

## Terms of Reference for the NHS Lothian Audit & Risk Committee

### 1. REMIT

The remit of the Audit & Risk Committee (the Committee) is to support the Accountable Officer (Chief Executive) and the Lothian NHS Board in meeting their assurance needs.

The committee has no executive authority, and is not charged to make or endorse any decisions. The only exceptions to this principle are the approval of the Board's accounting policies and internal audit plans. The committee exists to advise the Board and the Accountable Officer who in turn make decisions.

The Board authorises the committee to:

- investigate any activity within its terms of reference, to request any Board member or employee to attend a committee meeting, and request a written report or seek any information it requires;
- obtain outside legal or other independent professional advice, and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary; and
- co-opt members for a period up to 1 year, with the approval of the Board and Accountable Officer, to provide specialist skills, knowledge and experience which the committee needs at a particular time. N.B. A co-opted member is an individual who is not a member of Lothian NHS Board, and is not to be counted as part of the committee's quorum.

The Board directs all employees to co-operate with any committee request.

The Chair of the Audit & Risk Committee may communicate any matters with the Board Chairman, the Accountable Officer, or the Board as he or she sees fit. The Chair may if required also meet privately with the Chief Internal Auditor and the external auditor.

### 2. CORE FUNCTIONS

The Committee will discharge its remit by:

1. Helping the Accountable Officer and Lothian NHS Board formulate their assurance needs with regard to risk management, governance and internal control.
2. Reviewing and constructively challenging the assurances that have been provided, as to whether their scope meets the needs of the Accountable Officer and Lothian NHS Board.
3. Reviewing the reliability and integrity of those assurances, i.e. considering whether they are they founded on reliable evidence, and that the conclusions are reasonable in the context of that evidence.
4. Drawing attention to weaknesses in systems of risk management, governance, and internal control, and making suggestions as to how those weaknesses can be addressed.
5. Commissioning further assurance work for areas that are not being subjected to sufficient review.
6. Seeking assurance that previously identified areas of weakness are being remedied.

The committee has the following specific functions.

a) Overall Assurance on Corporate Governance, Internal Control and Risk Management

- To support the Board and the Accountable Officer in comprehensively defining their assurance needs.
- To assess whether there are sources of assurance in place that provide coverage for all of the identified assurance needs.
- To test and determine the reliability of the sources of assurance which are available.
- To form an opinion on the exposure to risk relevant with regard to the Board's Risk Management Policy, and the adequacy and effectiveness of the systems of internal control for individual areas/ subjects.
- Drawing from the consideration of individual assurances, to form an overall view on the state of risk management, corporate governance and internal control. This will inform the content of the Accountable Officer's Governance Statement.

Corporate Governance

- Assess the Board's overall arrangements to be systemically assured on its compliance with all relevant laws, regulations and Government directions that are pertinent to the Board's functions and responsibilities.
- Review the Board's arrangements to prevent bribery and corruption within its activities. This includes the systems to support Board members' compliance with the Lothian NHS 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 procedures to prevent bribery (Bribery Act 2010).
- Seek assurance that the Board has in place arrangements whereby employees may, in confidence access the whistle-blowing process. The committee will require assurance that there are arrangements for proportionate and independent investigation of such matters, and for appropriate follow-up action.
- Seek assurance that the Board has adequate systems of control to ensure that it complies with the taxation laws that are relevant to the conduct of its activities.
- Seek assurance that the Board has systems of control to ensure that it discharges its responsibilities under the Freedom of Information (Scotland) Act 2002.
- Ensure that the Standing Orders package is periodically reviewed, including the Standing Financial Instructions and the Scheme of Delegation, and to advise the Board when any changes are required.
- Ensure that the circumstances associated with each occasion when Standing Orders are waived and suspended, are appropriately examined.

- Periodically review the Board's Risk Management Policy, and advise the Board of the committee's views as to its adequacy. When the policy is being reviewed, the committee will review it and make a recommendation to the Board.
- Review the Board's arrangements for the prevention and detection of fraud and other irregularities.
- Receive and review schedules of losses and compensations where the amounts exceed the delegated authority of the Board, before they are referred to the Scottish Government for approval.
- Evaluate the assurances that are provided to support the Accountable Officer's Governance Statement.
- Advise the Scottish Government's Health & Social Care Assurance Board (or any successor group) of any matters of significant interest as required by the Scottish Public Finance Manual.
- Present to the Board an Audit & Risk Committee Annual Statement of Assurance.

#### b) Internal Control

- Receive and review all reports from internal and external audit.
- Review audit reports from auditors of national, regional or shared systems upon which NHS Lothian relies, e.g. audit reports from NSS.
- Review of other material pertinent to improving systems of corporate governance and internal control, e.g. Best Value material, studies from other organisations, national performance audit reports from Audit Scotland.
- Receive and review stewardship reports from senior staff in areas that are key to corporate governance, e.g. finance, HR, ICT.
- Receive and review a summary of issues raised by directors in the annual certificates of assurance, which inform the drafting of the Governance Statement.
- Receive and review assurance reports from other Board committees, so as to inform the review of the Governance Statement.
- Receive assurance that the Board has adequate and effective systems for internal financial control (identify, assess, manage and monitor financial risks) and to produce the annual accounts.
- Review of fraud and theft reports as reported to it from the NHS Lothian Fraud Liaison Officer.

#### c) Risk Management

The committee has no role in the executive decision-making in relation to risk management. However it shall seek assurance that:

- there is a comprehensive risk management system in place to identify, assess, manage and monitor risk 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; and

- The Board has clearly defined Risk Management Policy and that the executive's approach to risk management is consistent with that policy.

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:

- at each meeting, 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 receive information on significant risks held on other risk registers held in the organisation;
- assess whether the Corporate Risk Register is an appropriate reflection of the key risks to the Board, 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; and
- reflect on the assurances that have been received to date, and identify whether entries on the Board's risk management system requires to be updated.
- 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.

Whilst the committee will seek assurance on the overall system of risk management for all risks and risks pertinent to its core functions, the Board's Healthcare Governance Committee shall provide particular oversight to clinical risks and all matters relating to the Board's legal duty to monitor and improve the quality of health care which it provides.

The Healthcare Governance Committee will also provide oversight to the Board's responsibilities for information governance, through the Information Governance Sub-Committee.

The Staff Governance Committee will have particular oversight of risks relating to the Board's legal duty in relation to the governance of staff.

#### d) Financial Reporting

The committee shall consider the following:

- The accounting policies, any changes to them, and any significant estimates and judgements. The committee is authorised to approve accounting policies of the Board.
- The significant financial reporting issues and judgements made in connection with the preparation of the annual accounts.

- Any significant or unusual transactions that have been flagged by management, where the accounting treatment is open to different approaches.
- The appropriateness of all the above in light of any comments from the Board's external auditors.
- The clarity and completeness of disclosures in the financial statements, and whether the disclosures made are set properly in context.
- Any related information presented in the financial statements, e.g. Governance Statement, Operating and Financial Review.

The committee shall perform the above for the Board's consolidated annual accounts, and the Board's patients' private funds annual accounts. If the committee is not satisfied with any aspect of financial reporting, it will report its views to the Board.

#### e) Internal Audit

A panel chaired by a non-executive Board member, preferably the Chair of the Audit & Risk Committee, will select and appoint its Chief Internal Auditor. The Chair of the Audit & Risk Committee will approve the composition of the panel.

With regard to internal audit, the committee will undertake the following activities.

- Review the Internal Audit Strategy and plan for the forthcoming year, which are prepared by the Chief Internal Auditor, and assess its appropriateness to give reasonable assurance on the whole of risk, control and governance. The committee is authorised to approve the Internal Audit Strategy and plans.
- Receive internal audit reports and review the progress of the delivery of the internal audit plan.
- Review the adequacy of internal audit staffing and other resources.
- Review the adequacy of the formal remit that has been granted to the internal audit function to discharge its function.
- Monitor and assess the role and effectiveness of the internal audit service in the context of the Board's system of risk management.
- Review and monitor management's responsiveness to internal audit's findings and recommendations.
- Meet the Chief Internal Auditor once a year without the presence of management.
- Ensure that the Chief Internal Auditor has direct access to the Board Chairman and the Chair of the Audit & Risk Committee.

#### f) External Audit

With regard to external audit, the committee will undertake the following activities.

- Approve the remuneration of the external auditor within the range set by Audit Scotland.

- Examine any reason for the resignation or dismissal of the external auditors.
- Review the external auditor's strategy and plans
- Receive and review the outputs from the work of the Board's external auditor.
- Ensure that the external auditor has direct access to the Board Chairman and the Chair of the Audit & Risk Committee.
- Meet the external auditor once a year without the presence of management.
- Engage in any evaluation of the external auditor as Audit Scotland may request.
- Receive assurance that the external auditor has arrangements in place to maintain their independence and objectivity. This should include consideration as to whether any of the audit staff have any business interest with Lothian Health Board, or personal relationships with any of the Board employees, which could compromise independence and objectivity.
- To develop and recommend to the Board a policy on the provision of non-audit services by the external auditor. The committee should also set out in its annual report whether such services have been provided during the year.

The Board's Standing Financial Instructions include the following:

*'4.5 It is important that the Board's external auditors are independent and seen to be independent in the work that they undertake. It is therefore not appropriate for them to undertake any non-audit work that might be perceived to create a conflict of interest with their role as external auditors.'*

*4.6 The Board's external auditors may be engaged to undertake additional services only if Audit Scotland has previously confirmed that it would be appropriate for them to do so. These additional services include the external audit of patients' funds accounts. The Foundation trustees appoint the external auditor of the endowment fund accounts, and consequently that appointment is not regarded as additional services by the Board's external auditor. The Director of Finance shall notify the Audit & Risk Committee of any such engagement at its next available meeting.'*

Accordingly the committee will review any such notification.

### 3. MEMBERSHIP

Lothian NHS Board shall appoint all members of the committee. All members shall be non-executive members of the Lothian NHS Board, with the exception of any co-opted members. The Board shall appoint at least three, and up to six non-executive board members to the committee.

The members must also be independent and objective. The Board shall give due regard to whether a proposed non-executive member for appointment to the committee is sufficiently independent from other Board committees.

The Board shall give all members a fixed term of appointment that does not exceed 3 years. Members can only be re-appointed by the Board on two further occasions, so long as they continue to be independent.

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.

The Chairman of Lothian NHS Board cannot be a member of the committee. All Board members, through the Chair of the committee may request to attend any meeting. All Board members shall receive the minutes of the Committee (at the Board meeting), and shall have the right to have access to the committee papers.

At the committee the role of executive Board members and officers is to provide information, and to participate in discussions, either for the whole duration of the meeting or for particular agenda items. The following people will normally be routinely invited to attend committee meetings:

- Chief Executive
- Director of Finance
- Chief Internal Auditor or representative
- Associate Director of Quality Improvement & Patient Safety or representative
- External Auditor or representative
- Head of Corporate Governance

However, only the committee members are entitled to be present at meetings, and it is for those members to decide if non-members should attend for a particular meeting or agenda items. The committee can request any member of the Board or employee to attend a meeting with respect to specific items being considered. Members are entitled to discuss matters directly with the Chair of the Audit & Risk Committee and the Chair of Lothian NHS Board. Furthermore members also have a right of access to the Accountable Officer where they feel that this is necessary.

The Chair of the Committee may

- Call a meeting at any time, or when required to do so by the Board
- May exclude all parties other than members of the committee from the deliberations of the committee

#### 4. QUORUM

No business shall be transacted at a meeting of the committee, unless at least three non-executive Board members are present.

There may be occasions when due to the unavailability of the above non-executive members, the Board Chairman will ask other non-executive members of Lothian NHS Board to act as members of the committee so that quorum is achieved. Such

occasions will be drawn to the attention of Lothian NHS Board, when subsequently adopting the committee minutes, and the Board will be asked to approve the membership of the committee meeting as having been appropriate and in quorum.

## 5. FREQUENCY OF MEETINGS

The committee shall meet as often as it may determine is necessary to discharge its remit, but in any case will at least meet four times in a year.

## 6. REPORTING ARRANGEMENTS

The Head of Corporate Governance (or his or her nominee) will be the committee secretary, and will ensure that the business of the committee is taken forward efficiently and effectively, and in line with these terms of reference.

A member of the corporate governance team will prepare the minutes, and the NHS Board will receive the minutes of the committee.

## 7. REFERENCES

[National Health Service \(Scotland\) Act 1978](#)

[Scottish Government Audit & Assurance Handbook \(April 2018\)](#)

[UK Code of Corporate Governance \(July 2018\)](#)

[Guidance on Audit Committees \(Financial Reporting Council, April 2016\)](#)

7. DATE OF APPROVAL OF THESE TERMS OF REFERENCE: 5 December 2018

8. DATE BY WHICH THESE TERMS SHOULD BE REVIEWED: 4 December 2020

## **Terms of Reference for the Finance & Resources Committee**

### **1. REMIT**

The Committee's overall remit is to keep under review the financial position of the Board and to seek and provide assurance that suitable arrangements are in place to secure economy, efficiency, and effectiveness in the use and management of all financial resources and capital assets.

The Committee will also provide assurance to the Audit & Risk Committee and the Board that:

- there are effective systems of internal control to meet the 'Duty of Best Value in Public Services';
- arrangements for securing financial sustainability and value are embedded within the organisation, supported by a suitable programme of improvement activity;
- strategic financial and capital risks that may lead to future degradation of the Board's services are being appropriately recognised, recorded, and addressed, in accordance with the Board's Risk Management Policy; and
- The Board's annual Financial Plans have been subject to a robust level of scrutiny, prior to their approval by the Board.

### **2. CORE FUNCTIONS**

The Committee will:

- Seek assurance that the organisation can deliver its functions and services within the available resources in the short, medium and long-term, and that it demonstrates effectiveness, sustainability, and efficiency in managing its financial and capital resources, and revenue, to support the agreed strategic objectives of the Board.
- Discharge its assurance remit by providing scrutiny of Risk Assurance and Mitigation Plans for those risks escalated to the Corporate Risk Register and assigned to the Committee.
- Oversee the process of planning for sustainability and the development and implementation of the Board's Sustainable Development Framework and Action Plan.
- Seek assurance that there are arrangements in place to deliver effective procurement, and that associated policies and procedures are fully implemented.
- Seek assurance that any relevant legal requirements are being met in the conduct of the Committee's business.
- Seek assurance that the Board can achieve any financial efficiency targets which the Scottish Government may determine. As part of this, seek assurance from management that there is an appropriate balance between recurring and non-recurring savings, to secure medium to long-term financial sustainability and be

apprised of any potential impact of proposed efficiency programmes on the Board's ability to achieve its agreed outcomes or maintain service delivery levels.

- Within the Board's approved and overarching strategic direction, oversee the development of any supporting strategies, programmes and plans relating to estates, property, and capital investment, including the Board's Property and Asset Management Strategy (PAMS). Scrutinise the implementation and delivery of these plans, seeking assurance that the Board's property and estates are managed in line with Scottish Government requirements and guidance.
- Seek assurance that the Board operates in line with the Scottish Capital Investment Manual.
- Review Initial Agreements and Business Cases (approving these or referring them to the Board, in line with the Board's Scheme of Delegation), seeking assurance that all capital projects have a designated Senior Responsible Officer.
- Seek assurance that all capital projects for which the Committee has previously considered a Business Case, are being delivered in line with the agreed specification, on time, and on budget. The Committee will get this assurance through periodic reports from the Senior Responsible Officer for each project.
- At the direction of the Board, provide governance oversight and direction to the Board's engagement with any relevant public inquiry with which the Board is required to participate, including:
  - scrutinising the expenditure / value of the legal support provided;
  - identifying any key issues that need reporting to the Board; and
  - considering any lessons learned and how they can be adopted in all future developments.
- Commission and consider reports from management, in order to secure assurance on, or take any decisions on business related to its remit, or which the Board may delegate to the Committee

### **3. MEMBERSHIP**

The members will be any five non-executive members of the Board. If the Board-appointed committee chair is not present at a meeting, then the members present may choose which of them is to preside.

The Committee will normally invite the following officers to attend its meetings: Chief Executive, Deputy Chief Executive, Medical Director, Director of Nursing, Midwifery and Allied Health Professionals, Director of Finance, Deputy Director of Finance, and the Director of Capital Planning & Projects.

Other staff and Board members may attend meetings of the Committee, at the discretion of the Chair.

All Board members have the right to access the Committee's meeting papers and minutes.

#### **4. QUORUM**

The Committee is quorate when there are three non-executive Board members present.

#### **5. FREQUENCY OF MEETINGS**

The Committee will normally meet no less than five and up to six times in a year but may elect to have additional meetings, at the discretion of the Chair. The Committee will conduct its meetings in line with the Standing Orders of the Board.

#### **6. REPORTING ARRANGEMENTS**

The Committee will report to the Board through its Chair, and by submitting its approved minutes to the Board. The Committee Chair will also provide an annual report on the Committee's activities to the Audit & Risk Committee, to inform the preparation and review of the Board's Governance Statement.

#### **7. REFERENCES**

[NHS Lothian Board Members' Handbook](#)

[NHS Lothian Standing Orders, Standing Financial Instructions, and Scheme of Delegation](#)

[NHS Lothian Risk Management Policy](#)

[Scottish Capital Investment Manual](#), and associated [Scottish Government general guidance](#).

[Scottish Public Finance Manual](#)

**8. DATE OF APPROVAL OF THESE TERMS OF REFERENCE: DECEMBER 2022**

**9. DATE BY WHICH THESE TERMS SHOULD BE REVIEWED: DECEMBER 2024**

## HEALTHCARE GOVERNANCE COMMITTEE

### 1. REMIT

- 1.1. The Healthcare Governance Committee (HGC) will provide assurance to the Board that the quality of all aspects of care in NHS Lothian is person-centred, safe, effective, equitable and maintained to a high standard.
- 1.2. The Committee will also provide assurance to the Board that NHS Lothian meets its responsibilities with respect to:
  - National Standards for Community Engagement and Participation<sup>1</sup>
  - Volunteers/Carers
  - Information Governance
  - Protection of Vulnerable People including children, adults, offenders
  - Relevant Statutory Equality Duties
- 1.3. The Board authorises the Committee to investigate any activity within its terms of reference, to request any Board member or employee to attend a Committee meeting and request a written report or seek any information it requires. The Board directs all employees to co-operate with any Committee request.
- 1.4. The HGC may seek assurance from other Board committees, as required, in relation to any governance, risk or performance issue pertinent to the discharge of its remit. In turn, the HGC may provide assurance to other Board committees, from time to time.
- 1.5. The Board authorises the Committee to determine the processes for the approval of Board policies, except for the following types of policy:
  - Policies that are reserved for approval by the Board through its Standing Orders.
  - Human Resources Policies.
  - Finance Policies.

### 2. CORE FUNCTIONS

- 2.1. The Committee shall seek assurance on the following:
  - a) The quality, effectiveness, and safety of care of services within NHS Lothian is regularly monitored, reported and reviewed and specifically:
    - i. Clinical care delivered across NHS Lothian meets NHS, HIS and other relevant standards and that unacceptable clinical practice is detected and addressed
    - ii. Effective quality assurance and quality improvement systems are in place covering all aspects of service delivery
  - b) Continuous improvement of clinical care drives decision-making about the provision, organisation, and management of services
  - c) Medicines Management, including the management of Controlled Drugs

---

<sup>1</sup> As set out by Health Improvement Scotland – Community Engagement within *The Quality Framework for Community Engagement and Participation* (April 2023)

- d) There is a systematic and documented approach for the production, implementation and evaluation of clinical policies
- e) An open and transparent culture exists with respect to the reporting, investigation and corrective action taken following adverse events, reviews, fatal accident inquiries, ombudsman reports or other internal or external reports
- f) Complaints and patient feedback are handled in accordance with national standards/guidance, and lessons learned from their investigation and resolution, including reports from the Scottish Public Sector Ombudsman and Mental Welfare Commission
- g) All individuals engaged by the Board to carry out its functions and services are appropriately trained to develop the skills and competencies required to deliver the care needed; that continuing personal and professional development and lifelong learning are supported; and that there are mechanisms for developmental training and assessment where necessary (specific assurances will be sought from the Staff Governance Committee)
- h) High-quality research and development, teaching and training are supported in partnership with other public or private sector bodies, and meet relevant guidance/governance standards, and complies with Research Framework for Health & Community Care.
- i) Information governance across NHS Lothian meets NHS, HIS and other relevant standards, and that unacceptable practice will be detected and addressed, including Codes of Practice on openness and related strategy processes all applied and monitored
- j) The Board's adherence to legislative requirements and the implementation of relevant directives and other instructions from Scottish Government with respect to equality, diversity and human rights, including addressing and responding effectively to health inequalities in the population (additionally, the HGC will seek assurance that Integration Joint Boards are taking appropriate account of equality, diversity and human rights matters when planning and commissioning services)
- k) The protection of vulnerable adults (adults, children, offenders) complies with legislative requirements and national standards
- l) The HGC's remit is addressed in a systematic and documented manner through clear policies and procedures, and adequate and effective systems of internal control.

2.2. In order to support the delivery of its remit and core functions, the HGC shall:

- Monitor and review outcomes and processes across NHS Lothian, seeking assurance that the appropriate structures, processes, and controls are in place and operating effectively.
- Encourage and support co-ordination and whole system learning activities across NHS Lothian, especially the sharing of good practice and the effective use of data, such as national clinical audits, to benchmark performance and delivery.
- Delegate any necessary authority to groups or sub-committees to undertake the detailed consideration and resolution of specific matters on behalf of the Committee.
- Ensure there is an annual workplan for the discharge of its remit, and that there is an annual report on its activities.

- Ensure that any required action is undertaken swiftly in order to provide reassurance to the Board and the public.
- Inform the development of relevant Board strategies.
- Monitor, review and inform updates to any relevant risk assurance and mitigation plans.
- Ensure that, where required, any item presented for decision-making is subject to an appropriate impact assessment process, in line with NHS Lothian policy.

### **3. MEMBERSHIP**

3.1. The membership of the HGC will be:

- Five non-executive members of the Board, appointed by the Board (one of whom shall be the Chair of the Area Clinical Forum)
- Up to two staff side representatives, nominated from and by the NHS Lothian Partnership Forum

3.2. Should it choose to do so, the HGC may appoint up to two external members to represent the voice of patients and/or the public. Any such appointments will be made in accordance with a procedure approved by the Board.

3.3. The Chair of the HGC will be appointed by the Board from amongst the five non-executive members. If the Chair of the HGC is not present at a meeting, the members present may appoint one of the other non-executive board members present to preside.

3.4. All Board members have a right of access to the Committee's meeting papers and minutes.

#### *In Attendance:*

3.5. The Chair of the NHS Lothian Board should not be a member of the HGC but may attend meetings.

3.6. Officers and senior staff of the Board will be expected to attend meetings of the Committee when issues within their area of responsibility are being considered. The role of an attendee is to provide information and advice and to participate in discussions, either for the whole duration of the meeting or for particular agenda items. The Committee Chair will agree with the Lead Officer to the Committee which officers or senior staff should attend meetings, routinely or otherwise, and for which items. Attendance requirements will be based upon the HGC's Annual Work Plan. Notwithstanding this, the following staff will be in regular attendance at HGC meetings:

- The Chief Executive
- The Executive Medical Director
- The Executive Director of Nursing, Midwifery & AHPs
- The Director of Public Health & Health Policy
- The Director of Pharmacy
- The Associate Director for Quality Improvement

3.7. The Executive Medical Director shall serve as the Lead Officer to the Committee.

#### **4. QUORUM**

- 4.1. No business shall be transacted at a meeting of the HGC unless a quorum has been established. A meeting will be considered quorate when at least three of the five non-executive members are present.
- 4.2. There may be occasions when due to the unavailability of a non-executive member, the Board Chairman may ask any other non-executive members of Lothian NHS Board to act as members of the Committee so that a quorum is achieved.

#### **5. VOTING**

- 5.1. Should a vote need to be taken, only the non-executive members of the Board appointed to the HGC (or nominated to act as members of the HGC under 4.2 above) shall be entitled to vote, either by show of hands or a ballot.

#### **6. FREQUENCY OF MEETINGS**

- 6.1. The Committee will normally meet six times in each calendar year but may elect to have additional meetings, at the discretion of the Chair. The Committee will conduct its meetings in line with the Standing Orders of the Board.

#### **7. REPORTING ARRANGEMENTS**

- 7.1. The Committee will report to the Board by means of submission of its approved minutes to the next available Board meeting. The Board will provide a standing invitation to the Chair of the Committee to report verbally on any key issues which the Committee considers should be brought to the Board's attention and to identify any issues that may require to be addressed in the future.
- 7.2. The Committee Chair will provide an annual report on the Committee's discharge of these Terms of Reference to the Audit and Risk Committee, to inform the Board's annual review of the effectiveness of its systems of risk management and internal control. This will be a source of information and assurance for the preparation of the Board's Governance Statement, published within the annual accounts.

**8. DATE OF APPROVAL OF THESE TERMS OF REFERENCE: 23 AUGUST 2023**

**9. DATE BY WHICH THE TERMS SHOULD BE REVIEWED: DECEMBER 2024**

## **LOTHIAN CAPITAL INVESTMENT GROUP (LCIG)**

### **Remit:**

The Lothian Capital Investment Group (LCIG) will have three key roles:

1. To provide **assurance** to the Board, and in particular to the Finance and Resources Committee, on the strategic fit, appropriateness and value for money of capital investment, property and asset management proposals presented to it.
2. To provide **accountability** by fulfilling its role as a decision-making body of the Board in respect of matters delegated to LCIG under the Board's scheme of delegation, and in making recommendations to the Board in relation to capital investment, property and asset management.
3. To provide an **advisory** role to the Board in relation to capital investment or disinvestment issues.

Specifically, LCIG has the following functions:

1. Approving items to be included in the NHS Lothian Capital Programme as set out in the Board's Scheme of Delegation.
2. Assisting Directors in the maintenance and management of the Board's Capital Resource Limit Allocation through the Property and Asset Management Investment Programme.
3. Scrutinising developing capital proposals arising from the Integration Joint Boards' directions, the Lothian Hospitals Plan and from Regional developments and strategies.
4. Supporting Directors in the development of NHS Lothian's five-year Capital Plan.
5. Scrutinising capital investments through post-project evaluation.
6. Scrutinising the process associated with disposal of Board assets.

### **Activities:**

- Support the development of NHS Lothian's Property and Asset Management Strategy (PAMS), which covers premises, medical equipment, eHealth and transport.
- Support the development of the Property and Asset Management Investment Programme (PAMIP), including the five year capital plan, in line with NHS Lothian's strategic directions.
- Oversee the Board's contribution and role in developing Regional capital plans, priorities and strategy.
- Assist in the monitoring of capital expenditure and capital receipts.
- Act as a technical reference group to quality review projects at the following SCIM milestones: Strategic Assessment; Initial Agreement; then Standard Business (up to £1m) or Outline Business Case followed by Full Business Case (over £1m); Post-project Evaluation Report.
- Act as a technical reference group to quality review papers, business case submissions and reporting on the PAMIP.
- Provide any information and advice that the chair may require in order to provide assurance to the Finance & Resources Committee and the NHS Board in relation to capital investment, property and asset management issues.

### **Administration of Meetings:**

The Director of Finance shall chair LCIG, or may designate a member to chair in their absence.

The Chair shall publish a schedule of meeting dates, but may call for additional meetings as and when required.

### **Membership:**

Where a member of LCIG is in the position of seeking the approval of LCIG for a scheme in which they are closely involved, that member may not take part in the assurance or accountability processes of LCIG in relation to that scheme, other than to provide clarification of the material presented to LCIG.

Typically, membership should be drawn from the Finance, Capital Planning, Facilities, Strategic Planning and e-Health functions of the Board, but relevant representation should also be sought from the wider service so that discussion of issues presented to LCIG can benefit from the input from a wide range of interests and expertise.

<b>Membership by Role (As at March 2018)</b>
Director of Finance (Chair)
Director of Operations - Facilities
Director of eHealth
Director of Capital Planning and Projects
Head of Property and Asset Management Finance
Assistant Finance Manager - Projects
Associate Director of Operations - Facilities
Head of Business Support & Asset Management - Facilities
Capital Programme Business Manager
Capital Equipment and Commissioning Manager
Associate Director of Strategic Planning and Modernisation
Health and Social Care Partnership representation
Capital Planning Senior Project Manager – Primary Care
Associate Director of Procurement
Strategic Programme Manager
Capital Planning Project Manager (administration)

### **Reporting Arrangements:**

As LCIG is to provide assurance to the Finance & Resources Committee that appropriate governance and management arrangements are in place, these terms of reference require the approval of F&RC.

**July 2018**

## **REMUNERATION COMMITTEE TERMS OF REFERENCE**

Each NHS Scotland Board, through its Standing Orders, is required to establish a Remuneration Committee, whose main function is to ensure the application and implementation of fair and equitable pay systems on behalf of the Board, as determined by Ministers and the Scottish Government, and described in MEL (1993) 114 and subsequent amendments.

The Remuneration Committee as a sub-committee of the Staff Governance Committee, is required to provide assurance that systems and procedures are in place to manage the issues set out in MEL (1993) 114 (amended), so that overarching staff governance responsibilities can be discharged. The Staff Governance Committee will not be given the detail of confidential employment issues that are considered by the Remuneration Committee: these can only be considered by Non-Executive Directors of the Board.

### **Remit**

The remit of the Remuneration Committee is to:

- review and agree the objectives of the NHS Lothian Chief Executive, Executive and Corporate Directors on an annual basis;
- receive and approve the annual performance assessments for the NHS Lothian Executive Management Cohort for submission to the National Workforce Performance Management Committee;
- receive reports on the pay implications for the NHS Lothian Executive Management Cohort and review and "sign off" the corresponding pay uplifts;
- receive and approve the annual performance assessments for all other staff employed in the Senior Managers Cohort and review and "sign off" the corresponding pay uplifts;
- take an overview of the Performance Management and Pay arrangements for Executive and Senior Managers currently in place within NHS Scotland and review the implications for NHS Lothian of any changes in the guidance;
- approve any responsibility allowances or any temporary regradings for staff in the Executive and Senior Manager cohort and review the overall position on an annual basis;
- approve any Redundancy or Retirement Exit packages where the costs for the employer are in excess of £50k and approve any recommendations from the Chief Executive for Redundancy or Retirement Exit Packages for Executive or Corporate Directors, regardless of value;
- approve any Employment Tribunal settlements in excess of £100k and bring regular reports to the Committee on the current position with Employment Tribunals to ensure fairness and consistency is maintained;
- ensure all staff in the Executive and Senior Manager's Cohort are treated appropriately, fairly and consistently;
- provide regular reports to the Staff Governance Committee to allow them to validate the work of the Remuneration Committee.

### **Membership:**

The Board will appoint five non-executive members of the Board to the committee. One of the members must be the Employee Director. The Chair of the Board may not be a member of the committee. The Board will appoint one of the non-executive Board members to be the chair of the committee.

**In Attendance:**

The committee will normally invite the Board Chair, Chief Executive, Accountable Officer (if that is someone who is not the Chief Executive), and the Director of Human Resources to attend its meetings. The committee may also invite other officers to attend meetings to support the consideration and discussion of particular items of business.

**Frequency of Meetings:**

Meetings of the Committee shall be held at such intervals as the Committee may determine in order to conduct its business. In any event, meetings shall normal be held four times a year.

**Quorum:**

No business shall be transacted at a meeting of the Committee unless at least three members of the Committee are present.

**Reporting Arrangements:**

The Committee will provide an update at each meeting of the Staff Governance Committee through presentation of an open minute where appropriate and additional reports as required.

*Approved 4 March 2020*

## **ST JOHN'S HOSPITAL STAKEHOLDER GROUP**

### **Purpose of the Group**

The purpose of the Group is to strengthen communications and promote shared understanding among stakeholders by meeting regularly to discuss areas of joint interest in line with the remit set out below. The Group complements and will operate in a manner consistent with the NHS Board's governance model and broader planning processes in relation to non-delegated functions.

### **Remit**

1. The St John's Hospital Stakeholder Group will consider:
  - further development and changes to services at the St John's site that are not delegated to the IJB, for example, women's and children's services; and
  - related site infrastructure matters, such as car parking and transport.
2. The Group may also initiate and discuss, prior to implementation, any revised proposals affecting non-delegated services at St John's, to ensure that they take account of local circumstances. Key to such discussions will be ensuring that all viable options have been considered, whilst recognising that it is the responsibility of NHS Lothian to ensure that services are safe, sustainable and consistent with clinical best practice and national policy.
3. The Group will strengthen communication links to the population of West Lothian as well as existing staff briefing arrangements. To ensure effective and early communication, the Group will ensure early "fact checking" prior to public pronouncements or motions.
4. The Group's discussion will be regularly reported to the Board of NHS Lothian and to the Executive of West Lothian Council.
5. The Group may recommend to NHS Lothian or the Integration Joint Board (for delegated functions) proposals for its consideration and determination.

### **Membership**

The Chair will rotate between West Lothian Council and NHS Lothian on a two-yearly cycle.

3 elected members of West Lothian Council (including the chair)

3 NHS Lothian Board non Executives (to include chair following rotation)

1 Staff representative selected by the Lothian Partnership Forum

1 Public representative sourced from existing stakeholder groups.

**Frequency of meetings**

Meetings should be held quarterly with dates to be agreed.

# **FAMILY HEALTH SERVICE PRACTITIONERS DISCIPLINARY PROCEDURES**

## **REFERENCE COMMITTEE**

### **1. REMIT**

There shall be an established Reference Committee for disciplinary matters in relation to Family Health Service Practitioners in compliance with the terms of the [National Health Service \(Discipline Committees\)\(Scotland\) Regulations 2006 as amended](#). The Reference Committee will exercise the Health Board's functions under these regulations with respect to the referral of disciplinary matters.

The Reference Committee will also consider any referrals to the NHS Tribunal under the [National Health Service \(Tribunal\)\(Scotland\) Regulations 2004 as amended](#).

In relation to General Dental Practitioners, Optometrists and Pharmacists, the Reference Committee will consider any referrals to the appropriate professional body (General Dental Council, General Optical Council and General Pharmaceutical Council).

#### **Out of Remit**

Referrals of General Medical Practitioners to the General Medical Council are handled by the Board's Medical Director as the Board's Responsible Officer in relation to Revalidation.

### **2. CORE FUNCTIONS**

In relation to General Medical Practitioners, General Dental Practitioners, Optometrists and Community Pharmacists the Reference Committee will consider:

- Any disciplinary matters that may be referred under the Discipline Committee Regulations
- Any cases that may be referred to the NHS Tribunal

In relation to General Dental Practitioners, Optometrists and Community Pharmacists the Reference Committee will consider any referrals to the appropriate professional body (General Dental Council, General Optical Council and General Pharmaceutical Council).

### **3. MEMBERSHIP**

- Non-Executive Board Member (Chair)
- Executive Board Member

### **4. QUORUM**

No business shall be transacted at a meeting of the Committee unless a Non-Executive Board member and an Executive Board member are present.

### **5. FREQUENCY OF MEETINGS:**

- As required

### **6. REPORTING ARRANGEMENTS:**

The minutes of the Committee will be prepared following the [Healthcare Improvement](#)

[Scotland Guidance Paper on Data redaction](#) and [Standardised Adverse Event Review Reports \(December 2014\)](#). The Committee will report to the Board by means of submission of reports when required at the next available Board meeting.

**7. REFERENCES**

[National Health Service \(Discipline Committees\)\(Scotland\) Regulations 2006 as amended](#)  
[National Health Service \(Tribunal\)\(Scotland\) Regulations 2004](#)  
[Healthcare Improvement Scotland Guidance Paper on Data redaction](#)  
[Standardised Adverse Event Review Reports \(December 2014\)](#)

**8. DATE OF APPROVAL OF THESE TERMS OF REFERENCE: 07 APRIL 2021**

**9. DATE BY WHICH THESE TERMS SHOULD BE REVIEWED: APRIL 2023**

# **TERMS OF REFERENCE FOR THE STAFF GOVERNANCE COMMITTEE**

## **1. REMIT**

The Staff Governance Committee is a standing committee of the Board. This Committee, together with the Board and its other standing committees, forms the governance framework for the Board. The role of this Committee is to support and maintain a culture within NHS Lothian where the delivery of the highest possible standard of staff management is understood to be the responsibility of everyone working within NHS Lothian and is built upon partnership and collaboration.

The purpose of the Staff Governance Committee is to monitor and scrutinise performance against the Scottish Government's long established Staff Governance Standard, and the key deliverables required by subsequent Scottish Government workforce strategies relating to health staff; to secure the fair and effective management of staff; to ensure compliance with all legal obligations; and to oversee implementation of all policies and agreements to ensure that staff are:

- Well informed;
- Appropriately trained;
- Involved in decisions which affect them;
- Treated fairly and consistently;
- Provided with an improved and safe working environment.

The Committee is required to provide assurance to the Board on the overall performance of NHS Lothian against the individual elements of the Staff Governance Standard and any subsequent Scottish Government workforce strategies relating to the health workforce. The Committee will ensure that systems and procedures are in place to monitor, manage and improve performance across the whole system, and liaise closely with the other Governance Committees (in particular, Healthcare Governance and Audit and Risk) to ensure appropriate integrated governance. The Committee will also be responsible for monitoring and reviewing the strategic risks relating to staff and workforce issues.

## **2. CORE FUNCTIONS**

The Staff Governance Committee will:

- Agree an annual work plan which takes account of the Board's strategic priorities and risks relevant to the role and remit of the Committee;
- Discharge its assurance remit by providing scrutiny of Risk Assurance and Mitigation Plans for those risks escalated to the Corporate Risk Register and assigned to the Committee;
- Monitor and evaluate strategies and implementation plans relating to people management;
- Take responsibility for the timely submission of all staff governance information required for national monitoring arrangements;
- Provide staff governance information for the statement of internal control;

- Provide assurance that systems and procedures are in place through the Remuneration Sub Committee to manage the issues set out in MEL (1993) 114 and subsequent amendments;
- Monitor governance arrangements around health and safety and in particular staff health and safety related issues and ensure compliance with health and safety law, the Staff Governance Standards and a continuing improvement in health and safety performance. The Staff Governance Committee will also receive the Annual Health and Safety Report;
- Seek assurance regarding the Board's compliance with the relevant requirements of the Health and Care (Staffing) (Scotland) Act 2019;
- Oversee the Board's whistleblowing arrangements, including implementation of the national standards, reviewing trends and learning over time and preparation of performance reports for submission to the Board;
- Develop and evaluate the Board's Workforce Plans, recommending strategy to the Board for approval and monitoring delivery and implementation;
- Approve, oversee and monitor the implementation of plans relating to staff wellbeing, advancing workforce equalities, improving staff experience and any other plans relevant to the role and remit of the Committee;
- Act as a parent governance committee for the Board's Remuneration Committee and receive assurance reports from the Board's Health and Safety Committee, Workforce Planning and Development Programme Board, Staff Experience and Engagement Programme Board and Corporate Education Governance Committee.
- Ensure good communication and relationships with other standing committees of the Board and other stakeholders.

### **3. MEMBERSHIP**

The Board will appoint not less than four and not more than five non-executive members of the Board to the committee. One of the non-executive members must be the Employee Director. The Board will appoint one of the non-executive Board members to be the Chair of the Committee and may opt to appoint a Vice-Chair from amongst the non-executive members of the Committee.

If the Board-appointed Committee Chair is not present at a meeting, then the members present may appoint one of the other non-executive board members present to preside.

The membership will also include:

- Director of Human Resources and Organisational Development
- Executive Nurse Director
- Executive Medical Director
- Deputy Chief Executive
- Two representatives from the Lothian Partnership Forum

#### *In Attendance*

The following officers will normally attend committee meetings:

- Deputy Director of Human Resources
- Associate Director of Organisational Development, Learning and Wellbeing.

Other staff and Board members may attend meetings of the Committee, at the discretion of the Chair. All Board members have the right to access the Committee's meeting papers and minutes.

#### 4. QUORUM

No business shall be transacted at a meeting of the Committee unless at least six members are present of which three are Non- Executive Members of Lothian NHS Board. Any member may be represented by a Deputy at any meeting.

#### 5. FREQUENCY OF MEETINGS

The Committee will normally meet no less than five and up to six times in a year but may elect to have additional meetings, at the discretion of the Chair. The Committee will conduct its meetings in line with the Standing Orders of the Board.

#### 6. REPORTING ARRANGEMENTS

The Committee will report to the Board by means of submission of its approved minutes to the next available Board. The Board will have a standing invitation to the Chair of the Committee to report verbally on any key issues which the Committee considers should be brought to the Board's attention and to identify any issues that may require to be addressed in the future.

The Committee Chair will provide an annual report on the Committee's discharge of these Terms of Reference to the Audit and Risk Committee, to inform the Board's annual review of the effectiveness of its systems of risk management and internal control. This will be a source of information and assurance for the preparation of the Board's Governance Statement, published within the annual accounts.

##### Committee Sub Structure

The following sub-committees report directly to the Staff Governance Committee:

- **Remuneration Committee** – the main function of this committee is to ensure the application and implementation of fair and equitable pay systems on behalf of the Board, as determined by Ministers and the Scottish Government, and described in MEL (1993) 114 and subsequent amendments.

The following management committees will provide assurance information to the Staff Governance Committee:

- **Health and Safety Committee** – the Health and Safety Committee is established in compliance with the Health and Safety at Work Act 1974, Safety Representatives

and Safety Committees Regulations. It is recognised that the remit of the Health and Safety extends beyond staff into health and safety issues affecting patients, visitors and contractors and links will therefore need to be made with other Committees as appropriate.

Sub-committees and relevant management committees will provide updates to the Staff Governance Committee through presentation of the minutes of their meetings or additional reports as part of the Committee's annual work plan.

The Committee may establish additional sub-committees to support its function as required.

## **7. REFERENCES**

[NHS Lothian Board Members' Handbook](#)

[NHS Lothian Standing Orders, Standing Financial Instructions, and Scheme of Delegation](#)

[NHS Scotland Staff Governance Framework and Standard](#)

### **1. DATE OF APPROVAL OF THESE TERMS OF REFERENCE**

**DECEMBER 2022**

### **2. REVIEW DATE**

**DECEMBER 2024, or earlier if the Board requires.**

## STRATEGY, PLANNING & PERFORMANCE COMMITTEE

### 1. REMIT

The Committee's primary purpose is:

- a) To inform and direct medium and long-term planning and strategy development within NHS Lothian, supporting the continuous improvement of the Board's health and care system.
- b) To review and monitor system performance and improvement, discussing specific performance challenges, exploring contributing factors and considering potential solutions.
- c) To make appropriate recommendations to the Board in each of the areas above.

The Committee, through the delivery of its primary purpose, will provide an environment where all Board members can consider, discuss, and understand complex issues which may have implications for achieving the Board's objectives or the whole system of health and care. In this way, the Committee will contribute to improving knowledge and understanding amongst Board members.

The Committee remains accountable to the full Board and, like other committees, cannot make decisions on matters formally reserved to the Board via the Standing Orders. Additionally, the Committee will not duplicate the assurance, performance or risk management functions assigned to other committees of the Board.

The work of the Committee will inform and support the Board and its committees by taking a whole system view of strategy, planning and performance matters. The Committee may decide to refer specific matters to other committees of the Board, for consideration, and it may, in return, receive requests from other committees to consider such matters on a whole-system basis.

### 2. CORE FUNCTIONS

The Committee's function will be to seek and provide assurance in the following areas:

- a) **Planning and Strategy Development** – over the medium to long-term, advising on and informing the development of the Board's Strategic Framework and any associated delivery plans (for later consideration and approval at a Board meeting). This should include:
  - i. Supporting the Board in ensuring an integrated approach to strategic planning, objective setting, and delivery (i.e., through review of the LSDF Pillars, ensuring effective engagement activity, and scrutiny/endorsement of IJB Strategic Plans);
  - ii. Reviewing relevant plans or strategies to advise on their fit and alignment with LSDF (with formal approval of any such plan or strategy reserved to a decision by the Board);
  - iii. Developing and informing annual reports on LSDF progress, for approval by the Board; and

- iv. Reviewing and endorsing the “Strategic Case” element of any Initial Agreement under the NHS Lothian Capital Programme, prior to approval being sought from the Finance & Resources Committee.<sup>1</sup>
- b) **Performance Monitoring and Improvement** – reviewing current performance levels, exploring the underlying causes, and discussing potential actions in response. To avoid any duplication of the Board’s oversight role, this Core Function should be focused on:
  - i. Exploring and discussing *specific*, targeted areas within the Performance Report and understanding the contributing factors (e.g., where it is felt that a particular performance area/issue or underlying factors/context need to be explored and understood more clearly or where potential solutions need to be discussed in detail prior to decision at a meeting of the Board or another committee); and
  - ii. Informing the development, content and format of Board performance reporting, ensuring ongoing alignment with the relevant principles of “Active Governance”. Support Board decision-making by ensuring that performance reports reflect the right information, in the right format, at the right time.

Although the Committee will not duplicate the work of the Board or other committees, it may receive reports and information, from time-to-time, that are formally considered elsewhere in the Board’s Corporate Governance and Assurance structures. The purpose of this will usually be to confirm that any given activity or proposal aligns with the Board’s overall strategic aims or to support increased knowledge and understanding amongst Committee members about particular issues relevant to performance.

The Committee will not assume “ownership” of any individual risk appearing on the Corporate Risk Register (CRR). However, any risk appearing on the CRR for the first time or any pre-existing risk that has materially worsened, may be considered by the Committee in advance of the next public Board meeting where the updated CRR is to be presented. This will ensure that any potential impacts on performance are considered in detail and understood by all, prior to the Board taking a final view.

Whilst some performance-related items may be urgent and time limited, there should be some forward planning of agenda items so that the Committee may explore an appropriate range of performance issues throughout each annual cycle.

### **3. MEMBERSHIP**

All non-executive Board members will be the members of the Committee. The Board will appoint the Chair of the Committee from amongst the Committee’s members.

If the Board-appointed Chair of the Committee is not present at a meeting, then the members present may choose which of them is to preside.

---

<sup>1</sup> The NHS Lothian Board’s Scheme of Delegation sets out the appropriate stages and levels of approval required for items included in the NHS Lothian Capital Programme.

The five executive board members are not members of the Committee but will be expected to routinely attend. The Chief Officers of the four integration joint boards (IJBs) and other members of the Corporate Management Team will also be expected to routinely attend. Other managers and staff may also be asked to attend, as required.

#### **4. QUORUM**

The Committee is quorate when at least one third of the current non-executive Board members is present, including at least three who are publicly appointed members and are not members of staff of the NHS Lothian Board.

#### **5. FREQUENCY OF MEETINGS**

The Committee will meet up to five times per calendar year. It may elect to hold further meetings, if required. The Committee will conduct its meetings in line with the Standing Orders of the Board.

#### **6. REPORTING ARRANGEMENTS**

The Committee will report to the Board through its Chair, and by submitting its approved minutes to the Board. The Committee Chair will also provide an Annual Report on the Committee's activities to the Audit & Risk Committee, to inform the preparation and review of the Board's Governance Statement.

#### **7. REFERENCES**

[NHS Lothian Board's Standing Orders](#)

[NHS Lothian Board's Scheme of Delegation](#)

[NHS Lothian Strategic Development Framework 2022-2027](#)

#### **8. DATE OF APPROVAL OF THESE TERMS OF REFERENCE**

**DECEMBER 2022**

#### **9. REVIEW DATE**

**DECEMBER 2024, or earlier if the Board requires.**