

Board Meeting: 20th March 2020

Standing Committee Assurance Statements

Recommendation/action required:

The Board is invited to approve that the Standing Committee reports provide them with assurance that the Committees which met during the 2019/20 period, have fulfilled their scrutiny and governance functions successfully. The financial year 2019/20, being the final transition year of NHS Health Scotland into Public Health Scotland.

Author:

Andrew Patience
Head of Finance & Procurement

Sponsoring Director:

Cath Denholm
Director of Finance

12 March 2020

NHS HEALTH SCOTLAND
AUDIT COMMITTEE ANNUAL REPORT
FINANCIAL YEAR 2019/20

Format

The format of this report follows the recommendations set out in the 2018 Audit and Assurance Committee Handbook.

Introduction

The Audit Committee is established under Board delegation with approved terms of reference that are aligned with the Audit and Assurance Committee Handbook, published in March 2018 by the Scottish Government. The Committee consists of six non-executive directors, has met on five occasions throughout the financial year and has discharged its responsibilities for scrutinising the risks and controls which affect all aspects of the organisation's business. Details of attendance by members at the five 2019/20 Audit Committee meetings are provided in the appendix to this report.

Principal review areas

This annual report is divided into eight sections reflecting the key duties of the Committee as set out in its terms of reference.

1. Governance, risk management and internal control

The Committee has reviewed relevant disclosure statements, in particular the Governance Statement (GS) together with the Head of Internal Audit's opinion, external audit opinion and other appropriate independent assurances, and considers that the GS is consistent with the Committee's view on the Board's system of internal control. Accordingly the Committee supports Board approval of the GS.

The Committee has reviewed the completeness of the risk management system and the extent to which it is embedded in the organisation. The management of risk

within NHS Health Scotland has improved significantly. The way in which risk is used continues to mature and is subject to continuous improvement and refinement.

2. Internal audit

Throughout the year the Committee has worked effectively with internal audit to strengthen the Board's internal control processes. The Committee has also in year:

- Received and considered the external audit review of the effectiveness of internal audit and considers the provision of the internal audit service sufficient in supporting the Committee in fulfilling its role.
- Reviewed and approved the internal audit strategy, operational plan and more detailed programme of work.
- Considered the major findings of internal audit and is assured that management have responded in an appropriate manner and that the Head of Internal Audit's opinion and the GS reflect any major control weaknesses.

3. External audit

- The Committee reviewed and agreed external audit's annual plan.
- The Committee reviews and comments on the reports prepared by external audit.

4 Management

The Committee has continually challenged the assurance process when appropriate and has requested and received assurance reports from the Board's management and various other sources both internally and externally throughout the year. This process has also included:

- Calling managers to account when considered necessary to obtain relevant assurance.
- The Committee working closely with the performance managers to ensure that the assurance mechanism within the Board is fully effective and that a robust process is in place to ensure that actions falling out of external reviews are implemented and monitored by the Committee.

5. Financial reporting

The Committee recognises the hard work that delivered the financial outcome for the year to date at 31 January 2020 and the year-end forecast to 31 March. Both the year to date financial surplus and the year-end forecast are a reflection of sound financial management.

6. Other matters worthy of note

The Committee has reviewed the process and controls the Board has put in place to achieve its financial obligations throughout the year. It further notes that the Board has achieved these financial obligations.

Agendas for Committee meetings have been in accordance with its approved annual cycle of business, and relevant matters were progressed appropriately throughout the year.

7. Review of the effectiveness and impact of the Audit Committee

The Committee has been active during the year in carrying out its duty in providing the Board with assurance (or not) that effective internal control arrangements are in place. Specifically the Committee has:

- Reviewed the Assurance Framework and Risk Register and influenced the drafting and ongoing development of these tools.
- Reviewed its compliance with the Audit Committee Handbook and undertaken a self-assessment against annexes F and H of the handbook. (See 11.3 in agenda papers for AC Meeting of 6 March 2020)
- In relation to information governance, the Committee received an annual report on this in March 2020.

8. Conclusion

The Audit Committee is of the opinion that this annual report is consistent with the GS, Head of Internal Audit's opinion and the external audit review, and there are no matters that the Committee is aware of at this time that have not been disclosed appropriately.

Signed: **Committee Chair** (signed)

6 March 2020

AUDIT COMMITTEE 2019/20

NAME	26 April 2019	7 June 2019	21 June 2019 CANCELLED	6 September 2019	15 November 2019	6 March 2020
Membership						
Russell Pettigrew	*	*		*	*	*
Ali Jarvis	*	*		*	*	*
Michael Craig	A	A		A	A	A
Paul McColgan	*from 10:45	*		*	*	*
Paul Stollard	*	*		*	*	*
Rani Dhir	*from 12:42	*from 10:47		*	*	A
Others attending						
Allan Wilson	*	Tony Gaskin		Tony Gaskin	*	Tony Gaskin
Andrew Patience	*	*		*	*	*
Cath Denholm	*	A		*	*	A
Conor Healy	*	*		Karlyn Watt	Rebecca McConnachie	Rebecca McConnachie
David Crichton	*	*		*	*	*
Della Thomas	*			*	A	
Gerry McLaughlin	*from 11:33	*		*	*	*
Nicole Smith	*	*		Marie Kerrigan	Lesley MacDonald	*

*** DENOTES IN ATTENDANCE**

STAFF GOVERNANCE COMMITTEE 2019/20 ANNUAL ASSURANCE STATEMENT

Purpose

1. The purpose of this paper is to assure the Staff Governance Committee, subsequently Audit Committee and then the Board, that the Committee has fulfilled its scrutiny and governance functions successfully during the financial year 2019/20 being the final transition year of NHS Health Scotland into Public Health Scotland.

Background

2. For governance and assurance purposes the Staff Governance Committee (SGC) 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 is the final statement of the SGC of NHS Health Scotland.

Finance and Resource Implications

3. There are no specific finance and resource implications.

Staff Partnership

4. Staff partnership has been an integral and key theme and our business capacity and focus of this SGC. The SGC is keen to record this, and the benefits it believes this has brought to its name and to NHS HS.

Communication and engagement

5. There are no specific communication matters.

Corporate Risk

6. There are no specific risk issues.

Issues Associated with Transition

7. The SGC set out a revised schedule of business for 2019/20 that would enable the Committee, on behalf of the Board, to seek assurance that NHS Health Scotland's workforce and all workforce related matters, were in a good position in order to pass on our health inequalities and health improvement legacy to Public Health Scotland. This Assurance Statement is part of that process of transition.

Promoting Fairness

8. The SGC has considered the promotion of fairness and the human rights of our staff as part of its function throughout its duration.

Sustainability and Environmental Management

9. There are no specific sustainability and environmental management implications. As with other Committees, the SGC have operated an approach to the use of electronic dissemination and brevity of papers.

Action / Recommendation

10. The Staff Governance Committee is asked to approve the final Assurance Statement for this Committee, noting that,
“The Staff Governance Committee, has fulfilled its scrutiny and governance functions successfully during the financial year 2019/20 being the final transition year of NHS Health Scotland into Public Health Scotland”.

**ANNUAL STATEMENT OF ASSURANCE OF NHS HEALTH SCOTLAND
STAF GOVERNANCE COMMITTEE
FOR 1 APRIL 2019 – 28 February 2020**

Purpose of annual assurance statement

1. Each sub-committee (excluding Audit Committee) prepares its own Annual Assurance Statement and submit it to the Audit Committee annually. In a normal business year, these statements would be prepared post 31 March and submitted to the Audit Committee in May. Given the extraordinary circumstances of this year, this report has been prepared for submission to the Committee's last meeting on 28 February 2020.
2. The Audit Committee will prepare a final overview report to the Board as part of its Annual Report to the last Board meeting on 20 March 2020.
3. This Statement of Assurance will form part of the final Accounts presented to the Board at Public Health Scotland for endorsement during its first business year 2020/21.

Committee Purpose (As per March 2019 Terms of Reference)

4. The role of the Staff Governance Committee has been to assure itself of the maintenance of a culture within NHS Health Scotland where the highest possible standards of staff management are the responsibility of everyone and are built upon partnership and collaboration.
5. It has sought to ensure that robust arrangements to implement the Staff Governance Standard are in place and monitored. This includes acting as the 'parent committee' of the Remuneration Committee, which reports to the Staff Governance Committee.
6. It has sought to also ensure that implementation of the Staff Governance Standard helped drive and support staff to achieve our Quality Ambitions, the Workforce 2020 Vision and the ambitions of our Strategic Framework for Action 2017-22 within a changing structural and policy landscape.
7. Recognising that 2019/20 was a transition year for Health Scotland into Public Health Scotland, the Committee's agenda and schedule of business paid due regard to the establishment of Public Health Scotland and other national plans and arrangements as they affect all Health Scotland staff.

Membership

Ms Ali Jarvis (Chair) (non-executive Board member)
Ms Jane-Claire Judson (non-executive Board member)
Ms Rani Dhir (non-executive Board member)
Ms Michele McCoy (non-executive Board member)

Mr Michael Craig (non-executive Board member)
 Ms Karen Donnelly (Staff Side)
 Ms Theresa King (part attendance as on maternity leave) (Staff Side)

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

8. The Terms of Reference were last reviewed (electronically) by the Committee on and agreed on 6 March 2019.
9. The Committee last reviewed its effectiveness on 10 May 2019.
10. The Committee's workcycle for 2019/20 at the joint PF/SGC meeting on 15th March 2019.
11. The 2019 business of the Committee was as follows:

STAFF GOVERNANCE COMMITTEE DRAFT WORK CYCLE 2018/19

SGC Date	SGC Agenda
10 May 2019	<p>Scheduled Items</p> <ul style="list-style-type: none"> • Work Cycle 2019/20 • Workforce Plan 2019/20 • Workforce Profile Data • SGC Annual Statement of Assurance 2018/19 • SGHD Annual Returns for noting • Equal Pay Audit & Statements <p>Standing Items</p> <ul style="list-style-type: none"> • Change & Transition • Partnership working (PF Update) • Workforce Policy
16 Aug 2019	<p>Scheduled Items</p> <ul style="list-style-type: none"> • iMatter Report (for noting) <p>Standing Items</p> <ul style="list-style-type: none"> • Change & Transition • Partnership working (PF Update) • Workforce Policy • Minutes of Remuneration Committee - (Backdate from 18 May 2018)
18 Oct 2019	<p>Scheduled Items</p> <ul style="list-style-type: none"> • Workforce Risk <p>Standing Items</p>

	<ul style="list-style-type: none"> • Change & Transition • Partnership working (PF Update) • Workforce Policy • Minutes of Remuneration Committee <p>Note: Meeting cancelled. Agreement with Chair and HR professional advisors to bring business to 13 December meeting.</p>
13 Dec 2019	<p>Standing Items</p> <ul style="list-style-type: none"> • Change & Transition • Partnership working (PF Update) • Workforce Policy • Review draft agenda for SGC final meeting (21 February 2020) • Minutes of Remuneration Committee
28 Feb 2020	<p>Final meeting</p> <ul style="list-style-type: none"> • Change & Transition final report (including staff transitioning numbers and issues) • Partnership working: Partnership Forum Final Report • Workforce Policy final report (includes a review and highlights any immediate workforce policy issues for NHSHS staff in PHS). • Staff Governance Action Plan Final Report • Staff Governance Committee Final Assurance Report • Minutes of Remuneration Committee

Regular items to be received at each Committee:

- Partnership working (Including Partnership Forum) Update
- Workforce Updates
- Remuneration Committee minutes

Best value

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

Risk Management

13. Two risks appearing on the 2019/20 Corporate Risk Register were explicitly monitored through the Staff Governance Committee.

14. These were:

- **19-4** As a result of decisions made on behalf of Public Health Scotland during the creation of the new organisation, there is a risk of an impact on NHS Health Scotland's ongoing staff governance responsibilities and related financial liabilities.
- **19-5** As a result of the impacts or perceived impacts on staff of the changes planned through the creation of Public Health Scotland and associated arrangements, there is a risk of an impact on productivity and staff turnover, and so we do not deliver all our commitments for 2019/20.

15. Reports were received at each meeting.

Conclusions

16. As Chair of the Staff Governance Committee during financial year 2019/20, 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 3).

17. Risk 19.4 as identified by both the staff governance and audit committees of NHS HS has indeed thrown up some unexpected challenges in relation to actual or perceived 'governance gaps' between the responsibilities of this Board and the new body. The SGC has remained attentive to how this affects its decision-making and how it impacts on staff confidence and morale. Wherever possible mitigation has been achieved through allocating NHS HS staff resource to working more closely with the changing structures of PHS as it has evolved.

18. I 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. I would also like to thank the administration staff for the timely preparation and circulation of all papers and their minute taking at the meetings.

19. Finally, in this final year of NHS Health Scotland and of this Staff Governance Committee, I would like to acknowledge the very satisfactory way in which the workforce strategies of this organisation have been led and governed with very strong regard to the core values of the organisation and to the national Staff Governance Standards. There are many examples of process and results which could be highlighted. I will highlight the results of the Health and Social Care Staff Experience Report 2019. NHS Health Scotland achieved an Employee Engagement Index score of 81 and was the top performer across all boards in Scotland for response rate and Action Planning. It was also the only board with all teams achieving results in the "Strive and Celebrate" band. These figures are not accidental. They are testament to the seriousness by which NHS Health

Scotland regards the welfare of its staff and its commitment to engage meaningfully with its workforce.

Signed: **Committee Chair** (signed)

Appendix 2

Committee Member Attendance

10 May 2019

Members present

Alison Jarvis (Chair)
Michael Craig
Rani Dhir
Karen Donnelly
Jane-Claire Judson
Michele McCoy (TC)

In attendance

David Crichton
Gerry McLaughlin
Cath Denholm
Della Thomas
Josephine White
Shonaidh Dyer (Items 8 – 10)
Erin Giles (Items 8 – 10)
Catherine Combe (Item 13)
Nicole Smith (minute)

Apologies

Theresa King

16 Aug 2019

Members present

Ali Jarvis (Chair)
Michael Craig
Karen Donnelly
Jane-Claire Judson
Michele McCoy

In attendance

David Crichton
Gerry McLaughlin
Della Thomas
Josephine White
Agnes Allan on behalf of Theresa King
Nicole Smith (minute)

Apologies

Rani Dhir
Jane-Claire Judson
Theresa King
Cath Denholm

13 December 2019**Members present**

Alison Jarvis (Chair)
Rani Dhir
Michael Craig
Theresa King

In attendance

David Crichton
Gerry McLaughlin
Cath Denholm
Josephine White
Agnes Allan on behalf of Karen Donnelly
Nicole Smith (minute)

Apologies

Michele McCoy
Jane-Claire Judson
Karen Donnelly
Della Thomas

28 February 2020**Members present**

Ali Jarvis (Chair)
Jane-Claire Judson
Michael Craig
Karen Donnelly
Theresa King

In attendance

David Crichton
Cath Denholm
Gerry McLaughlin
Josephine White
Nicole Smith (minute)

Apologies

Rani Dhir
Michele McCoy

REMUNERATION COMMITTEE 2019/20 ANNUAL ASSURANCE STATEMENT

Purpose

11. The purpose of this paper is to assure the Remuneration Committee, subsequently Audit Committee and then the Board, that the Committee has fulfilled its stated purpose as per its Terms of Reference during the financial year. This will allow the Audit Committee to prepare its own overview report to the Board as part of its Annual Report in asking the Board to approve the Annual Accounts.

Background

12. For governance and assurance purposes the Remuneration Committee 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

13. There are no specific finance and resource implications.

Staff Partnership

14. There are no specific staff partnership implications.

Communication and engagement

15. There are no specific communication matters.

Corporate Risk

16. The Remuneration Committee considers risks in relation to all subjects discussed. To help mitigate risk and ensure best governance practice, a bespoke decision assurance template is also completed at the end of each substantive decision-making item.

Issues Associated with Transition

17. The Remuneration Committee set out a revised schedule of business for 2019/20 that would enable the Committee, on behalf of the Board, to pay due regard to the establishment of Public Health Scotland and other national plans and arrangements as they affect all Health Scotland staff and particularly members of the Executive Team.

Promoting Fairness

18. The Remuneration Committee has considered the promotion of fairness and human rights as part of its function and its scrutiny of the Strategic Priorities as outlined in Appendix 1.

Sustainability and Environmental Management

19. There are no specific sustainability and environmental management implications. As with other Committees, the Remuneration Committee operate an approach to the use of electronic papers, reducing or eliminating hard copy.

Action / Recommendation

20. The Remuneration Committee is requested to approve the Annual Assurance Statement.

Cath Denholm
Director of Strategy
14 February 2020

*** It should be noted that since the meeting of the Remuneration Committee the joint Remuneration Committee Chairs have further reviewed the annual statement of assurance and made some additions and revisions in terms of points of accuracy as follows: sections 29, 30, 31, 32, 33, 34 (3rd paragraph) and an addition to allow for the signatures from both of the Committee Chairs.**

Appendix 1

ANNUAL STATEMENT OF ASSURANCE OF NHS HEALTH SCOTLAND REMUNERATION COMMITTEE FOR 1 APRIL 2019 – 14 February 2020

Purpose of annual assurance statement

20. Each sub-committee (excluding Audit Committee) will prepare its own Annual Assurance Statement and submit it to the Audit Committee annually (early March).
21. The Audit Committee will then prepare its own overview report to the Board as part of its Annual Report to the Board (late March).
22. The Board on review of the Audit Committee Annual Report can approve the Annual Accounts (late March).

Committee Purpose (As per March 2019 Terms of Reference)

23. The role of the Remuneration Committee is to ensure the application and implementation of fair and equitable pay systems and other related employment matters as set out in paragraph 6 of the Committee Terms of Reference, on behalf of the Board, as determined by Ministers and Scottish Government and described in MEL (1993) 114 and subsequent amendments. MEL (1993) 114 concerns arrangements for the pay of executive members of the Board and managers who are employed on Senior Manager Terms and Conditions.
24. The Remuneration Committee will do this through a programme of duties.
25. *Recognising that 2019/20 is a transition year for Health Scotland, the Committee's agenda and schedule of business will pay due regard to the establishment of the new public health body for Scotland and the National Boards Collaborative Delivery Plan.*

Membership

26. The membership of Remuneration Committee, as of its first meeting in this period on 1 April 2019 to its last meeting of this period on 14 February 2020 was as follows:
 - David Crichton (non-executive Board Chair and Chair of Remuneration Committee from 1 April 2019 – 27 Septemebr 2019)
 - Paul Stollard (non-executive Board member)
 - Ali Jarvis (non-executive Board member and Chair from 27 September 2019)
 - Russell Pettigrew (non-executive Board member)
 - Michael Craig (non-executive Board member and Employee Director)

Terms of reference (ToR), effectiveness review and programme of duties

27. The Remuneration Committee electronically approved the existing version of the ToR as detailed in paragraphs 4-6 above in March 2019 and they were ratified at the Board meeting on 22 March 2019. At this meeting the Remuneration Committee recognised that 2019/20 was a transition year for the organisation and as part of the governance of transition a new paragraph was added to the ToR to reflect this (para 6 of this paper refers).

28. The agreed ToR noted the programme of duties the Remuneration Committee would work to:

- Approve any process to appoint a Chief Executive or Director of the Organisation, noting job descriptions, job evaluations, contracts and terms and conditions of employment, including associated benefits.
- Approve the basic pay and benefits (including termination of benefits) of the Executive Team, where the Senior Management Terms and Conditions apply and with particular regard to the implications of any changing governance arrangements in connection with the establishment of Public Health Scotland or wind-up of NHS Health Scotland.
- Agree the use of discretionary flexibility within national pay arrangements, including the allocation of discretionary points under the medical and dental terms and conditions of service for the Executive Team.
- Review and approve the annual performance objectives of the Executive Team. The Committee also has the right to request a review of mid-year performance.
- Approve the performance ratings for the Executive Team following end of year appraisal and the implementation of any associated performance related pay increase, where the senior management pay cohort regulations apply.
- Ensure that effective arrangements have been made for setting of annual objectives, annual approval of performance ratings for members of staff remunerated and any other processes related to pay and terms and conditions of service to any other staff who are employed on Senior Management Terms and Conditions but not part of the Executive Team.
- Maintain an overview of all Early Departures within NHS Health Scotland in order to assure, on behalf of the Board, the effective governance and corporate risk management of all such arrangements. Specific duties include:
 - Agree and review NHS Health Scotland's policy of voluntary redundancy as it applies both to schemes that are open for periods of time to all staff or a specific group of staff, and also as it applies to staff individually exercising their right to apply for voluntary redundancy.
 - Recommend to the Board the approval of any voluntary redundancy scheme that is to be open for a period of time to all staff or a specified group of staff, including agreeing the objectives, time

frame and any limits of such an initiative. Oversee the appropriate implementation of such a scheme within agreed processes and assure itself of an appropriate outcome of any such initiative.

- Maintain an overview of arrangements where authority for decisions with regard to voluntary redundancy or other forms of early departure have been delegated to the CEO.
- Approve, through the consideration of a business case, any recommendation made by the CEO with regard to voluntary redundancy or other forms of early departure where authority is not delegated to the CEO under the terms of the voluntary redundancy policy, satisfying itself that appropriate processes have been followed and that the decision to terminate the individual's contract of employment on these terms represents good value for money and is a defensible decision by the Board.
- Receive and approve reports on the management and governance of early departures at NHS Health Scotland at least 6 monthly or more often as necessary, and report at least annually to the Audit Committee, Staff Governance and Board on agreed aspects of the management of early departures.

- Ensure itself and others that all decisions reached by the Committee are determined through a fair and justifiable process, as laid out in the Audit Scotland Remuneration Committee 'Framework of Key Questions' (2007).
- Comply with national circulars or directions from Scottish Government or Ministers that relate to guidance on remuneration or terms and conditions of employment.
- Ensure good communication and relationships with other standing committees of the Board.
- Ensure Remuneration Committee members are provided with appropriate information and training to support them in carrying out their roles.

29. The Committee reviewed its effectiveness for the period of 2018/19 on 8 February 2019 and subsequently reviewed Committee effectiveness again at the meeting of 6 September 2019.

30. At the Remuneration Committee meeting of 6 September 2020, changes were approved to the Remuneration Committee ToRs in line with the Health Scotland Remuneration Improvement Plan and the forthcoming changes to revise 2015 guidance on settlement and severance arrangements (2019) and the Severance Policy for Scotland (2019).

31. The Committee agreed that the Remuneration Improvement Plan would be referred to as the "Remuneration Enhancement Plan". The revised Remuneration Committee ToRs were approved by full Board at the meeting of 27 September 2019. At this same Board meeting, the Board approved the appointment of Ali Jarvis as Chair of the Remuneration Committee.

32. All redacted Remuneration Committee minutes have been received through the Staff Governance Committee. Staff Governance Committee minutes have subsequently all been noted by the Board.

33. The Remuneration Committee schedule of business is part of a rolling programme. The sign off of objectives and appraisals for the Executive Team, as detailed in CEL (2009) 12, are standard annual items scheduled for meetings in May and June each year respectively and specific annual reports are also received by the Committee at those meetings. As 2019/20 is the final year of the NHS Health Scotland Board, the Remuneration Committee agreed to receive Executives' mid/late year reviews at the meeting of the 14 February 2020. Additional meetings were scheduled for ad hoc business, such as consideration of business cases for early departure that fall within the remit of the Remuneration Committee to consider. These additional meetings took place on 6 September 2019 and 28 February 2020.

34. The 2019/20 business of the Committee was as follows:

17 May 2019

Review and approval of annual performance objectives for the Executive Team
TURAS (verbal update)
Change & Transition Update
Annual update on Honorary Contracts
Remuneration Committee Annual Assurance Report
Reporting on early departures
Change & Transition Update

7 June 2019

Update on personal objections for CEO
Performance Management Appraisals for staff in Executive & Senior Managers Cohort

6 September 2019

Transition to Public Health Scotland: Options for Senior Managers
Remuneration Committee Improvement Plan
Revised Remuneration Committee Terms of Reference (ToR)
Audit Scotland Remuneration Committee Framework Questions

22 November 2019

Consideration of the revised 2015 guidance on settlement and severance arrangements (2019) and the "Severance Policy for Scotland (2019)
Reporting on early departures
Consideration of any applications for discretionary points under medical terms and conditions
Remuneration Committee Enhancement Plan : Progress Report
Remuneration Committee revised schedule of business (for assurance in terms of finalisation of Committee business)
Audit Scotland Remuneration Committee Key Questions Framework

14 February 2020

Final report on Committee business
Executives' mid/late year reviews
Audit Scotland key questions Framework

Best value

35. The Remuneration 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.
36. 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 Remuneration Committee is a suitable model for consideration in its effective scrutiny role.

Risk Management

37. The Remuneration Committee considers risks in relation to all subjects discussed. To help mitigate risk and ensure best governance practice, a bespoke decision assurance template is also completed at the end of each substantive decision-making item.

Conclusions

38. As Chairs of the Remuneration Committee during the financial year 2019/20, we are 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 3).
39. We pay tribute to the dedication and commitment of fellow members of the Committee and to all attendees. We would thank all those members of staff who have prepared reports and attended meetings of the Committee. We would also like to thank the administration staff for the timely preparation and circulation of all papers and their minute taking at the meetings.

_____ (signed)

Signed: Committee Chair (from 1 April 2019 – 27 September 2019)

_____ (signed)

Signed: Committee Chair (from 27 September – 31 March 2020)

Appendix 2

Committee Member Attendance

17 May 2019

Present

David Crichton (Chair)
Russell Pettigrew
Ali Jarvis
Michael Craig

In attendance

Gerry McLaughlin (Chief Executive)
Erin Giles (HR)
Marie Kerrigan (Minute)

Apologies

Paul Stollard (Member)
Cath Denholm (Director of Strategy)

7 June 2019

Present

David Crichton (Chair)
Ali Jarvis
Paul Stollard
Russell Pettigrew
Michael Craig

In attendance:

Gerry McLaughlin (Chief Executive)
Erin Giles (HR)
Marie Kerrigan (Minute)

Apologies

Cath Denholm (Director of Strategy)

6 September 2019

Present

David Crichton (Chair)
Ali Jarvis (Chair for item 6)
Paul Stollard
Russell Pettigrew

In attendance

Jacqui Jones (HR - NSS)
Della Thomas (Executive & Governance Lead)
Marie Kerrigan (Minute)

Apologies

Michael Craig (Member)
Cath Denholm (Director of Strategy)
Shonaidh Dyer (HR)

22 November 2019**Present**

Ali Jarvis (Chair)
David Crichton
Paul Stollard
Russell Pettigrew
Michael Craig

In attendance

Gerry McLaughlin (Chief Executive)
Erin Giles (HR)
Della Thomas (Executive & Governance Lead)
Marie Kerrigan (Minute)

Apologies

Cath Denholm (Director of Strategy)

14 February 2020**Present**

Ali Jarvis (Chair)
David Crichton
Paul Stollard
Michael Craig

In attendance

Erin Giles (HR)
Gerry McLaughlin (Chief Executive)
Marie Kerrigan (Minute)

Apologies

Russell Pettigrew (Member)

28 February 2020

Ali Jarvis (Chair)

David Crichton
Paul Stollard
Russell Pettigrew
Michael Craig

In attendance

Jacqui Jones (HR Director, NSS)
Chris Reeves (Central Legal Office)
Marie Kerrigan (Minute)

Appendix 3

SPFM Extract from SPFM re Corporate Governance March 2016

1. Scope

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.

2. Background

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.

3. Format

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.

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

4. Preparation

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.

5. Significant Issues

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?

6. External Audit

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](#)

