Health Scotland Board in relation to public and citizen <i>engagement</i> and/or</p>

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	<p>In the past the Board have engaged with Food Standards Scotland Board members and a Health Promotion Manager representative as part of previous Board Seminars.</p> <p>The Board has involved stakeholders such as NHS CEOs, Local Authority CEOs, COSLA officers, a Deep End GP, Directors of Public Health and third sector representatives in our past Annual Review processes.</p> <p>As part of the skill and expertise of the makeup of the Board, we have included a local Acting Director of Public Health and two third sector members who bring direct experience of some of our important stakeholder groups.</p>			<p><i>involvement</i> will need to be developed in line with theories in relation to power sharing, addressing fundamental causes of health inequalities and Community Empowerment.</p>
<p>4.2 Take into account the views of stakeholders when designing services.</p>	<p>Members of NHSHS staff regularly engage and involve key external stakeholders. Stakeholder engagement plans are governed through board and HGC.</p> <p>The board has recently agreed to review the stakeholder engagement plans during the</p>	<p>None</p>	<p>None</p>	<p>As above</p>



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	transition period at each board meeting and the associated risk of “As a result of not engaging local authority and third sectors in creating the new public health body, key perspectives are not heard, reducing its credibility.”			
4.3 Ensure priorities are clear, well communicated and understood by all stakeholders, including staff, service users and the general public.	Priorities are clearly published on the NHSHS website and other forms of communication are also used for example social media, business meetings, workshops and conferences.	The general public are not a key stakeholder group for NHS Health Scotland as unlike local Boards we are not a direct patient facing board.	None	As above
4.4 Establish and maintain public confidence in the organisation as a public body.	Public confidence is important in relation to ensuring robust evidence and data for Scotland and our key stakeholders reputation for example through our work on Evaluating Scotland’s Alcohol Strategy (MESAS).	The general public are not a key stakeholder group for NHS Health Scotland as unlike local Boards we are not a direct patient facing board.	None	Public Health Scotland will govern more direct patient facing services than NHSHS and maintaining public confidence will be an increased governance issue.
4.5 Report on stewardship and performance and publish an Annual Report and Accounts.	Annual reports have previously been developed and published. Accounts are taken through Audit committee and board and published annually.  The HS annual report and accounts covers performance management and accounts.	It has been agreed that NHSHS will not produce a 2018/19 Annual Report or a 2019 Annual Report.	None	

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<b>5.Influencing Culture (Function) including aspects from Health and Sport Committee Report</b>				
5.1 Determine and promote shared values that underpin policy and behaviours throughout the organisation.	Values relating to reducing inequalities and human rights are embedded as part of the organisational approaches and evidence in governance reports and the strategic and operational plans.	None	None	New values to be promoted relating to joint governance and approaches between two spheres of government governing PHS.
5.2 Demonstrate the organisation's values and exemplify effective governance through Board Members' individual behaviours.	Board members uphold their conduct in line with <a href="#">OnBoard</a> . All Board members have received this publication. The five most recent appointments to the NHSHS Board have all received OnBoard face to face training. This covers values and code of member conduct.  All non-executive Board members have received annual appraisal meetings with the Board Chair.	None	None	As above
5.3 Develop a cultural blueprint consistent with the organisation's purpose and ambition that	NHS values based work are monitored and reported through the staff survey and i.Matters results, discussed with Partnership Forum and Staff Governance Committee.	None	None	PHS culture and behaviours could be understood through continued investment in i.Matters approaches and adopting NHS approaches to staff governance, consideration to other approaches may be required.

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describes an organisation where people are treated in line with the staff <a href="#">governance standard.</a>				This links with the PHR OD Commission recommendation with the values identified for PHS.
5.4 Eliminating Bullying, Discrimination and Harassment – Whistleblowing.	<p>The 19 October 2018 SGC meeting received a paper on steps being taken in NHSHS to increase staff confidence to report bullying, discrimination and harassment which was then submitted to Scottish Government as part of the information required for the NHS Staff Governance Monitoring Return. Drawing on data from our Dignity at Work Survey and i.Matters results.</p> <p>NHSHS adheres to the Staff Governance Standard, implementing Partnership Information Network (PIN) policies such as ‘Implementing and Reviewing Whistleblowing Arrangements in NHSScotland’.</p> <p>Following the recommendation of the Freedom to Speak Up review, Whistleblowing Champions were appointed in each health board in Scotland. The purpose of the</p>	None	<p><b>Whistleblowing</b> New training materials will be available to Boards in relation to Whistleblowing. Once these materials are available relevant staff will need to be trained in whistleblowing issues.</p> <p>It is likely that this will be appropriate in the next nine months of the NHSHS board’s life, but it is less likely that this training will apply to HS Board non-executive members. A proposal should</p>	<p>The SG are developing work to respond to the issues highlighted in the Scottish Government’s Health and Sport Committee Report. Some of the new guidance may be of assistance to PHS. As PHS will respond more directly to the governance of patient related issues whistleblowing and the links to Duty of Candour may become more overt than currently NHSHS experiences.</p> <p><b>Whistleblowing</b> The new materials may be helpful to PHS and the Whistleblowing policy will be required to be developed and the forthcoming creation of the post of Independent National Whistleblowing Officer (INWO) and the relationship this role will have with NHS Boards.</p> <p>The Health and Sport Committee Report recommended that the Scottish Government allow NHS boards to appoint individuals other than non-executive board directors to the role of Whistleblowing Champion and that there is staff involvement in the appointment process. This should be considered when appointing the PHS Whistleblowing Champion.</p> <p>Implications are training a non-executive champion and PHS staff.</p>

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	Champion is to provide an oversight and assurance role on whistleblowing. In line with the MEL that followed, the NHSHS Whistleblowing Champion is a non-executive (our Chair of SGC).		come to SGC in this regard.	
5.5 Duty of Candour The organisational duty of candour provisions of the Health (Tobacco, Nicotine etc. & Care) (Scotland) Act 2016 and The Duty of Candour (Scotland) Regulations 2018 came into force on 1 April 2018. Provisions are required to support the implementation of consistent responses across health and social care providers when there has been an unexpected event or incident that has resulted in death or harm, that is not related to the course of the condition for which the person is receiving care.	NHSHS have proposed through HGC, December that the Duty of Candour (2018) does not apply to NHSHS as a non-patient facing Board and this will come to Board in February 2019 for approval.	None	None	Duty of Candour will apply to PHS. Careful consideration required as to how the areas of health governance, clinical governance and information governance co-exist.

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<b>6.Board skills, experience, diversity (Enabler)</b>				
6.1 Skills and experience	The Board skills and experiences has been matched against the Board Skills, expertise matrix and the elements of the Blueprint. The board has been actively engaging with Scottish Government over recent months to ensure the right balance of skills and experience is maintained on the board during the governance transition period (Reported to Board through Board Governance Transition Action Plan).	None	None	It will be important for a skills, experience and diversity matrix to be developed as soon as possible for PHS for new board members and overall board composition to ensure the Board fulfils governance and strategic PHS intent as well as has the skills and expertise necessary to govern the public health agenda from a whole system approach.
6.2 Diversity	Good evidence of diverse board through different experience and contributions in line with skills, experience matrix.	None	None	Developing a diverse board takes careful planning, promotion and key stakeholder engagement during the recruitment stages of a Board, it is highly recommended PHS Chair and non-executive recruitment processes benefit from these approaches.
<b>7.Board and governance, roles, responsibilities, accountabilities (Enabler)</b>	All Board and Board Committees are appropriately strategic and the balance between board governance and operational business is well defined and understood.	None	None	PHS will need to determine all the board governance roles and ensure these are agreed and understood.  Prior to appointment of the PHS Board consideration should be given to appointing an appropriately skilled and experienced board executive and governance lead and board administration team alongside the Shadow Board.

Governance themes	Evidence of good progress	Progressing less well. Potential Gaps	Changes or improvements for NHS Health Scotland February- November 2019	Changes or improvements for Public Health Scotland Board to consider
7.1 Board Chair, Board Vice-Chair, Non-Executives, Executive Directors, Employee Director, Committee Chairs, Board Governance Lead and Board administration	All these roles are clearly understood and executed in line with the Blueprint.	Some other NHS Boards (e.g. NSS) include attendance of the Board Executive and Governance Lead/Board Secretary at Remuneration Committee meetings.	None	As above
<b>8. Board values, relationships, behaviours (Enabler)</b>	Board members operate within the NHS 2020 Workforce Vision Everyone Matters (June 2013) and the behaviours laid down by the Model Code of conduct for Members of Devolved Public Bodies (2014) and comply with rules regarding remuneration, allowances, expenses, gifts and hospitality, lobbying, register of interests and the confidentiality of information.	None	None	Shared values will be a key requirement for PHS. The Board member recruitment process would benefit from taking a values based approach to recruitment.
<b>9. Assurance Information (Support)</b>				
9.1 Information Governance	<p>Unlike some other NHS boards e.g. NSS, NHSHS does not have an Information Governance Committee of the Board.</p> <p>NHSHS has a separate Information Management approach and Information Governance Assurance is covered through Audit</p>	None	None	Information Governance requirements will increase for PHS and a separate Committee may be required. PHS may wish to consider mechanisms for Board or Board Committee governance of research and knowledge management.

Governance themes	Evidence of good progress	Progressing less well. Potential Gaps	Changes or improvements for NHS Health Scotland February- November 2019	Changes or improvements for Public Health Scotland Board to consider
	<p>Committee receiving reports on the effectiveness of data protection, FOI and other systems of control.</p> <p>The staff management group for Information Governance and Business Continuity Group have Terms of Reference agreed by the AC.</p> <p>The governance of research and knowledge management falls into the remit of HGC using the Knowledge into Action quality approach.</p>			
9.2 Complaints	<p>Complaints are managed and reported to the Board in line with The Patient Rights (Scotland) Act as amended by the Patient Rights (Feedback, Comments, Concerns and Complaints (Scotland) Directions 2017. We prepare and publish an annual report on complaints, feedback, comments and concerns. NHSHS reports NHSHS complaints and concerns and complaints and concerns received intended for other NHS Boards to each Board meeting. The Annual Report was received at the November 2018 Board.</p>	None	None	<p>The connections between complaints, Significant Adverse Events and the Duty of Candour, clinical and information governance will be required to be developed for PHS.</p>

Governance themes	Evidence of good progress	Progressing less well. Potential Gaps	Changes or improvements for NHS Health Scotland February- November 2019	Changes or improvements for Public Health Scotland Board to consider
9.3 Serious Adverse Events	<p>Particular serious adverse events will be scrutinised by the most relevant Committee.</p> <p>The HGC receives an annual report. These reports have not previously been taken through Board and therefore published. As per Health and Sport Committee and Blueprint recommendations this will now be the case for the 2018/19 report, coming to February 2019 Board for approval.</p>	None	None	The connections between complaints, Significant Adverse Events and the Duty of Candour, clinical and information governance will be required to be developed for PHS.
9.4 Performance Management, Quality Management, Financial Management, Human Resource, Management, Risk Management, Information Management, Complaints Management and Change Management	<p>All Management process are in place and report to Corporate Management Team and to Board and/or Board Committees for assurance and scrutiny.</p> <p>More recently the Management of Change and transition has becoming an increasingly larger agenda item for the organisation and the Board. As such a separate internal audit will concentrate on the governance of this aspect.</p>	None	None	The connections with the Board and Committee structure and terms of reference and the management structures and approaches PHS Target Operating Model) for PHS will need to be considered alongside one another.
<b>10. Audit Services (Support)</b>				



Governance themes	Evidence of good progress	Progressing less well. Potential Gaps	Changes or improvements for NHS Health Scotland February- November 2019	Changes or improvements for Public Health Scotland Board to consider
10.1 Audit Committee	Audit Committee is chaired by an experienced Non-executive with financial experience and qualifications and attended by the Chief Accountable Officer and the Head of Finance and Procurement. It has discharged its duties in line with the ToRs, SFI and schedule of business.	None	None	As per evidence of good practice section.
10.2 External audit	Provided by Deloitte as agreed	None	None	Deloitte are pursuing what external audit arrangements will be required by PHS.
10.3 Internal audit	<p>Provided by NHS Fife as agreed</p> <p>Internal audit of the governance of change and transition will be aligned with this self-assessment process to ensure there isn't duplication of effort.</p> <p>It is understood by CMT and other relevant parts of the organisation how internal audit adds value to the governance of the organisation and provides assurance on the management of strategic risks. There is clear explanation of why audits have been chosen, with a direct link to the risk register and interaction with the Audit Committee and Senior Management.</p> <p>In line with learning from NHS Tayside review, HS already</p>	None	None	The role and function of internal audit should be determined and understood so it brings governance value to PHS. Also detailed individual audit planning includes an understanding of risks, assurance, environment and performance, translation of the scope from the annual plan to the engagement in terms of the strategic risk focus and the risk mitigation actions should be clearly set out within the Assignment Plan as per the IIA review of FTF in NHS Tayside and the blueprint.

Governance themes	Evidence of good progress	Progressing less well. Potential Gaps	Changes or improvements for NHS Health Scotland February- November 2019	Changes or improvements for Public Health Scotland Board to consider
	reports to each Audit Committee the way we are mitigating risks.			
<b>11.Board governance administration arrangements (Support)</b>				
11.1 Strategic planning cycle that clearly indicates where the Board is involved in considering options, debating risk, giving approval and thereafter in monitoring delivery of the Board's strategic plans.	The Director of Strategy has taken the lead roles for ensuring this in place for the Board, Committees and business management.	None	None	Required for PHS - there is learning from the approach taken by HS and other organisations to ensure fit for purpose approach for PHS.
11.2 An integrated annual work programme and coordinated timetable for Board meetings, Board Seminars and Committee meetings. This programme should	The Board has benefitted from the creation of the role of Executive and Governance Lead and the creation of strategic overview of scheduling of board and executive business and strategic priorities.	None	None	Further to benchmarking with other NHS boards and review of Governance Blueprint standards, it is recommended that a senior member of staff is recruited to PHS that can fulfil a similar Executive and Governance function along with an administrative team.

<b>Governance themes</b>	<b>Evidence of good progress</b>	<b>Progressing less well. Potential Gaps</b>	<b>Changes or improvements for NHS Health Scotland February- November 2019</b>	<b>Changes or improvements for Public Health Scotland Board to consider</b>
<p>not only ensure that strategic planning is co-ordinated and the appropriate level of scrutiny is delivered, but also that decisions are taken in a logical sequence.</p>				
<p>11.3 A standard template and guidance on writing papers and reports, including setting the requirements for financial assessment and risk assessment of the impact of options presented to the Board.</p>	<p>The investment in time and effort to develop an improved internal culture for the development of effective reports and input to board and committees supported by face to face mentoring by lead Directors and the Executive and Governance Lead; guidance documents and paper templates has resulted in a more efficient and effective executive and governance process.</p>	<p>None</p>	<p>None</p>	<p>PHS will need to develop a similarly focused governance culture to benefit board and committee effectiveness and efficiency.</p>

Della Thomas  
 Executive and Governance Lead, 2 February 2019

## Appendix 3

### ANNEX F: KEY LINES OF ENQUIRY FOR AN AUDIT COMMITTEE

This list of questions is not intended to be exhaustive or restrictive nor should it be treated as a tick list substituting for detailed consideration of the issues it raises. Rather it is intended to act as a 'prompt' to help an Audit Committee ensure that their work is comprehensive.

#### On the strategic processes for risk, control and governance, how do we know:

- that the risk management culture is appropriate?
- that there is a comprehensive process for identifying and evaluating risk, and for deciding what levels of risk are tolerable?
- that the risk register is an appropriate reflection of the risks facing the organisation?
- that appropriate ownership of risk is in place?
- that management has an appropriate view of how effective internal control is?
- that risk management is carried out in a way that really benefits the organisation or is it treated as a box ticking exercise?
- that the organisation as a whole is aware of the importance of risk management and of the organisation's risk priorities?
- that the system of internal control will provide indicators of things going wrong?
- that the AO's annual governance statement is meaningful, and what evidence underpins it?
- that the governance statement appropriately discloses action to deal with material problems?
- that the organisation is appropriately considering the results of the effectiveness review underpinning the governance statement?

#### On risk management processes, how do we know:

- how senior management (and Ministers where appropriate) support and promote risk management?
- how well people are equipped and supported to manage risk well?
- that there is a clear risk strategy and policies?
- that there are effective arrangements for managing risks with partners?
- that the organisation's processes incorporate effective risk management?
- if risks are handled well?
- if risk management contributes to achieving outcomes?

**On the planned activity and results of both internal and external audit, how do we know:**

- that the Internal Audit strategy is appropriate for delivery of a positive reasonable assurance on the whole of risk, control and governance?
- that the periodic audit plan will achieve the objectives of the Internal Audit strategy, and in particular is it adequate to facilitate a positive, reasonable assurance?
- that Internal Audit has appropriate resources, including skills, to deliver its objectives?
- that Internal Audit recommendations that have been agreed by management are actually implemented?
- that any issues arising from line management not accepting Internal Audit recommendations are appropriately escalated for consideration?
- that the quality of Internal Audit work is adequate?
- that there is appropriate co-operation between the internal and external auditors?

**On the accounting policies, the accounts, and the annual report of the organisation, how do we know:**

- that the accounting policies in place comply with relevant requirements, particularly the *Financial Reporting Manual*?
- there has been due process in preparing the accounts and annual report and is that process robust?
- that the accounts and annual report have been subjected to sufficient review by management and by the Board and Accountable Officer?
- that when new or novel accounting issues arise, appropriate advice on accounting treatment is gained?
- that there is an appropriate anti-fraud policy in place and losses are suitably recorded?
- that suitable processes are in place to ensure accurate financial records are kept?
- that suitable processes are in place to ensure fraud is guarded against and regularity and propriety is achieved?
- that financial control, including the structure of delegations, enables the organisation to achieve its objectives with good value for money?
- if there are any issues likely to lead to qualification of the accounts?
- if the accounts have been qualified, that appropriate action is being taken to deal with the reason for qualification?
- that issues raised by the External Auditors are given appropriate attention?

**On the adequacy of management response to issues identified by audit activity, how do we know:**

- that the implementation of recommendations is monitored and followed up?
- that there are suitable resolution procedures in place for cases when management reject audit recommendations which the auditors stand by as being important?

**On assurances relating to the corporate governance requirements for the organisation, how do we know:**

- that the range of assurances available is sufficient to facilitate the drafting of a meaningful governance statement?

- that those producing assurances understand fully the scope of the assurance they are being asked to provide, and the purpose to which it will be put?
- what mechanisms are in place to ensure that assurances are reliable?
- that assurances are 'positively' stated (i.e. premised on sufficient relevant evidence to support them)?
- that the assurances draw appropriate attention to material weaknesses or losses which should be addressed?
- that the governance statement realistically reflects the assurances on which it is premised?

**On the work of the Audit Committee itself, how do we know:**

- that we are being effective in achieving our terms of reference and adding value to corporate governance and control systems of the organisation?
- that we have the appropriate skills mix?
- that we have an appropriate level of understanding of the purpose and work of the organisation?
- that we have sufficient time to give proper consideration to our business?
- that our individual members are avoiding any conflict of interest?
- what impact we are having on an organisation?