

ANNUAL STATEMENT OF ASSURANCE FOR THE AUDIT & RISK COMMITTEE 2022/23

1. Purpose of Committee

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

2. Membership of Committee

- 2.1 During the financial year to 31 March 2023, membership of the Audit & Risk Committee comprised:

Martin Black	Chair / Non-Executive Member (to November 2022)
Alastair Grant	Chair / Non-Executive Member (from December 2022)
Cllr David Graham	Non-Executive Stakeholder Member, Fife Council (to May 2022; reappointed from August 2022)
Anne Haston	Non-Executive Member (from December 2022)
Aileen Lawrie	Non-Executive Stakeholder Member, Area Clinical Forum
Kirstie MacDonald	Non-Executive Member (Whistleblowing Champion)
Arlene Wood	Non-Executive Member (from May to July 2022)

- 2.2 Arlene Wood, Non-Executive Board Member, was co-opted to the Committee during the summer 2022 period, in order to ensure quoracy of meetings whilst the Board was without a Fife Council Stakeholder member due to local authority elections and subsequent external body nomination considerations. She stood down from the Committee in July 2022, after attending the meetings related to the approval of the year-end material and annual statutory accounts.
- 2.3 The Committee may choose to invite individuals to attend the Committee meetings for the consideration of particular agenda items, but the Chief Executive, Director of Finance & Strategy (who is also the Executive lead for risk), Head of Financial Services & Procurement, Risk Manager, Board Secretary, Chief Internal Auditor and statutory External Auditor are normally in routine attendance at Committee meetings. Other attendees, deputies and guests are recorded in the individual minutes of each Committee meeting.

3. Meetings

- 3.1 The Committee met on seven occasions during the year to 31 March 2023, on the undernoted dates:
- 18 May 2022
 - 16 June 2022
 - 29 July 2022 (Approval of Annual Accounts)
 - 12 September 2022
 - 5 December 2022
 - 13 February 2023 (Development Session)
 - 15 March 2023

3.2 The attendance schedule is attached at Appendix 1.

4. Business

4.1 The range of business covered at meetings held throughout the year, as further detailed below, demonstrates that the full range of matters identified in the Audit & Risk Committee's remit is being addressed. In line with its Constitution and Terms of Reference, reviewed annually in March 2023, the Committee has considered standing agenda items concerned with the undernoted aspects:

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

4.2 The Audit & Risk Committee's first meeting of the 2022/23 reporting year took place in May 2022, where a number of papers related to preparations for the 2021/22 statutory accounts process were considered. The Committee scrutinised audit planning memoranda for the Patients' Private Funds and also a timeline for the Board's annual accounts preparation, for members' awareness around key deadlines to be met. The draft Governance Statement was reviewed and comments given prior to its final consideration as part of the July annual accounts meeting. An initial draft of the Risk Management Annual Report for 2021/22 was considered by members, with a number of comments made to be reflected in the final iteration. An update on internal audit progress against delivery of the 2021/22 Internal Audit Plan was also discussed, with members noting the final outstanding areas of work as conclusion of the year-end process approached. An initial draft of the Internal Audit Annual Plan for 2022/23 was considered, noting its alignment to the strategic planning process, risk management developments and creation of the Board's new Population Health & Wellbeing Strategy. Notification of the appointment of new External Auditors, Azets, for an initial term of five years, was given to members, effective for the 2022/23 financial reporting year. An introductory presentation outlining Azets' values and principles was given to members in September 2022, providing members with an opportunity to meet the team assigned to the Fife Health Board audit.

4.3 Meetings in June and July 2022 scrutinised in full the governance-related year-end documentation, auditor reports and statutory financial statements for 2021/22. This included the Board's annual accounts, plus the Patients' Private Funds and Service Auditor Reports on Third Party Services provided on behalf of NHS Fife by NHS National Services Scotland (NSS) and NHS Ayrshire & Arran. Each of the service auditor reports gave an unqualified opinion, indicating an improved position on the previous year from NSS specifically. The Committee's own assurance statement to the Board, detailing its work over the year, was reviewed and finalised and the internal audit report concerning the Fife Integration Joint Board was considered for assurance purposes.

4.4 In reference to External Audit, the Committee has considered in detail the annual audit report on 2021/22 (from Audit Scotland) and the audit plan for the year ahead (from the Board's new external auditors, Azets). The annual audit report includes a report to those charged with governance on matters arising for the audit of the annual financial statements, as well as

comment on financial sustainability, governance and best value. The Committee has also considered national reviews undertaken by Audit Scotland, including their report 'NHS in Scotland 2022', and its implications locally. The Committee has also approved the planning memorandum for the 2023/24 accounts cycle, for the Patients' Private Funds from the respective External Auditor, and has noted the approval by the Board of Trustees of the planning memorandum for the audit of Endowment Funds held by Fife Health Charity. The Committee considers the content of Audit Scotland Technical Bulletins on a regular basis, noting the areas therein of relevance to public sector bodies and health boards specifically.

- 4.5 For assurance purposes, the Audit & Risk Committee has considered the annual assurance statements of each of the governance committees of the Board, namely: the Clinical Governance Committee; the Finance, Performance & Resources Committee; the Public Health & Wellbeing Committee; the Remuneration Committee; and the Staff Governance Committee. These detail the activity of each committee during the year, the business they have considered in discharging their respective remits and an outline of what assurance the Board can take on key matters delegated to them. No significant issues were identified from these reports for disclosure in the financial statements, as per the related content of the Governance Statement.
- 4.6 Appropriate assurance has been provided that each Committee has fulfilled their key remit areas on behalf of the Board during the reporting year. The Clinical Governance Committee report has provided due reflection on the assurance that can be taken around matters of clinical quality and safety, information security & governance, digital & information, resilience and Health & Safety. The Finance, Performance & Resources Committee has closely monitored the position in relation to the Board's financial targets and delivery progress thereon, and has also considered key performance targets around waiting times and delivery of clinical services. The Public Health & Wellbeing Committee has responsibility for oversight of the Board's seasonal flu and Covid vaccination delivery programme and delegated community-based services, plus scrutiny of development of the Board's new organisational Population Health & Wellbeing Strategy and related work around health inequalities. The Staff Governance Committee has received regular updates on recruitment to support key programmes and staff development activities, in addition to ongoing detail on staff well-being initiatives and work underway to reduce sickness absence. The Remuneration Committee has completed its usual business of Executive cohort performance appraisal and objective setting. Further detail on all these areas can be found within the individual Committee reports mentioned above. In addition to the Committee reports, the individual Executive Directors' Assurance letters have provided helpful detail on the internal control mechanisms and mitigation of risks within individual portfolios and Directorates.
- 4.7 In reference to the Fife Integration Joint Board, due to its own year-end accounts approval timeline, it is not possible for the NHS Fife Board to receive a final version of an assurance statement from the IJB prior to the Board's approval of its own statutory financial accounts in June 2023. The Committee has, however, taken assurance from a formal letter received from the Chair of the IJB's Audit & Assurance Committee providing assurance on the adequacy of the governance and internal control environment of that body. The Committee will consider the final IJB Internal Audit report at its meeting in August 2023.
- 4.8 Since February 2023, the NHS Fife Payroll process has been provided by NSS via the South East Payroll Consortium, following the TUPE transfer of NHS Fife payroll staff to the new service. NHS Fife has asked NSS to consider and provide suitable assurance for the continuity of the service to the various partner boards and their auditors, and the plan for that was considered by the Committee at its March 2023 meeting. This details a three-year period over which the development of a full service audit report will be created, which the Committee has endorsed and taken assurance from.
- 4.9 In relation to internal audit, members have reviewed and discussed in detail at meetings the annual audit plans; the interim evaluation of the internal control framework at the mid-year point (January 2023); reports from the internal auditors covering a range of service areas; and

management's progress in completing audit actions raised, through regular follow-up reporting. At the July 2022 meeting, members discussed the Annual Internal Audit Report for 2021-22, welcoming the auditors' opinion that there were adequate and effective internal controls in place and that the Accountable Officer has implemented a governance framework in line with the required guidance, sufficient to discharge the responsibilities of the role. The conclusions of the report were largely positive, which the Committee noted was an achievement, given the backdrop of another challenging year of high demand on NHS Fife's services. The findings of the report were appropriately built into the programme of reviews detailed in the Internal Audit Plan for 2022/23, approved by the Committee at its June 2022 meeting.

- 4.10 The Committee considered at its September 2022 meeting the findings of the External Quality Assessment of the Internal Audit service, noting the positive assessment therein. At the same meeting, members also approved a draft Internal Audit Joint Working and Reporting Protocol with the Fife Integration Joint Board, which aims to ensure effective working between partners and the flow of information across the respective governance structures, in order to enhance the assurances between partners. The new Joint Working and Reporting Protocol also sets out the working relationships between the Internal Audit departments in the Health Board and Fife Council and thereby assures this Audit & Risk Committee that the arrangements are well-structured and efficient. An updated Internal Audit Framework was also approved by the Committee at its March 2023 meeting.
- 4.11 In relation to internal audit follow-up work, whilst improvements in reducing the number of outstanding actions have been seen in this reporting year, the Committee has noted that further effort is required to enhance the effectiveness and timeliness of completing audit recommendations. The Director of Finance & Strategy continues to pursue this as a priority action, with quarterly consideration of the outstanding actions by the Executive Directors' Group to drive forward prompt resolution. The assistance of Internal Audit in supporting strong improvements in the areas of information governance and security and risk management was recognised by the Committee, with helpful input from individual audit colleagues to adopting best practice reporting in these areas.
- 4.12 On behalf of the Board, the Audit & Risk Committee receives regular updates on the workstreams being progressed within NHS Fife for compliance with the NHSScotland *Blueprint for Good Governance*, including the national work ongoing to develop a suite of standard documentation on a 'Once for Scotland' approach. Whilst many of the national workstreams were delayed due to the impact of the pandemic on NHSScotland, the Committee received an update on the Board's Blueprint action plan at its December 2021 meeting, noting the effective closure of the outstanding local actions. With the publication of a revised second edition of the Blueprint, outlined to the Committee in a paper submitted to members in March 2023, the Committee will have a role in oversight of new compliance actions developed over the course of the forthcoming year. The Board's own Code of Corporate Governance has undergone annual review and a number of clarifying changes made (including an update to procurement thresholds), to ensure it remains aligned to national guidance and best practice. Also included therein is the new Model Code of Conduct for NHS Board Members, approved by the Board in June 2022 and incorporated in full within the Code. A Board Development Session was held in April 2023 to outline to Board members the changes within the Code and the personal responsibilities and standards expected from members under the new iteration.
- 4.13 During the year, members of the Committee engaged in a number of training opportunities, covering best practice arrangements for Audit & Risk Committees. A training session with the Internal and External Auditors was held in June 2022, outlining the year-end processes each undertake as part of the review of the financial statements, responsibilities of the Audit & Risk Committee in reference to scrutiny of these, and details on the systems of internal control, in preparation for the review and scrutiny of the annual accounts, prior to the Committee's formal consideration of the 2021/22 financial statements. The presentation slides were usefully adapted to be used as a helpful checklist by members, when the accounts were tabled for formal approval

in July 2022. In February 2023, members attended a Committee Development Session, delivered by the Chief Internal Auditor and Board Secretary, on the Board's adoption and implementation of Committee assurance principles. In addition to Audit & Risk Committee members, Committee Chairs from the other Board Committees were invited to participate, with a helpful discussion held on areas where the Board can strengthen its assurance processes to assist Non-Executives in their scrutiny role.

- 4.14 Progress with fraud cases and counter fraud initiatives were discussed by the Committee in private session on a regular basis throughout the year. The Committee received quarterly fraud updates, on relevant cases and investigations, counter fraud training delivered to staff, initiatives undertaken to identify and address fraud, and the work carried out by Practitioner & Counter Fraud Services in relation to detecting, deterring, disabling and dealing with fraud in the NHS. This has provided the Committee with the assurance that the risk of fraud is being proactively managed across NHS Fife. Updates have also been given on the new Counter Fraud Services Standards introduced across Health Boards, including detail of how the Board will benchmark itself against these for compliance. Related thereto, the Committee were advised at their May 2022 meeting of Scottish Government's confirmation of the Counter Fraud Standards – Partnership Agreement with Health Boards, approved locally for NHS Fife. Regular reporting on losses and special payments is factored into the Committee's workplan on a quarterly basis, to help support the annual accounts reconciliation process generally and, in support of Counter Fraud Standards, to increase the Committee's oversight.
- 4.15 Minutes of Committee meetings have been approved by the Committee and presented to Fife NHS Board. The Board also receives a verbal update at each meeting from the Chair, highlighting any key issues discussed by the Committee at its preceding meeting. The Committee maintains a rolling action log to record and manage actions agreed from each meeting, and reviews progress against deadline dates at subsequent meetings. The format of the action log has been enhanced, to provide greater clarity on priority actions and their due dates.

5. Best Value

- 5.1 Since 2013/14 the Board has been required to provide overt assurance on Best Value. The introduction of both the SPRA process in 2020/21 and the Financial Improvement & Sustainability Programme established in 2022/23 build on the aims of the previous organisational Best Value Framework (2018). Their combined impact facilitates a more effective triangulation of workforce, operational and financial planning, which supports the promotion and delivery of best value across all of our resource allocation. Appendix 3 provides evidence of where and when the Committee considered the relevant characteristics during 2022/23.

6. Risk Management

- 6.1 All NHS Boards are subject to the requirements of the Scottish Public Finance Manual (SPFM) and must operate a risk management strategy in accordance with the relevant guidance issued by Scottish Ministers. The general principles for a successful risk management strategy are set out in the SPFM.
- 6.2 All of the key areas within the organisation maintain a risk register. All risk registers are held on the Datix, the Risk Management digital information system. Training and support for all Datix modules including risk registers, are provided by the Risk Management team according to the requirements of individuals, specialities and teams etc. In September 2022, the Committee received an update from the Risk Manager on the national process currently underway for procuring a new digital system for risk management on a 'Once for Scotland' basis, on completion of which Boards will have flexibility to choose the preferred system or go forward individually with procuring their own updated system.

- 6.3 In line with the Board's agreed risk management arrangements, the Audit & Risk Committee has considered risk through a range of reports and scrutiny, including oversight on the detail of the Board Assurance Framework (BAF) (reported to its May and September 2022 meetings) and, latterly, the new Corporate Risk Register (from December 2022). During 2022/23, the high-level risks identified as having the potential to impact on the delivery of NHS Fife's strategic priorities, and related operational high-level risks, were reported bi-monthly through the BAF and Corporate Risk Register to the governance committees, and subsequently to the Audit & Risk Committee and the Board.
- 6.4 At its meeting in May 2022, the Committee received a progress report on the risk management improvement programme being undertaken during the reporting year. As part of the process of developing a new Corporate Risk Register to replace the BAF, supporting work has also been undertaken to review the risk escalation process within the Board structure and to create a strategic risk dashboard for regular reporting through the IPQR. The work has also provided an opportunity to undertake a meaningful assessment of strategic-level risks and to strengthen these, particularly in the areas linked to the delivery of the new organisational strategy, lack of resources (both workforce and capital) to deliver on its ambitions, equality and diversity-related measures, and to explicitly reference sustainability and climate change workstreams. Linkages to the Board's overall risk appetite have been discussed with members, noting that for those individual metrics currently facing a risk profile in excess of the Board's agreed appetite, a degree of tolerance was required, given the scale of external challenges at this time.
- 6.5 The replacement of the BAF by the Corporate Risk Register has allowed for revision of the key strategic risks reported to the Board, along with presentation improvements to aid clarity of members' understanding. The Committee considered the full set of draft Corporate Strategic Risks at its meeting in September 2022, noting the proposed 18 risks, their mapping against the Board's strategic priorities, and the proposed visual presentation of these in report form. It is noted that refinement of these will continue over the coming year, as the new risk presentation beds in. Deep dives have been introduced across the Board's committees, allowing greater scrutiny of the root causes of risks and providing an opportunity for discussion on the effectiveness of management actions in place to reduce risk levels. This aspect of the new risk management approach is expected to mature in the year ahead, to provide Board members with the necessary levels of assurance on the effectiveness of mitigating actions. Operationally, the new Risk & Opportunities Group is contributing to and developing organisational support for effective risk management practice, reducing duplication of risk management effort, embedding the application of assurance principles, developing key performance indicators to track progress, and enhancing collective knowledge and understanding to capitalise on opportunities. The Committee has received the Terms of Reference for the group and progress updates on its initial activities, which will continue into the current year as it becomes fully established.
- 6.6 The Committee was assured that good progress has been made with the risk management improvement plan, which supports operational teams to identify and manage risks effectively and also refocuses reporting to the Board on corporate level risk. The plan also ensures alignment with the existing Strategic Planning & Resource Allocation process, to identify organisational or external risks associated with the delivery of corporate objectives, and supports the identification and mitigation of risks identified through the development and delivery of the Population Health and Wellbeing Strategy. This work is underpinned by acknowledgment of the need to promote a culture that encourages the proactive identification and mitigation of risks from ward to Board, which the Committee will continue to provide oversight on.


7. Self-Assessment

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

March 2023 meeting, and action points are being taken forward at both Committee and Board level.

8. Conclusion

- 8.1 As Chair of the Audit & Risk Committee during financial year 2022/23, I am satisfied that the integrated approach, the frequency of meetings, the breadth of the business undertaken and the range of attendees at meetings of the Committee has allowed us to fulfil our remit as detailed in the Code of Corporate Governance. As a result of the work undertaken during the year, I can confirm that adequate and effective governance arrangements were in place throughout NHS Fife during the year. Audit & Risk Committee members conclude that they have given due consideration to the effectiveness of the systems of internal control in NHS Fife, have carried out their role and discharged their responsibilities on behalf of the Board in respect of the Committee's remit as described in the Standing Orders.
- 8.2 I can confirm that that there were no significant control weaknesses or issues at the year-end which the Committee considers should be disclosed in the Governance Statement, as they may have impacted financially or otherwise in the year or thereafter.
- 8.3 I would pay tribute to the dedication and commitment of fellow members of the Committee and to all attendees. I would thank all those members of staff who have prepared reports and attended meetings of the Committee.

Signed:  Date: 23 June 2023

Alastair Grant, Chair

On behalf of the Audit & Risk Committee

Appendix 1 – Attendance Schedule

Appendix 2 – Best Value

AUDIT & RISK COMMITTEE - ATTENDANCE RECORD
1 April 2022 – 31 March 2023

	18.05.22	16.06.22	29.07.22	12.09.22	05.12.22	15.03.23
Members						
M Black , Non-Executive Member (Chair)	✓	✓	✓	✓		
A Grant , Non-Executive Member (Chair)	✓	✓	x	✓	✓	✓
Cllr D Graham , Stakeholder Member, Fife Council				✓	✓	✓
A Haston , Non-Executive Member					✓	✓
A Lawrie , Area Clinical Forum Representative	✓	✓	✓	✓	✓	x
K McDonald , Non-Executive Member	✓	x	✓	✓	✓	x
A Wood , Non-Executive Member	✓	✓	✓			
In attendance						
K Booth , Head of Financial Services	✓	✓	✓	✓	✓	✓
A Brown , Principal Auditor				✓		
C Brown , Azets				✓	x	✓
A Clyne , Audit Scotland	✓	X	✓			
G Couser , Associate Director of Quality & Clinical Governance				✓		
P Cumming , Risk Manager	✓	✓	✓	✓	✓	✓
P Fraser , Audit Scotland	x	✓	✓			
T Gaskin , Chief Internal Auditor	✓	✓	x	✓	✓	✓
L Graham , Audit Scotland		✓				
B Howarth , Audit Scotland			✓			
B Hudson , Regional Audit Manager	✓	✓	✓	x	✓	✓
A Hughes , Azets						✓ Observing
K Jones , Azets				x	✓	✓
G MacIntosh , Head of Corporate Governance & Board Secretary	✓	✓	✓	✓	✓	✓
S McCormack , Associate Medical Director, Emergency Care & Planned Care						✓ Observing
M McGurk , Director of Finance & Strategy (Exec Lead)	✓	x	✓	✓	✓	✓
M Michie , Deputy Director of		✓	✓ Observing			

	18.05.22	16.06.22	29.07.22	12.09.22	05.12.22	15.03.23
Finance						
A Mitchell, Independent Auditor			✓ Item 7.1			✓
C Potter, Chief Executive	✓	✓	✓	x	x	x

BEST VALUE FRAMEWORK

Vision and Leadership

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

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

GOVERNANCE AND ACCOUNTABILITY

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

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

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

USE OF RESOURCES

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

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

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

PERFORMANCE MANAGEMENT

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

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

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

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

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

CROSS-CUTTING THEME – SUSTAINABILITY

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

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

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

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

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

CROSS-CUTTING THEME – EQUALITY

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

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

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

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