



## **CODE OF CORPORATE GOVERNANCE**

**FIFE NHS BOARD**

Reviewed by:	Associate Director of Corporate Governance & Board Secretary
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# NHS FIFE STRATEGIC FRAMEWORK

The Strategic Framework underpins all that NHS Fife as an organisation does. It highlights NHS Fife's vision for the population of Fife and the Board's key values and principles, providing a basis for our strategic priorities to be delivered in our Population Health & Wellbeing Strategy.

## Our strategic framework

The foundations of our strategy



### Our vision

Living Well, working well and flourishing in Fife

### Our values

Care and compassion

Dignity and respect

Openness, honesty and responsibility

Quality and teamwork

### Our principles

Listening and involving

Supporting communities

Empowering people

Prevention and early intervention

Creating wellbeing

Being kind

### Our strategic priorities

#### 1. Improve health and wellbeing

We work to close the inequality gap ensuring that all people of Fife can flourish from cradle to grave.



#### 2. Improve the quality of health and care

We provide the safest and best possible health and care services, from cradle to grave, for the people of Fife.



#### 3. Improve staff experience and wellbeing

We value and look after our staff.



#### 4. Deliver value and sustainability

We use our resources wisely to ensure our services are sustainable and meet our population's needs.



## **STANDING ORDERS FOR THE PROCEEDINGS AND BUSINESS OF FIFE NHS BOARD**

### **1 General**

- 1.1 These Standing Orders for regulation of the conduct and proceedings of [Fife] NHS Board, the common name for Fife Health Board, [the Board] and its Committees are made under the terms of The Health Boards (Membership and Procedure) (Scotland) Regulations 2001 (2001 No. 302), as amended up to and including The Health Boards (Membership and Procedure) (Scotland) Amendment Regulations 2016 (2016 No. 3).

Healthcare Improvement Scotland and NHS National Services Scotland are constituted under a different legal basis, and are not subject to the above regulations. Consequently those bodies will have different Standing Orders.

The NHS Scotland Blueprint for Good Governance (issued through [DL 2019 02](#)) has informed these Standing Orders. The Blueprint describes the functions of the Board as:

- Setting the direction, clarifying priorities and defining expectations.
- Holding the executive to account and seeking assurance that the organisation is being effectively managed.
- Managing risks to the quality, delivery and sustainability of services.
- Engaging with stakeholders.
- Influencing the Board's and the organisation's culture.

Further information on the role of the Board, Board members, the Chair, Vice-Chair, and the Chief Executive is available on the NHS Scotland [Board Development website](#).

- 1.2 The Scottish Ministers shall appoint the members of the Board. The Scottish Ministers shall also attend to any issues relating to the resignation and removal, suspension and disqualification of members in line with the above regulations. Any member of the Board may on reasonable cause shown be suspended from the Board or disqualified for taking part in any business of the Board in specified circumstances.
- 1.3 Any statutory provision, regulation or direction by Scottish Ministers, shall have precedence if they are in conflict with these Standing Orders.
- 1.4 Any one or more of these Standing Orders may be varied or revoked at a meeting of the Board by a majority of members present and voting, provided the notice for the meeting at which the proposal is to be considered clearly states the extent of the proposed repeal, addition or amendment. The Board will annually review its Standing Orders.
- 1.5 Any member of the Board may on reasonable cause shown be suspended from the Board or disqualified for taking part in any business of the Board in specified circumstances. The Scottish Ministers may by determination suspend a

member from taking part in the business (including meetings) of the Board. Paragraph 5.4 sets out when the person presiding at a Board meeting may suspend a Board member for the remainder of a specific Board meeting. The Standards Commission for Scotland can apply sanctions if a Board member is found to have breached the Board Members' Code of Conduct, and those include suspension and disqualification. The regulations (see paragraph 1.1) also set out grounds for why a person may be disqualified from being a member of the Board.

## **Board Members – Ethical Conduct**

- 1.6 Members have a personal responsibility to comply with the Code of Conduct for Members of Fife Health Board. The Commissioner for Public Standards can investigate complaints about members who are alleged to have breached their Code of Conduct. The Board will have appointed a Standards Officer. This individual is responsible for carrying out the duties of that role, however they may delegate the carrying out of associated tasks to other members of staff. The Board's appointed Standards Officer shall ensure that the Board's Register of Interests is maintained. When a member needs to update or amend his or her entry in the Register, they must notify the Board's appointed Standards Officer of the need to change the entry within one month after the date the matter required to be registered.
- 1.7 The Board's appointed Standards Officer shall ensure the Register is available for public inspection at the principal offices of the Board at all reasonable times and will be included on the Board's website.
- 1.8 Members must always consider the relevance of any interests they may have to any business presented to the Board or one of its committees. Members must observe paragraphs 5.6 - 5.10 of these Standing Orders, and have regard to Section 5 of the Code of Conduct (Declaration of Interests).
- 1.9 In case of doubt as to whether any interest or matter should be declared, in the interests of transparency, members are advised to make a declaration.
- 1.10 Members shall make a declaration of any gifts or hospitality received in their capacity as a Board member. Such declarations shall be made to the Board's appointed Standards Officer who shall make them available for public inspection at all reasonable times at the principal offices of the Board and on the Board's website. The Register of Interests includes a section on gifts and hospitality. The Register may include the information on any such declarations, or cross-refer to where the information is published.
- 1.11 The Board's Secretary shall provide a copy of these Standing Orders to all members of the Board on appointment. A copy shall also be held on the Board's website.

## **2 Chair**

- 2.1 The Scottish Ministers shall appoint the Chair of the Board.

### **3 Vice-Chair**

- 3.1 The Chair shall nominate a candidate or candidates for vice-chair to the Cabinet Secretary. The candidate(s) must be a Non-Executive member of the Board. A member who is an employee of a Board is disqualified from being Vice-Chair. The Cabinet Secretary will in turn determine who to appoint based on evidence of effective performance and evidence that the member has the skills, knowledge and experience needed for the position. Following the decision, the Board shall appoint the member as Vice-Chair. Any person so appointed shall, so long as they remain a member of the Board, continue in office for such a period as the Board may decide.
- 3.2 The Vice-Chair may at any time resign from that office by giving notice in writing to the Chair. The process to appoint a replacement Vice-Chair is the process described at paragraph 3.1.
- 3.3 Where the Chair has died, ceased to hold office, or is unable for a sustained period of time to perform his or her duties due to illness, absence from Scotland or for any other reason, then the Board's Secretary should refer this to the Scottish Government. The Cabinet Secretary will confirm which member may assume the role of interim chair in the period until the appointment of a new chair, or the return of the appointed chair. Where the Chair is absent for a short period due to leave (for whatever reason), the Vice-Chair shall assume the role of the Chair in the conduct of the business of the Board. In either of these circumstances references to the Chair shall, so long as there is no Chair able to perform the duties, be taken to include references to either the interim chair or the Vice-Chair. If the Vice-Chair has been appointed as the Interim Chair, then the process described at paragraph 3.1 will apply to replace the Vice-Chair.

### **4 Calling and Notice of Board Meetings**

- 4.1 The Chair may call a meeting of the Board at any time and shall call a meeting when required to do so by the Board. The Board shall meet at least six times in the year and will annually approve a forward schedule of meeting dates.
- 4.2 The Chair will determine the final agenda for all Board meetings. The agenda may include an item for any other business, however this can only be for business which the Board is being informed of for awareness, rather than being asked to make a decision. No business shall be transacted at any meeting of the Board other than that specified in the notice of the meeting except on grounds of urgency.
- 4.3 Any member may propose an item of business to be included in the agenda of a future Board meeting by submitting a request to the Chair. If the Chair elects to agree to the request, then the Chair may decide whether the item is to be considered at the Board meeting which immediately follows the receipt of the request, or a future Board meeting. The Chair will inform the member which meeting the item will be discussed. If any member has a specific legal duty or responsibility to discharge which requires that member to present a report to the Board, then that report will be included in the agenda.

- 4.4 In the event that the Chair decides not to include the item of business on the agenda of a Board meeting, then the Chair will inform the member in writing as to the reasons why.
- 4.5 A Board meeting may be called if one third of the whole number of members signs a requisition for that purpose. The requisition must specify the business proposed to be transacted. The Chair is required to call a meeting within 7 days of receiving the requisition. If the Chair does not do so, or simply refuses to call a meeting, those members who presented the requisition may call a meeting by signing an instruction to approve the notice calling the meeting provided that no business shall be transacted at the meeting other than that specified in the requisition.
- 4.6 Before each meeting of the Board, a notice of the meeting (in the form of an agenda), specifying the time, place and business proposed to be transacted at it and approved by the Chair, or by a member authorised by the Chair to approve on that person's behalf, shall be circulated to every member so as to be available to them at least three clear days before the meeting. The notice shall be distributed along with any papers for the meeting that are available at that point.
- 4.7 With regard to calculating clear days for the purpose of notice under 4.6 and 4.9, the period of notice excludes the day the notice is sent out and the day of the meeting itself. Additionally only working days (Monday to Friday) are to be used when calculating clear days; weekend days and public holidays should be excluded.

Example: If a Board is meeting on a Wednesday, the notice and papers for the meeting should be distributed to members no later than the preceding Thursday. The three clear days would be Friday, Monday and Tuesday. If the Monday was a public holiday, then the notice and papers should be distributed no later than the preceding Wednesday.

- 4.8 Lack of service of the notice on any member shall not affect the validity of a meeting.
- 4.9 Board meetings shall be held in public. A public notice of the time and place of the meeting shall be provided at least three clear days before the meeting is held. The notice and the meeting papers shall also be placed on the Board's website. The meeting papers will include the minutes of committee meetings which the relevant committee has approved. The exception is that the meeting papers will not include the minutes of the Remuneration Committee. The Board may determine its own approach for committees to inform it of business which has been discussed in committee meetings for which the final minutes are not yet available. For items of business which the Board will consider in private session (see paragraph 5.22), only the Board members will normally receive the meeting papers for those items, unless the person presiding agrees that others may receive them.

- 4.10 Any individual or group or organisation which wishes to make a deputation to the Board must make an application to the Chair's Office at least 21 working days before the date of the meeting at which the deputation wish to be received. The application will state the subject and the proposed action to be taken.
- 4.11 Any member may put any relevant question to the deputation, but will not express any opinion on the subject matter until the deputation has withdrawn. If the subject matter relates to an item of business on the agenda, no debate or discussion will take place until the item is considered in the order of business.
- 4.12 Any individual or group or organisation which wishes to submit a petition to the Board will deliver the petition to the Chair's Office at least 21 working days before the meeting at which the subject matter may be considered. The Chair will decide whether or not the petition will be discussed at the meeting.

## **5 Conduct of Meetings**

### Authority of the Person Presiding at a Board Meeting

- 5.1 The Chair shall preside at every meeting of the Board. The Vice-Chair shall preside if the Chair is absent. If both the Chair and Vice Chair are absent, the members present at the meeting shall choose a Board member who is not an employee of a Board to preside.
- 5.2 The duty of the person presiding at a meeting of the Board or one of its committees is to ensure that the Standing Orders or the committee's terms of reference are observed, to preserve order, to ensure fairness between members, and to determine all questions of order and competence. The ruling of the person presiding shall be final and shall not be open to question or discussion.
- 5.3 The person presiding may direct that the meeting can be conducted in any way that allows members to participate, regardless of where they are physically located, e.g. videoconferencing, teleconferencing. For the avoidance of doubt, those members using such facilities will be regarded as present at the meeting.
- 5.4 In the event that any member who disregards the authority of the person presiding, obstructs the meeting, or conducts himself/herself inappropriately the person presiding may suspend the member for the remainder of the meeting. If a person so suspended refuses to leave when required by the person presiding to do so, the person presiding will adjourn the meeting in line with paragraph 5.12. For paragraphs 5.5 to 5.20, reference to 'Chair' means the person who is presiding the meeting, as determined by paragraph 5.1.

### Quorum

- 5.5 The Board will be deemed to meet only when there are present, and entitled to vote, a quorum of at least one third of the whole number of members, including at least two members who are not employees of a Board. The quorum for committees will be set out in their terms of reference, however it can never be less than two Board members.



- 5.6 In determining whether or not a quorum is present the Chair must consider the effect of any declared interests.
- 5.7 If a member, or an associate of the member, has any pecuniary or other interest, direct or indirect, in any contract, proposed contract or other matter under consideration by the Board or a committee, the member should declare that interest at the start of the meeting. This applies whether or not that interest is already recorded in the Board Members' Register of Interests. Following such a declaration, the member shall be excluded from the Board or committee meeting when the item is under consideration, and should not be counted as participating in that meeting for quorum or voting purposes.
- 5.8 Paragraph 5.7 will not apply where a member's, or an associate of theirs, interest in any company, body or person is so remote or insignificant that it cannot reasonably be regarded as likely to affect any influence in the consideration or discussion of any question with respect to that contract or matter. In March 2015, the Standards Commission granted a dispensation to NHS Board members who are also voting members of integration joint boards. The effect is that those members do not need to declare as an interest that they are a member of an integration joint board when taking part in discussions of general health & social care issues. However members still have to declare other interests as required by Section 5 of the Board Members' Code of Conduct.
- 5.9 If a question arises at a Board meeting as to the right of a member to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting be referred to the Chair. The Chair's ruling in relation to any member other than the Chair is to be final and conclusive. If a question arises with regard to the participation of the Chair in the meeting (or part of the meeting) for voting or quorum purposes, the question is to be decided by the members at that meeting. For this latter purpose, the Chair is not to be counted for quorum or voting purposes.
- 5.10 Paragraphs 5.6-5.9 shall equally apply to members of any Board committees, whether or not they are also members of the Board, e.g. stakeholder representatives.
- 5.11 When a quorum is not present, the only actions that can be taken are to either adjourn to another time or abandon the meeting altogether and call another one. The quorum should be monitored throughout the conduct of the meeting in the event that a member leaves during a meeting, with no intention of returning. The Chair may set a time limit to permit the quorum to be achieved before electing to adjourn, abandon or bring a meeting that has started to a close.

### Adjournment

- 5.12 If it is necessary or expedient to do so for any reason (including disorderly conduct or other misbehaviour at a meeting), a meeting may be adjourned to another day, time and place. A meeting of the Board, or of a committee of the

Board, may be adjourned by the Chair until such day, time and place as the Chair may specify.

### Business of the Meeting

#### *The Agenda*

- 5.13 If a member wishes to add an item of business which is not in the notice of the meeting, they must make a request to the Chair ideally in advance of the day of the meeting and certainly before the start of the meeting. The Chair will determine whether the matter is urgent and accordingly whether it may be discussed at the meeting.
- 5.14 The Chair may change the running order of items for discussion on the agenda at the meeting. Please also refer to paragraph 4.2.
- 5.15 For Board meetings only, the Chair may propose within the notice of the meeting “items for approval” and “items for discussion”. The items for approval are not discussed at the meeting, but rather the members agree that the content and recommendations of the papers for such items are accepted, and that the minutes of the meeting should reflect this. The Board must approve the proposal as to which items should be in the “items for approval” section of the agenda. Any member (for any reason) may request that any item or items be removed from the “items for approval” section. If such a request is received, the Chair shall either move the item to the “items for discussion” section, or remove it from the agenda altogether.

#### *Decision-Making*

- 5.16 The Chair may invite the lead for any item to introduce the item before inviting contributions from members. Members should indicate to the Chair if they wish to contribute, and the Chair will invite all who do so to contribute in turn. Members are expected to question and challenge proposals constructively and carefully to reach and articulate a considered view on the suitability of proposals.
- 5.17 The Chair will consider the discussion, and whether or not a consensus has been reached. Where the Chair concludes that consensus has been reached, then the Chair will normally end the discussion of an item by inviting agreement to the outcomes from the discussion and the resulting decisions of the Board.
- 5.18 As part of the process of stating the resulting decisions of the Board, the Chair may propose an adaptation of what may have been recommended to the Board in the accompanying report, to reflect the outcome of the discussion.
- 5.19 The Board may reach consensus on an item of business without taking a formal vote, and this will be normally what happens where consensus has been reached.
- 5.20 Where the Chair concludes that there is not a consensus on the Board’s position on the item and/ or what it wishes to do, then the Chair will put the decision to

a vote. If at least two Board members ask for a decision to be put to a vote, then the Chair will do so. Before putting any decision to vote, the Chair will summarise the outcome of the discussion and the proposal(s) for the members to vote on.

- 5.21 Where a vote is taken, the decision shall be determined by a majority of votes of the members present and voting on the question. In the case of an equality of votes, the Chair shall have a second or casting vote. The Chair may determine the method for taking the vote, which may be by a show of hands, or by ballot, or any other method the Chair determines.
- 5.22 While the meeting is in public the Board may not exclude members of the public and the press (for the purpose of reporting the proceedings) from attending the meeting.

#### *Board Meeting in Private Session*

- 5.23 The Board may agree to meet in private in order to consider certain items of business. The Board may decide to meet in private on the following grounds:
- The Board is still in the process of developing proposals or its position on certain matters, and needs time for private deliberation.
  - The business relates to the commercial interests of any person and confidentiality is required, e.g. when there is an ongoing tendering process or contract negotiation.
  - The business necessarily involves reference to personal information, and requires to be discussed in private in order to uphold the Data Protection Principles.
  - The Board is otherwise legally obliged to respect the confidentiality of the information being discussed.
- 5.24 The minutes of the meeting will reflect when the Board has resolved to meet in private.

#### Minutes

- 5.25 The names of members present at a meeting of the Board, or of a committee of the Board, shall be recorded in the minute of the meeting. The names of other persons in attendance shall also be recorded.
- 5.26 The Board's Secretary (or his/her authorised nominee) shall prepare the minutes of meetings of the Board and its committees. The Board or the committee shall review the draft minutes at the following meeting. The person presiding at that meeting shall sign the approved minute.

## **6 Matters Reserved for the Board**

### Introduction

- 6.1 The Scottish Government retains the authority to approve certain items of business. There are other items of the business which can only be approved at an NHS Board meeting, due to either Scottish Government directions or a Board decision in the interests of good governance practice.
- 6.2 This section summarises the matters reserved to the Board:
- a) Standing Orders
  - b) The establishment and terms of reference of all its committees, and appointment of committee members
  - c) Organisational Values
  - d) The strategies for all the functions that it has planning responsibility for, subject to any provisions for major service change which require Ministerial approval.
  - e) The Annual Operational Plan for submission to the Scottish Government for its approval. (Note: The Board should consider the draft for submission in private session. Once the Scottish Government has approved the Annual Operational Plan, the Board should receive it at a public Board meeting.)
  - f) Corporate objectives or corporate plans which have been created to implement its agreed strategies.
  - g) Risk Management Policy.
  - h) Financial plan for the forthcoming year, and the opening revenue and capital budgets.
  - i) Standing Financial Instructions and a Scheme of Delegation.
  - j) Annual accounts and report. (Note: Note: This must be considered when the Board meets in private session. In order to respect Parliamentary Privilege, the Board cannot publish the annual accounts or any information drawn from it before the accounts are laid before the Scottish Parliament. Similarly the Board cannot publish the report of the external auditors of their annual accounts in this period.)
  - k) Any business case item that is beyond the scope of its delegated financial authority before it is presented to the Scottish Government for approval. The Board shall comply with the [Scottish Capital Investment Manual](#).
  - l) The Board shall approve the content, format, and frequency of performance reporting to the Board.
  - m) The appointment of the Board's chief internal auditor. (Note: This applies either when the proposed chief internal auditor will be an employee of the Board, or when the chief internal auditor is engaged through a contract with an external provider. The audit committee should advise the Board on the appointment, and the Board may delegate to the audit committee oversight of the process which leads to a recommendation for appointment.)
  - n) The contribution to Community Planning Partnerships through the associated improvement plans.
  - o) Health & Safety Policy
  - p) Arrangements for the approval of all other policies.
  - q) The system for responding to any civil actions raised against the Board.
  - r) The system for responding to any occasion where the Board is being investigated and / or prosecuted for a criminal or regulatory offence.
- 6.3 The Board may be required by law or Scottish Government direction to approve certain items of business, e.g. the integration schemes for a local authority area.

- 6.4 The Board itself may resolve that other items of business be presented to it for approval.

## **7 Delegation of Authority by the Board**

- 7.1 Except for the Matters Reserved for the Board, the Board may delegate authority to act on its behalf to committees, individual Board members, or other Board employees. In practice this is achieved primarily through the Board's approval of the Standing Financial Instructions and the Scheme of Delegation.
- 7.2 The Board may delegate responsibility for certain matters to the Chair for action. In such circumstances, the Chair should inform the Board of any decision or action subsequently taken on these matters.
- 7.3 The Board and its officers must comply with the [NHS Scotland Property Transactions Handbook](#), and this is cross-referenced in the Scheme of Delegation.
- 7.4 The Board may, from time to time, request reports on any matter or may decide to reserve any particular decision for itself. The Board may withdraw any previous act of delegation to allow this.

## **8 Execution of Documents**

- 8.1 Where a document requires to be authenticated under legislation or rule of law relating to the authentication of documents under the Law of Scotland, or where a document is otherwise required to be authenticated on behalf of the Board, it shall be signed by an executive member of the Board or any person duly authorised to sign under the Scheme of Delegation in accordance with the Requirements of Writing (Scotland) Act 1995. Before authenticating any document the person authenticating the document shall satisfy themselves that all necessary approvals in terms of the Board's procedures have been satisfied. A document executed by the Board in accordance with this paragraph shall be self-proving for the purposes of the Requirements of Writing (Scotland) Act 1995.
- 8.2 Scottish Ministers shall direct which officers of the Board can sign on their behalf in relation to the acquisition, management and disposal of land.
- 8.3 Any authorisation to sign documents granted to an officer of the Board shall terminate upon that person ceasing (for whatever reason) from being an employee of the Board, without further intimation or action by the Board.

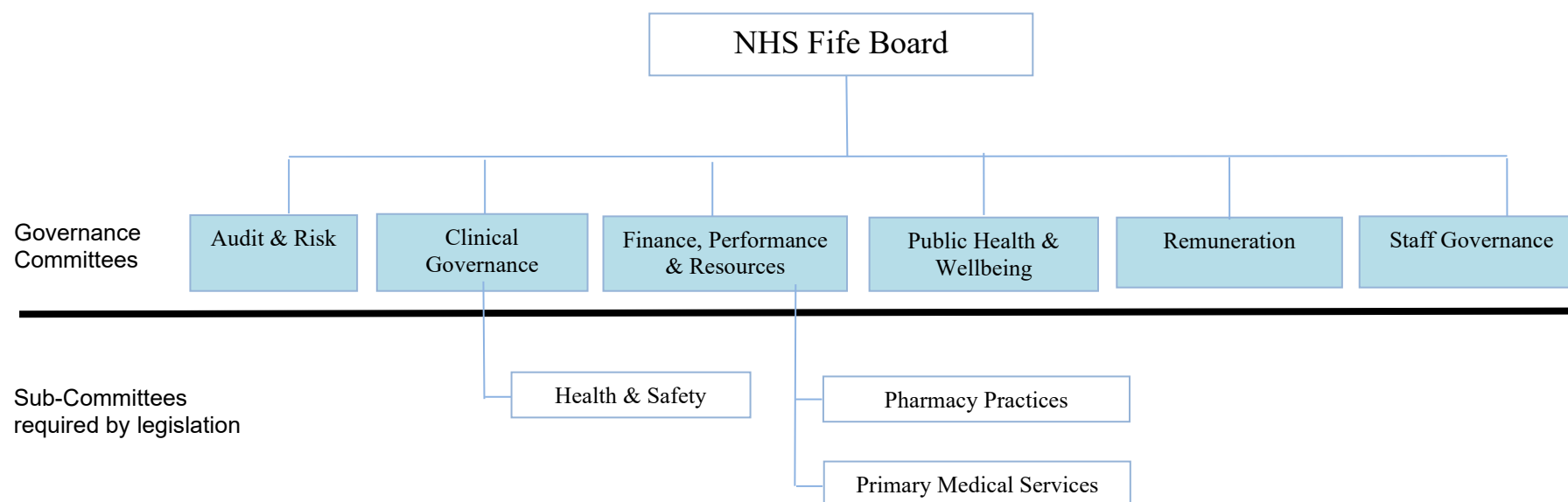
## **9 Committees**

- 9.1 Subject to any direction issued by Scottish Ministers, the Board shall appoint such committees (and sub-committees) as it thinks fit. NHS Scotland Board Development [website](#) will identify the committees which the Board must establish.

- 9.2 The Board shall appoint the chairs of all committees. The Board shall approve the terms of reference and membership of the committees. The Board shall review these as and when required, and shall review the terms within 2 years of their approval if there has not been a review.
- 9.3 The Board shall appoint committee members to fill any vacancy in the membership as and when required. If a committee is required by regulation to be constituted with a particular membership, then the regulation must be followed
- 9.4 Provided there is no Scottish Government instruction to the contrary, any Non-Executive Board member may replace a Committee member who is also a Non-Executive Board member, if such a replacement is necessary to achieve the quorum of the committee.
- 9.5 The Board's Standing Orders relating to the calling and notice of Board meetings, conduct of meetings, and conduct of Board members shall also be applied to committee meetings where the committee's membership consist of or include all the Board members. Where the committee's members includes some of the Board's members, the committee's meetings shall not be held in public and the associated committee papers shall not be placed on the Board's website, unless the Board specifically elects otherwise. Generally Board members who are not members of a committee may attend a committee meeting and have access to the meeting papers. However if the committee elects to consider certain items as restricted business, then the meeting papers for those items will normally only be provided to members of that committee. The person presiding the committee meeting may agree to share the meeting papers for restricted business papers with others.
- 9.6 The Board shall approve a calendar of meeting dates for its committees. The committee chair may call a meeting any time, and shall call a meeting when requested to do so by the Board.
- 9.7 The Board may authorise committees to co-opt members for a period up to one year, subject to the approval of both the Board and the Accountable Officer. A committee may decide this is necessary to enhance the knowledge, skills and experience within its membership to address a particular element of the committee's business. A co-opted member is one who is not a member of Fife NHS Board and is not to be counted when determining the committee's quorum.



## NHS FIFE BOARD COMMITTEE STRUCTURE



## TERMS OF REFERENCE FOR BOARD COMMITTEES

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<b>Formal Sub-Committees</b>	
Health and Safety (CG, with parallel assurance reporting to SG)	
Pharmacy Practices (FP&R)	
Primary Medical Services (FP&R)	
<b>Groups and other Committees (minutes routinely reporting into Governance Committees)</b>	
Acute Services Division & Corporate Directorate Local Partnership Forum (SG)	
Area Clinical Forum (CG / Board)	
Area Drug & Therapeutics Committee (CG)	
Area Partnership Forum (SG / Board)	
Area Medical Committee (CG)	
Area Radiation Protection Committee (CG)	
Cancer Strategy & Governance Group (CG)	
Clinical Governance Oversight Group (CG)	
East Region Programme Board (Board)	
Digital & Information Board (CG)	
Equality & Human Rights Strategy Group (PH&W)	
Fife Partnership Board (PH&W)	
Fife Research, Innovation & Knowledge Oversight Group (CG)	
Health & Social Care Partnership Local Partnership Forum (SG)	
Infection Control Committee (CG)	
Information Governance & Security Steering Group (CG)	
Integration Joint Board Quality & Communities Committee (CG)	
Ionising Radiation Medical Examination Regulations Board (IRMER) (CG)	
Medical & Dental Professional Standards Oversight Group (CG)	
Medical Devices Group (CG)	
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## **AUDIT AND RISK COMMITTEE CONSTITUTION AND TERMS OF REFERENCE**

Date of Board Approval: 27 May 2025

### **1. PURPOSE**

- 1.1 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. The duties of the Audit and Risk Committee shall be in accordance with the [Scottish Government Audit & Assurance Handbook](#), dated February 2023.

### **2. COMPOSITION**

- 2.1 The membership of the Audit and Risk Committee will be:
- Five Non-Executive or Stakeholder members of Fife NHS Board (one of whom will be the Committee Chair). (A Stakeholder member is appointed to the Board from Fife Council or by virtue of holding the Chair of the Area Partnership Forum or the Area Clinical Forum).
- 2.2 The Chair of Fife NHS Board cannot be a member of the Committee.
- 2.3 In order to avoid any potential conflict of interest, the Chair of the Audit and Risk Committee shall not be the Chair of any other governance Committee of the Board.
- 2.4 Officers of the Board will be expected to attend meetings of the Committee when issues within their responsibility are being considered by the Committee. In addition, the Committee Chair will agree with the Executive Lead Officer to the Committee which Directors and other Senior Staff should attend meetings, routinely or otherwise. The following will normally be routinely invited to attend Committee meetings:
- Chief Executive
  - Director of Finance
  - Medical Director (who is the Executive Lead for Risk Management)
  - Chief Internal Auditor
  - Regional Internal Audit Manager and/or Principal Internal Auditor
  - Statutory External Auditor
  - Head of Financial Services & Procurement
  - Associate Director of Risk & Professional Standards
  - Board Secretary
- 2.5 The Director of Finance shall serve as the Lead Executive Officer to the Committee.
- 2.6 The Board shall ensure that the Committee's membership has an adequate range of skills and experience that will allow it to effectively discharge its responsibilities. With regard to the Committee's responsibilities for financial

reporting, the Board shall ensure that at least one member can engage competently with financial management and reporting in the organisation, and associated assurances.

### **3. QUORUM**

- 3.1 No business shall be transacted at a meeting of the Committee unless at least three Non-Executive or Stakeholder members are present. There may be occasions when due to the unavailability of the above Non-Executive members, the Chair will ask other Non-Executive members to act as members of the committee so that quorum is achieved. This will be drawn to the attention of the Board.

### **4. MEETINGS**

- 4.1 The Committee shall meet as necessary to fulfil its remit but not less than four times a year.
- 4.2 The Chair of Fife NHS Board shall appoint a Chair who shall preside at meetings of the Committee. If the Chair is absent from any meeting of the Committee, members shall elect from amongst themselves one of the other Committee members to chair the meeting.
- 4.3 The agenda and supporting papers will be sent out at least five clear days before the meeting.
- 4.4 If necessary, meetings of the Committee shall be convened and attended exclusively by members of the Committee and, if relevant, the External Auditor and/or Chief Internal Auditor.
- 4.5 If required, the Chairperson of the Audit and Risk Committee may meet individually with the Chief Internal Auditor, the External Auditor and the Accountable Officer.

### **5. REMIT**

- 5.1 The main objective of the Audit and Risk Committee is to support the Accountable Officer and Fife NHS Board in meeting their assurance needs. This includes:
- Helping the Accountable Officer and Fife NHS Board formulate their assurance needs, via the creation and operation of a well-designed assurance framework, with regard to risk management, governance and internal control;
  - Reviewing and challenging constructively the assurances that have been provided as to whether their scope meets the needs of the Accountable Officer and Fife Health Board;

- Reviewing the reliability and integrity of those assurances, i.e. considering whether they are founded on reliable evidence, and that the conclusions are reasonable in the context of that evidence;
- Drawing attention to weaknesses in systems of risk management, governance and internal control, and making suggestions as to how those weaknesses can be addressed;
- Commissioning future assurance work for areas that are not being subjected to significant review
- Seeking assurance that previously identified areas of weakness are being remedied.

The Committee has no executive authority, and is not charged with making or endorsing any decisions. The only exception to this principle is the approval of the Board's accounting policies, internal audit strategy, framework, charter and audit plans. The Committee exists to advise the Board or Accountable Officer who, in turn, makes the decision.

- 5.2 The Committee will keep under review and report to Fife NHS Board on the following:

### **Internal Control and Corporate Governance**

- 5.3 To evaluate the framework of internal control and integrated governance system, as described in the NHS Scotland Blueprint for Good Governance :
- 5.4 To review the system of internal financial control, which includes:
- the safeguarding of assets against unauthorised use and disposition;
  - the maintenance of proper accounting records and the reliability of financial information used within the organisation or for publication.
- 5.5 To ensure that the activities of Fife NHS Board are within the law and regulations governing the NHS.
- 5.6 To monitor performance and best value by reviewing the economy, efficiency and effectiveness of operations.
- 5.7 To review the completeness of and disclosures included in the Governance Statement on behalf of the Board. In considering the disclosures, the Committee will review as necessary and seek confirmation on the information provided to the Chief Executive in support of the Governance Statement including the following:
- Annual Statements of Assurance from the main Governance Committees and the conclusions of the other sub-Committees, confirming whether they have fulfilled their remit and that there are adequate and effective internal controls operating within their particular area of operation;

- Annual Statement of Assurance from the Integration Joint Board, confirming all aspects of clinical, financial and staff governance have been fulfilled, with appropriate and adequate controls and risk management in place;
  - Details from the Chief Executive on the operation of the framework in place to ensure that they discharge their responsibilities as Accountable Officer as set out in the Accountable Officer Memorandum;
  - Confirmation from Executive Directors that there are no known control issues nor breaches of Standing Orders/Standing Financial Instructions other than any disclosed within the Governance Statement;
  - Summaries of any relevant significant reports by Healthcare Improvement Scotland (HIS) or other external review bodies.
- 5.8 To present an annual statement of assurance on the above to the Board, to support the NHS Fife Chief Executive's Governance Statement.

**Internal Audit**

- 5.9 To review and approve the Internal Audit Strategic and Annual Plans, and the resource plan, having assessed the appropriateness to give reasonable assurance on the whole of risk control and governance.
- 5.10 To monitor audit progress and review governance, management and reporting arrangements to obtain assurance that the internal audit service is fulfilling its mandate, including review of audit reports.
- 5.11 To monitor the management action taken in response to the audit recommendations in line with the Audit Follow Up Protocol.
- 5.12 To consider the Chief Internal Auditor's annual report and assurance statement.
- 5.13 To approve the Internal Audit Strategy and Charter, including the Internal Audit Mandate, and:
- To champion and demonstrate support for Internal Audit
  - To collaborate with senior management to provide the internal audit function with sufficient resources to fulfil the Mandate and achieve the plan
  - To assist with setting audit priorities and approve the internal audit functions performance objectives, at least annually
- 5.14 To approve the Internal Audit Reporting Protocol and Audit Follow Up Protocol.
- 5.15 To approve the Fife Integration Joint Board Internal Audit Output Sharing Protocol.
- 5.16 To review and approve arrangements for the internal audit external assessment.

- 5.17 To review the operational effectiveness of Internal Audit by considering the results of the internal audit function's quality assurance and improvement programme, reviewing the five-yearly external quality assessment or self-assessment with independent validation, and through ongoing consideration of the audit standards, resources, staffing, technical competency and performance measures.
- 5.18 To ensure that there is direct contact between the Audit and Risk Committee and Internal Audit and that the opportunity is given for discussions with the Chief Internal Auditor at least once per year (scheduled within the timetable of business) and, as required, without the presence of the Executive Directors.
- 5.19 To review the terms of reference and appointment of the Internal Auditors and to examine any reason for the resignation of the Auditors or early termination of contract/service level agreement.

### **External Audit**

- 5.20 To note the appointment of the Statutory Auditor and to approve the appointment and remuneration of the External Auditors for the NHS Fife Annual Accounts and the NHS Fife Patients' Funds Accounts.
- 5.21 To consider all statutory audit material, in particular:
- Audit Reports;
  - Audit Strategies & Plans;
  - Annual Reports;
  - Management Letters
- relating to the certification of Fife NHS Board's Annual Accounts and Annual Patients' Funds Accounts.
- 5.22 To monitor management action taken in response to all External Audit recommendations, including Best Value and Performance Audit Reports.
- 5.23 To hold meetings with the Statutory Auditor at least once per year and as required, without the presence of the Executive Directors.
- 5.24 To review the extent of co-operation between External and Internal Audit.
- 5.25 To appraise annually the performance of the Statutory and External Auditors and to examine any reason for the resignation or dismissal of the External Auditors.

### **Risk Management**

- 5.26 The Committee has no executive authority, and has no role in the executive decision-making in relation to the management of risk, although it may draw attention to strengths and weaknesses in control and make suggestion for how such weaknesses might be dealt with. The Committee is charged with ensuring

that there is an appropriate publicised Risk Management Framework with all roles identified and fulfilled. The Committee shall seek specific assurance that:

- There is an effective risk management system in place to identify, assess, mitigate, monitor and review risks at all levels of the organisation;
- There is appropriate ownership of risk in the organisation, and that there is an effective culture of risk management;
- The Board has clearly defined its risk appetite (i.e. the level of risk that the Board is prepared to accept, tolerate, or treat at any time), and that the executive's approach to risk management is consistent with that appetite;
- A robust and effective Corporate Risk Register is in place.

5.27 In order to discharge its advisory role to the Board and Accountable Officer, and to inform its assessment on the state of corporate governance, internal control and risk management, the Committee shall:

- Receive and review a quarterly report summarising any significant changes to the Board's Corporate Risk Register, and what plans are in place to mitigate them;
- Assess whether the Corporate Risk Register is an appropriate reflection of the key risks to the Board and enables the identification of gaps in control and assurance, so as to advise the Board;
- Consider the impact of changes to the risk register on the assurance needs of the Board and the Accountable Officer, and communicate any issues when required;
- Receive an annual report on risk management, confirming whether or not there have been adequate and effective risk management arrangements throughout the year, and highlighting any material areas of risk;
- The Committee shall seek assurance on the overall system of risk management for all risks and risks pertinent to its core functions.
- The Committee may also elect to request information on risks held on any risk registers within the organisation.

### **Standing Orders and Standing Financial Instructions**

- 5.28 To review annually the Standing Orders and associated appendices of Fife NHS Board within the Code of Corporate Governance and advise the Board of any amendments required.
- 5.29 To examine the circumstances associated with any occasion when Standing Orders of Fife NHS Board have been waived or suspended.

### **Annual Accounts**

- 5.30 To review and recommend approval of draft Fife NHS Board Annual Accounts and Patient Funds Accounts to the Board.
- 5.31 To review the draft Annual Report and Performance Review of Fife NHS Board within the Annual Accounts.
- 5.32 To review annually (and recommend Board approval of any changes in) the accounting policies of Fife NHS Board.
- 5.33 To review schedules of losses and compensation payments where the amounts exceed the delegated authority of the Board prior to being referred to the Scottish Government for approval.

**Other Matters**

- 5.34 The Committee has a duty to review its own performance, effectiveness, including its running costs, and terms of reference on an annual basis.
- 5.35 The Committee has a duty to keep up to date by having mechanisms to ensure topical legal and regulatory requirements are brought to Members' attention.
- 5.36 The Committee shall review regular reports on Fraud and potential Frauds as presented by the Fraud Liaison Officer (FLO), in addition to the Board's response and action to counter the threat posed by fraud.
- 5.37 The Chairperson of the Committee will submit an Annual Report of the work of the Committee to the Board following consideration by the Audit and Risk Committee annually, to give assurance that the Committee has delivered against its Terms of Reference.
- 5.38 The Chairperson of the Committee should be available at Fife NHS Board meetings to answer questions about the work of the Committee.
- 5.39 The Committee shall prepare and approve, before the start of each financial year, an Annual Workplan for the Committee's planned work during the forthcoming year.
- 5.40 The Committee shall provide assurance to the Board on achievement and maintenance of Best Value standards, relevant to the Committee's area of governance as set out in Audit Scotland's baseline report "Developing Best Value Arrangements" and the Scottish Public Finance Manual.
- 5.41 The Committee shall review the Board's arrangements to prevent bribery and corruption within its activities. This includes the systems to support Board members' compliance with the NHS Fife Board Code of Conduct (Ethical Standards in Public Life Act 2000), the systems to promote the required standards of business conduct for all employees and the Board's procedure to prevent Bribery (Bribery Act 2000).

**6. AUTHORITY**

- 6.1 The Committee is authorised by the Board to investigate any activity within its Terms of Reference, and in doing so, is authorised to seek any information it requires from any employee or external experts.
- 6.2 In order to fulfil its remit, the Audit and Risk Committee may obtain whatever professional advice it requires, and may require Directors or other officers of the Board to attend meetings.
- 6.3 The Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of external advisors with relevant experience and expertise if it considers this necessary.
- 6.4 The Committee's authority is included in the Board's Scheme of Delegation and is set out in the Purpose and Remit of the Committee.

## **7. REPORTING ARRANGEMENTS**

- 7.1 The Audit and Risk Committee reports directly to the Fife NHS Board on its work. Minutes of the Committee are presented to the Board by the Committee Chairperson, who also provides an assurance report on the matters considered at the Committee and highlights any particular issues which the Committee wishes to draw to the Board's attention.
- 7.2 The Audit and Risk Committee will advise the Scottish Parliament Public Audit Committee of any matters of significant interest as required by the Scottish Public Finance Manual.



**CLINICAL GOVERNANCE COMMITTEE  
CONSTITUTION AND TERMS OF REFERENCE**

Date of Board Approval: 27 May 2025

**1. PURPOSE**

- 1.1 To oversee clinical governance mechanisms in NHS Fife to ensure the delivery of safe, effective, person-centred care in an organisation that listens, learns and improves
- 1.2 To observe and check the clinical governance activity being delivered within NHS Fife and provide assurance to the Board that the mechanisms, activity and planning are acceptable.
- 1.3 To oversee and evaluate the clinical governance and risk management actions and activities in relation to the delivery of the Board's Population Health & Wellbeing Strategy, including assessing the quality and safety aspects of transformative change programmes and new and innovative ways of working.
- 1.4 To assure the Board that appropriate clinical governance mechanisms and structures are in place for clinical governance to be supported effectively throughout the whole of Fife NHS Board's responsibilities. This includes planning, maintaining and improving quality.
- 1.5 To oversee patient experience and feedback mechanisms and associated activity and seek assurance that learning and ongoing improvements are responsive to feedback and in line with national standards and Ombudsman guidance.
- 1.6 To assure the Board that the Clinical and Care Governance Arrangements in the Integration Joint Board are working effectively.
- 1.7 To escalate any issues to the NHS Fife Board, if serious concerns are identified about the quality and safety of care in the services across NHS Fife, including the services devolved to the Integration Joint Board.
- 1.8 The Committee has delegated authority from the Board to be assured that the correct structure, systems and processes are in place to manage clinical governance and quality-related matters and that these are monitored appropriately. Whilst the Committee can input into and endorse plans drafted to implement the Board's agreed strategies, approval thereof remains with the Board, as per its Standing Orders.

**2. COMPOSITION**

- 2.1 The membership of the Clinical Governance Committee will be:
  - Six Non-Executive or Stakeholder members of the Board (one of whom will be the Committee Chair). (A Stakeholder member is appointed to the Board from Fife Council or by virtue of holding the Chair of the Area Partnership Forum or the Area Clinical Forum)

- Chief Executive
- Medical Director
- Nurse Director
- Director of Public Health
- One Staff Side representative of NHS Fife Area Partnership Forum
- One Representative from Area Clinical Forum

2.2 Officers of the Board will be expected to attend meetings of the Committee when issues within their responsibility are being considered by the Committee. In addition, the Committee Chair will agree with the Lead Officer to the Committee which other Senior Staff should attend meetings, routinely or otherwise. The following will normally be routinely invited to attend Committee meetings:

- Director of Acute Services
- Director of Health & Social Care
- Director of Pharmacy & Medicines
- Director, Digital & Information
- Director of Planning & Transformation
- Deputy Medical Director, Acute Services Division
- Deputy Medical Director, Fife Health & Social Care Partnership
- Associate Director of Quality & Clinical Governance
- Associate Director of Risk & Professional Standards
- Board Secretary

2.3 The Medical Director shall serve as the lead officer to the Committee.

### **3. QUORUM**

3.1 No business shall be transacted at a meeting of the Committee unless at least three Non-Executive members or Stakeholder members are present. There may be occasions when due to the unavailability of the above Non- Executive members, the Chair will ask other Non-Executive members to act as members of the Committee so that quorum is achieved. This will be drawn to the attention of the Board.

### **4. MEETINGS**

4.1 The Committee shall meet as necessary to fulfil its remit but not less than six times a year.

4.2 The Chair of Fife NHS Board shall appoint a Chair who shall preside at meetings of the Committee. If the Chair is absent from any meeting of the Committee, members shall elect from amongst themselves one of the other Committee members to chair the meeting.

4.3 The agenda and supporting papers will be sent out at least five clear days before the meeting.

4.4 The Committee will conduct business in accordance with NHS Fife's Organisational Values and a focus on promoting a safety culture.

## 5. REMIT

### 5.1 The remit of the Clinical Governance Committee is to:

- monitor progress on the quality and safety performance indicators set by the Board.
- provide oversight of the implementation of the quality, safety and patient experience aspects of the Population Health & Wellbeing Strategy and review its impact, in line with the NHS Fife Strategic Framework and the Clinical Governance Framework.
- ensure appropriate alignment and clinical governance oversight with the individual workstreams of the Strategy.
- provide assurance to the Board that there are effective systems and processes in place to support the management and mitigation of risks related to Information Security & Governance;
- receive the minutes and assurance reports from the meetings of:
  - Area Clinical Forum
  - Area Drug & Therapeutics Committee
  - Area Medical Committee
  - Area Radiation Protection Committee
  - Cancer Strategy & Governance Group
  - Clinical Governance Oversight Group
  - Digital & Information Board
  - Health & Safety Sub Committee
  - Infection Control Committee
  - Information Governance & Security Steering Group
  - Integration Joint Board Quality & Communities Committee
  - Ionising Radiation Medical Examination Regulations Board (IRMER)
  - Medical & Dental Professional Standards Oversight Group
  - Medical Devices Group
  - Mental Health Oversight Group
  - Research, Information & Knowledge Oversight Group
  - Resilience Forum

Issues arising from these Committees will be brought to the attention of the Chair of the Clinical Governance Committee for further consideration as required.

- The Committee will produce an Annual Report incorporating a Statement of Assurance for submission to the Board. The proposed Annual Report will be presented to the first Committee meeting in the new financial year or agreed with the Chairperson of the respective Committee by the end of May each year for presentation to the Audit and Risk Committee in June and the Board thereafter.

- Receive updates on and oversee the progress on the recommendations from relevant external reports of reviews of all healthcare organisations, including clinical governance reports and recommendations from relevant regulatory bodies, such as the Scottish Public Services Ombudsman (SPSO), Scottish Patient Safety Programme (SPSP), the Mental Welfare Commission (MWC) and Healthcare Improvement Scotland (HIS) reviews and visits.
- To provide assurance to Fife NHS Board about the quality of services within NHS Fife, including that effective adverse event management and organisational learning arrangements are in place and are compliant with Duty of Candour legislation.
- To undertake an annual self-assessment of the Committee's work and effectiveness.
- The Committee shall review regularly the sections of the NHS Fife Integrated Performance & Quality Report relevant to the Committee's responsibility.

5.2 The Committee shall provide assurance to the Board on achievement and maintenance of Best Value standards, relevant to the Committee's area of governance as set out in Audit Scotland's baseline report "Developing Best Value Arrangements" and Scottish Public Finance Manual.

5.3 The Committee shall draw up and approve, before the start of each financial year, an Annual Workplan for the Committee's planned work during the forthcoming year.

## **6. AUTHORITY**

6.1 The Committee is authorised by the Board to investigate any activity within its Terms of Reference, and in so doing, is authorised to seek any information it requires from any employee.

6.2 In order to fulfil its remit, the Clinical Governance Committee may obtain whatever professional advice it requires, and require Directors or other officers of the Board to attend meetings.

## **7. REPORTING ARRANGEMENTS**

7.1 The Clinical Governance Committee reports directly to Fife NHS Board. Minutes of the Committee are presented to the Board by the Committee Chair, who also provides an assurance report on the matters considered at the Committee and highlights, on any particular issues which the Committee wishes to draw to the Board's attention.

7.2 Each Committee of the Board will scrutinise the Corporate Risks aligned to that Committee on a bi-monthly basis.

**FINANCE, PERFORMANCE AND RESOURCES COMMITTEE  
CONSTITUTION AND TERMS OF REFERENCE**

Date of Board Approval: 27 May 2025

**1. PURPOSE**

- 1.1 The purpose of the Committee is to keep under review the financial position and performance against key non-financial targets of the Board, and to ensure that suitable arrangements are in place to secure economy, efficiency and effectiveness in the use of all resources, and that the arrangements are working effectively.
- 1.2 To consider, review and take assurance from agreed actions relevant to financial sustainability in the implementation of the Board's Population Health & Wellbeing Strategy, including assessing the financial and performance aspects of transformative change programmes and new and innovative ways of working.

**2. COMPOSITION**

- 2.1 The membership of the Finance, Performance and Resources Committee will be:
- Six Non-Executive or Stakeholder members of the Board (one of whom will be the Committee Chair). (A Stakeholder member is appointed to the Board from Fife Council or by virtue of holding the Chair of the Area Partnership Forum or the Area Clinical Forum)
  - Chief Executive
  - Director of Finance
  - Medical Director
  - Director of Public Health
  - Director of Nursing
- 2.2 Officers of the Board will be expected to attend meetings of the Committee when issues within their responsibility are being considered by the Committee. In addition, the Committee Chair will agree with the Lead Officer to the Committee which other Senior Staff should attend meetings, routinely or otherwise. The following will normally be routinely invited to attend Committee meetings:
- Director of Acute Services
  - Director of Property & Asset Management
  - Director of Health & Social Care
  - Director of Pharmacy & Medicines
  - Director of Planning & Transformation
  - Board Secretary
- 2.3 The Director of Finance shall serve as the Lead Executive Officer to the Committee.

### **3. QUORUM**

- 3.1 No business shall be transacted at a meeting of the Committee unless at least three Non-Executive members or Stakeholder members are present. There may be occasions when due to the unavailability of the above Non-Executive members, the Chair will ask other Non-Executive members to act as members of the committee so that the quorum is achieved. This will be drawn to the attention of the Board.

### **4. MEETINGS**

- 4.1 The Committee shall meet as necessary to fulfil its remit but not less than four times per year.
- 4.2 The Chair of Fife NHS Board shall appoint a Chair who shall preside at meetings of the Committee. If the Chair is absent from any meeting of the Committee, members shall elect from amongst themselves one of the other Committee members to chair the meeting.
- 4.3 The agenda and supporting papers will be sent out at least five clear days before the meeting.

### **5. REMIT**

- 5.1 The Committee shall have accountability to the Board for ensuring that the financial position of the Board is soundly based, having regard to:
- compliance with statutory financial requirements and achievement of financial targets;
  - such financial monitoring and reporting arrangements as may be specified from time-to-time by Scottish Government Health & Social Care Directorates and/or the Board;
  - the impact of planned future policies and known or foreseeable future developments on the financial position;
  - undertake an annual self-assessment of the Committee's work and effectiveness; and
  - review regularly the sections of the NHS Fife Integrated Performance & Quality Report relevant to the Committee's responsibility.

#### **Arrangements for Securing Value for Money**

- 5.2 The Committee shall keep under review arrangements for securing economy, efficiency and effectiveness in the use of resources. These arrangements will include procedures for (a) planning, appraisal, control, accountability and evaluation of the use of resources, and for (b) reporting and reviewing performance and managing performance issues as they arise in a timely and effective manner. In particular, the Committee will review action (proposed or underway) to ensure that the Board achieves financial balance in line with statutory requirements.

### **Allocation and Use of Resources**

- 5.3 The Committee has key responsibilities for:
- reviewing the development of the Board's Financial Strategy in support of the Annual Delivery Plan, and recommending approval to the Board;
  - reviewing all resource allocation proposals outwith authority delegated by the Board and make recommendations to the Board thereon;
  - monitoring the use of all resources available to the Board; and
  - reviewing all matters relating to Best Value.
- 5.4 Specifically, the Committee is charged with recommending to the Board annual revenue and capital budgets and financial plans consistent with its statutory financial responsibilities. It shall also have responsibility for the oversight of the Board's Capital Programme (including individual Business Cases for Capital Investment) and the review of the Property and Asset Management Strategy (including the acquisition and disposal of property), and for making recommendations to the Board as appropriate on any issue within its terms of reference.
- 5.5 The Committee will receive minutes from the Pharmacy Practices Committee and the Primary Medical Services Committee. Issues arising from these Committees will be brought to the attention of the Chair of the Finance, Performance and Resources Committee for further consideration as required.
- 5.6 The Committee will produce an Annual Report incorporating a Statement of Assurance for submission to the Board. The proposed Annual Report will be presented to the first Committee meeting in the new financial year or agreed with the Chairperson of the respective Committee by the end of May each year for presentation to the Audit and Risk Committee in June and the Board thereafter.
- 5.7 The Annual Report will include the Committee's assessment and conclusions on its effectiveness over the financial year in question.
- 5.8 The Committee shall draw up and approve, before the start of each financial year, an Annual Workplan for the Committee's planned work during the forthcoming year.
- 5.9 The Committee shall provide assurance to the Board on achievement and maintenance of Best Value standards, relevant to the Committee's area of governance as set out in Audit Scotland's baseline report "Developing Best Value Arrangements" and the Scottish Public Finance Manual.
- 6. AUTHORITY**
- 6.1 The Committee is authorised by the Board to investigate any activity within its Terms of Reference, and in so doing, is authorised to seek any information it requires from any employee.

- 6.2 In order to fulfil its remit, the Finance, Performance and Resources Committee may obtain whatever professional advice it requires, and require Directors or other officers of the Board to attend meetings.
- 6.3 The authority of the Committee is included in the Board's Scheme of Delegation, as set out in the Purpose and Remit of the Committee.

## **7. REPORTING ARRANGEMENTS**

- 7.1 The Finance, Performance and Resources Committee reports directly to Fife NHS Board on its work. Minutes of the Committee are presented to the Board by the Committee Chair, who also provides an assurance report on the matters considered at the Committee and highlights any particular issues which the Committee wishes to draw to the Board's attention.
- 7.2 Each Committee of the Board will scrutinise the Corporate Risks aligned to the Committee on a bi-monthly basis.



## **PUBLIC HEALTH & WELLBEING COMMITTEE CONSTITUTION AND TERMS OF REFERENCE**

Date of Board Approval: 27 May 2025

### **1. PURPOSE**

- 1.1 To assure Fife NHS Board that NHS Fife is fully engaged in supporting wider population health and wellbeing for the local population, including overseeing the implementation of the population health and wellbeing actions defined in the Board's strategic plans and ensuring effective contribution to population health and wellbeing related activities.
- 1.2 To exercise scrutiny and challenge over the delivery performance of a range of services, including those delegated by the Board to the Integration Joint Board, for which NHS Fife is accountable to Scottish Ministers.
- 1.3 To strengthen collaboration, build momentum, enable ownership and demonstrate leadership across all current partnerships and networks in Fife (particularly Fife Partnership Board), to address health inequalities and improve the wider determinants of health for our population.
- 1.4 To assure the Board that appropriate mechanisms and structures are in place for public health and wellbeing activities to be supported effectively throughout the whole of Fife NHS Board's responsibilities, including services delivered by partners, to reflect NHS Fife's ambition to be an anchor institution within its population area.

### **2. COMPOSITION**

- 2.1 The membership of the Public Health & Wellbeing Committee will be:
  - Four Non-Executive or Stakeholder members of the Board (one of whom will be the Committee Chair). (A Stakeholder member is appointed to the Board from Fife Council or by virtue of holding the Chair of the Area Partnership Forum or Area Clinical Forum)
  - Employee Director
  - Chief Executive
  - Director of Nursing
  - Director of Public Health
  - Medical Director
- 2.2 Officers of the Board will be expected to attend meetings of the Committee when issues within their responsibility are being considered by the Committee. In addition, the Committee Chair will agree with the lead Executive officer to the Committee which other Senior Staff should attend meetings, routinely or otherwise. The following will normally be routinely invited to attend Committee meetings:
  - Director of Health & Social Care

- Director of Pharmacy & Medicines
- Director of Planning & Transformation
- Director of Property & Asset Management
- Associate Director, Planning & Performance
- Board Secretary

2.3 The Director of Public Health shall serve as the lead Executive officer to the Committee.

### **3. QUORUM**

3.1 No business shall be transacted at a meeting of the Committee unless at least three members are present, two of whom should be Non-Executive members of the Board. There may be occasions when due to the unavailability of the above Non-Executive members, the Chair will ask other Non-Executive members to act as members of the Committee so that quorum is achieved. This will be drawn to the attention of the Board.

### **4. MEETINGS**

4.1 The Committee shall meet as necessary to fulfil its remit but not less than six times per year.

4.2 The Chair of Fife NHS Board shall appoint a Chair who shall preside at meetings of the Committee. If the Chair is absent from any meeting of the Committee, members shall elect from amongst themselves one of the other Non-Executive Committee members to chair the meeting.

4.3 The agenda and supporting papers will be sent out at least five clear days before the meeting.

### **5. REMIT**

5.1 The remit of the Public Health & Wellbeing Committee is:

- To agree key areas of focus within the public health priorities that will be taken forward each year, oversee the agreed population health activities, ensure equity in provision and access to services, and provide assurance thereon to Fife NHS Board.
- To ensure that strategic and delivery plans are formulated that reflects public health and wellbeing needs and priorities for the population serviced by NHS Fife in line with the priorities of the national care and wellbeing programmes.
- To monitor strategy implementation through regular progress reports and review of intermediate measures and long-term outcomes.
- To receive assurance that the performance and risks relating to primary care and community services are addressed in line with the directions set by the Integrated Joint Board and that robust mitigating actions are in place to address any areas of concern or where performance is not in line with national or local standards or targets.
- To receive assurance that the performance and risks relating to mental health provision are addressed in line with the directions set by the

Integration Joint Board and that robust mitigating actions are in place to address any areas of concern or where performance is not in line with national or local standards or targets.

- To support the work of the Anchor Institute Programme Board and receive updates on progress and outcomes.
- To support the work of the Primary Care Governance & Oversight Group, in its development of the Primary Care Strategy.
- To support the ambitions set out in the Plan for Fife (Community Planning Partnership) through collaboration on agreed areas of influence.
- To undertake scrutiny of individual topics / projects / work-streams to promote the health of the population in Fife, including NHS Fife staff, with particular emphasis on prevention and addressing health inequalities.
- To ensure appropriate linkages to other key work of the Board, such as the development of new services, workstreams and delivery plans.
- To undertake an annual self-assessment of the Committee's work and effectiveness.

- 5.2 The Committee shall review regularly the sections of the NHS Fife Integrated Performance & Quality Report relevant to the Committee's areas of responsibility.
- 5.3 The Committee will produce an Annual Report incorporating a Statement of Assurance for submission to the Board. The proposed Annual Report will be presented to the first Committee meeting in the new financial year or agreed with the Chairperson of the respective Committee by the end of May each year for presentation to the Audit and Risk Committee in June and thereafter to the Board.
- 5.4 The Committee shall provide assurance to the Board on achievement and maintenance of Best Value standards, relevant to the Committee's area of governance as set out in Audit Scotland's baseline report "Developing Best Value Arrangements" and the Scottish Public Finance Manual.
- 5.5 The Committee shall draw up and approve, before the start of each financial year, an Annual Workplan for the Committee's planned work during the forthcoming year.

## **6. AUTHORITY**

- 6.1 The Committee is authorised by the Board to investigate any activity within its Terms of Reference, and in so doing, is authorised to seek any information it requires from any employee.
- 6.2 In order to fulfil its remit, the Public Health & Wellbeing Committee may obtain whatever professional advice it requires, and require Directors or other officers of the Board to attend meetings.

## **7. REPORTING ARRANGEMENTS**

- 7.1 The Public Health & Wellbeing Committee reports directly to Fife NHS Board. Minutes of the Committee are presented to the Board by the Committee Chair,

who also provides an assurance report on the matters considered at the Committee and highlights any particular issues which the Committee wishes to draw to the Board's attention.

- 7.2 Each Committee of the Board will scrutinise the Corporate Risks aligned to that Committee on a bi-monthly basis.

**REMUNERATION COMMITTEE  
CONSTITUTION AND TERMS OF REFERENCE**

Date of Board Approval: 27 May 2025

**1. PURPOSE**

- 1.1 To consider and agree performance objectives and performance appraisals for staff in the Executive cohort and to oversee performance arrangements for designated senior managers.
- 1.2 To direct the appointment process for the Chief Executive and Executive Directors.

**2. COMPOSITION**

- 2.1 The membership of the Remuneration Committee will be:
  - Fife NHS Board Chairperson
  - Four Non-Executive Board members, one of whom shall be the Employee Director
- 2.2 The Director of Workforce shall act as Lead Executive Officer for the Committee and will attend meetings of the Committee. The Chief Executive will also attend meetings of the Committee.
- 2.3 The NHS Fife Chief Executive will leave the meeting when there is any discussion with regard to their own performance. The Director of Workforce will leave the meeting when there is any discussion with regard to their own performance.

**3. QUORUM**

- 3.1 Meetings will be quorate when at least three members are present.

**4 MEETINGS**

- 4.1 The Committee shall meet as necessary, but not less than three times a year.
- 4.2 The Fife NHS Board Chairperson will chair the Committee. If the Chairperson is absent from the meeting, one of the other Non-Executive members will chair the meeting.
- 4.3 The agenda and supporting papers for each meeting will be sent out at least five clear days before the meeting.
- 4.4 The full minutes will be circulated to all Committee members. Minutes edited to remove all personal details will be circulated to the Board.

**5 REMIT**

5.1 The remit of the Remuneration Committee is to consider:

- job descriptions for the Executive cohort;
- other terms of employment which are not under Ministerial direction;
- to hear and determine appeals against the decisions of the Consultant Discretionary Awards Panel. The Remuneration Committee can make decisions regarding Discretionary Points in exceptional circumstances;
- agree performance objectives and appraisals directly for the Executive cohort only, and oversee arrangements for designated senior managers;
- redundancy, early retiral or termination arrangement in respect of all staff in situations where there is a financial impact upon the Board (this excludes early retiral on grounds of ill health) and approve these or refer to the Board as it sees fit.

5.2 The Committee will produce an Annual Report incorporating a Statement of Assurance for submission to the Board. The proposed Annual Report will be presented to the first Committee meeting in the new financial year or agreed with the Chairperson of the Committee by the end of May each year for presentation to the Audit & Risk Committee in June and the Board thereafter.

5.3 The Committee shall draw up and approve, before the start of each financial year, an Annual Workplan for the Committee's planned work during the forthcoming year.

5.4 The Committee will undertake an annual self-assessment of its work and effectiveness.

5.5 The Committee shall provide assurance to the Board on achievement and maintenance of Best Value standards, relevant to the Committee's area of governance as set out in Audit Scotland's baseline report "Developing Best Value Arrangements" and the Scottish Public Finance Manual.

**6. AUTHORITY**

6.1 The Committee is authorised by the Board to investigate any activity within its Terms of Reference, and in so doing, is authorised to seek any information it requires from any employee.

6.2 In order to fulfil its remit, the Remuneration Committee may obtain whatever professional advice it requires, and require Directors or other officers of the Board to attend meetings.

6.3 Delegated authority is detailed in the Board's Standing Orders and Standing Financial Instructions and is set out in the Purpose and Remit of the Committee.

**7. REPORTING ARRANGEMENTS**

7.1 The Remuneration Committee reports directly to the Fife NHS Board on its work. Minutes of the Committee, edited to remove all personal details, are

presented to the Board by the Committee Chairperson, who provides a report, on an exception basis, on any particular issues which the Committee wishes to draw to the Board's attention.

## **STAFF GOVERNANCE COMMITTEE CONSTITUTION AND TERMS OF REFERENCE**

Date of Board Approval: 27 May 2025

### **1. PURPOSE**

- 1.1 The purpose of the Staff Governance Committee is to support the development of a culture within the health system where the delivery of the highest standard possible of staff management is understood to be the responsibility of everyone working within the system, and is built upon partnership and collaboration, and within the direction provided by the Staff Governance Standard.
- 1.2 To assure the Board that the staff governance arrangements in the Integration Joint Board are working effectively.
- 1.3 To escalate any issues to the NHS Fife Board if serious concerns are identified regarding staff governance issues within services, including those devolved to the Integration Joint Board.
- 1.4 To oversee and evaluate staff governance activities in relation to the delivery of the Board's Population Health & Wellbeing Strategy, including assessing the staff governance and related risk management aspects of transformative change programmes and new and innovative ways of working.

### **2. COMPOSITION**

- 2.1 The membership of the Staff Governance Committee will be:
  - Four Non-Executive members, one of whom will be the Chair of the Committee.
  - Employee Director
  - Chief Executive
  - Director of Nursing
  - Staff Side Chairs of the Local Partnership Forums, or their nominated deputy
- 2.2 Each member shall give notification if they are unable to attend a meeting. For Non-Executive members, they shall notify the Committee Chair, who may ask other Non-Executive members to act as members of the Committee to achieve a quorum. For Staff Side Chairs of the Local Partnership Forums, they will notify the Lead Officer, confirming their nominated deputy. This will be reported to the Committee Chair. This information will be drawn to the attention of the Board.
- 2.3 Officers of the Board will be expected to attend meetings of the Committee when issues within their responsibility are being considered by the Committee. In addition, the Committee Chair will agree with the Lead Officer to the Committee which other Senior Staff should attend meetings, routinely or otherwise. The following will normally be routinely invited to attend Committee meetings:
  - Director of Workforce



- Director of Acute Services
- Director of Pharmacy & Medicines
- Director of Planning & Transformation
- Director of Property & Asset Management
- Director of Health & Social Care
- Medical Director
- Board Secretary
- Heads of Service, Workforce Directorate

2.4 The Director of Workforce will act as Lead Executive Officer to the Committee.

### **3. QUORUM**

3.1 No business shall be transacted at a meeting of the Committee unless:

- at least three members are present, at least two of whom should be Non-Executive members of the Board.
- at least one of the Staff Side Chairs of the Local Partnership Forums or their nominated deputy is present.

### **4. MEETINGS**

4.1 The Staff Governance Committee shall meet as necessary to fulfil its purpose but not less than four times a year.

4.2 The Chair of Fife NHS Board shall appoint a Chair who shall preside at meetings of the Committee. If the Chair is absent from any meeting of the Committee, members shall elect from amongst themselves one of the other Committee members to chair the meeting.

4.3 The agenda and supporting papers will be sent out at least five clear days before the meeting.

### **5. REMIT**

5.1 The remit of the Staff Governance Committee is to:

- Consider NHS Fife's performance in relation to its achievements of effective Staff Governance and its compliance with the Staff Governance Standard;
- Review action taken on recommendations made by the Committee, NHS Boards, or the Scottish Ministers on Staff Governance matters;
- Give assurance to the Board on the operation of Staff Governance systems within NHS Fife, identifying progress, issues and actions being taken, where appropriate;
- Support the operation of the Area Partnership Forum and the Local Partnership Forums in their Staff Governance monitoring role and the appropriate flow of information to facilitate this;

- Maintain an oversight of employee relations matters, and monitor progress of related processes;
- Encourage the further development of mechanisms for engaging effectively with all members of staff within the NHS in Fife;
- Contribute to the development of the Annual Delivery Plan, in particular but not exclusively, around issues affecting staff;
- Exercise oversight of Workforce Planning, delivery and risk, to enable appropriate scrutiny and monitoring of the Board's Workforce Plan, its delivery against the agreed workplan, and the impact on related strategic risks;
- Support the continued development of personal appraisal professional learning and performance;
- Review regularly the sections of the NHS Fife Integrated Performance & Quality Report relevant to the Committee's responsibility;

Maintain an oversight of staff health, safety and wellbeing activity, supporting the linkages with promoting staff attendance and monitoring progress within the Board; and

- Undertake an annual self-assessment of the Committee's work and effectiveness.

- 5.2 The Committee shall review the arrangements for employees raising concerns, in confidence, in line with the National Whistleblowing Standards. The Committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow-up action.
- 5.3 The Committee is also required to carry out a review of its function and activities and to provide an Annual Report incorporating a Statement of Assurance. The proposed Annual Report will be presented to the first Committee meeting in the new financial year or agreed with the Chairperson of the respective Committee by the end of May each year for presentation to the Audit and Risk Committee in June and the Board thereafter.
- 5.4 The Committee shall draw up and approve, before the start of each financial year, an Annual Workplan for the Committee's planned work during the forthcoming year.
- 5.5 The Committee shall provide assurance to the Board on achievement and maintenance of Best Value standards, relevant to the Committee's area of governance as set out in Audit Scotland's baseline report "Developing Best Value Arrangements" and the Scottish Public Finance Manual.

## **6. AUTHORITY**

- 6.1 The Committee is authorised by the Board to investigate any activity within its Terms of Reference, and in so doing, is authorised to seek any information it requires from any employee.
- 6.2 In order to fulfil its remit, the Staff Governance Committee may obtain whatever professional advice it requires, and require Directors or other officers of the Board to attend meetings.
- 6.3 Delegated authority is detailed in the Board's Standing Orders, as set out in the Purpose and Remit of the Committee.

## **7. REPORTING ARRANGEMENTS**

- 7.1 The Staff Governance Committee reports directly to Fife NHS Board on its work. Minutes of the Committee are presented to the Board by the Committee Chair, who also provides an assurance report on the matters considered at the Committee and highlights any particular issues which the Committee wishes to draw to the Board's attention.
- 7.2 Each Committee of the Board will scrutinise the Corporate Risks aligned to that Committee on a bi-monthly basis.

## STANDING FINANCIAL INSTRUCTIONS

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## **1. INTRODUCTION**

1.1 Standing Financial Instructions (SFIs) are issued in accordance with the financial directions made under the provisions of the NHS (Financial Provisions) (Scotland) Regulations 1974, and all other enabling powers, for the regulation of the conduct of the Board, its members, officers and agents in relation to all financial matters. These SFIs form part of the Standing Orders and should be used along with the Standing Orders and Scheme of Delegation.

### **1.2 Terminology**

Any expression to which a meaning is given in the Health Service Acts, Scottish Statutory Instrument number 302 (2001) which brought NHS Boards into being, or in the financial regulations made under the Acts shall have the same meaning in these Instructions; and:

- (a) "NHS Fife" means all elements of the NHS under the auspices of Fife Health Board.
- (b) "Board" and "Health Board" mean Fife NHS Board, the common name of Fife Health Board.
- (c) "Budget" means a resource expressed in financial terms and set by the Board for the purposes of carrying out for a specified period any or all functions of the Health Board.
- (d) "Chief Executive" means the Chief Officer of the Health Board.
- (e) "Director of Finance" means the Chief Financial Officer of the Health Board.
- (f) "Budget Holder" means any individual with delegated authority to manage finances (Income and/or expenditure) for a specific area of the Board.

1.3 All staff individually and collectively are responsible for the security of the property of the Board, for avoiding loss, for economy and efficiency in the use of the resources and for conforming with the requirements of the Code of Corporate Governance, including Standing Orders, Standing Financial Instructions and Financial Operating Procedures.

1.4 The Director of Finance, on behalf of the Chief Executive, shall be responsible for supervising the implementation of the Board's Standing Financial Instructions and Financial Operating Procedures and for co-ordinating any action necessary to further these as agreed by the Chief Executive. The Director of Finance shall review these at least every three years and be accountable to the Board for these duties.

1.5 Wherever the title, Chief Executive, Director of Finance, or other nominated officer is used in these Instructions, it shall be deemed to include such other staff who have been duly authorised to represent them.

1.6 All relevant employees and agents shall be provided with a copy of these SFIs and are required to complete a form stating that these Instructions have been read and understood and that the individual will comply with the Instructions. They must also sign for any amendments.

- 1.7 Should any difficulties arise regarding the interpretation or application of any of the Standing Financial Instructions then the advice of the Director of Finance must be sought before acting.
- 1.8 Failure to comply with Standing Financial Instructions is a disciplinary matter, which could result in dismissal.
- 1.9 The Standing Financial Instructions along with the Scheme of Delegation and Financial Operating Procedures provide details of delegated financial responsibility and authority.

## **2. KEY RESPONSIBILITIES FOR FINANCIAL GOVERNANCE**

### **The Board and Audit and Risk Committee**

- 2.1 The Board shall approve these SFIs and Scheme of Delegation
- 2.2 The Board shall ensure and be assured that the SFIs and Scheme of Delegation are complied with at all times.
- 2.3 The Board shall agree the terms of reference of the Audit and Risk Committee, which must conform with extant Scottish Government Instruction and other guidance on good practice.
- 2.4 The Board shall perform its functions within the total funds allocated by the Scottish Government.

### **The Chief Executive (Accountable officer)**

- 2.5 The Chief Executive as Accountable Officer for the organisation is ultimately responsible for ensuring that the Board meets its obligations to perform its functions within the allocated financial resources. The Director of Finance is responsible for providing a sound financial framework that assists the Chief Executive when fulfilling these commitments.
- 2.6 The Board shall delegate executive responsibility for the performance of its functions to the Chief Executive. Board Members shall exercise financial supervision and control by requiring the submission and approval of budgets within approved allocations, by defining and approving essential features of the arrangements in respect of important procedures and financial systems, including the need to obtain value for money, and by defining specific responsibilities placed on individuals.
- 2.7 It shall be the duty of the Chief Executive to ensure that existing staff and all new employees and agents are notified of their responsibilities within these Instructions.

**The Director of Finance**

- 2.8 Without prejudice to any other functions of employees of the Board, the duties of the Director of Finance shall include the provision of financial advice to the Board and its employees, the design, implementation and supervision of systems of financial control and preparation and maintenance of such accounts, certificates, estimates, records and reports as the Board may require for the purpose of carrying out its statutory duties.
- 2.9 The Director of Finance shall keep records of the Board's transactions sufficient to disclose with reasonable accuracy at any time the financial position of the Board.
- 2.10 The Director of Finance shall require any individual who carries out a financial function to discharge their duties in a manner, and keep any records in a form, that shall be to the satisfaction of the Director of Finance.
- 2.11 The Director of Finance shall prepare, document and maintain detailed financial procedures and systems incorporating the principles of separation of duties and internal checks to supplement these Standing Financial Instructions.
- 2.12 The Director of Finance shall be responsible for setting the Board's accounting policies, consistent with the Scottish Government and Treasury guidance and generally accepted accounting practice.
- 2.13 The Director of Finance will either undertake the role of Fraud Liaison Officer or nominate another senior manager to the role, to work with Counter Fraud Services and co-ordinate the reporting of Fraud and Thefts.
- 2.14 The Director of Finance is entitled without necessarily giving prior notice to require and receive:-
- access to all records, documents and correspondence relating to any financial or other relevant transactions, including documents of a confidential nature;
  - access at all reasonable times to any land, premises or employee of the health board;
  - the production of any cash, stores or other property of the health board under an employee's control; and
  - explanations concerning any matter under investigation.

**All Directors and Employees**

- 2.15 All directors and employees, individually and working together, are responsible for:

- Keeping the property of the Board secure, and to apply appropriate routine security practices as may be determined by the Board. This includes:-
  - a. ensuring that the assets within their area of responsibility are included within the appropriate asset register (see Section 7);
  - b. ensuring that asset records/registers are kept up to date;
  - c. performing verification exercises to confirm the existence and condition of the assets, and the completeness of the appropriate asset register; and
  - d. following any prescribed procedures to notify the organisation of any theft, loss or damage to assets.
- Avoiding loss;
- Securing Best Value in the use of resources; and
- Following these SFIs and any other policy or procedure that the Board may approve.

2.16 All budget holders shall ensure that:-

- Information is provided to the Director of Finance to enable budgets to be compiled;
- Budgets are only used for their stated purpose; and
- Budgets are never exceeded.

2.17 When a budget holder expects his expenditure will exceed their delegated budget, they must secure an increased budget, or seek explicit approval to overspend before doing so.

2.18 All NHS staff who commit NHS resources directly or indirectly must be impartial and honest in their conduct of business and all employees must remain beyond suspicion.

2.19 All employees shall observe the requirements of MEL (1994) 48, which sets out the Code of Conduct for all NHS staff. There are 3 crucial public service values which underpin the work of the health service:-

### **Conduct**

There should be an absolute standard of honesty and integrity which should be the hallmark of all personal conduct in decisions affecting patients, staff and suppliers; in the use of information acquired in the course of NHS duties; in dealing with the assets of the NHS.



### **Accountability**

Everything done by those who work in the NHS must be able to stand the test of parliamentary and public scrutiny, judgements on propriety and professional codes of conduct.

### **Openness**

The Board should be open about its activities and plans so as to promote confidence between the component parts of NHS Fife, other health organisations and its staff, patients and the public.

#### 2.20 All employees shall:-

- Ensure that the interest of patients remain paramount at all times;
- Be impartial and honest in the conduct of their official business;
- Use the public funds entrusted to them to the best advantage of the service, always ensuring value for money; and
- Demonstrate appropriate ethical standards of personal conduct.

#### 2.21 Furthermore all employees shall not:-

- Abuse their official position for the personal gain or to the benefit of their family or friends;
- Undertake outside employment that could compromise their NHS duties; and
- Seek to advantage or further their private business or interest in the course of their official duties.

#### 2.22 The Director of Finance shall publish supplementary guidance and procedures in the form of Financial Operating Procedures to ensure that the above principles are understood and applied in practice.

#### 2.23 The Chief Executive shall establish procedures for voicing complaints or concerns about misadministration, breaches of the standards of conduct, suspicions of criminal behaviour (e.g. theft, fraud, bribery) and other concerns of an ethical nature.

#### 2.24 All employees must protect themselves and the Board from any allegations of impropriety by seeking advice from their line manager, or from the appropriate contact point, whenever there is any doubt as to the interpretation of these standards.

### **3. AUDIT**

#### **Audit and Risk Committee**

- 3.1 In accordance with Standing Orders the Board shall formally establish an Audit and Risk Committee, with clearly defined terms of reference.
- 3.2 Where the Audit and Risk Committee feels there is evidence of ultra vires transactions, evidence of improper acts, or if there are other important matters that the committee wish to raise, the Chairperson of the Audit and Risk Committee should raise the matter at a full meeting of the Board. In considering whether to do so, the Committee must be mindful of the arrangements with NHS Counter Fraud Services (CFS) and the role of the Fraud Liaison Officer (FLO). Exceptionally, the matter may need to be referred to the Scottish Government Health & Social Care Directorates (SGHSCD).
- 3.3 It is the responsibility of the Audit and Risk Committee to ensure an effective internal audit service is provided and this will be largely influenced by the professional judgement of the Director of Finance.

#### **Director of Finance**

- 3.4 The Director of Finance is responsible for:
  - a. Ensuring there are arrangements to measure, evaluate and report on the effectiveness of internal control and efficient use of resources, including the establishment of a professional internal audit function headed by a Chief Internal Auditor;
  - b. Ensuring that Internal Audit is adequate and meets the mandatory NHS internal audit standards;
  - c. Taking appropriate steps, in line with SGHSCD guidance, to involve CFS and/or the Police in cases of actual or suspected fraud, misappropriation, and other irregularities;
  - d. Ensuring that the Chief Internal Auditor prepares the following risk based plans for approval by the Audit and Risk Committee:
    - Strategic audit plan covering the coming four years,
    - A detailed annual plan for the coming year.
  - e. Ensuring that an annual internal audit report is prepared by the Chief Internal Auditor, in accordance with the timetable laid down by the Audit and Risk Committee, for the consideration of the Audit and Risk Committee and the Board.

The report should include:

- A clear statement on the adequacy and effectiveness of internal control;

- Main internal control issues and audit findings during the year;
  - Extent of audit cover achieved against the plan for the year.
- f. Progress on the implementation of internal audit recommendations including submission to the Audit and Risk Committee.
- 3.5 The Director of Finance shall refer audit reports to the appropriate officers designated by the Chief Executive and failure to take any necessary remedial action within a reasonable period shall be reported to the Chief Executive.

### Internal Audit

- 3.6 Internal Audit shall adopt the Global Internal Audit Standards (GIAS) and the supplementary Application Note *GIAS in the UK Public Sector*. GIAS describes Internal Audit as 'an independent, objective assurance and advisory service designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes.' "
- Minor deviations from the GIAS should be reported to the Audit and Risk Committee. More significant deviations should be considered for inclusion in the Annual Governance Statement.
- 3.7 Internal Audit activity must evaluate and contribute to the improvement of governance, risk management and control processes using a systematic and disciplined approach. Internal Audit activity and scope is fully defined within the Audit plan, approved by the Audit & Risk Committee.
- 3.8 Whenever any matter arises which involves, or is thought to involve, irregularities concerning cash, stores, or other property or any suspected irregularity in the exercise of any function of a pecuniary nature, the Director of Finance, as the FLO (unless delegated to another senior officer), must be notified immediately, and before any detailed investigation is undertaken.
- 3.9 The Chief Internal Auditor (or Counter Fraud Services staff, acting on the Director of Finance's behalf on any matters related to the investigation of fraud) is entitled without necessarily giving prior notice to require and receive:
- (a) Access to all records, documents and correspondence relating to any financial or other relevant transactions, including documents of a confidential nature (in which case he shall have a duty to safeguard that confidentiality), within the confines of the data protection act.
  - (b) Access at all reasonable times to any land, premises or employees of the Board;

- (c) The production or identification by any employee of any cash, stores or other property of the Board under an employee's control; and
  - (d) Explanations concerning any matter under investigation.
- 3.10 The Chief Internal Auditor, or appointed representative, will normally attend Audit and Risk Committee meetings; and has a right of access to all Audit Committee members, the Chairperson and Chief Executive of the Board.
- 3.11 The Chief Internal Auditor shall be accountable to the Director of Finance. The reporting and follow-up systems for internal audit shall be agreed between the Director of Finance, the Audit and Risk Committee and Chief Internal Auditor. The agreement shall comply with the guidance on reporting contained in Government Internal Audit Standards.

### **External Audit**

- 3.12 The External Auditor is concerned with providing an independent assurance of the Board's financial stewardship including value for money, probity, material accuracy, compliance with guidelines and accepted accounting practice for NHS accounts. Responsibility for securing the audit of the Board rests with Audit Scotland. The appointed External Auditor's statutory duties are contained in the Public Finance and Accountability (Scotland) Act 2000 which supersedes the Local Government (Scotland) Act 1973 (Part VII) as amended by the National Health Services and Community Care Act 1990.
- 3.13 The appointed auditor has a general duty to satisfy themselves that:
- (a) The Board's accounts have been properly prepared in accordance with the Direction of the Scottish Ministers to comply with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual (FReM) which is in force for the year for which the statement of accounts are prepared;
  - (b) Proper accounting practices have been observed in the preparation of the accounts;
  - (c) The Board has made proper arrangements for securing economy, efficiency and effectiveness in the use of its resources.
- 3.14 In addition to these responsibilities, Audit Scotland's Code of Audit Practice requires the appointed auditor to consider:
- (a) Whether the statement of accounts presents a true and fair financial position of the Board;
  - (b) The Board's main financial systems;
  - (c) The arrangements in place at the Board for the prevention and detection of fraud and corruption;
  - (d) Aspects of the performance of particular services and activities;

- (e) The Board's management arrangements to secure economy, efficiency and effectiveness in the use of resources.
- 3.15 The Board's Audit and Risk Committee provides a forum through which Non-Executive Members can secure an independent view of any major activity within the appointed auditor's remit. The Audit and Risk Committee has a responsibility to ensure that the Board receives a cost-effective audit service and that co-operation with Board senior managers and Internal Audit is appropriate.
- 3.16 The External Auditor, or appointed representative, will normally attend Audit and Risk Committee meetings; and has a right of access to all Audit and Risk Committee members, the Chairperson and Chief Executive of the Board.

#### **4. FINANCIAL MANAGEMENT**

This section applies to both revenue and capital budgets.

##### **Planning**

- 4.1 The Scottish Government has set the following financial targets for all boards:-
- To operate within the revenue resource limit.
  - To operate within the capital resource limit.
  - To operate within the cash requirement.
- 4.2 The Chief Executive shall produce an Annual Operational Plan. The Chief Executive shall submit a Plan for approval by the Board that takes into account financial targets and forecast limits of available resources. The Annual Operational Plan shall contain:-
- a statement of the significant assumptions within the Plan; and
  - details of major changes in workload, delivery of services or resources required to achieve the plan.
- 4.3 Before the financial year begins, the Director of Finance shall prepare and present a financial plan to the Board. The report shall:-
- show the total allocations received from the Scottish Government and their proposed uses, including any sums to be held in reserve;
  - be consistent with the Annual Operational Plan;
  - be consistent with the Board's financial targets;
  - identify potential risks;

- identify funding and expenditure that is of a recurring nature; and
  - identify funding and expenditure that is of a non-recurring nature.
- 4.4 The Health Board shall approve the financial plan for the forthcoming financial year.
- 4.5 The Director of Finance shall continuously review the financial plan, to ensure that it meets the Board's requirements and the delivery of financial targets.
- 4.6 The Director of Finance shall regularly update the Board on significant changes to the allocations and their uses.
- 4.7 The Director of Finance shall keep the Chief Executive and the Board informed of the financial consequences of changes in policy, pay awards and other events and trends affecting budgets and shall advise on the financial and economic aspects of future plans and projects.
- 4.8 The Director of Finance shall establish the systems for identifying and approving how the Board's capital allocation will be used, consisting of proposals for individual schemes, major equipment, IT developments, backlog maintenance, statutory compliance works and minor scheme provision. The approval of business cases shall be as described in the Scheme of Delegation.
- 4.9 The Director of Finance shall release capital funds allowing for project start dates and phasing.

### **Budgetary Control**

- 4.10 The Board shall approve the opening budgets for each financial year on an annual basis.
- 4.11 The Chief Executive shall delegate the responsibility for budgetary control to designated budget holders. The Scheme of Delegation sets out the delegated authorities to take decisions and approve expenditure for certain posts.
- 4.12 Employees shall only act on their delegated authority when there is an approved budget in place to fund the decisions they make.
- 4.13 Delegation of budgetary responsibility shall be in writing and be accompanied by a clear definition of:-
- the amount of the budget;
  - the purpose(s) of each budget heading;
  - what is expected to be delivered with the budget in terms of organisational performance; and
  - how the budget holder will report and account for their budgetary performance.

- 4.14 The Chief Executive may agree a virement procedure that would allow budget holders to transfer resources from one budget heading to another. The Board shall set the virement limits for the Chief Executive and the Chief Executive shall ensure these are not exceeded
- 4.15 If the budget holder does not require the full amount of the budget delegated to him for the stated purpose (s), and virement is not exercised, then the amount not required shall revert back to the Chief Executive.
- 4.16 The Director of Finance shall devise and maintain systems of budgetary control. These will include:-
- monthly financial reports to the Board in a form approved by the Board containing:-
    - a. net expenditure of the Board for the financial year to date; and
    - b. a forecast of the Board's expected net expenditure for the remainder of the year on a monthly basis from (at the latest) the month 6 position onwards.
    - c. capital project spend and projected outturn against plan;
    - d. explanations of any material variances from plan and/or emerging trends;
    - e. details of any corrective action where necessary and the Chief Executive's and/or Director of Finance's view of whether such actions are sufficient to correct the situation;
  - the issue of timely, accurate and comprehensible advice and financial reports to each holder of a budget, including those responsible for capital schemes, covering the areas for which they are responsible;
  - investigation and reporting of variances from agreed budgets;
  - monitoring of management action to correct variances and/or emerging adverse trends; and
  - ensuring that adequate training is delivered on an on-going basis to budget holders.

### **Monitoring**

- 4.17 The Director of Finance shall provide monthly reports in the form requested by the Cabinet Secretary showing the charge against the Board's resource limits on the last day of each month.

**5. ANNUAL ACCOUNTS AND REPORTS**

- 5.1 The Director of Finance, on behalf of the Board, shall prepare, certify and submit audited Annual Accounts to the SGHSCD in respect of each financial year in such a form as the SGHSCD may direct.
- 5.2 The Director of Finance will ensure that the Annual Accounts and financial returns are prepared in accordance with the guidance issued in the Government Financial Reporting Manual (FReM), detailing the accounts and returns to be prepared, the accounting standards to be adopted and the timetable for submission to the SGHSCD.
- 5.3 The Audit and Risk Committee will ensure that the Annual Accounts are reviewed and submitted to the Board for formal approval and the Chief Executive will ensure that they are recorded as having been so presented. The Annual Accounts will be subject to statutory audit by the external auditor appointed by Audit Scotland.
- 5.4 The Director of Finance shall prepare a Financial Statement for inclusion in the Board's Annual Report, in accordance with relevant guidelines, for submission to Board members and others who need to be aware of the Board's financial performance.
- 5.5 The Board shall publish an Annual Report, in accordance with the Scottish Government's guidelines on local accountability requirements.

**6. BANKING AND CASH HANDLING**

- 6.1 The Director of Finance shall manage the Board's banking arrangements and advise the Board on the provision of banking services and operation of accounts. This advice shall take into account guidance/Directions issued from time to time by the Scottish Government.
- 6.2 The Director of Finance shall ensure that the banking arrangements operate in accordance with the Scottish Government banking contract and Government Banking Service (GBS) and the Scottish Public Finance Manual.
- 6.3 The Board shall approve the banking arrangements. No employee may open a bank account for the Board's activities or in the Board's name, unless the Board has given explicit approval.
- 6.4 The Director of Finance shall:-
- Establish separate bank accounts for non-exchequer funds;
  - Establish a separate bank account for all capital building projects where the budget is over £2m. This account will be used solely to process payments to Preferred Supply Chain Partners (PSCP);



- Ensure payments made from bank or GBS accounts do not exceed the amount credited to the account, except where arrangements have been made;
  - Ensure money drawn from the Scottish Government against the Cash Requirement is required for approved expenditure only, and is drawn down only at the time of need;
  - Promptly bank all monies received intact. Expenditure shall not be made from cash received that has not been banked, except under exceptional arrangements approved by the Director of Finance; and
  - Report to the Board all arrangements made with the Board's bankers for accounts to be overdrawn.
- 6.5 The Director of Finance shall prepare detailed instructions on the operation of bank and GBS accounts, which must include:-
- The conditions under which each bank and GBS account is to be operated;
  - Ensuring that the GBS account is used as the principal banker and that the amount of cleared funds held at any time within exchequer commercial bank accounts is limited to a maximum of £50,000 (of cleared funds). The bank account for capital building projects will only hold funds transferred from the GBS principal account to the value of the certified payment due at that time;
  - The limit to be applied to any overdraft;
  - Those authorised to sign cheques or other orders drawn on the Board's accounts; and
  - The required controls for any system of electronic payment.
- 6.6 The Director of Finance shall:-
- Approve the stationery for officially acknowledging or recording monies received or receivable, and keep this secure;
  - Provide adequate facilities and systems for employees whose duties include collecting and holding cash, including the provision of safes or lockable cash boxes, the procedures for keys, and for coin operated machines; and
  - Approve procedures for handling cash and negotiable securities on behalf of the Board.
- 6.7 Money in the custody of the Board shall not under any circumstances be used for the encashment of private cheques.

- 6.8 The holders of safe keys shall not accept unofficial funds for depositing in their safes other than in exceptional circumstances. Such deposits must be in special sealed envelopes or locked containers. It shall be made clear to the depositors that the Board is not to be held liable for any loss, and written indemnities must be obtained from the organisation or individuals absolving the Board from responsibility for any loss.

## **7. SECURITY OF ASSETS**

- 7.1 Overall responsibility for the security of the Board's assets rests with the Board's Chief Executive. All members and employees have a responsibility for the security of property of the Board and it shall be an added responsibility of senior staff in all disciplines to apply appropriate routine security practices in relation to NHS property. Any significant breach of agreed security practice should be reported to the Chief Executive.
- 7.2 Wherever practicable, items of equipment shall be marked as property of Fife NHS Board.
- 7.3 The Chief Executive shall define the items of equipment to be controlled, and officers designated by the Chief Executive shall maintain an up-to-date register of those items. This shall include separate records for equipment on loan from suppliers, and lease agreements in respect of assets held under a finance lease and capitalised.
- 7.4 The Director of Finance shall approve the form of register and the method of updating which shall incorporate all requirements extant for capital assets.
- 7.5 Additions to the fixed asset register must be added to the records based on the documented cost of the asset at the time of acquisition.
- 7.6 Where capital assets are sold, scrapped, lost or otherwise disposed of, their value must be removed from the accounting records and each disposal must be validated by reference to authorised documentation.
- 7.7 The value of each asset where applicable shall be indexed to current values and depreciated using methods and rates as suggested in the Capital Accounting Manual and notified by the SGHSCD.
- 7.8 Revaluation of land and buildings will be provided by the Board's recommended Valuation Agent on a rolling annual programme designed to ensure that all such assets are revalued once every five years. Some assets can be revalued more than once in the five years if there has been material work done to the asset.
- 7.9 Annual indexation for land and buildings not included in the revaluation exercise in any given year will be provided by the Board's recommended Valuation Agent.

- 7.10 Any damage to the Board's premises, vehicles and equipment, or any loss of equipment or supplies shall be reported by staff in accordance with the procedure for reporting losses.

**8. PAY**

**Remuneration Committee**

- 8.1 The Board shall approve the terms of reference for the Remuneration Committee, in line with any extant guidance or requirements.
- 8.2 The Board shall remunerate the Chair and other Non-Executive directors in accordance with instructions issued by Scottish Government

**Processes**

- 8.3 The Chief Executive shall establish a system of delegated budgetary authority within which budget holders shall be responsible for the engagement of staff within the limits of their approved budget.
- 8.4 All time-records, payroll timesheets and other pay records and notifications shall be in a form approved by the Director of Finance and shall be authorised and submitted in accordance with their instructions. This also includes the payment of expenses and additions to pay whether via e-Expenses, SSTS or other arrangements, including manual systems.
- 8.5 The Director of Finance shall be responsible for ensuring that rates of pay and relevant conditions are applied in accordance with current agreements. The Chief Executive, or the Board in appropriate circumstances, shall be responsible for the final determination of pay. There will be no variation to agreed terms and conditions without the prior approval of the Director of Human Resources and Director of Finance. The Director of Finance shall determine the dates on which the payment of salary and wages are to be made. These may vary due to special circumstances (e.g. Christmas and other Public Holidays). Payments to an individual shall not be made in advance of normal pay, except:
- a. To cover a period of authorised leave, involving absence on the normal pay day; or
  - b. As authorised by the Chief Executive and Director of Finance to meet special circumstances, and limited to the net pay due at the time of payment.
- 8.6 Wherever possible, officers should not compile their own payroll input. Where it is unavoidable that the compiler of the payroll input is included on that input, then the entry in respect of the compiler must be supported by evidence that it has been checked and found to be appropriate by another officer holding a higher position.

- 8.7 Under no circumstance should officers authorise/approve their own payroll input or expenses.
- 8.8 All employees shall be paid by bank credit transfer unless otherwise agreed by the Director of Finance.
- 8.9 The Board shall delegate responsibility to the Director of Workforce for ensuring that all employees are issued with a contract of employment in a form approved by the Board and which complies with employment legislation and any extant NHS policies.

**9. NON PAY**

**Tendering, Contracting and Purchasing Procedures**

- 9.1 The Director of Finance shall prepare detailed procedural instructions on the obtaining of goods, services and works, incorporating thresholds set by the Board. The current Authorisation Limits are set out in Scheme of Delegation and the Financial Operating Procedures.
- 9.2 The Chief Executive shall designate a senior officer as the lead senior officer for procurement, and this person shall oversee the procurement of goods and services, to ensure there is an adequate approval of suppliers and their supplies based on cost and quality.
- 9.3 NSS National Procurement shall undertake procurement activity on a national basis on behalf of boards (including NHS Fife), and the Board shall implement these nationally negotiated contracts where possible.
- 9.4 The Board shall operate within the processes established for the procurement of publicly funded construction work.
- 9.5 The Board shall comply with Public Contracts (Scotland) Regulations 2012 (and any subsequent relevant legislation) for any procurement it undertakes directly.
- 9.6 The Director of Finance shall be responsible for the prompt payment of accounts and claims. Payment of contract invoices shall be in accordance with contract terms, or otherwise, in accordance with national guidance.
- 9.7 All other aspects of procurement activity must follow the requirements of the Standing Orders and SFIs. Any decision to depart from the requirements of this section must have the approval of NHS Fife Board.
- 9.8 The Director of Finance shall:-
- Advise the Board regarding the setting of thresholds above which quotations (competitive or otherwise) or formal tenders must be obtained in accordance with the Public Contracts (Scotland) Regulations, as issued annually through Scottish Statutory Instrument.

- Ensure the preparation of comprehensive procedures for all aspects of procurement activity.

9.9 The following basic principles shall be generally applied:-

- Procurement activity satisfies all legal requirements;
- Adequate contracts are in place with approved suppliers for the supply of approved products and services;
- Segregation of duties is applied throughout the process;
- Adequate approval mechanisms are in place before orders are raised;
- All deliveries are checked for completeness and accuracy, and confirmed before approval to pay is made; and
- All payments made are in accordance with previously agreed terms, and what the Board has actually received.

9.10 Limits of Authorisation of Orders

(a) Up to £100,000

- All Corporate Directors, Director of Acute Services and the Director of Health & Social Care can on their own authority commit expenditure up to £100,000 provided this is within the budgets for which they have responsibility.
- All other orders with a value up to £100,000 are subject to a scheme of delegation to Designated Ordering Officers with assigned limits. This scheme is detailed in the Financial Operating Procedures

(b) £100,000 to £1,000,000

All orders between £100,000 and £1,000,000 submitted by any designated corporate authorised officer must be countersigned by the Board Chief Executive or Director of Finance.

(c) Above £1,000,000 and less than £2,000,000

All orders above £1,000,000 and less than £2,000,000 must be authorised by the Board Chief Executive and the Director of Finance, subject to the expenditure having been approved by the Board as part of a capital or revenue plan.

(d) The placing of annual orders and the acceptance of all annual contracts over £2,000,000 and less than £5,000,000, whether capital or revenue, is reserved to the Board and must be authorised by the Board Chief Executive and Director of Finance. If above £5,000,000 then prior approval needs to be sought from the Scottish Government.

- 9.11 For all orders raised between £5,000 and £15,000 there is a requirement for the ordering officer to obtain at least one written quotation. Orders over £15,000 and up to £49,999 should ensure 3 written quotes are received. Any orders above £50,000 are subject to the Board's tendering procedures.

In the following exceptional circumstances, except in cases where Public Sector Procurement Regulations must be adhered to, the Director of Finance and Chief Executive, as specified in the Scheme of Delegation, can approve the waiving of the above requirements. Where goods and services are supplied on this basis and the value exceeds £50,000, a "Waiver of Competitive Tender" may be granted by completing a Waiver of Competitive Tender Form for approval by the appropriate director and the Head of Procurement. This form shall be endorsed by the Director of Finance and Chief Executive and submitted to the Audit and Risk Committee.

At least one of the following conditions must be outlined in the Waiver of Competitive Tender Form:

1. where the repair of a particular item of equipment can only be carried out by the manufacturer;
2. where the supply is for goods or services of a special nature or character in respect of which it is not possible or desirable to obtain competitive quotations or tenders;
3. a contractors special knowledge is required;
4. where the number of potential suppliers is limited, and it is not possible to invite the required number of quotations or tenders, or where the required number do not respond to an invitation to tender or quotation to comply with these SFIs;
5. where, on the grounds of urgency, or in an emergency, it is necessary that an essential service is maintained or where a delay in carrying out repairs would result in further expense to NHS Fife.

In the case of 1, 2, 3, and 4 above, the Waiver of Competitive Tender Form must be completed in advance of the order being placed, but may be completed retrospectively in the case of 5.

The Head of Procurement will maintain a record of all such exceptions.

Where additional works, services or supplies have become necessary and a change of supplier/contractor would not be practicable (for economic, technical or interoperability reasons) or would involve substantial inconvenience and/or duplication of cost, an existing contractor may be asked to undertake additional works providing the additional works do not exceed 50% of the original contract value and are provided at a value for money cost which should normally be at an equivalent or improved rate to the original contract.

When goods or services are being procured for which quotations or tenders are not required and for which no contract exists, it will be necessary to demonstrate that value for money is being obtained. Written notes/documentation to support the case, signed by the responsible Budget Holder, must be retained for audit inspection.

Further detail on the ordering of goods and services and relevant documentation are set out in the Financial Operating Procedures.

The use of supplies within the Office of Government (OGC) framework agreements may negate the need for three competitive tenders. The use of this route must always be recorded. In all instances, Public Sector Procurement Regulations must be followed.

- 9.12 No order shall be issued for any item or items for which there is no budget provision unless authorised by the Director of Finance on behalf of the Chief Executive from the overall financial resources available to the Board.
- 9.13 Orders shall not be placed in a manner devised to avoid the financial thresholds specified by the Board within the Scheme of Delegation.
- 9.14 All procurement on behalf of the Board must be made on an official order on the e-Procurement system (PECOS).
- 9.15 The Board shall not make payments in advance of need. However payment in advance of the receipt of goods or services is permitted in accordance with the SPFM and where approved by the lead senior officer for procurement who shall be a member of the Finance Directorate Senior Team. Examples of such instances are:-
- Items such as conferences, courses and travel, foreign currency transactions, where payment is to be made at the time of booking.
  - Where payment in advance of complete delivery is a legal or contractual requirement, e.g. maintenance contracts, utilities, rates.
  - Where payment in advance is necessary to support the provision of services/delivery of a project by external providers (e.g. grants to local authorities or voluntary bodies.)
- 9.16 Purchases from petty cash shall be undertaken in accordance with procedures stipulated by the Director of Finance in the Financial Operating Procedures.

### **Commissioning of Patient Services**

- 9.17 The Director of Finance, jointly with the Director of Acute Services or Director of Health & Social Care will ensure service agreements are in place with other healthcare providers for the delivery of patient services, ensuring the appropriate financial details are contained and clarity on reporting of performance, quality and safety issues.
- 9.18 The Director of Finance shall be responsible for maintaining a system for the payment of invoices in respect of patient services in accordance with agreed terms and national guidance and shall ensure that adequate financial systems are in place to monitor and control these.

### **Payment of Accounts and Expense Claims**

- 9.19 The Director of Finance shall be responsible for the prompt payment of all accounts and expense claims. The Director of Finance shall publish the Board's performance in achieving the prompt payment targets in accordance with specified terms and national guidance.
- 9.20 The Director of Finance shall be responsible for designing and maintaining a system for the verification, recording and payment of all amounts payable by the Board. The system shall provide for authorisation by agreed delegated officers, a timetable and system for the payment of accounts and instruction to staff regarding handling, checking and payment of accounts and claims.
- 9.21 The Director of Finance shall ensure that payments for goods and services are made only after goods and services are received. Prepayments will be permitted in exceptional circumstances and with the prior approval of the Director of Finance

### **Additional Matters for Capital Expenditure**

#### **Overall Arrangements for the Approval of the Capital Plan**

- 9.22 The Board shall follow any extant national instructions on the approval of capital expenditure, such as the Scottish Capital Investment Manual. The authorisation process shall be described in the Scheme of Delegation.
- 9.23 The Chief Executive shall ensure that:-
- there is an adequate appraisal and approval process in place for determining capital expenditure priorities within the Property Strategy and the effect of each proposal upon business plans;
  - all stages of capital schemes are managed, and are delivered on time and to cost;
  - capital investment is not undertaken without confirmation that the necessary capital funding and approvals are in place; and
  - all revenue consequences from the scheme, including capital charges, are recognised, and the source of funding is identified in financial plans.

### **Implementing the Capital Programme**

- 9.24 For every major capital expenditure proposal the Chief Executive shall ensure:-
- that a business case as required by the Scottish Capital Investment Manual (SCIM) is produced setting out:-
    - a. an option appraisal of potential benefits compared with known costs to determine the option with the highest ratio of benefits to costs; and



- b. appropriate project management and control arrangements; and
  - that the Director of Finance has assessed the costs and revenue consequences detailed in the business case.
- 9.25 The approval of a business case and inclusion in the Board's capital plan shall not constitute approval of the individual elements of expenditure on any scheme. The Chief Executive shall issue to the manager responsible for any scheme:-
- specific authority to commit expenditure; and
  - following the required approval of the business case, authority to proceed to tender.
- 9.26 The Scheme of Delegation shall stipulate where delegated authority lies for:-
- approval to accept a successful tender; and
  - where Frameworks Scotland applies, authority to agree risks and timelines associated with a project in order to arrive at a target price.
- 9.27 The Director of Finance shall issue procedures governing the financial management of capital investment projects (e.g. including variations to contract, application of Frameworks Scotland) and valuation for accounting purposes.

### **Public Private Partnerships and other Non-Exchequer Funding**

- 9.28 When the Board proposes to use finance which is to be provided other than through its capital allocations, the following procedures shall apply:-
- The Director of Finance shall demonstrate that the use of public private partnerships represents value for money and genuinely transfers significant risk to the private sector.
  - Where the sum involved exceeds the Board's delegated limits, the business case must be referred to the Scottish Government for approval or treated as per current guidelines.
  - Board must specifically agree the proposal.
  - The selection of a contractor/finance company must be on the basis of competitive tendering or quotations.

### **Disposals of Assets**

- 9.29 The Director of Finance shall issue procedures for the disposal of assets including condemnations. All disposals shall be in accordance with MEL(1996)7: Sale of surplus and obsolete goods and equipment.

- 9.30 There is a requirement to achieve Best Value for money when disposing of assets belonging to the Health Board. A competitive process should normally be undertaken.
- 9.31 When it is decided to dispose of a Health Board asset, the head of department or authorised deputy will determine and advise the Director of Finance of the estimated market value of the item, taking account of professional advice where appropriate.
- 9.32 All unserviceable articles shall be:-
- Condemned or otherwise disposed of by an employee authorised for that purpose by the Director of Finance.
  - Recorded by the Condemning Officer in a form approved by the Director of Finance which will indicate whether the articles are to be converted, destroyed or otherwise disposed of. All entries shall be confirmed by the countersignature of a second employee authorised for the purpose by the Director of Finance.

### **Capital Accounting**

- 9.33 The Director of Finance shall be notified when capital assets are sold, scrapped, lost or otherwise disposed of, and what the disposal proceeds were. The value of the assets shall be removed from the accounting records. Each disposal must be validated by reference to authorisation documents and invoices (where appropriate).
- 9.34 The Director of Finance shall approve procedures for reconciling balances on fixed assets accounts in ledgers against balances on fixed asset registers.
- 9.35 The value of each asset shall be indexed and depreciated in accordance with methods specified by the Capital Accounting Manual.
- 9.36 The Director of Finance shall calculate capital charges, which will be charged against the Board's revenue resource limit.

## **10. PRIMARY CARE CONTRACTORS**

- 10.1 In these SFIs and all other Board documentation, Primary Care contractor means:-
- an independent provider of healthcare who is registered to provide general dental, medical, ophthalmic or pharmaceutical services under the National Health Service in the United Kingdom (UK); or
  - an employee of an National Health Service organisation in the UK who is registered to provide general dental, medical, ophthalmic or pharmaceutical services under the National Health Service in the UK.

- 10.2 The Primary Care Manager shall devise and implement systems to control the registers of those who are entitled to provide general dental, medical, ophthalmic or pharmaceutical services under the National Health Service in Fife. Systems shall include criteria for entry to and deletions from the registers.
- 10.3 The Director of Finance shall agree the Service Level Agreement (s) with NHS National Services Scotland for:-
- the development, documentation and maintenance of systems for the verification, recording and receipt of NHS income collected by or on behalf of primary care contractors; and
  - the development, documentation and maintenance of systems for the verification, recording and payment of NHS expenditure incurred by or on behalf of primary care contractors.
- 10.4 The agreements at paragraph F10.3 shall comply with guidance issued from time to time by the Scottish Government. In particular they shall take account of any national systems for the processing of income and expenditure associated with primary care contractors.
- 10.5 The Director of Finance shall ensure that all transactions conducted for or on behalf of primary care contractors by the Board shall be subject to these SFIs.

### **11. INCOME AND SCOTTISH GOVERNMENT ALLOCATIONS**

- 11.1 The Director of Finance shall be responsible for designing and maintaining systems for the proper recording and collection of all monies due.
- 11.2 The Director of Finance shall take appropriate recovery action on all outstanding debts and shall establish procedures for the write-off of debts after all reasonable steps have been taken to secure payment.
- 11.3 The Director of Finance is responsible for ensuring the prompt banking of all monies received.
- 11.4 In relation to business development/income generation schemes, the Director of Finance shall ensure that there are systems in place to identify and control all costs and revenues attributed to each scheme.
- 11.5 The Director of Finance shall approve all fees and charges other than those determined by the Scottish Government or by Statute.
- 11.6 Scottish Government letters that change funding allocations must be signed by two members of the Finance Directorate Senior Team to evidence their review of the aggregate allocation received.

### **12. FINANCIAL MANAGEMENT SYSTEM**

- 12.1 The Director of Finance shall have responsibility for the accuracy and security of the computerised financial data of the Board and shall devise and implement

any necessary procedures to protect the Board and individuals from inappropriate use or misuse of any financial and other information held on computer files for which he is responsible, after taking account of all relevant legislation and guidance

- 12.2 The Director of Finance shall ensure that contracts for computer services for financial applications with another Board or any other agency shall clearly define the responsibility of all the parties for the security, privacy, accuracy, completeness and timeliness of data during processing, transmission and storage.
- 12.3 The Director of Finance shall ensure that adequate data controls exist to provide for security of financial applications during data processing, including the use of any external agency arrangements.
- 12.4 The Director of Finance shall satisfy her/himself that such computer audit checks as s/he may consider necessary are being carried out.
- 12.5 The Director of Finance shall ensure that new financial systems and amendments to current financial systems are developed in a controlled manner and are thoroughly tested prior to implementation.
- 12.6 Where another health organisation or any other agency provides a financial system service to the Board, the Director of Finance shall periodically seek assurances, through Audit where appropriate, that adequate controls are in operation and that disaster recovery arrangements are robust.

### **13. CONDEMNATIONS, LOSSES AND SPECIAL PAYMENTS**

- 13.1 Any employee or agent discovering or suspecting a loss of any kind shall forthwith inform their head of department, who shall immediately inform the Chief Executive and the Director of Finance. Where a criminal offence is suspected, the Director of Finance shall follow the Anti-Theft, Fraud, and Corruption Policy, as set out in the Financial Operating Procedures.
- 13.2 The Director of Finance shall notify the Audit and Risk Committee and Counter Fraud Services of all actual or suspected frauds. See 13.10 below.
- 13.3 In all instances where there is any suspicion of fraud then the guidance contained within NHS Circular, HDL (2005) 5: "Tackling Fraud in Scotland – Joint Action Programme. Financial Control : Procedures where criminal offences are suspected" must be followed. The Board's Fraud Liaison Officer (FLO) must be notified immediately of all cases of fraud or suspected fraud.
- 13.4 The Director of Finance shall issue procedures on the recording of and accounting for Losses and special payments to meet the requirements of the Scottish Public Finance Manual. These procedures shall include the steps to be taken where the loss may have been caused by a criminal act.
- 13.5 The Scheme of Delegation shall describe the process for the approval of the write-off of losses and making of special payments

- 13.6 The Director of Finance shall maintain a Losses and Special Payments Register in which details of all losses shall be recorded as they are known. Write-off action shall be recorded against each entry in the Register.
- 13.7 No special payments exceeding the delegated limits shall be made without prior approval by the SGHSCD.
- 13.8 The Director of Finance shall be authorised to take any necessary steps to safeguard the Board's interest in bankruptcies and company liquidations.
- 13.9 The Director of Finance is required to produce a report on Condemnations, Losses and Special Payments, where the delegated limits have been exceeded and SGHSCD approval has been requested, to the Audit and Risk Committee.
- 13.10 The Bribery Act came into force in 2010; it aims to tackle bribery and corruption in both the private and public sectors. The Act is fully endorsed by Fife NHS Board. NHS Fife conducts its contracting and procurement practices with integrity, transparency and fairness and has a zero tolerance policy on bribery or any kind of fraud. There are robust controls in place to help deter, detect and deal with it. These controls are regularly reviewed in line with the Standing Financial Instructions and feedback is provided to the Audit & Risk Committee. Procurement actively engage with NHS Scotland Counter Fraud Services to ensure that our team is fully trained on spotting potential signs of fraud and knowing how to report suspected fraud. Any existing or potential contractor to NHS Fife is required to understand that it may be a criminal offence under the Bribery Act 2010, punishable by imprisonment, to promise, give or offer any gift, consideration, financial or other advantage whatsoever as an inducement or reward to any officer of a public body and that such action may result in the Board excluding the organisation from the selected list of Potential Bidders, and potentially from all future public procurements. It is therefore vital that staff, contractors and agents understand what is expected of them and their duties to disclose and deal with any instances they find.

#### **14. RISK MANAGEMENT**

- 14.1 The Chief Executive shall ensure that the Board has a programme of risk management, which will be approved and monitored by the Board and which complies with the Standards issued by NHS Health Improvement Scotland.
- 14.2 The programme of risk management shall include:
- a. A process for identifying and quantifying risks and potential liabilities, including the establishment and maintenance of a Risk Register;
  - b. Engendering among all levels of staff a positive attitude towards the control of risk;
  - c. Management processes to ensure all significant risks and potential liabilities are addressed including effective systems of internal control, cost effective insurance cover and decisions on the acceptable level of retained risk;

- d. Contingency plans to offset the impact of adverse events;
- e. Audit arrangements including internal audit, clinical audit and health and safety review;
- f. Arrangements to review the risk management programme.
- g. A review by each Governance Committee of relevant risks pertaining to their business.

The existence, integration and evaluation of the above elements will provide a basis for the Audit and Risk Committee to make a statement on the overall effectiveness of Internal Control and Corporate Governance to the Board.

- 14.3 The programme of risk management will be underpinned by a Corporate Risk Register, approved and reviewed annually by the NHS Board.

## **15. RETENTION OF DOCUMENTS**

- 15.1 The Chief Executive shall be responsible for maintaining archives for all documents in accordance with the NHS Code of Practice on Records Management.
- 15.2 The documents held in archives shall be capable of retrieval by authorised persons.
- 15.3 Documents held under the Code shall only be destroyed at the express instigation of the Chief Executive, and records shall be maintained of documents so destroyed.

## **16. PATIENTS' PROPERTY AND FUNDS**

- 16.1 The Board has a responsibility to provide safe custody, for money and other personal property (hereafter referred to as "property") handed in by patients, in the possession of unconscious or confused patients, or found in the possession of patients dying in hospital or dead on arrival.
- 16.2 The Chief Executive shall be responsible for ensuring that patients or their guardians, as appropriate, are informed before, or at their admission, by: -
- Notices and information booklets
  - Hospitals' admission documentation and property records, and
  - The oral advice of administrative and nursing staff responsible for admissions, that the Board will not accept responsibility or liability for patients' monies and personal property brought into Board premises unless it is handed in for safe custody and a copy of an official patient property record is obtained as a receipt.
- 16.3 The Director of Finance shall provide detailed written instructions on the collection, custody, investment, recording, safekeeping and disposal of patients'

property (including instructions on the disposal of the property of deceased patients and patients transferred to other premises), for all staff whose duty it is to administer, in any way, the property of the patients.

- 16.4 Bank accounts for patients' monies shall be operated under arrangements agreed by the Director of Finance.
- 16.5 A patients' property record, in a form determined by the Director of Finance, shall be completed.
- 16.6 The Director of Finance is responsible for providing detailed instructions on the Board's responsibility as per the Adults with Incapacity (Scotland) Act 2000 and the updated Part 5 in CEL11(2008) Code of Practice. These instructions are contained within the Financial Operating Procedures.
- 16.7 The Director of Finance shall prepare an abstract of receipts and payments of patients private funds in the form laid down by Scottish Government.

## **17. STORES**

- 17.1 Stores, defined in terms of controlled stores and departmental stores (for immediate use), should be:-
  - Kept to a minimum;
  - Subject to annual stocktake; and
  - Valued at the lower of cost and net realisable value.
- 17.2 Subject to the responsibility of the Director of Finance for the systems of control, the control of stores throughout the organisation shall be the responsibility of the relevant managers. The day-to-day management may be delegated to departmental officers and stores managers/keepers, subject to such delegation being entered in a record available to the Director of Finance.
- 17.3 The responsibility for security arrangements, and the custody of keys for all stores locations, shall be clearly defined in writing by the manager responsible for the stores and agreed with the Director of Finance. Wherever practicable, stock items, which do not belong to the Board, shall be clearly identified.
- 17.4 All stores records shall be in such form and shall comply with such system of control and procedures as the Director of Finance shall approve.
- 17.5 Stocktaking arrangements shall be agreed with the Director of Finance and there shall be a physical check covering all items in store at least once a year. The physical check shall involve at least one officer other than the Storekeeper, and the Director of Finance and Internal & External Audit shall be notified and may attend, or be represented, at their discretion. The stocktaking records shall be numerically controlled and signed by the officers undertaking the check. Any surplus or deficiency revealed on stocktaking shall be reported immediately to the Director of Finance, and he may investigate as necessary. Known losses of

stock items not on stores control shall be reported to the Assistant Director of Finance.

- 17.6 Where a complete system of stores control is not justified, alternative arrangements shall require the approval of the Director of Finance.
- 17.7 Instructions for stock take and the basis for valuation will be issued by the Director of Finance if required.

## **18. AUTHORISATION LIMITS**

- 18.1 The purpose of Standing Financial Instructions is to ensure adequate controls exist for the committing and payment of funds on behalf of NHS Fife. The main principles applied in determining authorisation limits are those of devolved accountability and responsibility. The rules for financial delegation to all levels of management within the Board's established policies and priorities are set out in the Scheme of Delegation and Financial Operating Procedures
- 18.2 Areas covered by the Scheme of Delegation include:
- Limitation and Authority to vire budgets between one budget heading and another.
  - Limitation of level of Authority for the placing of orders or committing resources
  - Limitation as to the level of authority to approve receipt of orders, expenses, travel claims, payment of invoices, write off of losses.

## **19. ENDOWMENT FUNDS**

- 19.1 The Standing Financial Instructions deal with matters related to exchequer income and expenditure for NHS Fife. Whilst Endowment Funds fall outwith the scope of core exchequer funds, it is important that all relevant employees and agents are aware of the arrangements for the financial responsibility and authority for such funds.
- 19.2 Endowment Funds and are those held in trust for purposes relating to the National Health Service, either by the Board or Special Trustees appointed by the Scottish Ministers or by other persons.
- 19.3 Members of the Fife Health Board become Trustees of the Board's Endowment Funds (Fife Health Charity). The responsibilities as Trustees are discharged separately from the responsibilities as members of the Board.
- 19.4 The Director of Finance shall prepare detailed procedural instructions covering the receiving, recording, investment and accounting for Endowment Funds.
- 19.5 Through the Board's Scheme of Delegation, authority will be given by the Trustees to allow for the day to day management of the funds within specified limits.



- 19.6 The Authorisation Limits are set out in the Scheme of Delegation and the Financial Operating Procedures.
- 19.7 The Director of Finance shall prepare annual accounts for the funds held in trust, to be audited independently and presented annually to the Board of Trustees.

# **FIFE NHS BOARD SCHEME OF DELEGATION**

### 1. Introduction

#### **Board's Responsibility**

The Standing Orders for the proceedings and Business of the Fife NHS Board include a section on Matters Reserved for the Board (Section 6). This section of the Standing Orders summarises all matters where decision making is reserved to the Board.

The subsequent section (Section 7) within the Standing Orders, identifies that other “matters” may be delegated to Committees or individuals to act on behalf of the Board.

The following appendix sets out:

- Committees' delegated responsibility on behalf of the Board
- Matters delegated to individuals

## 2. Committees' Delegated Responsibility on behalf of the Board

<b>2.1 Audit &amp; Risk Committee</b>	
Responsible Director for this Section	Director of Finance
Role and Remit	<ul style="list-style-type: none"> <li>Supporting the Accountable Officer and Fife NHS Board formulate their assurance needs with regard to risk management, governance and internal control;</li> <li>Drawing attention to weaknesses in systems of risk management, governance and internal control;</li> </ul> <p><b>Internal Control and Corporate Governance</b></p> <ul style="list-style-type: none"> <li>To evaluate the framework of internal control and corporate governance comprising the following components, as recommended by the Turnbull Report: <ul style="list-style-type: none"> <li>control environment;</li> <li>risk management;</li> <li>information and communication;</li> <li>control procedures;</li> <li>monitoring and corrective action.</li> </ul> </li> <li>To review the system of internal financial control, which includes: <ul style="list-style-type: none"> <li>the safeguarding of assets against unauthorised use and disposition;</li> <li>the maintenance of proper accounting records and the reliability of financial information used within the organisation or for publication.</li> </ul> </li> <li>To ensure that the activities of Fife NHS Board are within the law and regulations governing the NHS.</li> <li>To review the disclosures included in the Governance Statement on behalf of the Board.</li> <li>To present an annual statement of assurance on the above to the Board, to support the NHS Fife Chief Executive's Governance Statement.</li> </ul>

	<p><b>Internal Audit</b></p> <ul style="list-style-type: none"> <li>• To review and approve the Internal Audit Charter and Strategic and Annual Plans.</li> <li>• To monitor audit progress and review audit reports.</li> <li>• To monitor the management action taken in response to the audit recommendations through an appropriate follow-up mechanism.</li> <li>• To consider the Chief Internal Auditor's annual report and assurance statement.</li> <li>• To review the operational effectiveness of Internal Audit by considering the audit standards, resources, staffing, technical competency and performance measures.</li> </ul> <p><b>External Audit</b></p> <ul style="list-style-type: none"> <li>• To note the appointment of the Statutory Auditor and to approve the appointment and remuneration of the External Auditors for Patients' Funds.</li> <li>• To review the Audit Strategy and Plan, including the Best Value and Performance Audits programme.</li> <li>• To consider all statutory audit material, in particular:- <ul style="list-style-type: none"> <li>• Audit Reports;</li> <li>• Annual Reports;</li> <li>• Management Letters</li> </ul> relating to the certification of Fife NHS Board's Annual Accounts, Annual Patients' Private Funds Accounts.</li> </ul> <p><b>Risk Management</b></p> <p>The Committee shall seek assurance that:</p> <ul style="list-style-type: none"> <li>• There is a comprehensive risk management system in place to identify, assess, manage and monitor risks at all levels of the organisation.</li> <li>• There is appropriate ownership of risk in the organisation, and that there is an effective culture of risk management</li> <li>• The Board has clearly defined its risk appetite (i.e. the level of risk that the Board is prepared to accept, tolerate, or be exposed to at any time), and that the executive's approach to risk management is consistent with that appetite.</li> </ul>
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	<ul style="list-style-type: none"> <li>• The Committee will also receive and review a report summarising any significant changes to the Board's Corporate Risk Register, and what plans are in place to manage them. The Committee may also elect to occasionally request information on significant risks held on any risk registers held in the organisation.</li> <li>• Assess whether the Corporate Risk Register is an appropriate reflection of the key risks to the Board, so as to advise the Board.</li> <li>• Receive an annual report on risk management, confirming whether or not there have been adequate and effective risk management arrangements throughout the year, and highlighting any material areas of risk.</li> </ul> <p><b>Standing Orders and Standing Financial Instructions</b></p> <ul style="list-style-type: none"> <li>• To review the model Standing Orders for Boards as issued by NHS Scotland, and associated appendices of Fife NHS Board, and advise the Board of any amendments required.</li> <li>• To examine the circumstances associated with any occasion when Standing Orders of Fife NHS Board have been waived or suspended.</li> </ul> <p><b>Annual Accounts</b></p> <ul style="list-style-type: none"> <li>• To review and recommend approval of draft Fife NHS Board Annual Accounts to the Board.</li> <li>• To review the draft Annual Report and Financial Review of Fife NHS Board as found within the Directors Report incorporated within the Annual Accounts.</li> <li>• To review annually (and approve any changes in) the accounting policies of Fife NHS Board.</li> <li>• To review schedules of losses and compensation payments where the amounts exceed the delegated authority of the Board prior to being referred to the Scottish Government for approval.</li> </ul> <p><b>Other Matters</b></p> <ul style="list-style-type: none"> <li>• The Committee shall review regular reports on Fraud and potential Frauds and have oversight of the Board's compliance towards the Counter Fraud Standards.</li> <li>• The Committee shall provide assurance to the Board on achievement and maintenance of Best Value standards,</li> </ul>
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	<p>relevant to the Committee's area of governance as set out in Audit Scotland's baseline report "Developing Best Value Arrangements".</p> <ul style="list-style-type: none"> <li>• The Committee shall review the Board's arrangements to prevent bribery and corruption within its activities. This includes the systems to support Board members' compliance with the NHS Fife Board Code of Conduct (Ethical Standards in Public Life Act 2000), the systems to promote the required standards of business conduct for all employees and the Board's procedure to prevent Bribery (Bribery Act 2000).</li> </ul>
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<b>2.2 Clinical Governance Committee</b>	
Responsible Director for this Section	Medical Director
Sub-Committees	<ul style="list-style-type: none"> <li>• Health &amp; Safety</li> </ul>
Role and Remit	<ul style="list-style-type: none"> <li>• To monitor progress on the health status targets set by the Board.</li> <li>• The Committee will produce an Annual Statement of Assurance for submission to the Board, via the Audit &amp; Risk Committee. The proposed Annual Statement will be presented to the first Committee meeting in the new financial year or agreed with the Chairperson of the respective Committee by the end of May each year for presentation to the Audit and Risk Committee in June.</li> <li>• To capture and record all issues and risks on an operational risk register to be monitored through the Committee, and where appropriate these should be escalated to the Board for consideration in addition to the corporate risk register until mitigated to a tolerable level.</li> <li>• To receive updates on and oversee the progress on the recommendations from relevant external reports of reviews of all healthcare organisations including clinical governance reports and recommendations from relevant regulatory bodies which may include Healthcare Improvement Scotland (HIS) reviews and visits.</li> <li>• To provide assurance to Fife NHS Board about the quality of services within NHS Fife.</li> <li>• To provide assurance to the Board that there are effective systems and processes in place to support the management and mitigation of risks related to Information Security &amp; Governance.</li> <li>• The Committee shall review regularly the sections of the NHS Fife Integrated Performance &amp; Quality Report relevant to the Committee's responsibility.</li> <li>• To undertake an annual self-assessment of the Committee's work and effectiveness.</li> <li>• The Committee shall provide assurance to the Board on achievement and maintenance of Best Value standards, relevant to the Committee's area of governance as set out in</li> </ul>



	Audit Scotland's baseline report "Developing Best Value Arrangements".
<b>2.3 Finance, Performance and Resources Committee</b>	
Responsible Director for this Section	Director of Finance
Sub-Committees	<ul style="list-style-type: none"> <li>• Pharmacy Practices</li> <li>• Primary Medical Services</li> </ul>
Role and Remit	<ul style="list-style-type: none"> <li>• The Committee shall have accountability to the Board for ensuring that the financial position of the Board is soundly based, having regard to: <ul style="list-style-type: none"> <li>• compliance with statutory financial requirements and achievement of financial targets;</li> <li>• such financial monitoring and reporting arrangements as may be specified from time-to-time by SGHSCD and/or the Board;</li> <li>• levels of balances and reserves;</li> <li>• the impact of planned future policies and known or foreseeable future developments on the financial position;</li> <li>• undertake an annual self-assessment of the Committee's work and effectiveness; and</li> <li>• review regularly the sections of the NHS Fife Integrated Performance &amp; Quality Report relevant to the Committee's responsibility.</li> </ul> </li> </ul> <p><b>Arrangements for Securing Value for Money</b></p> <ul style="list-style-type: none"> <li>• The Committee shall keep under review arrangements for securing economy, efficiency and effectiveness in the use of resources. These arrangements will include procedures for (a) planning, appraisal, and control, accountability and evaluation of the use of resources, and for (b) reporting and reviewing performance and managing performance issues as they arise in a timely and effective manner. In particular, the Committee will review action (proposed or underway) to ensure that the Board achieves financial balance in line with statutory requirements.</li> </ul> <p><b>Allocation and Use of Resources</b></p> <p>The Committee has key responsibilities for:</p>

	<ul style="list-style-type: none"> <li>• reviewing the development of the Board's Financial Strategy in support of the Annual Operational Plan, and recommending approval to the Board;</li> <li>• reviewing all resource allocation proposals outwith authority delegated by the Board and make recommendations to the Board thereon; and</li> <li>• monitoring the use of all resources available to the Board.</li> <li>• Specifically, the Committee is charged with recommending to the Board annual revenue and capital budgets and financial plans consistent with its statutory financial responsibilities. It shall also have responsibility for the oversight of the Board's Capital Programme (including individual Business Cases for Capital Investment) and the review of the Property Strategy (including the acquisition and disposal of property), and for making recommendations to the Board as appropriate on any issue within its terms of reference;</li> <li>• The Committee will produce an Annual Statement of Assurance for submission to the Board, via the Audit and Risk Committee. The proposed Annual Statement will be presented to the first Committee meeting in the new financial year or agreed with the Chairperson of the respective Committee by the end of May each year for presentation to the Audit and Risk Committee in June; and</li> <li>• The Committee shall provide assurance to the Board on achievement and maintenance of Best Value standards, relevant to the Committee's area of governance as set out in Audit Scotland's baseline report "Developing Best Value Arrangements".</li> </ul>
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<b>2.4 Public Health &amp; Wellbeing Committee</b>	
Responsible Director for this Section	Director of Public Health
Role and Remit	<p>The remit of the Public Health &amp; Wellbeing Committee is:</p> <ul style="list-style-type: none"> <li>• To agree key areas of focus within the public health priorities that will be taken forward every year, oversee the agreed population health activities, ensure equity in provision and access to services, and provide assurance thereon to Fife NHS Board.</li> <li>• To ensure that a strategic plan is formulated that reflects public health and wellbeing needs and priorities for the population serviced by NHS Fife in line with the priorities of the national care and wellbeing programmes.</li> <li>• To monitor strategy implementation through regular progress reports and review of intermediate measures and long-term outcomes.</li> <li>• To receive assurance that the risks relating to primary care and community services are addressed in line with the directions set and that robust mitigating actions are in place to address any areas of concern or where performance is not in line with national standards or targets.</li> <li>• To support the work of the Anchor Institute Programme Board and receive updates on progress and outcomes.</li> <li>• To support the ambitions set out in the Plan for Fife (Community Planning Partnership) through collaboration on agreed areas of influence.</li> <li>• To undertake scrutiny of individual topics / projects / work-streams to promote the health of the population in Fife, including NHS Fife staff, with particular emphasis on prevention and addressing health inequalities.</li> <li>• To ensure appropriate linkages to other key work of the Board, such as the development of new services, workstreams and delivery plans.</li> <li>• To undertake an annual self-assessment of the Committee's work and effectiveness.</li> </ul>

	<ul style="list-style-type: none"> <li>• The Committee will produce an Annual Report incorporating a Statement of Assurance for submission to the Board, via the Audit &amp; Risk Committee. The proposed Annual Report will be presented to the first Committee meeting in the new financial year or agreed with the Chairperson of the Committee by the end of May each year for presentation to the Audit &amp; Risk Committee in June.</li> <li>• The Committee shall provide assurance to the Board on achievement and maintenance of Best Value standards, relevant to the Committee's area of governance as set out in Audit Scotland's baseline report "Developing Best Value Arrangements".</li> </ul>
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<b>2.5 Remuneration Committee</b>	
Responsible Director for this Section	Director of Workforce
Role and Remit	<ul style="list-style-type: none"> <li>• The remit of the Remuneration Committee is to consider: <ul style="list-style-type: none"> <li>• job descriptions for the Executive cohort;</li> <li>• other terms of employment which are not under Ministerial direction;</li> <li>• to hear and determine appeals against the decisions of the Consultant Discretionary Awards Panel. The Remuneration Committee can make decisions regarding Discretionary Points in exceptional circumstances;</li> <li>• agree performance objectives and appraisals directly for the Executive cohort only, and oversee arrangements for designated senior managers;</li> <li>• redundancy, early retiral or termination arrangement in respect of all staff in situations where there is a financial impact upon the Board (this excludes early retiral on grounds of ill health) and approve these or refer to the Board as it sees fit; and</li> <li>• undertake an annual self-assessment of the Committee's work and effectiveness.</li> </ul> </li> <li>• The Committee will produce an Annual Report incorporating a Statement of Assurance for submission to the Board, via the Audit &amp; Risk Committee. The proposed Annual Report will be presented to the first Committee meeting in the new financial year or agreed with the Chairperson of the Committee by the end of May each year for presentation to the Audit &amp; Risk Committee in June.</li> <li>• The Committee shall provide assurance to the Board on achievement and maintenance of Best Value standards, relevant to the Committee's area of governance as set out in Audit Scotland's baseline report "Developing Best Value Arrangements".</li> </ul>

<b>2.6 Staff Governance Committee</b>	
Responsible Director for this Section	Director of Workforce
Role and Remit	<ul style="list-style-type: none"> <li>• The remit of the Staff Governance Committee is to: <ul style="list-style-type: none"> <li>• consider NHS Fife's performance in relation to its achievements of effective Staff Governance and its compliance with the Staff Governance Standard;</li> <li>• review action taken on recommendations made by the Committee, NHS Boards, or the Scottish Ministers on Staff Governance matters;</li> <li>• give assurance to the Board on the operation of Staff Governance systems within NHS Fife, identifying progress, issues and actions being taken, where appropriate;</li> <li>• exercise oversight of Workforce Planning, delivery and risk, to enable appropriate scrutiny and monitoring of the Board's Workforce Plan, its delivery against the agreed workplan, and the impact on related strategic risks;</li> <li>• support the operation of the Area Partnership Forum and the Local Partnership Forums in their Staff Governance monitoring role and the appropriate flow of information to facilitate this;</li> <li>• encourage the further development of mechanisms for engaging effectively with all members of staff within the NHS in Fife;</li> <li>• contribute to the development of the Annual Delivery Plan, in particular but not exclusively, around issues affecting staff;</li> <li>• support the continued development of personal appraisal, professional learning and performance;</li> <li>• review regularly the sections of the NHS Fife Integrated Performance &amp; Quality Report relevant to the Committee's responsibility; and</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>• undertake an annual self-assessment of the Committee's work and effectiveness.</li> <li>• The Committee is also required to carry out a review of its function and activities and to provide an Annual Statement of Assurance. This will be submitted to the Board via the Audit and Risk Committee. The proposed Annual Statement will be presented to the first Committee meeting in the new financial year or agreed with the Chairperson of the respective Committee by the end of May each year for presentation to the Audit and Risk Committee in June.</li> <li>• The Committee shall provide assurance to the Board on achievement and maintenance of Best Value standards, relevant to the Committee's area of governance as set out in Audit Scotland's baseline report "Developing Best Value Arrangements".</li> </ul>
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### 3. Matters Delegated to Individuals

3.1 Matters Delegated to the Chief Executive	
	<p><b>General Provisions</b></p> <p>In the context of the Board's principal role to protect and improve the health of Fife residents, the Chief Executive as Accountable Officer shall have delegated authority and responsibility to secure the economical, efficient and effective operation and management of Fife NHS Board and to safeguard its assets:</p> <ul style="list-style-type: none"> <li>• in accordance with the statutory requirements and responsibilities laid upon the Chief Executive as Accountable Officer for Fife NHS Board;</li> <li>• in accordance with direction from the Scottish Government Health and Social Care Directorates;</li> <li>• in accordance with the current policies of and decisions made by the Board;</li> <li>• within the limits of the resources available, subject to the approval of the Board;</li> <li>• and in accordance with the Code of Corporate Governance as detailed in Standing Orders and Standing Financial Instructions.</li> </ul> <p>The Chief Executive is authorised to take such measures as may be required in emergency situations, subject to advising, where possible, the Chairperson and the Vice-Chairperson of the Board, and the relevant Standing Committee Chairperson. Such measures, that might normally be outwith the scope of the authority delegated by the Board or its Standing Committees to the Chief Executive, shall be reported to the Board or appropriate Standing Committee as soon as possible thereafter.</p> <p>The Chief Executive is authorised to give a direction in special circumstances that any officer shall not exercise a delegated function subject to reporting on the terms of the direction to the next meeting of the appropriate Committee.</p> <p><b>Finance</b></p> <p>Resources shall be used only for the purpose for which they are allocated, unless otherwise approved by the Chief Executive, after taking account of the advice of the Director of Finance. The Chief Executive acting together with the Director of Finance has delegated authority to approve the transfer of funds between budget heads, including transfers from reserves and balances, up to a maximum of £2,000,000 in any one instance.</p>



	<p>The Chief Executive shall report to the Finance, Performance and Resources Committee those instances where this authority is exercised and/or the change in use of the funds relates to matters of public interest.</p> <p>The Chief Executive may, acting together with the Director of Finance, and having taken all reasonable action to pursue recovery, approve the writing-off of losses, subject to the financial limits and categorisation of losses laid down from time to time by the Scottish Government Health and Social Care Directorates.</p> <p><b>Legal Matters</b></p> <p>The Chief Executive is authorised to institute, defend or appear in any legal proceedings or any inquiry, including proceedings before any statutory tribunal, board or authority, and following consideration of the advice of the Central Legal Office of the National Services Scotland (NSS), to appoint or consult with Counsel where it is considered expedient to do so, for the promotion or protection of the Board's interests.</p> <p>In circumstances where a claim against the Board is settled by a decision of a Court, and the decision is not subject to appeal, the Chief Executive shall implement the decision of the relevant Court on behalf of the Board.</p> <p>In circumstances where the advice of the Central Legal Office is to reach an out-of-court settlement, the Chief Executive may, acting together with the Director of Finance, settle claims against the Board, subject to a report thereafter being submitted to the Finance, Performance and Resources Committee.</p> <p>The Chief Executive, acting together with the Director of Finance, may make <u>ex gratia</u> payments subject to the limits laid down from time to time by the Scottish Government Health &amp; Social Care Directorates.</p> <p>The arrangements for signing of documents in respect of matters covered by the Property Transactions Manual shall be in accordance with the direction of Scottish Ministers. The Chief Executive and the Director of Finance are currently authorised to sign such documentation on behalf of the Board and Scottish Ministers.</p> <p>The Chief Executive shall have responsibility for the safe keeping of the Board's Seal, and together with the Chairperson or other nominated Non-Executive Member of the Board, shall have responsibility for the application of the Seal on behalf of the Board.</p>
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	<p><b>Procurement of Supplies and Services</b></p> <p>The Chief Executive shall have responsibility for nominating officers or agents to act on behalf of the Board, for specifying, and issuing documentation associated with invitations to tender, and for receiving and opening of tenders.</p> <p>Where post tender negotiations are required, the Chief Executive shall nominate in writing, officers and/or agents to act on behalf of the Board.</p> <p>The Chief Executive, acting together with the Director of Finance, has authority to approve on behalf of the Board the acceptance of tenders, submitted in accordance with the Board's Standing Orders, up to an annual value of £2,000,000, within the limits of previously approved Revenue and Capital Budgets, where the most economically advantageous tender is to be accepted.</p> <p>The Chief Executive through the Director of Finance shall produce a listing, including specimen signatures, of those officers or agents to whom they have given delegated authority to sign official orders on behalf of the Board.</p> <p><b>Human Resources</b></p> <p>The Chief Executive may, after consultation and agreement with the Director of Workforce, and the relevant Director, amend staffing establishments in respect of the number and grading of posts. In so doing, the Director of Finance must have been consulted, and have confirmed that the cost of the amended establishment can be contained within the relevant limit approved by the Board for the current and subsequent financial years.</p> <p>Any amendment must also be in accordance with the policies and arrangements relating to workforce planning, approved by the Board or Staff Governance Committee.</p> <p>The Chief Executive has delegated authority from Fife NHS Board to approve the establishment of salaried dentist posts within NHS Fife, within the systematic approach as laid down by the Scottish Government Health &amp; Social Care Directorates Circular No PCA(D)(2005)3.</p> <p>The Chief Executive may attend and may authorise any member of staff to attend within and outwith the United Kingdom conferences, courses or meetings of relevant professional bodies and associations, provided that:</p>
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	<ul style="list-style-type: none"> <li>• attendance is relevant to the duties or professional development of such member of staff; and</li> <li>• appropriate allowance has been made within approved budgets; or</li> <li>• external reimbursement of costs is to be made to the Board.</li> <li>• Under the terms of the public sector reform act the Chief Executive is required to keep a register of all such approvals.</li> </ul> <p>The Chief Executive may, in accordance with the Board's agreed Employee Conduct Policy, take disciplinary action, in respect of members of staff, including dismissal where appropriate.</p> <p>The Chief Executive shall have overall responsibility for ensuring that the Board complies with Health and Safety legislation, and for ensuring the effective implementation of the Board's policies in this regard.</p> <p>The Chief Executive may, following consultation and agreement with the Director of Workforce and the Director of Finance approve payment of honoraria to any employee.</p> <p>The Chief Executive may, in consultation with the Director of Workforce and Director of Finance, approve applications to leave the employment of the Board on grounds of early retirement by any employee provided the terms and conditions relating to the early retirement are in accordance with the relevant Board policy. All such applications and outcomes will be reported to the Remuneration Committee.</p> <p><b>Patients' Property</b></p> <p>The Chief Executive shall have overall responsibility for ensuring that the Board complies with legislation in respect of patients' property. The term 'property' shall mean all assets other than land and building. (e.g. furniture, pictures, jewellery, bank accounts, shares, cash.)</p>
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3.2 Matters Delegated to the Director of Finance	
	<p>Authority is delegated to the Director of Finance to take the necessary measures as undernoted, in order to assist the Board and the Chief Executive in fulfilling their corporate responsibilities:</p> <p><b>Accountable Officer</b></p> <p>The Director of Finance has a general duty to assist the Chief Executive in fulfilling their responsibilities as the Accountable Officer of the Board.</p> <p><b>Financial Statements</b></p> <p>The Director of Finance is empowered to take all steps necessary to assist the Board to:</p> <ul style="list-style-type: none"> <li>• Act within the law and ensure the regularity of transactions by putting in place systems of internal control to ensure that financial transactions are in accordance with the appropriate authority;</li> <li>• Maintain proper accounting records; and</li> <li>• Prepare and submit for External Audit timeous financial statements which give a true and fair view of the financial position of the Board and its income and expenditure for the period in question.</li> </ul> <p><b>Corporate Governance and Management</b></p> <p>The Director of Finance is authorised to put in place proper arrangements to ensure that the financial position of the Board is soundly based by ensuring that the Board, its Committees, and supporting management groupings receive appropriate, accurate and timely information and advice with regard to:</p> <ul style="list-style-type: none"> <li>• The development of financial plans, budgets and projections;</li> <li>• Compliance with statutory financial requirements and achievement of financial targets;</li> <li>• The impact of planned future policies and known or foreseeable developments on the Board's financial position.</li> </ul> <p>The Director of Finance is empowered to take steps to ensure that proper arrangements are in place for:</p> <ul style="list-style-type: none"> <li>• Developing, promoting and monitoring compliance with Standing Orders and Standing Financial Instructions, and appropriate guidance on standards of business conduct;</li> </ul>

	<ul style="list-style-type: none"> <li>• Developing and implementing systems of internal control, including systems of financial, operational and compliance controls and risk management;</li> <li>• Developing and implementing strategies for the prevention and detection of fraud and irregularity;</li> <li>• Internal Audit.</li> </ul> <p><b>Performance Management</b></p> <p>The Director of Finance is authorised to assist the Chief Executive to ensure that suitable arrangements are in place to secure economy, efficiency, and effectiveness in the use of resources and that they are working effectively. These arrangements include procedures:</p> <ul style="list-style-type: none"> <li>• for planning, appraisal, authorisation and control, accountability and evaluation of the use of resources;</li> <li>• to ensure that performance targets and required outcomes are met and achieved.</li> </ul> <p><b>Banking</b></p> <p>The Director of Finance is authorised to oversee the Board's arrangements in respect of accounts held in the name of the Board with the appointed Government Banking Services and the commercial bankers duly appointed by the Board.</p> <p>The Director of Finance will be responsible for ensuring that the appointed Government Banking Services and the commercial bankers are advised in writing of amendments to the panel of nominated authorised signatories.</p> <p><b>Tax</b></p> <p>The Director of Finance shall have delegated authority as lead officer for Tax matters, in relation to the management of taxes as they affect NHS Fife's financial affairs. This includes but is not limited to final determination in cases of off payroll working, application of the Construction Industry Scheme regulations, VAT etc.</p> <p><b>Patients' Property</b></p> <p>The Director of Finance shall have delegated authority to ensure that detailed operating procedures in relation to the management of the property of patients (including the opening of bank accounts where appropriate) are compiled for use by staff involved in the management of patients' property and financial affairs, in line with the terms of the Adults with Incapacity (Scotland) Act 2000.</p>
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<b>3.3 Matters Delegated to Other Senior Officers of the Board</b>	
	<p style="text-align: center;"><b>Director of Acute Services and Director of Health and Social Care</b></p>
	<p><b>General Provisions</b></p> <p>The Director of Acute Services/Director of Health and Social Care shall have delegated authority and responsibility from the Board Chief Executive to secure the economical, efficient and effective operation and management of their services:</p> <ul style="list-style-type: none"> <li>• in accordance with the current policies and decisions made by the Board;</li> <li>• within the limits of the resources made available to the Division/IJB;</li> <li>• in accordance with the Code of Corporate Governance as detailed in the Board's Standing Orders and Standing Financial Instructions.</li> </ul> <p>The Director of Acute Services and Director of Health and Social Care have a general duty to assist the Chief Executive in fulfilling their responsibilities as the Accountable Officer of the Board.</p> <p>The Director of Acute Services and Director of Health and Social Care are authorised to take such measures as may be required in emergency situations, subject to advising, where possible, the Chairperson or the Vice-Chairperson of the Board, the Chief Executive and where appropriate the relevant Standing Committee Chairperson. Such measures, that might normally be outwith the scope of the authority delegated by the Board or its Standing Committees to the Chief Executive, shall be reported to the Board or appropriate Standing Committee as soon as possible thereafter.</p> <p>The Director of Acute Services and Director of Health and Social Care are authorised to give a direction in special circumstances that any officer within their area shall not exercise a delegated function subject to reporting on the terms of the direction to the next meeting of the Board.</p> <p><b>Finance</b></p> <p>Resources shall be used only for the purpose for which they are allocated, unless otherwise approved by the Director of Acute Services and Director of Health and Social Care, after taking account of the advice of the Deputy Director of Finance. The Director</p>

	<p>of Acute Services and Director of Health and Social Care acting together with the Deputy Director of Finance have delegated authority to approve the transfer of funds between budget heads, up to a maximum of £500,000 in any one instance. Those instances where this authority is exercised and/or the change in use of the funds relates to matters of public interest shall be notified to the Finance, Performance and Resources Committee.</p> <p><b>Legal Matters</b></p> <p>The Director of Acute Services and Director of Health and Social Care are authorised to institute, defend or appear in any legal proceedings or any inquiry, (including proceedings before any statutory tribunal, board or authority) in respect of their service areas, and following consideration of the advice of the Central Legal Office of the National Services Scotland and in consultation with the Chief Executive, to appoint or consult with Counsel where it is considered expedient to do so, for the promotion or protection of the Board's interests.</p> <p><b>Procurement of Supplies and Services</b></p> <p>The Director of Acute Services and Director of Health and Social Care shall have responsibility for nominating officers or agents to act on behalf of the Board, for specifying, and issuing documentation associated with invitations to tender, and for receiving and opening of tenders.</p> <p>The Director of Acute Services and Director of Health and Social Care shall work with the Deputy Director of Finance and the Director of Finance to produce a listing, including specimen signatures, of those officers or agents to whom he has given delegated authority to sign official orders on behalf of the Board within their areas of responsibility.</p> <p><b>Human Resources</b></p> <p>The Director of Acute Services and Director of Health and Social Care may, after consultation and agreement with Human Resources, amend staffing establishments in respect of the number and grading of posts. In so doing, the Deputy Director of Finance, must have been consulted, and have confirmed that the cost of the amended establishment can be contained within the relevant limit approved for the current and subsequent financial years. Any amendment must also be in accordance with the policies and arrangements relating to workforce planning, approved by the Board or the Staff Governance Committee.</p> <p>The Director of Acute Services and Director of Health and Social Care may, in accordance with the Board's agreed Employee</p>
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	<p>Conduct Policy, take disciplinary action in respect of members of staff, including dismissal where appropriate.</p> <p><b>Patients' Property</b></p> <p>The Director of Acute Services and Director of Health and Social Care shall have overall responsibility for ensuring compliance with legislation in respect of patient's property and that effective and efficient management arrangements are in place.</p>
	<p><b>3.4 Champion Roles</b></p> <p>The following roles are filled by Non-Executive Board members.</p> <ul style="list-style-type: none"> <li>• Counter Fraud Services Champion</li> <li>• Equality &amp; Diversity Champion</li> <li>• Re-form, Transform, Perform Ambassador</li> <li>• Spiritual Care Champion</li> <li>• Staff Health &amp; Wellbeing Champion</li> <li>• Sustainability Champion</li> <li>• Whistleblowing Champion (appointed nationally)</li> </ul>



## **Code of Conduct for Members of Fife NHS Board**

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## SECTION 1: INTRODUCTION TO THE CODE OF CONDUCT

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- 1.1 This Code has been issued by the Scottish Ministers, with the approval of the Scottish Parliament, as required by the [Ethical Standards in Public Life etc. \(Scotland\) Act 2000 \(the “Act”\)](#).
- 1.2 The purpose of the Code is to set out the conduct expected of those who serve on the boards of public bodies in Scotland.
- 1.3 The Code has been developed in line with the nine key principles of public life in Scotland. The principles are listed in [Section 2](#) and set out how the provisions of the Code should be interpreted and applied in practice.

### My Responsibilities

- 1.4 I understand that the public has a high expectation of those who serve on the boards of public bodies and the way in which they should conduct themselves in undertaking their duties. I will always seek to meet those expectations by ensuring that I conduct myself in accordance with the Code.
- 1.5 I will comply with the substantive provisions of this Code, being sections 3 to 6 inclusive, in all situations and at all times where I am acting as a board member of my public body, have referred to myself as a board member or could objectively be considered to be acting as a board member.
- 1.6 I will comply with the substantive provisions of this Code, being sections 3 to 6 inclusive, in all my dealings with the public, employees and fellow board members, whether formal or informal.
- 1.7 I understand that it is my personal responsibility to be familiar with the provisions of this Code and that I must also comply with the law and my public body’s rules, standing orders and regulations. I will also ensure that I am familiar with any guidance or advice notes issued by the Standards Commission for Scotland (“Standards Commission”) and my public body, and endeavour to take part in any training offered on the Code.
- 1.8 I will not, at any time, advocate or encourage any action contrary to this Code.
- 1.9 I understand that no written information, whether in the Code itself or the associated Guidance or Advice Notes issued by the Standards Commission, can provide for all circumstances. If I am uncertain about how the Code applies, I will seek advice from the Standards Officer of my public body, failing whom the Chair or Chief Executive of my public body. I note that I may also choose to seek external legal advice on how to interpret the provisions of the Code.

### Enforcement

- 1.10 [Part 2 of the Act](#) sets out the provisions for dealing with alleged breaches of the Code, including the sanctions that can be applied if the Standards Commission finds that there has been a breach of the Code. More information

on how complaints are dealt with and the sanctions available can be found at [Annex A](#).

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## SECTION 2: KEY PRINCIPLES OF THE CODE OF CONDUCT

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- 2.1 The Code has been based on the following key principles of public life. I will behave in accordance with these principles and understand that they should be used for guidance and interpreting the provisions in the Code.
- 2.2 I note that a breach of one or more of the key principles does not in itself amount to a breach of the Code. I note that, for a breach of the Code to be found, there must also be a contravention of one or more of the provisions in sections 3 to 6 inclusive of the Code.

The key principles are:

### **Duty**

I have a duty to uphold the law and act in accordance with the law and the public trust placed in me. I have a duty to act in the interests of the public body of which I am a member and in accordance with the core functions and duties of that body.

### **Selflessness**

I have a duty to take decisions solely in terms of public interest. I must not act in order to gain financial or other material benefit for myself, family or friends.

### **Integrity**

I must not place myself under any financial, or other, obligation to any individual or organisation that might reasonably be thought to influence me in the performance of my duties.

### **Objectivity**

I must make decisions solely on merit and in a way that is consistent with the functions of my public body when carrying out public business including making appointments, awarding contracts or recommending individuals for rewards and benefits.

### **Accountability and Stewardship**

I am accountable to the public for my decisions and actions. I have a duty to consider issues on their merits, taking account of the views of others and I must ensure that my public body uses its resources prudently and in accordance with the law.

### **Openness**

I have a duty to be as open as possible about my decisions and actions, giving reasons for my decisions and restricting information only when the wider public interest clearly demands.

### **Honesty**

I have a duty to act honestly. I must declare any private interests relating to my public duties and take steps to resolve any conflicts arising in a way that protects the public interest.

### **Leadership**

I have a duty to promote and support these principles by leadership and example, and to maintain and strengthen the public's trust and confidence in the integrity of my public body and its members in conducting public business.

**Respect**

I must respect all other board members and all employees of my public body and the role they play, treating them with courtesy at all times. Similarly, I must respect members of the public when performing my duties as a board member.

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**SECTION 3: GENERAL CONDUCT**

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**Respect and Courtesy**

- 3.1 I will treat everyone with courtesy and respect. This includes in person, in writing, at meetings, when I am online and when I am using social media.
- 3.2 I will not discriminate unlawfully on the basis of race, age, sex, sexual orientation, gender reassignment, disability, religion or belief, marital status or pregnancy/maternity; I will advance equality of opportunity and seek to foster good relations between different people.
- 3.3 I will not engage in any conduct that could amount to bullying or harassment (which includes sexual harassment). I accept that such conduct is completely unacceptable and will be considered to be a breach of this Code.
- 3.4 I accept that disrespect, bullying and harassment can be:
  - a) a one-off incident,
  - b) part of a cumulative course of conduct; or
  - c) a pattern of behaviour.
- 3.5 I understand that how, and in what context, I exhibit certain behaviours can be as important as what I communicate, given that disrespect, bullying and harassment can be physical, verbal and non-verbal conduct.
- 3.6 I accept that it is my responsibility to understand what constitutes bullying and harassment and I will utilise resources, including the Standards Commission's guidance and advice notes, my public body's policies and training material (where appropriate) to ensure that my knowledge and understanding is up to date.
- 3.7 Except where it is written into my role as Board member, and / or at the invitation of the Chief Executive, I will not become involved in operational management of my public body. I acknowledge and understand that operational management is the responsibility of the Chief Executive and Executive Team.
- 3.8 I will not undermine any individual employee or group of employees, or raise concerns about their performance, conduct or capability in public. I will raise any concerns I have on such matters in private with senior management as

appropriate.

- 3.9 I will not take, or seek to take, unfair advantage of my position in my dealings with employees of my public body or bring any undue influence to bear on employees to take a certain action. I will not ask or direct employees to do something which I know, or should reasonably know, could compromise them or prevent them from undertaking their duties properly and appropriately.
- 3.10 I will respect and comply with rulings from the Chair during meetings of:
- a) my public body, its committees; and
  - b) any outside organisations that I have been appointed or nominated to by my public body or on which I represent my public body.
- 3.11 I will respect the principle of collective decision-making and corporate responsibility. This means that once the Board has made a decision, I will support that decision, even if I did not agree with it or vote for it.

### **Remuneration, Allowances and Expenses**

- 3.12 I will comply with the rules, and the policies of my public body, on the payment of remuneration, allowances and expenses.

### **Gifts and Hospitality**

- 3.13 I understand that I may be offered gifts (including money raised via crowdfunding or sponsorship), hospitality, material benefits or services (“gift or hospitality”) that may be reasonably regarded by a member of the public with knowledge of the relevant facts as placing me under an improper obligation or being capable of influencing my judgement.
- 3.14 I will never **ask for** or **seek** any gift or hospitality.
- 3.15 I will refuse any gift or hospitality, unless it is:
- a) a minor item or token of modest intrinsic value offered on an infrequent basis;
  - b) a gift being offered to my public body;
  - c) hospitality which would reasonably be associated with my duties as a board member; or
  - d) hospitality which has been approved in advance by my public body.
- 3.16 I will consider whether there could be a reasonable perception that any gift or hospitality received by a person or body connected to me could or would influence my judgement.
- 3.17 I will not allow the promise of money or other financial advantage to induce me to act improperly in my role as a board member. I accept that the money or advantage (including any gift or hospitality) does not have to be given to me directly. The offer of monies or advantages to others, including community groups, may amount to bribery, if the intention is to induce me to improperly perform a function.

- 3.18 I will never accept any gift or hospitality from any individual or applicant who is awaiting a decision from, or seeking to do business with, my public body.
- 3.19 If I consider that declining an offer of a gift would cause offence, I will accept it and hand it over to my public body at the earliest possible opportunity and ask for it to be registered.
- 3.20 I will promptly advise my public body's Standards Officer if I am offered (but refuse) any gift or hospitality of any significant value and / or if I am offered any gift or hospitality from the same source on a repeated basis, so that my public body can monitor this.
- 3.21 I will familiarise myself with the terms of the [Bribery Act 2010](#), which provides for offences of bribing another person and offences relating to being bribed.

**Confidentiality**

- 3.22 I will not disclose confidential information or information which should reasonably be regarded as being of a confidential or private nature, without the express consent of a person or body authorised to give such consent, or unless required to do so by law. I note that if I cannot obtain such express consent, I should assume it is not given.
- 3.23 I accept that confidential information can include discussions, documents, and information which is not yet public or never intended to be public, and information deemed confidential by statute.
- 3.24 I will only use confidential information to undertake my duties as a board member. I will not use it in any way for personal advantage or to discredit my public body (even if my personal view is that the information should be publicly available).
- 3.25 I note that these confidentiality requirements do not apply to protected whistleblowing disclosures made to the prescribed persons and bodies as identified in statute.

**Use of Public Body Resources**

- 3.26 I will only use my public body's resources, including employee assistance, facilities, stationery and IT equipment, for carrying out duties on behalf of the public body, in accordance with its relevant policies.
- 3.27 I will not use, or in any way enable others to use, my public body's resources:
- a) imprudently (without thinking about the implications or consequences);
  - b) unlawfully;
  - c) for any political activities or matters relating to these; or
  - d) improperly.

**Dealing with my Public Body and Preferential Treatment**

- 3.28 I will not use, or attempt to use, my position or influence as a board member to:
- a) improperly confer on or secure for myself, or others, an advantage;
  - b) avoid a disadvantage for myself, or create a disadvantage for others or
  - c) improperly seek preferential treatment or access for myself or others.
- 3.29 I will avoid any action which could lead members of the public to believe that preferential treatment or access is being sought.
- 3.30 I will advise employees of any connection, as defined at [Section 5](#), I may have to a matter, when seeking information or advice or responding to a request for information or advice from them.

### **Appointments to Outside Organisations**

- 3.31 If I am appointed, or nominated by my public body, as a member of another body or organisation, I will abide by the rules of conduct and will act in the best interests of that body or organisation while acting as a member of it. I will also continue to observe the rules of this Code when carrying out the duties of that body or organisation.
- 3.32 I accept that if I am a director or trustee (or equivalent) of a company or a charity, I will be responsible for identifying, and taking advice on, any conflicts of interest that may arise between the company or charity and my public body.

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## **SECTION 4: REGISTRATION OF INTERESTS**

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- 4.1 The following paragraphs set out what I have to register when I am appointed and whenever my circumstances change. The register covers my current term of appointment.
- 4.2 I understand that regulations made by the Scottish Ministers describe the detail and timescale for registering interests; including a requirement that a board member must register their registrable interests within one month of becoming a board member, and register any changes to those interests within one month of those changes having occurred.
- 4.3 The interests which I am required to register are those set out in the following paragraphs. Other than as required by paragraph 4.23, I understand it is not necessary to register the interests of my spouse or cohabitee.

### **Category One: Remuneration**

- 4.4 I will register any work for which I receive, or expect to receive, payment. I have a registrable interest where I receive remuneration by virtue of being:
- a) employed;
  - b) self-employed;
  - c) the holder of an office;
  - d) a director of an undertaking;



- e) a partner in a firm;
  - f) appointed or nominated by my public body to another body; or
  - g) engaged in a trade, profession or vocation or any other work.
- 4.5 I understand that in relation to 4.4 above, the amount of remuneration does not require to be registered. I understand that any remuneration received as a board member of this specific public body does not have to be registered.
- 4.6 I understand that if a position is not remunerated it does not need to be registered under this category. However, unremunerated directorships may need to be registered under Category Two, “Other Roles”.
- 4.7 I must register any allowances I receive in relation to membership of any organisation under Category One.
- 4.8 When registering employment as an employee, I must give the full name of the employer, the nature of its business, and the nature of the post I hold in the organisation.
- 4.9 When registering remuneration from the categories listed in paragraph 4.4 (b) to (g) above, I must provide the full name and give details of the nature of the business, organisation, undertaking, partnership or other body, as appropriate. I recognise that some other employments may be incompatible with my role as board member of my public body in terms of paragraph 6.8 of this Code.
- 4.10 Where I otherwise undertake a trade, profession or vocation, or any other work, the detail to be given is the nature of the work and how often it is undertaken.
- 4.11 When registering a directorship, it is necessary to provide the registered name and registered number of the undertaking in which the directorship is held and provide information about the nature of its business.
- 4.12 I understand that registration of a pension is not required as this falls outside the scope of the category.

### **Category Two: Other Roles**

- 4.13 I will register any unremunerated directorships where the body in question is a subsidiary or parent company of an undertaking in which I hold a remunerated directorship.
- 4.14 I will register the registered name and registered number of the subsidiary or parent company or other undertaking and the nature of its business, and its relationship to the company or other undertaking in which I am a director and from which I receive remuneration.

### **Category Three: Contracts**

- 4.15 I have a registerable interest where I (or a firm in which I am a partner, or an

undertaking in which I am a director or in which I have shares of a value as described in paragraph 4.20 below) have made a contract with my public body:

- a) under which goods or services are to be provided, or works are to be executed; and
- b) which has not been fully discharged.

4.16 I will register a description of the contract, including its duration, but excluding the value.

#### **Category Four: Election Expenses**

4.17 If I have been elected to my public body, then I will register a description of, and statement of, any assistance towards election expenses relating to election to my public body.

#### **Category Five: Houses, Land and Buildings**

4.18 I have a registrable interest where I own or have any other right or interest in houses, land and buildings, which may be significant to, of relevance to, or bear upon, the work and operation of my public body.

4.19 I accept that, when deciding whether or not I need to register any interest I have in houses, land or buildings, the test to be applied is whether a member of the public, with knowledge of the relevant facts, would reasonably regard the interest as being so significant that it could potentially affect my responsibilities to my public body and to the public, or could influence my actions, speeches or decision-making.

#### **Category Six: Interest in Shares and Securities**

4.20 I have a registerable interest where:

- a) I own or have an interest in more than 1% of the issued share capital of the company or other body; or
- b) Where, at the relevant date, the market value of any shares and securities (in any one specific company or body) that I own or have an interest in is greater than £25,000.

#### **Category Seven: Gifts and Hospitality**

4.21 I understand the requirements of paragraphs [3.13 to 3.21](#) regarding gifts and hospitality. As I will not accept any gifts or hospitality, other than under the limited circumstances allowed, I understand there is no longer the need to register any.

#### **Category Eight: Non-Financial Interests**

4.22 I may also have other interests and I understand it is equally important that

relevant interests such as membership or holding office in other public bodies, companies, clubs, societies and organisations such as trades unions and voluntary organisations, are registered and described. In this context, I understand non-financial interests are those which members of the public with knowledge of the relevant facts might reasonably think could influence my actions, speeches, votes or decision-making in my public body (this includes its Committees and memberships of other organisations to which I have been appointed or nominated by my public body).

### **Category Nine: Close Family Members**

- 4.23 I will register the interests of any close family member who has transactions with my public body or is likely to have transactions or do business with it.

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## **SECTION 5: DECLARATION OF INTERESTS**

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### **Stage 1: Connection**

- 5.1 For each particular matter I am involved in as a board member, I will first consider whether I have a connection to that matter.
- 5.2 I understand that a connection is any link between the matter being considered and me, or a person or body I am associated with. This could be a family relationship or a social or professional contact.
- 5.3 A connection includes anything that I have registered as an interest.
- 5.4 A connection does not include being a member of a body to which I have been appointed or nominated by my public body as a representative of my public body or of which I am a member by reason of, or in implementation of, a statutory provision, unless:
- a) The matter being considered by my public body is quasi-judicial or regulatory; or
  - b) I have a personal conflict by reason of my actions, my connections or my legal obligations.

### **Stage 2: Interest**

- 5.5 I understand my connection is an interest that requires to be declared where the objective test is met – that is where a member of the public with knowledge of the relevant facts would reasonably regard my connection to a particular matter as being so significant that it would be considered as being likely to influence the discussion or decision-making.

### **Stage 3: Participation**

- 5.6 I will declare my interest as early as possible in meetings. I will not remain in the meeting nor participate in any way in those parts of meetings where I have declared an interest.

- 5.7 I will consider whether it is appropriate for transparency reasons to state publicly where I have a connection, which I do not consider amounts to an interest.
- 5.8 I note that I can apply to the Standards Commission and ask it to grant a dispensation to allow me to take part in the discussion and decision-making on a matter where I would otherwise have to declare an interest and withdraw (as a result of having a connection to the matter that would fall within the objective test). I note that such an application must be made in advance of any meetings where the dispensation is sought and that I cannot take part in any discussion or decision-making on the matter in question unless, and until, the application is granted.
- 5.9 I note that public confidence in a public body is damaged by the perception that decisions taken by that body are substantially influenced by factors other than the public interest. I will not accept a role or appointment if doing so means I will have to declare interests frequently at meetings in respect of my role as a board member. Similarly, if any appointment or nomination to another body would give rise to objective concern because of my existing personal involvement or affiliations, I will not accept the appointment or nomination.

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**SECTION 6: LOBBYING AND ACCESS**

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- 6.1 I understand that a wide range of people will seek access to me as a board member and will try to lobby me, including individuals, organisations and companies. I must distinguish between:
- a) any role I have in dealing with enquiries from the public;
  - b) any community engagement where I am working with individuals and organisations to encourage their participation and involvement, and;
  - c) lobbying, which is where I am approached by any individual or organisation who is seeking to influence me for financial gain or advantage, particularly those who are seeking to do business with my public body (for example contracts/procurement).
- 6.2 In deciding whether, and if so how, to respond to such lobbying, I will always have regard to the objective test, which is whether a member of the public, with knowledge of the relevant facts, would reasonably regard my conduct as being likely to influence my, or my public body's, decision-making role.
- 6.3 I will not, in relation to contact with any person or organisation that lobbies, do anything which contravenes this Code or any other relevant rule of my public body or any statutory provision.
- 6.4 I will not, in relation to contact with any person or organisation that lobbies, act in any way which could bring discredit upon my public body.
- 6.5 If I have concerns about the approach or methods used by any person or organisation in their contacts with me, I will seek the guidance of the Chair,

Chief Executive or Standards Officer of my public body.

- 6.6 The public must be assured that no person or organisation will gain better access to, or treatment by, me as a result of employing a company or individual to lobby on a fee basis on their behalf. I will not, therefore, offer or accord any preferential access or treatment to those lobbying on a fee basis on behalf of clients compared with that which I accord any other person or organisation who lobbies or approaches me. I will ensure that those lobbying on a fee basis on behalf of clients are not given to understand that preferential access or treatment, compared to that accorded to any other person or organisation, might be forthcoming.
- 6.7 Before taking any action as a result of being lobbied, I will seek to satisfy myself about the identity of the person or organisation that is lobbying and the motive for lobbying. I understand I may choose to act in response to a person or organisation lobbying on a fee basis on behalf of clients but it is important that I understand the basis on which I am being lobbied in order to ensure that any action taken in connection with the lobbyist complies with the standards set out in this Code and the [Lobbying \(Scotland\) Act 2016](#).
- 6.8 I will not accept any paid work:
- a) which would involve me lobbying on behalf of any person or organisation or any clients of a person or organisation.
  - b) to provide services as a strategist, adviser or consultant, for example, advising on how to influence my public body and its members. This does not prohibit me from being remunerated for activity which may arise because of, or relate to, membership of my public body, such as journalism or broadcasting, or involvement in representative or presentational work, such as participation in delegations, conferences or other events.

## ANNEX A: BREACHES OF THE CODE

### Introduction

1. [The Ethical Standards in Public Life etc. \(Scotland\) Act 2000](#) (“the Act”) provided for a framework to encourage and, where necessary, enforce high ethical standards in public life.
2. The Act provided for the introduction of new codes of conduct for local authority councillors and members of relevant public bodies, imposing on councils and relevant public bodies a duty to help their members comply with the relevant code.
3. The Act and the subsequent Scottish Parliamentary Commissions and Commissioners etc. Act 2010 established the [Standards Commission for Scotland](#) (“Standards Commission”) and the post of [Commissioner for Ethical Standards in Public Life in Scotland](#) (“ESC”).
4. The Standards Commission and ESC are separate and independent, each with distinct functions. Complaints of breaches of a public body’s Code of Conduct are investigated by the ESC and adjudicated upon by the Standards Commission.
5. The first Model Code of Conduct came into force in 2002. The Code has since been reviewed and re-issued in 2014. The 2021 Code has been issued by the Scottish Ministers following consultation, and with the approval of the Scottish Parliament, as required by the Act.

### Investigation of Complaints

6. The ESC is responsible for investigating complaints about members of devolved public bodies. It is not, however, mandatory to report a complaint about a potential breach of the Code to the ESC. It may be more appropriate in some circumstances for attempts to be made to resolve the matter informally at a local level.
7. On conclusion of the investigation, the ESC will send a report to the Standards Commission.

### Hearings

8. On receipt of a report from the ESC, the Standards Commission can choose to:
  - Do nothing;
  - Direct the ESC to carry out further investigations; or
  - Hold a Hearing.
9. Hearings are held (usually in public) to determine whether the member concerned has breached their public body’s Code of Conduct. The Hearing

Panel comprises of three members of the Standards Commission. The ESC will present evidence and/or make submissions at the Hearing about the investigation and any conclusions as to whether the member has contravened the Code. The member is entitled to attend or be represented at the Hearing and can also present evidence and make submissions. Both parties can call witnesses. Once it has heard all the evidence and submissions, the Hearing Panel will make a determination about whether or not it is satisfied, on the balance of probabilities, that there has been a contravention of the Code by the member. If the Hearing Panel decides that a member has breached their public body's Code, it is obliged to impose a sanction.

## Sanctions

10. The sanctions that can be imposed following a finding of a breach of the Code are as follows:
  - **Censure:** A censure is a formal record of the Standards Commission's severe and public disapproval of the member concerned.
  - **Suspension:** This can be a full or partial suspension (for up to one year). A full suspension means that the member is suspended from attending all meetings of the public body. Partial suspension means that the member is suspended from attending some of the meetings of the public body. The Commission can direct that any remuneration or allowance the member receives as a result of their membership of the public body be reduced or not paid during a period of suspension.
  - **Disqualification:** Disqualification means that the member is removed from membership of the body and disqualified (for a period not exceeding five years), from membership of the body. Where a member is also a member of another devolved public body (as defined in the Act), the Commission may also remove or disqualify that person in respect of that membership. Full details of the sanctions are set out in section 19 of the Act.

## Interim Suspensions

11. Section 21 of the Act provides the Standards Commission with the power to impose an interim suspension on a member on receipt of an interim report from the ESC about an ongoing investigation. In making a decision about whether or not to impose an interim suspension, a Panel comprising of three Members of the Standards Commission will review the interim report and any representations received from the member and will consider whether it is satisfied:
  - That the further conduct of the ESC's investigation is likely to be prejudiced if such an action is not taken (for example if there are concerns that the member may try to interfere with evidence or witnesses); or
  - That it is otherwise in the public interest to take such a measure. A policy outlining how the Standards Commission makes any decision under Section 21 and the procedures it will follow in doing so, should any such a report be received from the ESC can be found [here](#).

12. The decision to impose an interim suspension is not, and should not be seen as, a finding on the merits of any complaint or the validity of any allegations against a member of a devolved public body, nor should it be viewed as a disciplinary measure.



## ANNEX B: DEFINITIONS

**“Bullying”** is inappropriate and unwelcome behaviour which is offensive and intimidating, and which makes an individual or group feel undermined, humiliated or insulted.

**“Chair”** includes Board Convener or any other individual discharging a similar function to that of a Chair or Convener under alternative decision-making structures.

**“Code”** is the code of conduct for members of your devolved public body, which is based on the Model Code of Conduct for members of devolved public bodies in Scotland.

**“Cohabitee”** includes any person who is living with you in a relationship similar to that of a partner, civil partner, or spouse.

**“Confidential Information”** includes:

- any information passed on to the public body by a Government department (even if it is not clearly marked as confidential) which does not allow the disclosure of that information to the public;
- information of which the law prohibits disclosure (under statute or by the order of a Court);
- any legal advice provided to the public body; or
- any other information which would reasonably be considered a breach of confidence should it be made public.

**“Election expenses”** means expenses incurred, whether before, during or after the election, on account of, or in respect of, the conduct or management of the election.

**“Employee”** includes individuals employed:

- directly by the public body;
- as contractors by the public body, or
- by a contractor to work on the public body’s premises.

**“Gifts”** a gift can include any item or service received free of charge, or which may be offered or promised at a discounted rate or on terms not available to the general public. Gifts include benefits such as relief from indebtedness, loan concessions, or provision of property, services or facilities at a cost below that generally charged to members of the public. It can also include gifts received directly or gifts received by any company in which the recipient holds a controlling interest in, or by a partnership of which the recipient is a partner.

**“Harassment”** is any unwelcome behaviour or conduct which makes someone feel offended, humiliated, intimidated, frightened and / or uncomfortable. Harassment can be experienced directly or indirectly and can occur as an isolated incident or as a course of persistent behaviour.

**“Hospitality”** includes the offer or promise of food, drink, accommodation, entertainment or the opportunity to attend any cultural or sporting event on terms not available to the general public.

**“Relevant Date”** Where a board member had an interest in shares at the date on which the member was appointed as a member, the relevant date is – (a) that date; and (b) the 5th April immediately following that date and in each succeeding year, where the interest is retained on that 5th April.

**“Public body”** means a devolved public body listed in Schedule 3 of the Ethical Standards in Public Life etc. (Scotland) Act 2000, as amended.

**“Remuneration”** includes any salary, wage, share of profits, fee, other monetary benefit or benefit in kind.

**“Securities”** a security is a certificate or other financial instrument that has monetary value and can be traded. Securities includes equity and debt securities, such as stocks bonds and debentures.

**“Undertaking”** means:

- a) a body corporate or partnership; or
- b) an unincorporated association carrying on a trade or business, with or without a view to a profit.

**NHS FIFE  
STANDARDS OF BUSINESS CONDUCT FOR ALL STAFF**

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Appendix 1 – Supporting Documents

Appendix 2 – Declaration Form for registering Staff Interests, Gifts and/or Hospitality

## STANDARDS OF BUSINESS CONDUCT FOR ALL STAFF

### 1. INTRODUCTION

- 1.1 All NHS staff who commit NHS resources directly or indirectly must be impartial and honest in their conduct of business and, at all times, all employees must remain beyond suspicion. Under the Bribery Act 2010, it is an offence to request, agree to receive or accept a bribe in return for improperly performing a function or activity.
- 1.2 NHS Circular [MEL \(1994\) 48](#) details the principles for standards of conduct and accountability in situations where there is potential conflict between the private interests of NHS staff and their NHS duties. It also requires the establishment of a local code of conduct (which is this document).
- 1.3 The purpose of this guidance is to ensure that all NHS Fife employees are aware of their duties under the above MEL and to protect them from situations where they may be placed in a real or apparent conflict of interest. These Standards also form part of the Board's contract for the employment of all staff.
- 1.4 Supporting guidance has been prepared for staff on the practical application of the Standards, including further details around the acceptance and declaration of Gifts and Hospitality and Declaration of Interests, is provided as a [separate document](#). Any queries can also be addressed to [fife.boardadministration@nhs.scot](mailto:fife.boardadministration@nhs.scot).

### 2. KEY PRINCIPLES OF BUSINESS CONDUCT

- 2.1 The core Standards of Business Conduct for NHS staff (NHS Circular [MEL \(1994\) 48](#)) provide instructions to staff in maintaining strict ethical standards in the conduct of NHS business. All members of staff are required to adhere to these Standards.
- 2.2 Public service values must be at the heart of the activities of NHS Fife. High standards of corporate and personal conduct, based on the recognition that patients come first, are always required. Fife NHS Board is a publicly-funded body, accountable to the Scottish Ministers, and through them to the Scottish Parliament, for the services it provides and for the effective and economical use of taxpayers' money.
- 2.3 If staff follow these principles, the Board should be able to demonstrate that it adheres to the three essential public sector values, namely:
  - Accountability  
Everything done by those who work in NHS Fife must be able to stand the tests of parliamentary and public scrutiny, public judgements on propriety and meet professional codes of conduct.
  - Probity

Absolute honesty and integrity should be exercised in dealing with NHS patients, staff, assets, suppliers and customers.

- Openness  
NHS Fife should be sufficiently public and transparent to promote confidence between the organisation and its patients, staff and the public.

### 3. RESPONSIBILITIES OF STAFF

- 3.1 The guidance within this document reflects the minimum Standards of Business Conduct expected from all NHS Fife staff. Any breaches may lead to potential disciplinary action. Additionally, staff should be aware that any breach of statutory legislation renders them liable to prosecution and may also lead to the loss of their employment and superannuation rights in the NHS.
- 3.2 Employees are expected to:
- ensure that the interest of patients remains paramount at all times;
  - be impartial and honest in the conduct of their official business; and
  - use the public funds entrusted to them to the best advantage of the service, always ensuring value for money.
- 3.3 It is also the responsibility of staff to ensure that they do not:
- abuse their official position for personal gain or to the benefit of their family or friends;
  - undertake outside employment that could compromise their NHS duties; or
  - seek to advantage or further their private business or interest in the course of their official duties.
- 3.4 Staff must always ensure that they do not place themselves in a position which risks, or appears to risk, conflict between their private interests or behaviour and the correct performance of their NHS duties. This primary responsibility applies to all NHS Fife staff.
- 3.5 In addition to these Standards, for all Members of Fife NHS Board there are additional responsibilities as outlined in the [Code of Conduct for Members of Devolved Public Bodies](#), enforced by the [Standards Commission for Scotland](#). Board members must always ensure they update timeously their entry on the Register of Interests and make appropriate declaration of any such interests at meetings they participate in, as might be required.

**If any member of staff is in any doubt at all about what is or is not permissible under this policy, they should seek advice from their Line Manager or relevant Executive Director.**

### 4. ACCEPTANCE OF GIFTS AND/OR HOSPITALITY

- 4.1 NHS Circular [MEL \(1994\) 48](#) on the Standards of Business Conduct for NHS Staff includes strict instructions on the acceptance of gifts and hospitality from external parties such as patients or companies. These Standards are

incorporated into the contract of employment of each member of staff. Some practices which may be accepted in the private sector are not permitted under the Standards. The key points are as follows:

- GIFTS

### 4.1.1. Anti-Bribery Policy

The Board will uphold all laws relevant to countering bribery and corruption, including the Bribery Act 2010. This commitment applies to every aspect of the Board's activity, including dealings with public and private sector organisations and the delivery of care to patients.

The Bribery Act 2010 recognises a number of offences including the following:

- The offering, promising or giving of a bribe (active bribery);
- The requesting, agreeing to receive or accepting of a bribe (passive bribery).

Any employee who commits active or passive bribery will be subject to disciplinary action. In addition, the matter will be referred to relevant authorities for criminal investigation. The maximum sentence for any individual convicted of bribery is 10 years' imprisonment, an unlimited fine, or both. This includes Directors and Senior Officers who have consented to, or connived in, committing an offence.

The Bribery Act 2010 also recognises a further offence of corporate liability for failing to prevent bribery on behalf of a commercial organisation (for the purposes of the Act, NHS Boards are considered commercial organisations). The Board has put in place a range of measures intended to prevent bribery and these are subject to formal and regular review to ensure they remain fit for purpose.

4.1.2 Staff should therefore be very cautious if faced with the offer of a gift. Casual gifts offered by contractors or others (for example, at the festive season) may not be in any way connected with the performance of duties so as to constitute an offence under the Bribery Act 2010. Such gifts should nevertheless be politely declined. Articles of small intrinsic value, such as branded calendars or diaries, may however be accepted where this would not breach this guidance. If in doubt, staff must contact their line manager before acceptance. Gifts declined must also be declared by staff.

4.1.3 Small gifts from patients or their families, to express their gratitude to members of staff, can be accepted by members of staff without breaching this guidance. The circumstances should allow sensible application of judgement. Refusal could cause offence. Such gifts will be of relatively low value, for example, biscuits, chocolates, flowers etc. These gifts do not need to be registered. On no account, however, should gifts of alcohol be accepted by staff.

4.1.4 Where an unsolicited, inappropriate or high-value gift is received by a member of staff and the individual is unable to return it or the donor refuses to accept

its return, they should report the circumstances to their Line Manager or relevant Executive Director, who will ensure the donor is advised of the course of action.

- 4.1.5 Under no circumstances must staff accept personal gifts of cash (or cash equivalents such as gift vouchers) regardless of the amount. Should a patient or their family wish to make a financial donation in recognition of the care they have received from staff, they should be clearly signposted to the Board's Endowment Fund, [Fife Health Charity](#), who are able to accept direct financial donations in support of the health and wellbeing of patients and staff in NHS Fife.
- 4.1.6 Where cash equivalents, such as gift vouchers, are inadvertently received by staff and cannot be returned to the donor, acceptance of these vouchers require formal Executive Director approval in advance of any spend, with resultant registration and declaration of the sums received and items purchased therefrom. In determining the appropriate use of any gift vouchers so received, the respective Executive Director must ensure that intended spend is in line with other NHS Fife policies and with the guiding principles of these Standards, i.e. alcohol should not be purchased. Executive Directors should ideally ensure that larger amounts (i.e. vouchers above £25) should be split to benefit as wide a group of staff in the receiving service as possible. Executive Directors may also rule that any gift vouchers so received will be destroyed without use.
- 4.1.7 Financial donations to a departmental fund that are to be used for the purposes of the Board e.g. to support training, must always be administered through [Fife Health Charity](#).
- 4.1.8 Gifts of equipment not for individual use may be accepted, provided that:
- They are in no way related to purchasing decisions and do not commit the Board to any obligations with the supplier;
  - They are entered into the Register of Interests, Gifts & Hospitality;
  - A risk assessment is carried out before acceptance of the Board's potential liabilities of accepting the asset;
  - The budget holder's approval to accepting the gift is sought, particularly if there are any costs (recurrent or non-recurrent) associated with accepting the gift;
  - They are recorded under the procedures for accepting donated assets and details notified to the Board's Capital Accountant (further information available at [Appendix E, Section 6 of the Financial Operating Procedures](#)).
- 4.1.9 It is recognised that staff may wish to organise a collection or make their own gift/s to another colleague, for example to recognise a significant life event (birthday, new baby, retiral etc.), to thank them for support offered or to mark an occasion such as Christmas etc. Gifts such as these, which are from one member or group of staff to another NHS Fife member or group of staff, are permitted to be accepted, are not covered by the limits within the Standards

and its supporting guidance, nor do they need to be subsequently declared by the recipient.

- HOSPITALITY

- 4.2.1 The [Ethical Standards in Public Life etc. \(Scotland\) Act 2000](#) states the following:
- As a general rule it is usually appropriate to refuse offers.
  - You must not accept repeated hospitality from the same source.
  - You must not accept any hospitality offer...to show favour or disadvantage to any individual.
- 4.2.2. NHS Circular [MEL \(1994\) 48](#) on the Standards of Business Conduct for NHS Staff state that modest hospitality may be acceptable, provided it is normal and reasonable in the circumstances e.g. lunch or dinner provided in the course of a working visit, meeting, conference etc. It is not necessary to report the provision of tea / coffee / biscuits, etc. or to declare basic hospitality received as part of the normal programme of a course or conference. Any hospitality accepted should be similar in scale to that which the NHS as an employer would be likely to offer. All other offers of hospitality should be declined.
- 4.2.3 Hospitality in excess of what the NHS would be likely to provide should not normally be accepted. Such hospitality should be politely but firmly declined. Should an individual wish to accept hospitality they consider falls into this category, then prior approval of the appropriate Line Manager or relevant Executive Director is required. All hospitality exceeding what the NHS would be likely to provide, whether accepted or declined, must be declared by staff in the Register of Interests, Gifts & Hospitality.
- 4.2.4 It may not always be clear whether an individual is being invited to an event involving the provision of hospitality (e.g. a formal dinner) in a personal / private capacity or as a consequence of the position which they holds with the Board.
- (i) If the invitation is the result of the individual's position within the Board, only hospitality which is modest and normal and reasonable in the circumstances should be accepted. If the nature of the event dictates a level of hospitality which exceeds this, then the individual should ensure that their Line Manager or relevant Executive Director is fully aware of the circumstances and approves their attendance. An example of such an event might be an awards ceremony involving a formal dinner. If their appropriate Line Manager or relevant Executive Director grants approval to attend, the individual should declare their attendance at the event in the Register of Interests, Gifts & Hospitality.
  - (ii) If the individual is invited to an event in a private capacity (e.g. as result of their qualification or membership of a professional body), they are at liberty to accept or decline the invitation without prior reference to their Line Manager or relevant Executive Director. The following matters



should however be considered before an invitation to an individual in a private capacity is accepted:

- a. The individual should not do or say anything at the event that could be construed as representing the views and/or policies of the Board.
  - b. If the body issuing the invitation has (or is likely to have, or is seeking to have) commercial or other financial dealings with the Board, then it could be difficult for an individual to demonstrate that their attendance was in a private and not an official capacity. Attendance could create a perception that the individual's independence had been compromised, especially where the scale of hospitality is lavish. Individuals should therefore exercise caution before accepting invitations from such bodies and must inform their appropriate Line Manager or relevant Executive Director on receipt of any such invitations.
- (iii) Where suppliers of clinical products provide hospitality it should only be accepted in association with scientific meetings, clinical educational meetings or the equivalent, which must be modest, normal and reasonable in the circumstances, in line with what the NHS would normally provide and held in appropriate venues conducive to the main purpose of the event, e.g. the sponsorship is clearly disclosed in any papers relating to the meeting; products discussed should be described in relation to the Scottish Medicines Consortium, Formulary or equivalent clinical product catalogue; and the active promotion of clinical products is restricted to those in the Board's Formulary and equivalent clinical product catalogues.

- **COMPETITIONS / PRIZES**

- 4.2.5 Individuals should not enter any externally run competitions, including free draws organised by bodies who have (or are seeking to have) financial dealings with the Board. Potential suppliers may use this as a means of giving money or gifts to individuals within the Board in an effort to influence the outcome of business decisions.

## **5. RECORDING RECEIPT OF GIFTS AND/OR HOSPITALITY**

- 5.1 The Corporate Governance & Board Administration department compiles the Board's Register of Interests, Gifts & Hospitality, which provides a summary of individual staff returns. An extract of the register is published annually on the [NHS Fife website](#) and made available to the Board's auditors for inspection. It is the responsibility of staff recipients of any gifts or hospitality to report all items received, whether accepted or declined, on the appropriate pro-forma (see Appendix 2).

## **6. PROVISION OF HOSPITALITY OUTWITH NHS FACILITIES**

- 6.1 Any hospitality provided by NHS Fife in the course of duty should be provided only on NHS premises. Where, in exceptional circumstances, it is necessary

to provide hospitality outwith an NHS catering facility, prior authorisation must be sought from the relevant Executive Director (who will seek advice as required from the Procurement Department, to ensure compliance with any procurement regulations and frameworks). Any such hospitality should be on a modest scale and in line with what would be expected to be provided by the NHS catering department. No alcohol or tobacco should be provided as part of any external hospitality.

## 7. REGISTER OF STAFF INTERESTS

- 7.1 To avoid conflicts of interest and to maintain openness and accountability, members of staff are required to register all interests that may have any relevance to their core duties or responsibilities. These include any financial interest in a business or any other activity or pursuit that may compete for an NHS contract to supply either goods or services to the NHS or in any other way could be perceived to conflict with the interests of the Board. **The test to be applied when considering appropriateness of registration of an interest is to ask whether a member of the public acting reasonably might consider the interest could potentially affect the individual's responsibilities to the organisation and/or influence their actions.** If in doubt, the individual should register the interest or seek further guidance from their Line Manager or relevant Executive Director.
- 7.2 Interest that it might be registered by staff include:
- Other employments (note, employment with the NHS Fife Nurse Bank is **not** required to be declared);
  - Directorships, including Non-Executive Directorships held in private companies or public limited companies (whether remunerated or not);
  - Ownership of, or an interest in, private companies, partnerships, businesses or consultancies that are likely to be relevant to the work of the Board;
  - Shareholdings in organisations likely or possibly seeking to do business with the NHS (the value of the shareholdings need not be declared);
  - Ownership of, or interest in, land or buildings which may be significant or relevant to the work of the Board;
  - Any position of authority held in another public body, trade union, charity or voluntary body;
  - Any connection with a voluntary or other body contracting for NHS services; and
  - Any involvement in joint working arrangements with Clinical (or other) Suppliers.
- 7.3 The list above is not exhaustive and should not preclude the registration of other forms of interest where these might give rise to a potential conflict of interests with the work of the Board. Any interests of spouses, partner or civil partner, close relative or associate, or person living with a member of staff as part of a family unit could also require registration if a potential conflict of interest exists.
- 7.4 The Corporate Governance & Board Administration department compiles the Board's Register of Interests, Gifts & Hospitality, which provides a summary

of individual staff returns. An extract of the register is published annually on the [NHS Fife website](#) and made available to the Board's auditors for inspection. The entries in the Register of Staff Interests will be retained in respect of a period of five years after the registration ceases or the member of staff leaves the organisation.

- 7.5 It is the responsibility of each individual member of staff to ensure that any interests are reported and the relevant pro-forma returned (see Appendix 2). A copy of this pro-forma should be completed at the commencement of employment or on the acquisition of the interest. Any changes to interests should be notified at the earliest opportunity, or within four weeks of the change occurring. A separate Register of Interests for Fife NHS Board Members and Executive Directors is also maintained and [published](#) by the Corporate Governance & Board Administration department.
- 7.6 It is the responsibility of each individual member of staff to declare any relevant interest to the Chair of any Standing Committee / Professional Advisory Committee / decision-making group that they sit on, so that the Chair is aware of any conflict which may arise. These Declarations of Interest will be recorded in the Minutes of the respective meeting.

## 8. SECONDARY EMPLOYMENT

- 8.1 Medical or dental staff may undertake private practice in accordance with their respective Terms and Conditions of Service. Staff (other than medical and dental) employed by the Board may wish to follow their NHS employment or profession concurrently with another employer. Before staff (other than medical and dental) take up such other employment, they should obtain the approval of the Board. Approval should be sought by approaching the member of staff's Line Manager or relevant Executive Director in the first instance. Any approval should be in writing and recorded on the individual's personnel file.
- 8.2 The Board will require assurance that the secondary employment:
- will not create a conflict of interest;
  - will not interfere with or have a detrimental effect on the core duties for the Board of the member of staff;
  - will not contravene the European Working Time Regulations that seeks to ensure each employee does not exceed an average of 48 hours of weekly working time; and
  - will not damage the Board's reputation.
- 8.3 All staff should note that it is advisable to declare any secondary employment in the Register of Interests (note, however, secondary employment with the NHS Fife Nurse Bank is **not** required to be declared).

## 9. INTELLECTUAL PROPERTY RIGHTS

- 9.1 The Board is entitled to receive any royalties, rewards or benefits in respect of work commissioned or carried out by members of staff in the course of their NHS duties. Any member of staff entering into a joint working or sponsorship

agreement must ensure that any intellectual property rights arising are properly protected for the benefit of the Board.

- 9.2 Guidance can be found in [NHS MEL \(1998\) 23: Policy Framework for the Management of Intellectual Property within the NHS arising from Research and Development](#) and [NHS HDL \(2004\) 09: Management of Intellectual Property in the NHS](#).

### **10. COMMERCIAL SPONSORSHIP**

- 10.1 Acceptance by staff of commercial sponsorship for attendance at relevant conferences and courses is acceptable but only where the employee seeks permission in advance and their line manager is satisfied that acceptance will not compromise purchasing or procurement decisions in any way. This includes all costs associated with the event if they are provided by the “sponsor”. Such sponsorship should be registered as per other forms of hospitality outlined in Section 4 above.
- 10.2 On occasions when it is considered necessary for staff advising on the procurement of equipment to expect to see such equipment in operation in other parts of the country (or exceptionally overseas), NHS Fife will meet the costs, to avoid putting in jeopardy the integrity of subsequent procurement decisions.
- 10.3 Companies may offer to sponsor a post either wholly or partly. The Board must not enter into such an arrangement unless it is made abundantly clear to the company concerned that sponsorship will have no effect on procurement decisions by NHS Fife. Where the sponsorship is accepted, the Director of Finance or Deputy Director of Finance must be fully involved and will be responsible for the establishment of monitoring arrangements to ensure that procurement decisions are not being influenced by the sponsorship agreement.
- 10.4 Under no circumstances should any employee agree to linked deals where sponsorship is linked to the procurement of a particular product or to obtaining supply from particular sources.
- 10.5 This section should also be read in conjunction with [Section 6G of the Financial Operating Procedures](#).
- 10.6 The Authorising Officer will document all activity, actions or arrangements made under this section and will ensure the Register of Interests, Gifts & Hospitality is amended accordingly.

### **11. COMMERCIALLY SENSITIVE INFORMATION**

- 11.1 Managers are reminded to take care in using or making public internal information of a “Commercially Sensitive” nature, particularly if its disclosure would prejudice the principles of a procurement system based on fair

competition. This principle applies whether private competitors or other NHS providers are concerned.

**12. WORKING WITH THE PHARMACEUTICAL INDUSTRY**

- 12.1 On occasions where staff are considering working with the Pharmaceutical Industry, they must comply with the separate NHS Fife Guidance on [Working with the Pharmaceutical Industry](#).

## APPENDIX 1 - SUPPORTING DOCUMENTS

1. [NHS Fife Code of Corporate Governance](#)
2. [NHS Fife Financial Operating Procedures](#)
3. [NHS Fife Guidance on Working with the Pharmaceutical Industry](#)
4. [Staff Conduct Policy](#)
5. [Register of Board Members' and Staff Interests](#)
6. [NHS Circular MEL \(1994\) 48: Standards of Business Conduct for NHS Staff](#)
7. [NHS Circular MEL \(1994\) 80: Corporate Governance Supplementary Guidance](#)
8. [The Bribery Act 2010](#)
9. [The Ethical Standards in Public Life etc. \(Scotland\) Act 2000](#)

## APPENDIX 2 - DECLARATION FORM FOR REGISTERING STAFF INTERESTS, GIFTS AND/OR HOSPITALITY

Full Name	
Job Title / Department	
Location	
Email Address	

I wish to declare the following (\* - Please delete as appropriate)

Declared Item	Details (please provide all relevant details that will allow assessment of whether or not the declared item could have a bearing on a specific matter)
<b>Interest</b> (e.g. Other employment, Directorships, Ownership of/Interest in a business, Shareholdings, Land/Buildings, Position of Authority, Voluntary organisation, Declaration on behalf of family member, Other)*	
<b>Offer of Gift and/or Hospitality</b> (Details of gift/hospitality and the donor)  Date Offered: .....  Estimated Value: £.....  I have accepted this offer Y/N*  I have notified my Line Manager and been given approval Y/N*	

<b>Line Manager's Signature:</b>	<b>Print Name:</b>
----------------------------------	--------------------

<b>Staff Member's Signature:</b>	<b>Date:</b>
----------------------------------	--------------

RESPONSIBLE EXECUTIVE DIRECTOR SIGN-OFF	
Name	
Signature	
Reason for supporting or declining:	

Please submit completed forms to: [fife.boardadministration@nhs.scot](mailto:fife.boardadministration@nhs.scot)