

# Public Services Delivery Scotland

<b>Meeting:</b>	<b>Public Services Delivery Scotland Board Meeting</b>
<b>Meeting date:</b>	<b>2 April 2026</b>
<b>Time:</b>	<b>10:00 – 11:15</b>
<b>Venue:</b>	<b>Jack Copland Centre, Rhesus Room/AB Room &amp; MS Teams</b>

- 1. 10:00 Introduction**
- 2. Apologies**
- 3. Declarations of Interest**
- 4. 10:05 Chair and Chief Executive welcome**

## Items for decision

- 5. 10:40 Governance Items**
  - 5.1. Public Services Delivery Scotland Corporate Governance Framework [PSDB/26/02]** **For decision**

**Author:** Kyle Clark-Hay / Drew McGowan  
**Presenting:** Carolyn Low / Christina Bichan
  - 5.2. Public Services Delivery Scotland Meeting Plan 2026-2027 & Schedule of Business April – September 2026 [PSDB/26/03]** **For decision**

**Author:** Kyle Clark-Hay / Drew McGowan  
**Presenting:** Carolyn Low / Christina Bichan

## Items for consideration

### **6. Internal Audit**

#### **6.1. Appointment of Internal Auditors [PSDB/26/04]**

**For homologation**

**Author:** Kyle Clark-Hay / Drew McGowan

**Presenting:** Carolyn Low / Jim Boyle

### **7. 11:15 Date and Time of Next Meeting(s)**

7.1. Public Services Delivery Scotland Public Board Meeting – 15 May, 0930 - 1130

7.2. Public Services Delivery Scotland Development Session – 15 May, 1230 - 1400

7.3. Public Services Delivery Scotland Public Board Meeting – 26 June, 0930 – 1200

7.4. Public Services Delivery Scotland Private Board Meeting – 26 June, 1230 - 1300

# Public Services Delivery Scotland

<b>Meeting:</b>	Public Services Delivery Scotland Board
<b>Meeting date:</b>	2 April 2026
<b>Title:</b>	Corporate Governance Framework
<b>Paper No.</b>	<b>PSDB/26/02</b>
<b>Responsible Executive/Non-Executive:</b>	Carolyn Low, Director Finance, Corporate Governance and Legal Services; Christina Bichan, Director Planning, Performance and Transformation
<b>Report Author:</b>	Kyle Clark-Hay, Associate Director Corporate Governance (Board Secretary); Drew McGowan, Board Secretary and Principal Lead Corporate Governance

## 1. Purpose

- 1.1. This paper presents the Board with the first Corporate Governance Framework for Public Services Delivery Scotland (PSD Scotland) for approval. The paper sets out the key constitutional documents for PSD Scotland that will enable the Board to commence its work in line with the NHS Scotland Blueprint for Good Governance – 2<sup>nd</sup> edition. The Board are also asked to note the work continues in relation to the Framework Agreement with Scottish Government and the Board Assurance Framework (which is presented today in draft format for information). This paper also presents the draft PSD Scotland Standing Committee membership which the Board are asked to approve.

## 2. Recommendation

- 2.1. As responsible Executive Directors, we are assured that a robust process has been followed to define the Corporate Governance Framework and that the documents included today for approval meet the needs of PSD Scotland and the Board.
- 2.2. It is recommended that the Board:
  - a) **Approve** the Corporate Governance Framework as set out in the appendices to this paper;
  - b) **Approve** the Standing Committee membership;

- c) **Delegate authority** to the Board Secretaries to make minor administrative changes to the documentation to ensure accuracy;
- d) **Note for information** that, following review of the Framework following the first cycle of Board and Committee business, an updated Corporate Governance Framework will be presented to the Board for approval at its September 2026 meeting;
- e) **Note for information** the draft Board Assurance Framework which will be presented to the Board in its final format for approval at the September 2026 meeting as part of the Corporate Governance Framework; and
- f) **Note for information** that work continues with Scottish Government to create the Framework Agreement with Scottish Government and this will be returned to the Board for final approval at a later meeting of the Board.

### 3. Report Summary

#### Situation

- 3.1. The NHS Scotland Blueprint for Good Governance (BGG), 2<sup>nd</sup> edition, provides NHS Scotland Boards with guidance on how to deliver and sustain good governance. It promotes the development of an assurance framework and integrated governance system that brings together the organisation's strategic planning, risk management and assurance information systems. The BGG aims to improve the effectiveness in NHS Scotland by requiring that the Boards' assurance and governance arrangements be subject to continuous review and development. The Corporate Governance Framework presented to the PSD Scotland Board is a key milestone in the set-up of the Board and follows extensive work completed in partnership with NHS National Services Scotland, NHS Education for Scotland and Scottish Government.
- 3.2. As part of the PSD Scotland Programme a workstream devoted to Governance was created. This was latterly led by Keith Redpath following his appointment as the intended Board Chair for PSD Scotland. A key deliverable for this workstream was to develop the constitutional documents required for PSD Scotland to operate under. Analysis was undertaken in relation to the existing Governance Frameworks for NHS National Services Scotland and NHS Education for Scotland. Coupled with this analysis, there was an opportunity to ensure that the Corporate Governance Framework for PSD Scotland would support the strategic intent of the organisation. This work concluded with the creation of the proposed Corporate Governance Framework which is presented for the Board's consideration and approval.

#### Corporate Governance Framework (CGF)

- 3.3. The PSD Scotland Corporate Governance Framework consists of:
  - The Board Standing Orders and Code of Conduct
  - The Board Standing Committees Terms of Reference
  - The Scheme of Delegation

- The PSD Scotland Standing Financial Instructions (SFIs)

These documents are attached as appendices to this paper.

- 3.4. The Board Assurance Framework is presented to the Board in draft for information and a final version will be brought to the Board at its September meeting for approval as part of the Corporate Governance Framework. Coupled with this the Corporate Policy Framework is also currently in draft and once the formal internal governance mechanisms are confirmed this will be finalised and brought to the Board for approval in September 2026. If any Corporate policies require approval in advance of this, Board Services will ensure that these are considered as a minimum by Partnership Forum, the Transitional Leadership Group and approved by Staff Governance Committee.
- 3.5. The Corporate Governance Framework will be reviewed following the first full cycle of business and a follow-up version will be brought to the Board for approval in September 2026. Following this, there will be an annual cycle of review of the Corporate Governance Framework and it is recommended that the Board Secretaries have delegated authority to make minor administrative changes during that time to ensure accuracy.
- 3.6. The Corporate Governance Framework also confirms the proposed Standing Committees of the Board:
- Audit and Risk Committee
  - Clinical Governance Committee
  - Education Committee
  - Finance and Resources Committee
  - Remuneration Committee
  - Service and Digital Transformation Committee
  - Staff Governance Committee
- 3.7. This structure along with the proposed Standing Orders and Committee Terms of Reference provide a robust framework to support the Board in the discharge of its duties. These have been designed following review of the Corporate Governance Frameworks of NHS National Services Scotland, NHS Education for Scotland, alignment with best practice including the BGG, Scottish Government Directors Letters and industry and regulatory requirements.
- 3.8. The Corporate Governance Framework also includes the Board Code of Conduct. This has been drafted to reflect the model Code of Conduct issued by the Standards Commission for Scotland.
- 3.9. The Standing Financial Instructions and Scheme of Delegation have are an amalgamation of the legacy organisations SFIs and aligned to the requirements of PSD Scotland.

- 3.10. Supporting the work of the PSD Scotland Board, the final component is populating the Non-Executive Director membership of the PSD Scotland Board Standing Committees. Following discussion between the Chair, the Chief Executive, the Non- Executive Directors and the Board Secretaries, the proposed Standing Committee membership is presented for Board approval.

## **4. Assessment**

### **Quality, Value, Care and Technology**

- 4.1. The Corporate Governance Framework is a key component of organisational transparency and integrity providing clear and effective decision making that instils confidence from Scottish Government and the public in Public Services Delivery Scotland.

### **Workforce**

- 4.2. Clarity of roles and responsibilities within governance documentation will support a better organisational understanding of governance responsibilities.

### **Financial**

- 4.3. The SFIs set out the financial governance arrangements of the organisation. Alignment of corporate governance documentation is an essential component of the organisational financial controls.

### **Education and Training**

- 4.4. The Corporate Governance Framework sets out the Terms of Reference for the Education Committee which has strategic oversight of all education and training responsibilities of PSD Scotland.

### **Information Governance**

- 4.5. Data protection and Information Governance risks fall within the remit of the Audit and Risk Committee. This in particular sets out the scrutiny function of the Committee to ensure strategic oversight of effectiveness and compliance in this area.

### **Environmental and Climate Sustainability**

- 4.6. Climate Change and Environmental Sustainability sits within the Finance and Resources Committee remit. The Finance and Resources Committee Terms of Reference set out responsibilities and reporting requirements for PSD Scotland and ensure matters are fully considered.

### **Equality, Diversity, Human Rights and Health Inequalities**

- 4.7. An equality impact assessment is not required for this report.

### **Other Impacts**

- 4.8. There are no other impacts that require consideration as a result of the recommendations contained in this report.

### **Risk Assessment/Management**

- 4.9. There are no additional risks that require to be added to the Risk Register as a result of the recommendations contained in this report.

### **Communication, Involvement, Engagement and Consultation**

- 4.10. In advance of the Corporate Governance Framework being considered by the Board, the draft documents have been reviewed by key colleagues across PSD Scotland.

### **Route to the Meeting**

- 4.11. This is being presented directly to the Board for approval.

## **5. List of appendices**

- 5.1. The following appendices are included with this report:

- Appendix 1: Standing Orders
- Appendix 2: Scheme of Delegation
- Appendix 3: Code of Conduct
- Appendix 4: Audit & Risk Committee Terms of Reference
- Appendix 5: Clinical Governance Committee Terms of Reference
- Appendix 6: Education Committee Terms of Reference
- Appendix 7: Finance & Resources Committee Terms of Reference
- Appendix 8: Remuneration Committee Terms of Reference
- Appendix 9: Service & Digital Transformation Committee Terms of Reference
- Appendix 10: Staff Governance Committee Terms of Reference
- Appendix 11: Standing Financial Instructions
- Appendix 12: Draft Board Assurance Framework

# Public Services Delivery Scotland

## STANDING ORDERS FOR THE PUBLIC SERVICES DELIVERY SCOTLAND BOARD

VERSION 1.0 | APRIL 2026

## Table of Contents

1. General .....	1
2. Chair.....	2
3. Vice Chair .....	2
4. Calling and Notice of Board Meetings .....	3
5. Conduct of Meetings .....	5
6. Matters Reserved to the Board.....	8
7. Delegation of Authority by the Board .....	10
8. Execution of Documents.....	10
9. Committees .....	11

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## 1. General

1. These Standing Orders for the regulation of the conduct and proceedings of the Public Services Delivery (PSD) Scotland Board (the Board), the common name for the Common Services Agency (CSA), 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 2025 (2025 No. 147) and The Common Services Agency (Membership and Procedure) Amendment (Scotland) Regulations 2025 (Scottish Statutory Instrument 2025 No. 387).
- 1.1. The NHS Scotland Blueprint for Good Governance, issued through [DL \(2022\) 38](#), has informed these Standing Orders. The Blueprint describes the functions of the Board as:
  - a) Setting the direction, including clarifying priorities and defining change and transformational expectations.
  - b) Holding the Executive Leadership Team to account by seeking assurance that the organisation is being effectively managed and change is being successfully delivered.
  - c) Managing risks to the quality, delivery and sustainability of services.
  - d) Engaging with key stakeholders, as and when appropriate.
  - e) Influencing the Board's and the wider organisational culture.
- 1.2. Further information on the role of the Board, Board members, the Chair, Vice-Chair, and the Chief Executive is available in the [Blueprint for Good Governance](#).
- 1.3. 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.
- 1.4. Any statutory provision, regulation or direction by Scottish Ministers shall have precedence if they are in conflict with these Standing Orders.
- 1.5. 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.
- 1.6. The Board will annually review its Standing Orders.
- 1.7. Any member of the Board may, on reasonable cause shown, be suspended from the Board or disqualified from 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

- 1.8. Members have a personal responsibility to comply with the Code of Conduct for Members of PSD Scotland. The Code has been issued by the Scottish Ministers, with the approval of the Scottish Parliament, as required by the Ethical Standards in Public Life (Scotland) Act 2000, as amended. Complaints of breaches of the PSD Scotland Code of Conduct for Board Members are investigated by the Commissioner for Ethical Standards and adjudicated upon by the Standards Commission for Scotland.
- 1.9. The Board's appointed Standards Officer(s) 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(s) of the need to change the entry within one month after the date the matter required to be registered.
- 1.10. The Board's appointed Standards Officer(s) shall ensure that 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.
- 1.11. 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 for Board Members.
- 1.12. Members must also comply with Sections 3.13 - 3.21 of the Code of Conduct for Board Members regarding gifts and hospitality. As members will not accept any gifts or hospitality, other than under the limited circumstances allowed, there is no need to register any unless offered and refused.
- 1.13. The Standards Officer(s) 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. The Board's Whistleblowing Champion and Board Members who are employees of the Board are 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 he or she remains 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 in 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 Standards Officer(s) 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 in 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 four times in the year and will annually approve a forward schedule of meeting dates.
- 4.2. The Chief Executive and Accountable Officer and 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. The Chair must rule that it is a matter of urgency and give the reasons for the ruling to be captured in the minutes. The item must be made known at least by the start of the meeting when the order of business is decided.
- 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 at 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 sign a requisition for that purpose. The requisition must specify the business

proposed to be transacted. The Chair is required to call a meeting within seven working 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 and in agreement with the Chief Executive and Accountable Officer.

- 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 Chief Executive and Accountable Officer and the Chair, or by a member authorised by the Chair to approve on that person's behalf, shall be circulated to every member 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 Monday were 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. Once approved by the Board, a list of the public meetings to take place for the year will be published on the Board's website. 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 receive the meeting papers for those items, unless the person presiding agrees that others may receive them.
- 4.10. In cases of urgency where a matter cannot wait until the next scheduled meeting of the Board or the relevant Board Committee, the Chief Executive together with the Board Chair (or, for Standing Committees, the Committee Chair), may authorise the matter to be resolved by electronic correspondence. The matter will be issued in the usual format: a report outlining the action required and any supporting documentation. Where approval is sought, it will be clearly recorded

that a quorate decision has been reached and the date on which this was confirmed. The papers will then be submitted to the next scheduled meeting for homologation, and this will be noted in the minutes.

#### Calling and Notice of Board Meetings: Deputations and Petitions

- 4.11. 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 wishes to be received. The application will state the subject and the proposed action to be taken.
- 4.12. 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.
- 4.13. Any individual, 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 the 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 or 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

2. 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 three Board members.
- 5.5. In determining whether or not a quorum is present, the Chair must consider the effect of any declared interests.
- 5.6. 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.
- 5.7. Paragraph 5.7 will not apply where a member's interest, or their associate's 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.
- 5.8. 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.
- 5.9. 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. co-opted members.
- 5.10. 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

- 5.11. 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*

- 5.12. If a member wishes to add an item of business (under Any Other Competent Business) which is not in the notice of the meeting, he or she 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.
- 5.13. The Chair may change the running order of items for discussion on the agenda at the meeting. Please also refer to paragraph 4.2.

#### *Decision-Making*

- 5.14. 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.
- 5.15. 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.
- 5.16. 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.
- 5.17. 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.

#### *Voting*

- 5.18. Where the Chair concludes that there is no 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 a vote, the Chair will summarise the outcome of the discussion and the proposal(s) for the members to vote on.
- 5.19. 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, by ballot or any other method the Chair determines.

#### *Board Meetings in Public*

5.20. 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. The only exception is where someone in attendance, and in the opinion of the Board Chair, behaves inappropriately, disrespectfully, or otherwise disrupts Board proceedings.

#### *Board Meetings in Private*

5.21. 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:

- a) The Board is still in the process of developing proposals or its position on certain matters and needs time for private deliberation.
- b) 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.
- c) The business necessarily involves reference to personal information and requires to be discussed in private in order to uphold the Data Protection Principles.
- d) The Board is otherwise legally obliged to respect the confidentiality of the information being discussed.

5.22. The minutes of the meeting will reflect when the Board has resolved to meet in private.

#### Minutes

5.23. The names of members present at a meeting of the Board, or of a committee of the Board, shall be recorded in the minutes of the meeting. The names of other persons in attendance shall also be recorded.

5.24. The Board Secretaries (or their 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 to the Board**

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. The matters reserved to the Board are:

- a) Corporate Governance Framework, including the Board Standing Orders, Board Code of Conduct, Board Assurance Framework Standing Financial Instructions, Scheme of Delegation, Terms of Reference of all its committees and appointment of committee members.
  - b) Organisational values.
  - c) The strategies for all the functions that it has planning responsibility for, subject to any provisions for major service change which require Ministerial approval.
  - d) The Annual Delivery 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 Delivery Plan, the Board should receive it at a public Board meeting.)
  - e) Corporate objectives or corporate plans which have been created to implement its agreed strategies.
  - f) The Risk Management Strategy.
  - g) The Financial Plan for the forthcoming year, and the opening revenue and capital budgets.
  - h) The Annual Report and Accounts. (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.)
  - i) 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](#).
  - j) The content, format and frequency of performance reporting to the Board.
  - k) 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.)
- 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.
- 6.5. Additional matters which may be reserved for the Board are:
- a) The contribution to Community Planning Partnerships through the associated improvement plans.
  - b) Health & Safety Policy
  - c) Arrangements for the approval of all other policies.

- d) The system for responding to any civil actions raised against the Board.
  - e) The system for responding to any occasion where the Board is being investigated and/or prosecuted for a criminal or regulatory offence.
- 6.6. Within the above, the Board may delegate some decision-making to one or more executive Board members.

## **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 the Chief Executive and Accountable Officer - or 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. The [Blueprint for Good Governance](#) identifies the committees which the Board must establish.
- 9.2. As of 1 April 2026, the Board has established the following committees
  - a) Audit & Risk Committee
  - b) Clinical Governance Committee
  - c) Education Committee
  - d) Finance & Resources Committee
  - e) Remuneration Committee
  - f) Service & Digital Transformation Committee
  - g) Staff Governance Committee
- 9.3. The Board shall appoint the chairs of all committees and sub-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 two years of their approval if there has not been a review.
- 9.4. 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.
- 9.5. 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.
- 9.6. 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 and sub-committee meetings. The general expectation is that committee and sub-committee 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.
- 9.7. 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 (in private), then the meeting papers for those items will normally only be provided to members of that committee. The person presiding over the committee meeting may agree to share the (private) meeting papers for restricted business papers with others.
- 9.8. The Board shall approve a calendar of meeting dates for its Committees. The Committee Chair may call a meeting at any time and shall call a meeting when requested to do so by the Board.

9.9. 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 not a member of the Board and is not to be counted when determining the Committee's quorum and is a non-voting member.

DRAFT

# Public Services Delivery Scotland

## SCHEME OF DELEGATION FOR THE PUBLIC SERVICES DELIVERY SCOTLAND BOARD

VERSION 1.0 | APRIL 2026

DRAFT

## **Table of Contents**

<b>1. Introduction.....</b>	<b>1</b>
<b>2. Matters Reserved to the Board.....</b>	<b>2</b>
<b>4. Matters Delegated to Executives or Officers.....</b>	<b>3</b>
<b>5. Scheme of Delegation Arising from Standing Orders .....</b>	<b>9</b>
<b>6. Scheme of Delegation Arising from the Standing Financial Instructions.</b>	<b>10</b>

**DRAFT**

## **1. Introduction**

- 1.1. The Public Services Delivery (PSD) Scotland Board has developed and approved this Scheme of Delegation. It should be implemented together with the requirements of the Standing Financial Instructions (SFIs) and all other policies and procedures.
- 1.2. Any reference in this Scheme to a statutory or other provision is to be interpreted as a reference to that provision as amended by any subsequent legislation.
- 1.3. The Scheme of Delegation delegates power to individual officers within the management structure. The holders of those positions can further delegate to other employees. Delegation must be made in writing. Nevertheless, the holders of the positions identified in the Scheme of Delegation remain personally accountable for the actions of the individuals to whom they delegate.
- 1.4. If a position identified in the Scheme of Delegation is vacant, or an officer with delegated authority is not available, then the matter should be referred up to the next level of authority as described in the relevant section of this Scheme of Delegation.
- 1.5. Section 2 of the Scheme confirms the powers the Board has reserved. Section 3 outlines the responsibilities delegated to executives and officers. Sections 4 and 5 outline the authorities delegated under the Standing Orders and Standing Financial Instructions, respectively.
- 1.6. PSD Scotland will continue to operate under the arrangements of its predecessor organisations during the stabilisation period. Existing roles and postholders will be used in full throughout this Scheme of Delegation and other components of the Corporate Governance Framework during this time. These arrangements will remain in place until further notice.
- 1.7. The Board has delegated authority to the Board Secretaries to approve minor amendments relating to job titles in this Scheme of Delegation and the wider Corporate Governance Framework to keep it up to date.

## 2. Matters Reserved to the Board

2.1. 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.

2.2. The matters reserved to the Board are:

3. Corporate Governance Framework, including the Board Standing Orders, Board Code of Conduct, Board Assurance Framework, Standing Financial Instructions, Scheme of Delegation, Terms of Reference of all its committees and appointment of committee members.

a) Organisational values.

b) The strategies for all the functions that it has planning responsibility for, subject to any provisions for major service change which require Ministerial approval.

c) The Annual Delivery Plan for submission to the Scottish Government for its approval. (Note: The Board should consider the draft for submission in a private session. Once the Scottish Government has approved the Annual Delivery Plan, the Board should receive it at a public Board meeting.)

d) Corporate objectives or corporate plans which have been created to implement its agreed strategies.

e) The Risk Management Strategy.

f) The Financial Plan for the forthcoming year, and the opening revenue and capital budgets.

g) The Annual Report and Accounts. (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.)

h) 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](#).

i) The content, format and frequency of performance reporting to the Board.

j) 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.)

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

#### **4. Matters Delegated to Executives or Officers**

##### The Chief Executive and Accountable Officer

- 4.1. The Chief Executive and Accountable Officer is responsible for the proper stewardship of public funds and ensuring compliance with financial and operational regulations. As per [the Scottish Public Finance Manual](#), the Accountable Officer holds personal responsibility for the propriety and regularity of the finances under their stewardship and for the economic, efficient and effective use of all related resources.
- 4.2. The Chief Executive can exercise delegated authority across all PSD Scotland services and functions.
- 4.3. The Chief Executive is authorised to take such measures as may be required in emergencies, subject to consulting, where possible, the Chair of the Board, and the relevant committee chair(s). Such measures that might normally be outwith the scope of the authority delegated by the Board or its committees shall be reported to the Board or appropriate committee as soon as possible thereafter.
- 4.4. The Chief Executive is authorised to give a direction in special circumstances that any official shall not exercise a delegated function, subject to reporting on the terms of the direction to the next meeting of the appropriate committee.

##### The Transitional Leadership Group (TLG)

- 4.5. The TLG, led by the Chief Executive and Accountable Officer, combines the Executive Teams of both predecessor organisations and is the executive decision-making body for PSD Scotland. It has the primary responsibility for the implementation of change and the day-to-day management of operations and is granted delegated authority by the Board to act in accordance with its remit.
- 4.6. The TLG manages the business of the Board by reviewing and endorsing Board-wide strategies, policies, all organisational activities and performance to ensure a corporate position is achieved before submission to the Board and, where appropriate, its standing committees for consideration and approval. It will remain in place throughout the stabilisation period.

## Delegated Responsibilities

4.7. The remainder of Section 3 outlines the responsibilities the Board has delegated to executives/officers.

SoD Ref.	Delegated Responsibility	Responsible Role	Approved Deputy
3.1	ATOS (non eHealth Services)	Steven Flockhart, NSS Director of Digital & Security	Stephen McSherry, Associate Director of Cloud Engineering & Operations
3.2	Best Value	Karen Reid, Chief Executive	Carolyn Low, Director of Finance, Corporate Governance & Legal Services Jim Boyle, Director of Finance
3.3	Blood, Cell and Tissue Products and Services	Marc Turner, Director of the Scottish National Blood Transfusion Service	Lorna McLintock, SNBTS Medical Director
3.4	Business Continuity & Emergency Planning	Karen Reid, Chief Executive	Christopher Wroath, Director of Technology Service Lee Neary, Director Primary & Community Care / Strategy, Performance & Service Transformation
3.5	Caldicott Guardianship	Gordon Paterson, Director of Social Care & Communities Sharon Hilton-Christie, Medical Director	Emma Watson, Medical Director Ruth Campbell, Associate Director of Research, Development and Innovation.
3.6	Chair of Consultant Discretionary Points Panel (non-voting)	Sybil Canavan, Director of People & Culture Serena Barnatt, Director of Human Resources & Organisational Development	Laura Liddle, Associate Director of People & Culture Aileen Stewart, Associate Director of Human Resources
3.7	Clinical Programmes, Services & Quality Improvement	Emma Watson, Medical Director Sharon Hilton-Christie, Medical Director	Karen Wilson, Deputy Chief Executive & Director of Nursing, Midwifery and Allied Health Professionals Kathryn Brechin, Director of Nursing

SoD Ref.	Delegated Responsibility	Responsible Role	Approved Deputy
3.8	Communications	Christina Bichan, Director of Planning, Performance & Transformation  Lee Neary, Director Primary & Community Care / Strategy, Performance & Service Transformation	John MacEachen and Nick Hay, Head of Communications/ Principal Manager  Matthew Neilson, Associate Director of Strategy, Performance & Communications
3.9	Complaints	Christina Bichan, Director of Planning, Performance & Transformation  Lee Neary, Director Primary & Community Care / Strategy, Performance & Service Transformation	
3.10	Corporate Governance Framework	Karen Reid, Chief Executive	Carolyn Low, Director of Finance, Corporate Governance & Legal Services  Christina Bichan, Director of Planning, Performance & Transformation
3.11	Corporate Parenting	Gordon Paterson, NES Director of Social Care & Communities  Kathryn Brechin, Director of Nursing	
3.12	Cyber Security	Christopher Wroath, Director of Technology Service  Steven Flockhart, Director of Digital and Security	David McColl, NES Deputy Director of Technology  Scott Barnett, Head of Information & Cyber Security
3.13	Data Protection	Christopher Wroath, Director of Technology Service  Steven Flockhart, Director of Digital and Security	Scott Barnett, Chief Information Security Officer  Tracey Gill, Head of Information Governance & Assurance

SoD Ref.	Delegated Responsibility	Responsible Role	Approved Deputy
3.14	Deputising for the Chief Executive	Karen Wilson, Deputy Chief Executive & Director of Nursing, Midwifery and Allied Health Professionals	Carolyn Low, Director of Finance, Corporate Governance & Legal Services
3.15	Educational Quality Assurance Systems	Karen Wilson, Deputy Chief Executive & Director of Nursing, Midwifery and Allied Health Professionals	Kevin Kelman, Director of NHS Scotland Academy, Learning and Innovation
3.16	eHealth Services	Christopher Wroath, Director of Technology Service Steven Flockhart, Director of Digital and Security	Stephen McSherry, Associate Director of Cloud Engineering & Operations
3.17	Emergency Climate Change and Sustainability	Carolyn Low, Director of Finance, Corporate Governance & Legal Services Jim Boyle, Director of Finance	Andy McLean, Deputy Director of Finance Brian McCabe, Associate Director of Finance Operations Laura Howard, Deputy Director of Finance
3.18	Equality, Diversity & Inclusion	Christina Bichan, Director of Planning, Performance & Transformation Lee Neary, Director Primary & Community Care / Strategy, Performance & Service Transformation	Katy Hetherington, Principal Lead for EDI Louise MacLennan, Head of Equality, Engagement & Experience
3.19	Fire Safety	Jim Boyle, Director of Finance Julie Critchley, Director of NHS Scotland Assure	Barry Richardson and Nicola Todd, Head(s) of Property/ Estates & Facilities
3.20	Freedom of Information	Christina Bichan, Director of Planning, Performance & Transformation Carolyn Low, Director of Finance, Corporate Governance & Legal Services	Drew McGowan, Board Secretary & Principal Lead for Corporate Governance Kyle Clark-Hay, Associate Director of Corporate Governance (Board Secretary)

SoD Ref.	Delegated Responsibility	Responsible Role	Approved Deputy
3.21	Health & Safety	Jim Boyle, Director of Finance  Serena Barnatt, Director of Human Resources & Organisational Development	Vikki Hubner, Head of Healthy Working Lives
3.22	Healthcare-Associated Infections, Public Protection and Infection Prevention and Control	Karen Wilson, Deputy Chief Executive & Director of Nursing, Midwifery and Allied Health Professionals  Kathryn Brechin, Director of Nursing	Diane Dickson, Associate Director of Nursing, Midwifery and Allied Health Professionals  Gordon Mills, Associate Nurse Director
3.23	Human Resources	Sybil Canavan, Director of People & Culture  Serena Barnatt, Director of Human Resources & Organisational Development	Laura Liddle, Associate Director of People & Culture  Aileen Stewart, Associate Director of Human Resources
3.24	Legal documents related to staff	Karen Reid, Chief Executive	Sybil Canavan, Director of People & Culture  Serena Barnatt, Director of Human Resources & Organisational Development
3.25	Memoranda of Understanding or Partnership Agreements	Karen Reid, Chief Executive	Carolyn Low, Director of Finance, Corporate Governance & Legal Services  Karen Wilson, Deputy Chief Executive & Director of Nursing, Midwifery and Allied Health Professionals
3.26	Planning & Performance	Christina Bichan, Director of Planning, Performance & Transformation  Lee Neary, Director Primary & Community Care / Strategy, Performance & Service Transformation	Jacqueline Melville, Head of Planning  Matthew Neilson, Associate Director of Strategy, Performance & Communications

SoD Ref.	Delegated Responsibility	Responsible Role	Approved Deputy
3.27	Prevent	Gordon Paterson, Director of Social Care & Communities  Lee Neary, Director Primary & Community Care / Strategy, Performance & Service Transformation	Christina Bichan, Director of Planning, Performance & Transformation
3.28	Risk management	Jim Boyle, Director of Finance  Lee Neary, Director Primary & Community Care / Strategy, Performance & Service Transformation	Christina Bichan, Director of Planning, Performance & Transformation  Matthew Neilson, Associate Director of Strategy, Performance & Communications
3.29	Safeguarding	Karen Wilson, Deputy Chief Executive & Director of Nursing, Midwifery and Allied Health Professionals  Kathryn Brechin, Director of Nursing	Gordon Paterson, Director of Social Care & Communities
3.30	Standards of Business Conduct	Sybil Canavan, Director of People & Culture  Serena Barnatt, Director of Human Resources & Organisational Development	Laura Liddle, Associate Director of People & Culture  Aileen Stewart, Associate Director of Human Resources
3.31	Whistleblowing	Chief Executive	Christina Bichan, Director of Planning, Performance & Transformation  Kathryn Brechin, Director of Nursing

## 5. Scheme of Delegation Arising from Standing Orders

5.1. The Standing Orders regulate the Board's business and proceedings. A Scheme of Delegation operates for various orders, with each delegation described in the table below. Each entry includes a cross-reference to the relevant section of the Standing Orders so that both documents can be read in conjunction with one another.

SO Ref.	Area(s) of Responsibility	Board/Committee Review or Approval	Delegated To
1.7	Preparation and update of the Corporate Governance Framework.	Audit & Risk Committee Board	Drew McGowan, Board Secretary & Principal Lead for Corporate Governance  Kyle Clark-Hay, Associate Director of Corporate Governance (Board Secretary)
1.10	Maintenance of the Register of Interests for Board members.	Audit & Risk Committee Board	Drew McGowan, Board Secretary & Principal Lead for Corporate Governance  Kyle Clark-Hay, Associate Director of Corporate Governance (Board Secretary)
4-5	Conduct of Board business and meetings.	Board	Drew McGowan, Board Secretary & Principal Lead for Corporate Governance  Kyle Clark-Hay, Associate Director of Corporate Governance (Board Secretary)
7.3	Execution of documents on behalf of Scottish Ministers relating to property transactions.	Finance & Resources Committee Board	Karen Reid, Chief Executive, or Carolyn Low, Director of Finance, Corporate Governance & Legal Services, or Jim Boyle, Director of Finance, in accordance with the <a href="#">Property Transactions Handbook</a> .

## 6. Scheme of Delegation Arising from the Standing Financial Instructions

6.1. The Standing Financial Instructions (SFIs) form the basis of the organisation's financial controls. A Scheme of Delegation operates for various instructions, with each delegation described in the table below. Each entry includes a cross-reference to the relevant section of the SFIs so that both documents can be read in conjunction with one another.

SFI Ref.	Area(s) of Responsibility	Board/Committee Review or Approval	Delegated to
<b>Section 1: General</b>			
1.03	SFIs are in place, up to date and observed.	Finance and Resources Committee Board	Carolyn Low, Director of Finance, Corporate Governance & Legal Services  Jim Boyle, Director of Finance
1.04	Reporting SFI adverse events (breaches).	Finance and Resources Committee All relevant committees	Carolyn Low, Director of Finance, Corporate Governance & Legal Services  Jim Boyle, Director of Finance
<b>Section 2: Responsibilities of the Chief Executive, Directors of Finance, Directors and Employees</b>			
2.04	Responsible for the security of the Board's property, avoiding loss, exercising economy and efficiency in using resources and conforming to Standing Orders, Standing Financial Instructions and procedures.		All employees of Public Services Delivery Scotland
<b>Section 3: Code of Conduct</b>			
N/A – See Section 3.30 and 4.			
<b>Section 4: Suspected Theft, Fraud and Other Irregularities</b>			
4.02	Investigate any suspected cases of fraud or other irregularities.		Brian McCabe and Laura Howard, Fraud Liaison Officers  <b>Approved Alternate Officer(s):</b> Monica Halcro, Head of Governance and Operations Brian Miller, Financial Controller

SFI Ref.	Area(s) of Responsibility	Board/Committee Review or Approval	Delegated to
4.04	Notification to the appropriate agency of discovered fraud/criminal offences.	Audit and Risk Committee	Brian McCabe and Laura Howard, Fraud Liaison Officers  <b>Approved Alternate Officer(s):</b> Karen Reid, Chief Executive
<b>Section 5: Audit &amp; Financial Performance Arrangements</b>			
5.03	Provision of the Internal Audit Service.	Audit and Risk Committee	Carolyn Low, Director of Finance, Corporate Governance & Legal Services  Jim Boyle, Director of Finance  <b>Approved Alternate Officer(s):</b> Christina Bichan, Director of Planning, Performance & Transformation Lee Neary, Director Primary & Community Care / Strategy, Performance & Service Transformation
5.03	Review, appraise and report in accordance with Global Internal Audit Standards and best practice.	Audit and Risk Committee	Chief Internal Auditor

SFI Ref.	Area(s) of Responsibility	Board/Committee Review or Approval	Delegated to
5.09	Provision of Service Audit	Audit and Risk Committee	<p>Carolyn Low, Director of Finance, Corporate Governance &amp; Legal Services</p> <p>Jim Boyle, Director of Finance</p> <p><b>Approved Alternate Officer(s):</b></p> <p>Lee Neary, Director Primary &amp; Community Care / Strategy, Performance &amp; Service Transformation</p> <p>Steven Flockhart, Director of Digital and Security</p> <p>Andy McLean, Deputy Director of Finance</p> <p>Brian McCabe, Associate Director of Finance Operations</p> <p>Laura Howard, Deputy Director of Finance</p>
5.08	Appointment of External Auditor	Scottish Ministers	<p>Carolyn Low, Director of Finance, Corporate Governance &amp; Legal Services</p> <p>Jim Boyle, Director of Finance</p> <p><b>Approved Alternate Officer(s):</b></p> <p>Andy McLean, Deputy Director of Finance</p> <p>Brian McCabe, Associate Director of Finance Operations</p> <p>Laura Howard, Deputy Director of Finance</p>

SFI Ref.	Area(s) of Responsibility	Board/Committee Review or Approval	Delegated to
5.10	Risk Management Processes	Audit and Risk Committee	<p>Jim Boyle, Director of Finance</p> <p>Lee Neary, Director Primary &amp; Community Care / Strategy, Performance &amp; Service Transformation</p> <p><b>Approved Alternate Officer(s):</b></p> <p>Christina Bichan, Director of Planning Performance &amp; Transformation</p> <p>Matthew Neilson, Associate Director of Strategy, Performance &amp; Communications</p>
<b>Section 6: Financial Planning and Budget Control</b>			
6.02	Prepare and submit financial plans in accordance with the requirements of the Scottish Government	Finance and Resources Committee Board	<p>Carolyn Low, Director of Finance, Corporate Governance &amp; Legal Services</p> <p>Jim Boyle, Director of Finance</p> <p><b>Approved Alternate Officer(s):</b></p> <p>Andy McLean, Deputy Director of Finance</p> <p>Brian McCabe, Associate Director of Finance Operations</p> <p>Laura Howard, Deputy Director of Finance</p>

SFI Ref.	Area(s) of Responsibility	Board/Committee Review or Approval	Delegated to
6.02	Preparation and Submission of Budgets		<p>Carolyn Low, Director of Finance, Corporate Governance &amp; Legal Services</p> <p>Jim Boyle, Director of Finance</p> <p><b>Approved Alternate Officer(s):</b></p> <p>Andy McLean, Deputy Director of Finance</p> <p>Brian McCabe, Associate Director of Finance Operations</p> <p>Laura Howard, Deputy Director of Finance</p>
6.04	Devise, introduce and maintain systems of financial control		<p>Carolyn Low, Director of Finance, Corporate Governance &amp; Legal Services</p> <p>Jim Boyle, Director of Finance</p> <p><b>Approved Alternate Officer(s):</b></p> <p>Andy McLean, Deputy Director of Finance</p> <p>Brian McCabe, Associate Director of Finance Operations</p> <p>Laura Howard, Deputy Director of Finance</p>
6.05	Delegation of Budgetary Control		<p>Karen Reid, Chief Executive</p> <p><b>Approved Alternate Officer(s):</b></p> <p>Carolyn Low, Director of Finance, Corporate Governance &amp; Legal Services</p> <p>Jim Boyle, Director of Finance</p>

SFI Ref.	Area(s) of Responsibility	Board/Committee Review or Approval	Delegated to
6.05	Approval of expenditure within delegated limits		<p>Karen Reid, Chief Executive: over £500k</p> <p>Carolyn Low, Director of Finance, Corporate Governance &amp; Legal Services, and Jim Boyle, Director of Finance: up to £500k</p> <p>Directors: up to £250k</p>
6.05	Authority to use non-recurring budget to fund recurring expenditure		<p>Karen Reid, Chief Executive</p> <p><b>Approved Alternate Officer(s):</b></p> <p>Carolyn Low, Director of Finance, Corporate Governance &amp; Legal Services</p> <p>Jim Boyle, Director of Finance</p>
6.05	Approve expenditure not covered by an approved budget	Board, delegated to Finance and Resources Committee, over £1m (following authority from Chief Executive)	<p>Karen Reid, Chief Executive: up to £1m</p> <p>Carolyn Low, Director of Finance, Corporate Governance &amp; Legal Services, and Jim Boyle, Director of Finance: up to £500k</p> <p><b>Approved Alternate Officer(s):</b></p> <p>Carolyn Low, Director of Finance, Corporate Governance &amp; Legal Services, and Jim Boyle, Director of Finance: up to £1m</p> <p>Andy McLean, Deputy Director of Finance, Brian McCabe, Associate Director of Finance Operations, and Laura Howard, Deputy Director of Finance: up to £500k</p>

SFI Ref.	Area(s) of Responsibility	Board/Committee Review or Approval	Delegated to
6.06	Virements		<p>Karen Reid, Chief Executive: up to £1m</p> <p>Carolyn Low, Director of Finance, Corporate Governance &amp; Legal Services, and Jim Boyle, Director of Finance: up to £500k</p> <p><b>Approved Alternate Officer(s):</b></p> <p>Andy McLean, Deputy Director of Finance, Brian McCabe, Associate Director of Finance Operations, and Laura Howard, Deputy Director of Finance: up to £100k</p>
6.06	NSD Virement - allocation of revenue funds to		Susan Buchanan, Director of National Specialist and Screening Services
6.07	Family Health Services – Service delivery and performance	Finance and Resources Committee	<p>Lee Neary, Director Primary &amp; Community Care / Strategy, Performance &amp; Service Transformation</p> <p><b>Approved Alternate Officer(s):</b></p> <p>Carolyn Low, Director of Finance, Corporate Governance &amp; Legal Services</p>
6.07	Family Health Services – Payments, financial governance and control	Finance and Resources Committee	Carolyn Low, Director of Finance, Corporate Governance & Legal Services
<b>Section 7: Resource Limits</b>			
7.01	Income and expenditure accounted for in the relevant financial year	Finance and Resources Committee	<p>Carolyn Low, Director of Finance, Corporate Governance &amp; Legal Services</p> <p>Jim Boyle, Director of Finance</p>

SFI Ref.	Area(s) of Responsibility	Board/Committee Review or Approval	Delegated to
7.01	Capital Resource Requirements	Finance and Resources Committee	Carolyn Low, Director of Finance, Corporate Governance & Legal Services  Jim Boyle, Director of Finance
7.01	Cash Requirements		Carolyn Low, Director of Finance, Corporate Governance & Legal Services  Jim Boyle, Director of Finance
<b>Section 8: Staff Appointments, Remuneration and Related Matters</b>			
8.02	Staff employment contracts and appointments	Remuneration Committee and Chief Executive: above Band 8D	Sybil Canavan, Director of People & Culture, and Serena Barnatt, Director of Human Resources & Organisational Development: up to Band 8D
8.01	Contractual redundancy payments	Remuneration Committee: over £95k	Karen Reid, Chief Executive: up to £95k
8.07	Ex gratia payments and annual reports	Board, delegated to the Finance and Resources Committee over £15k and the Remuneration Committee	Karen Reid, Chief Executive: up to £15k  <b>Approved Alternate Officer(s):</b> Carolyn Low, Director of Finance, Corporate Governance & Legal Services  Jim Boyle, Director of Finance

<b>Section 9: Non-Pay Expenditure</b>			
9.04	Procurement Strategy and professional advice.	Finance and Resources Committee	<p>Jim Boyle, Director of Finance</p> <p>Gordon Beattie, Director of National Procurement</p> <p><b>Approved Alternate Officer(s):</b></p> <p>Kenny McLean, Head of Procurement</p> <p>Stevie McLaughlin, Head of Governance and Sustainable Procurement</p>
9.04	Procedures for the procurement, ordering and receipt of goods		<p>Carolyn Low, Director of Finance, Corporate Governance &amp; Legal Services</p> <p>Jim Boyle, Director of Finance</p> <p><b>Approved Alternate Officer(s):</b></p> <p>Andy McLean, Deputy Director of Finance</p> <p>Brian McCabe, Associate Director of Finance Operations</p> <p>Laura Howard, Deputy Director of Finance</p>
<b>Section 10: Tenders, Quotations and Contracting Requirements</b>			
10.02	Maintenance of systems for the invitation, receipt, safe-keeping and selection of tenders and quotations		<p>Jim Boyle, Director of Finance</p> <p>Gordon Beattie, Director of National Procurement</p> <p><b>Approved Alternate Officer(s):</b></p> <p>Kenny McLean, Head of Procurement</p> <p>Stevie McLaughlin, Head of Governance and Sustainable Procurement</p>

10.02	Approval of tenders for goods, services or works outwith the Directorate budget or business plan.	Board – delegated to Finance and Resources Committee over £1m	Karen Reid, Chief Executive: up to £1m <b>Approved Alternate Officer(s):</b> Carolyn Low, Director of Finance, Corporate Governance & Legal Services, and Jim Boyle, Director of Finance: up to £500k
10.02	Annual Report – Sole Source Justification/ Waiver	Finance and Resources Committee	Karen Reid, Chief Executive: up to £1m <b>Approved Alternate Officer(s):</b> Carolyn Low, Director of Finance, Corporate Governance & Legal Services Jim Boyle, Director of Finance
10.03	Awarding contracts and contract extensions	Board - delegated to Finance and Resources Committee over £1m	Karen Reid, Chief Executive: up to £1m Carolyn Low, Director of Finance, Corporate Governance & Legal Services, and Jim Boyle, Director of Finance: up to £500k  Gordon Beattie, Director of National Procurement, Kenny McLean, Head of Procurement, and Stevie McLaughlin, Head of Governance and Sustainable Procurement: up to £100k  Delegated limits below £100k are set out in the Procurement team policies

10.05	Contract/Framework agreements on behalf of Scottish Ministers, NHSS or combinations of public bodies	Contracts Approvals Board	<p>Karen Reid, Chief Executive: up to £5m and £5m+ following PCF Approval Board</p> <p>Carolyn Low, Director of Finance, Corporate Governance &amp; Legal Services; Jim Boyle, Director of Finance; Lee Neary, Director Primary &amp; Community Care / Strategy, Performance &amp; Service Transformation; Gordon Beattie, Director of National Procurement; Steven Flockhart, Director of Digital and Security: up to £2m following PCF Approval Board</p>
10.06	To act as a proxy for NHS Scotland Health Board Capital Expenditure Procurements		<p>Gordon Beattie, Director of National Procurement: above £500k</p> <p>Stevie McLaughlin, Head of Strategic Sourcing: up to £500k</p> <p>Relevant Category Manager: less than £100k</p>
10.09	Maintain a public register for all contracts in excess of £50,000		<p>Jim Boyle, Director of Finance</p> <p>Gordon Beattie, Director of National Procurement</p> <p><b>Approved Alternate Officer(s):</b></p> <p>Kenny McLean, Head of Procurement</p> <p>Stevie McLaughlin, Head of Governance and Sustainable Procurement</p>

<b>Section 11: Tenders, Quotations and Contracting Requirements for Research</b>			
11.02	Approval of research services outwith the Directorate Budget		Carolyn Low, Director of Finance, Corporate Governance & Legal Services  Jim Boyle, Director of Finance
11.08	Approval and variation of research contract award (including collaborative agreements)	Board - delegated to the Finance and Resources Committee over £1m following Chief Executive approval	Karen Reid, Chief Executive: up to £1m Carolyn Low, Director of Finance, Corporate Governance & Legal Services, and Jim Boyle, Director of Finance: up to £500k  Directors: up to £100k
11.02	Notification of research contract with an estimated expenditure of more than £1m (in total)	Finance and Resources Committee	Carolyn Low, Director of Finance, Corporate Governance & Legal Services  Jim Boyle, Director of Finance
<b>Section 12: Appointment of Advisers and Non-Permanent Staff</b>			
12.04	Departure from the contract of employment and fee aligned to an established job description		Sybil Canavan, Director of People & Culture Serena Barnatt, Director of Human Resources & Organisational Development  Carolyn Low, Director of Finance, Corporate Governance & Legal Services  Jim Boyle, Director of Finance
<b>Section 13: Income Generation and Intellectual Property</b>			
13.02	Entering Income Agreements that does not meet authority criteria		Carolyn Low, Director of Finance, Corporate Governance & Legal Services, Jim Boyle, Director of Finance and/or Karen Reid, Chief Executive

T3.03	Determination of charges outwith directorate income generation strategy (or externally governed)		Carolyn Low, Director of Finance, Corporate Governance & Legal Services, Jim Boyle, Director of Finance and/or Karen Reid, Chief Executive
13.05	Approval of proceeding with participation or investment in any legal entity (e.g. joint venture)		Carolyn Low, Director of Finance, Corporate Governance & Legal Services, Jim Boyle, Director of Finance and/or Karen Reid, Chief Executive
<b>Section 14: Capital Investment, Private Financing and Fixed Asset Registers</b>			
14.01	Approval of capital expenditure	Board – delegated to the Finance and Resources Committee over £1m	Karen Reid, Chief Executive: up to £1m Carolyn Low, Director of Finance, Corporate Governance & Legal Services, and Jim Boyle, Director of Finance: up to £500k
14.01	Implementation of Capital Investment Procedures		Carolyn Low, Director of Finance, Corporate Governance & Legal Services  Jim Boyle, Director of Finance
14.02	Approve Asset Control Procedures		Carolyn Low, Director of Finance, Corporate Governance & Legal Services  Jim Boyle, Director of Finance
14.02	Approve arrangements of receipts		Carolyn Low, Director of Finance, Corporate Governance & Legal Services  Jim Boyle, Director of Finance
<b>Section 15: Banking Arrangements</b>			
15.02-15.07	Approval of subsidiary bank accounts and banking procedures, including corporate purchasing cards		Carolyn Low, Director of Finance, Corporate Governance & Legal Services  Jim Boyle, Director of Finance

<b>Section 16: Stocks and Stores</b>			
16.02	Approve the management, control and safety of stocks		<p>Carolyn Low, Director of Finance, Corporate Governance &amp; Legal Services</p> <p>Jim Boyle, Director of Finance</p>
16.07	Purchase replenishment stock and issue stock		<p>Gordon Beattie, Director of National Procurement</p> <p>Steven Flockhart, Director of Digital and Security</p> <p>Marc Turner, Director of the Scottish National Blood Transfusion Service</p>
16.10	Purchase replenishment stock and issue stock from the Scottish Government Health Resilience Unit Pandemic Stock for the following sectors: Healthcare Sector, Acute Hospital Sector, Independent Sector, GP, Scottish Ambulance Service, Social Care Sector		<p>Gordon Beattie, Director of National Procurement</p>

<b>Section 17: Annual Report and Accounts</b>			
17.02	Preparation of the Annual Report and Accounts	Audit and Risk Committee	<p>Carolyn Low, Director of Finance, Corporate Governance &amp; Legal Services</p> <p>Jim Boyle, Director of Finance</p> <p><b>Approved Alternate Officer(s):</b></p> <p>Andy McLean, Deputy Director of Finance</p> <p>Brian McCabe, Associate Director of Finance Operations</p> <p>Laura Howard, Deputy Director of Finance</p>
17.02	Preparation of the Governance Statement	Audit and Risk Committee	<p>Carolyn Low, Director of Finance, Corporate Governance &amp; Legal Services</p> <p>Jim Boyle, Director of Finance</p> <p><b>Approved Alternate Officer(s):</b></p> <p>Andy McLean, Deputy Director of Finance</p> <p>Brian McCabe, Associate Director of Finance Operations</p> <p>Laura Howard, Deputy Director of Finance</p>
17.05	Signing of Annual Report and Accounts	Board	<p>Karen Reid, Chief Executive, as the Accountable Officer, Carolyn Low, Director of Finance, Corporate Governance &amp; Legal Services and Jim Boyle, Director of Finance</p> <p>In the absence of the Accountable Officer, the accounts can be delayed until the Accountable Officer is available.</p>

<b>Section 18: Information Governance</b>			
18.01	Implementation of financial governance systems.		<p>Carolyn Low, Director of Finance, Corporate Governance &amp; Legal Services</p> <p>Jim Boyle, Director of Finance</p> <p><b>Approved Alternate Officer(s):</b></p> <p>Andy McLean, Deputy Director of Finance</p> <p>Brian McCabe, Associate Director of Finance Operations</p> <p>Laura Howard, Deputy Director of Finance</p>
<b>Section 19: Losses and Special Payments</b>			
19.01	Writing off of losses	Audit and Risk Committee up to £15k	<p>Carolyn Low, Director of Finance, Corporate Governance &amp; Legal Services</p> <p>Jim Boyle, Director of Finance</p> <p><b>Approved Alternate Officer(s):</b></p> <p>Andy McLean, Deputy Director of Finance</p> <p>Brian McCabe, Associate Director of Finance Operations</p> <p>Laura Howard, Deputy Director of Finance</p>
19.01	Maintenance of the Losses and Special Payments Register and associated reported requirements	Audit and Risk Committee	<p>Carolyn Low, Director of Finance, Corporate Governance &amp; Legal Services</p> <p>Jim Boyle, Director of Finance</p> <p><b>Approved Alternate Officer(s):</b></p> <p>Andy McLean, Deputy Director of Finance</p> <p>Brian McCabe, Associate Director of Finance Operations</p> <p>Laura Howard, Deputy Director of Finance</p>

<b>Section 20: Non-Public Funds Donated</b>			
20.01	Selection of public body to donate funds to.	Board	Karen Reid, Chief Executive.
<b>Section 21: Endowment Funds</b>			
N/A			
<b>Section 22: General Nursing Council Fund</b>			
N/A			
<b>Section 23: Joint Working Arrangements</b>			
23.01	Establishment of Joint Working Arrangements	Scottish Ministers (SG legislation)	<p>Karen Reid, Chief Executive</p> <p><b>Approved Alternate Officer(s):</b>  Carolyn Low, Director of Finance, Corporate Governance &amp; Legal Services</p> <p>Jim Boyle, Director of Finance</p>
23.01	Financial Arrangements for the NHS Scotland Academy with NHS Golden Jubilee		<p>Karen Reid, Chief Executive</p> <p><b>Approved Alternate Officer(s):</b>  Jim Boyle, Director of Finance</p>
<b>Section 24: Sponsorship</b>			
N/A			

# Public Services Delivery Scotland

**CODE OF CONDUCT FOR MEMBERS OF THE  
PUBLIC SERVICES DELIVERY SCOTLAND BOARD**

**VERSION 1.0 | APRIL 2026**

## CONTENTS

### Section 1: Introduction to the Code of Conduct for Board Members

My Responsibilities

Enforcement

### Section 2: Key Principles of the Code of Conduct for Board Members

### Section 3: General Conduct

Respect and Courtesy

Remuneration, Allowances and Expenses

Gifts and Hospitality

Confidentiality

Use of Public Body Resources

Dealing with PSD Scotland and Preferential Treatment

Appointments to Outside Organisations

### Section 4: Registration of Interests

Category One: Remuneration

Category Two: Other Roles

Category Three: Contracts

Category Four: Election Expenses

Category Five: Houses, Land and Buildings

Category Six: Interest in Shares and Securities

Category Seven: Gifts and Hospitality

Category Eight: Non-Financial Interests

Category Nine: Close Family Members

### Section 5: Declaration of Interests

Stage 1: Connection

Stage 2: Interest

Stage 3: Participation

### Section 6: Lobbying and Access

## ANNEXES

Annex A Breaches of the Code

Annex B Definitions

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## **SECTION 1: INTRODUCTION TO THE PUBLIC SERVICES DELIVERY SCOTLAND CODE OF CONDUCT FOR BOARD MEMBERS**

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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 Public Services Delivery Scotland (PSD Scotland), 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 PSD Scotland 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 PSD Scotland, 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 PSD Scotland, failing whom the Chair or Chief Executive of PSD Scotland. 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 PSD Scotland 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 PSD Scotland 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 PSD Scotland 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 PSD Scotland and its members in conducting public business.

**Respect**

I must respect all other board members and all employees of PSD Scotland 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, PSD Scotland'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 PSD Scotland. I acknowledge and understand that operational management is the responsibility of the Chief Executive and Transitional Leadership Group.

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 PSD Scotland 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) the PSD Scotland Board, its committees; and
- b) any outside organisations that I have been appointed or nominated to by PSD Scotland or on which I represent PSD Scotland.

3.11 I will respect the principle of collective decision-making and corporate responsibility. This means that once the Board has decided, 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 PSD Scotland, 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 PSD Scotland;
- c) hospitality which would reasonably be associated with my duties as a board member; or
- d) hospitality which has been approved in advance by PSD Scotland.

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, PSD Scotland.

3.19 If I consider that declining an offer of a gift would cause offence, I will accept it and hand it over to PSD Scotland at the earliest possible opportunity and ask for it to be registered.

3.20 I will promptly advise PSD Scotland’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 PSD Scotland 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 PSD Scotland (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 PSD Scotland's resources, including employee assistance, facilities, stationery and IT equipment, for carrying out duties on behalf of PSD Scotland, in accordance with its relevant policies.

3.27 I will not use, or in any way enable others to use, PSD Scotland'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 PSD Scotland 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 PSD Scotland, 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 PSD Scotland.

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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 PSD Scotland 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 PSD Scotland in terms of paragraph [6.7](#) 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 4.19 below) have made a contract with PSD Scotland:

- 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 PSD Scotland, then I will register a description of, and statement of, any assistance towards election expenses relating to election to PSD Scotland.

### **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 PSD Scotland.

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 PSD Scotland 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 PSD Scotland (this includes its committees and memberships of other organisations to which I have been appointed or nominated by PSD Scotland).

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

4.23 I will register the interests of any close family member who has transactions with PSD Scotland 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 PSD Scotland as a representative of PSD Scotland, unless:

- a) The matter being considered by PSD Scotland 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 PSD Scotland (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 PSD Scotland'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 PSD Scotland 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 PSD Scotland.

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 PSD Scotland.

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 PSD Scotland and its members. This does not prohibit me from being remunerated for activity which may arise because of, or relate to, membership of PSD Scotland, 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 decide 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 PSD Scotland. Partial suspension means that the member is suspended from attending some of the meetings of PSD Scotland. The Commission can direct that any remuneration or allowance the member receives as a result of their membership of PSD Scotland 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 deciding 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 PSD Scotland 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 PSD Scotland; 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 PSD Scotland;
- as contractors by PSD Scotland, or
- by a contractor to work on PSD Scotland’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.

# Public Services Delivery Scotland

## Audit & Risk Committee Terms of Reference

### 1. Purpose

- 1.1. The Audit & Risk Committee, referred to hereafter as “the Committee”, shall review the effectiveness of the organisation’s governance arrangements, financial systems, internal controls and risk management practices. The Committee shall also provide independent advice and support to the Chief Executive, as the Accountable Officer, and the Board on these matters.
- 1.2. The Committee shall operate within the Corporate Governance Framework<sup>1</sup> approved by the Board and in accordance with the principles outlined in the [Blueprint for Good Governance](#). The Committee is established in accordance with the [Scottish Public Finance Manual](#) and the Scottish Government’s [Audit & Assurance Committee Handbook](#).

### 2. Membership and Attendance

- 2.1. At least five members will be appointed to the Committee by the Board. The Chair of the Committee will be nominated by the Chair of the Board and thereafter confirmed by the Board. The Committee may nominate a Vice Chair from among the membership to deputise for the Chair of the Committee as required. The Committee’s current composition is as follows:
  - **Chair:** J. Ford.
  - **Vice Chair:** B. Lawton.
  - **Members:** P. Buchanan; S. Cowan; G. Greenhill.
- 2.2. The Chair of the Board or any employee of the Board may not be a member of the Committee. The Chair of the Board may attend Committee meetings.
- 2.3. In accordance with paragraph 9.9 of the Standing Orders, the Board may appoint co-opted members to the Committee. Co-opted members shall contribute to the business of the Committee but will not have the right to vote. The Committee does not currently have co-opted members.
- 2.4. The Committee will routinely invite the Chief Executive and members of the Transitional Leadership Group to meetings. The Director of Finance, Corporate Governance and Legal Services and the Director of Finance will serve as Executive Lead(s) for the Committee. Other officers may be invited to attend meetings as required.
- 2.5. The Committee, subject to the approval of the Board and budgets agreed by the Accountable Officer, may procure specialist ad-hoc advice at the expense of the organisation.

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<sup>1</sup> The Corporate Governance Framework includes the Standing Orders, Scheme of Delegation, Standing Financial Instructions, Board Assurance Framework, Code of Conduct and Committee Terms of Reference.

### **3. Meetings and Quorum**

- 3.1. The Committee shall meet at least four times per year. Meetings and business will be conducted in accordance with the Standing Orders, as approved by the Board.
- 3.2. The quorum for a meeting of the Committee shall be no less than one-third of the members, as outlined in paragraph 2.1, who are entitled to vote and, in any event, not less than three members.
- 3.3. Meetings will not be held in public and the Committee may sit in private without any non-members present for all or part of a meeting if they so decide. At least annually, the Committee will meet privately with internal, external and service auditors.

### **4. Reporting**

- 4.1. The Chair of the Committee will provide a report to the Board after each meeting. A copy of the minutes may form the basis of this report. The minutes will reflect when the Committee has met in private.
- 4.2. The Committee shall develop a schedule of business each year to determine the information that it requires at meetings. An annual report shall also be prepared for the Board to provide assurance that the Committee continues to discharge its remit effectively.

### **5. Remit**

The Committee shall:

#### Governance, Risk, Internal Control and Assurance

- 5.1. Support the Chief Executive and the Board to identify and articulate their needs for assurance on risk management, governance and internal control.
- 5.2. Examine and challenge the assurances presented, confirming they are comprehensive, reliable and based on sound evidence.
- 5.3. Review policies, procedures and processes relating to risk management, governance and internal control.
- 5.4. Ensure that the Board Assurance Framework remains proportionate, robust and aligned to organisational objectives.
- 5.5. Provide advice on strategic processes for risk, control and governance, including the governance statement.
- 5.6. Identify weaknesses in risk management, governance and internal control arrangements, and recommend appropriate corrective action.
- 5.7. Confirm that management is addressing previously identified areas of weakness.
- 5.8. Undertake an annual review of the organisation's risk appetite across relevant risk categories.
- 5.9. Assess the effectiveness of the internal control environment and the assurances provided on compliance with corporate governance requirements.

- 5.10. Receive relevant reports under the organisation's Prevent policy in relation to patient, donor, and/or public concerns.
- 5.11. Review annual reports from other Board committees to confirm adequate assurance coverage.
- 5.12. Provide advice on the skills and experience required to support the Committee's effectiveness.

#### Internal Audit

- 5.13. Recommend to the Board the appointment and the termination of the chief internal auditor.
- 5.14. Review the internal audit opinion/conclusion and annual report.
- 5.15. Consider the Internal Audit Charter and ensure internal auditors have arrangements in place to implement the Global Internal Audit Standards.
- 5.16. Examine the planned and actual activity of internal audit and assess the performance of the internal audit function.
- 5.17. Consider management responses to internal audit findings and recommendations.
- 5.18. Scrutinise the purchase of non-audit services from audit providers.

#### Service Audit

- 5.19. Review the service audit opinion/conclusion and annual report.
- 5.20. Consider the Service Audit Charter and ensure service auditors have arrangements in place to implement the Global Internal Audit Standards.
- 5.21. Examine the planned and actual activity of service audit and assess the performance of the service audit function.
- 5.22. Consider management responses to service audit findings and recommendations.

#### External Audit and Financial Reporting

- 5.23. Receive assurance that, on appointment of a new external auditor by the Auditor General for Scotland, all required checks specified by Audit Scotland and the Scottish Public Finance Manual have been completed.
- 5.24. Consider the letter of representation to external auditors.
- 5.25. Examine the planned and actual activity of external audits and assess the performance of the external audit function.
- 5.26. Consider management responses to external audit findings and recommendations.
- 5.27. Approve changes to the organisation's accounting policies.
- 5.28. Review the Annual Report and Accounts prior to the Board's final review and approval.

- 5.29. Consider annual reports on expenditure on management consultants, losses and special payments, the Fraud and Other Illegal Acts Register and any overdrawn banking accounts.

#### Information Governance

- 5.30. Oversee compliance with legislation, national standards and Common Law duties covering confidentiality, data protection, Caldicott principles, information and cyber security, freedom of information and records management.
- 5.31. Receive performance reports on information governance at each meeting and seek assurance that improvements are being delivered.
- 5.32. Ensure the organisation has effective mechanisms to monitor and report incidents, risks and complaints involving information governance.
- 5.33. Consider information governance issues, risks, and complaints at each meeting, and seek assurance that the required actions, learning, and improvements have been implemented.

#### Other Responsibilities

- 5.34. Undertake an annual self-evaluation exercise, based on the Scottish Government's [Audit & Assurance Committee Handbook](#), to assess the effectiveness of the Committee, the organisation's internal controls, financial reporting, and internal and external audit arrangements.
- 5.35. Oversee governance arrangements for Board-delegated performance measures and report progress to the Board.
- 5.36. Commission further assurance activity where areas require additional scrutiny.
- 5.37. Escalate significant issues arising from the Committee's work to the Board.

### **6. Review and Approval**

- 6.1. The Committee shall review these Terms of Reference at least annually. Any amendments shall be submitted to the Board for consideration and approval before they take effect.
- 6.2. The Board approved the Committee's Terms of Reference on <insert date>.

# Public Services Delivery Scotland

## Clinical Governance Committee Terms of Reference

### 1. Purpose

- 1.1. The Clinical Governance Committee, referred to hereafter as “the Committee”, shall oversee the organisation’s clinical activities and oversee clinical effectiveness and best practice. It will provide assurance to the Board that they are appropriately governed and monitored for safety, quality and effectiveness. Quality and continuous improvement, patient safety and [Realistic Medicine](#) are at the core of the Committee’s work.
- 1.2. The Committee shall operate within the Corporate Governance Framework<sup>1</sup> approved by the Board and in accordance with the principles outlined in the [Blueprint for Good Governance](#). It is established in accordance with the guidance issued under [MEL \(1998\) 75](#), reinforced by [MEL \(2000\) 29](#), and the [Clinical Governance Standards](#).

### 2. Membership and Attendance

- 2.1. At least five members will be appointed to the Committee by the Board. The Chair of the Committee will be nominated by the Chair of the Board and thereafter confirmed by the Board. The Committee may nominate a Vice Chair from among the membership to deputise for the Chair of the Committee as required. The Committee’s current composition is as follows:
  - a) **Chair:** M. McGill.
  - b) **Vice Chair:** O. Clayton.
  - c) **Members:** A. Langa; K. Redpath; G. Valiotis.
- 2.2. The Chair of the Board shall be a member of the Committee.
- 2.3. In accordance with paragraph 9.9 of the Standing Orders, the Board may appoint co-opted members to the Committee. Co-opted members shall contribute to the business of the Committee but will not have the right to vote. The Committee does not currently have co-opted members.
- 2.4. The Committee will routinely invite the Chief Executive and members of the Transitional Leadership Group to meetings, which must include the Director of Nursing and the Director of Nursing, Midwifery and Allied Health Professionals and Transitional Leadership Group Medical Directors who will serve as the Executive Lead(s) for the Committee. Other officers may be invited to attend meetings as required.

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<sup>1</sup> The Corporate Governance Framework includes the Standing Orders, Scheme of Delegation, Standing Financial Instructions, Board Assurance Framework, Code of Conduct and Committee Terms of Reference.

### **3. Meetings and Quorum**

- 3.1. The Committee shall meet at least four times per year. Meetings and business will be conducted in accordance with the Standing Orders, as approved by the Board.
- 3.2. The quorum for a meeting of the Committee shall be no less than one-third of the members, as outlined in paragraph 2.1, who are entitled to vote and, in any event, not less than three members.
- 3.3. Meetings will not be held in public and the Committee may sit in private without any non-members present for all or part of a meeting if they so decide.

### **4. Reporting**

- 4.1. The Chair of the Committee will provide a report to the Board after each meeting. A copy of the minutes may form the basis of this report. The minutes will reflect when the Committee has met in private.
- 4.2. The Committee shall develop a schedule of business each year to determine the information that it requires at meetings. An annual report shall also be prepared for the Board to provide assurance that the Committee continues to discharge its remit effectively.

### **5. Remit**

The Committee shall:

#### Clinical Governance, Quality and Safety

- 5.1. Ensure that process and reporting arrangements are in place to provide assurance that clinical and related activities are appropriately governed for safety, quality and effectiveness. For clarity, this includes the requirements around Safer Staffing Regulations.
- 5.2. Confirm that clinical quality management arrangements incorporate quality planning, improvement and control, patient safety and the principles of Realistic Medicine.
- 5.3. Examine clinical activity from the perspectives of equity, equality, diversity and value. In doing so, apply triple value principles and consider the safety, timeliness and person-centred care of services.
- 5.4. Ensure that services comply with clinical and product regulatory requirements.
- 5.5. Oversee the development and implementation of the Medical Devices Policy Framework and the regulation of medical devices, liaising with the Senior Information Risk Owner(s) as appropriate.

#### Clinical and Patient Safety Risk Management

- 5.6. Review the Clinical and Patient Safety Strategic Risk, associated red risks and issues on the corporate risk register, and risks flagged by the Director(s) of Medical and Director(s) of Nursing.
- 5.7. Examine management actions relating to clinical and patient safety risks, in line with the PSD Scotland risk management approach.

- 5.8. Identify, assess, mitigate and manage clinical and professional risks within educational programmes, escalating risks to the Board where appropriate.
- 5.9. Provide advice to the Board on the clinical impacts of proposed new service developments.
- 5.10. Scrutinise and review assurance in relation to the organisation's response to Adult and Child Protection in line with the agreed policies. This includes Corporate Parenting and responsibilities enshrined within the United Nations Convention on the Rights of the Child (UNCRC).

#### Clinical Events, Incidents and Learning

- 5.11. Scrutinise reports on clinical adverse events, Duty of Candour events, clinical risks and complaints arising from the services delivered by PSD Scotland, including their identification, causes, management, learning and service improvement.
- 5.12. Review themes for educational development arising from referrals to health and social care regulators.

#### Blood, Cells, Tissues and Infection Control

- 5.13. Review and scrutinise arrangements for blood, cells and tissue products and services for the treatment of patients across Scotland. This includes ensuring sufficiency of the supply of blood, tissue and cell products and services for the treatment of patients in Scotland.
- 5.14. Review, scrutinise and be assured of the safety of the clinical products and services provided to confirm an adequate and safe supply and compliance with regulatory requirements.
- 5.15. Receive reports to scrutinise the quality and regulatory compliance of the products and services provided.

#### Clinical Programmes and National Functions

- 5.16. Review major programmes supporting clinical services to ensure they are designed and delivered in line with best practice, evidence-based standards and agreed performance measures.
- 5.17. Scrutinise activity pertaining to national clinical governance functions delivered by PSD Scotland, including screening and dental services.
- 5.18. Scrutinise activity pertaining to the role that PSD Scotland has as a Public Health Organisation.

#### Annual Reporting

- 5.19. Receive annual reports on:
  - a) Infection Prevention and Control
  - b) Duty of Candour
  - c) Clinical Research, Development and Innovation
  - d) Clinical Professional Appraisal and Revalidation

- e) Medical Staff Revalidation and Appraisal
- f) Patient Group Directions Audit
- g) Ionising Radiation (Medical Exposure) Regulation Advisory Group
- h) Relevant Intellectual Property activity facilitated by the Scottish National Blood Transfusion Service and other relevant clinical areas across PSD Scotland
- i) Health and Care (Staffing) (Scotland) Act 2019
- j) Child and Adult Protection – including requirements in respect of UNCRC and Corporate Parenting.
- k) Public Health Organisation Maturity Reporting

#### Other Responsibilities

- 5.20. Oversee governance arrangements for Board-delegated strategic risks by reviewing risk identification, assessment and mitigation in line with the Board's risk appetite and agreeing escalation where required.
- 5.21. Oversee governance arrangements for Board-delegated performance measures and report progress to the Board.
- 5.22. Address any additional matters assigned to the Committee by the Board or other Standing Committees. Activity arising from internal audit reports may be delegated by the Audit and Risk Committee.

## **6. Review and Approval**

- 6.1. The Committee shall review these Terms of Reference at least annually. Any amendments shall be submitted to the Board for consideration and approval before they take effect.
- 6.2. The Board approved the Committee's Terms of Reference on <insert date>.

# Public Services Delivery Scotland

## Education Committee Terms of Reference

### 1. Purpose

- 1.1. The Education Committee, referred to hereafter as “the Committee”, provides assurance, oversight and scrutiny of PSD Scotland’s responsibilities for the quality, performance and statutory regulation of health and social care – and, where appropriate, broader public service – education, training and research. The Committee supports the Board in discharging its statutory educational functions by monitoring compliance, evaluating performance, overseeing strategic delivery, and ensuring that appropriate governance arrangements are in place.
- 1.2. The Committee shall operate within the Corporate Governance Framework<sup>1</sup> approved by the Board and in accordance with the principles outlined in the [Blueprint for Good Governance](#).

### 2. Membership and Attendance

- 2.1. At least five members will be appointed to the Committee by the Board. The Chair of the Committee will be nominated by the Chair of the Board and thereafter confirmed by the Board. The Committee may nominate a Vice Chair from among the membership to deputise for the Chair of the Committee as required. The Committee’s current composition is as follows:
  - **Chair:** O. Clayton.
  - **Vice Chair:** M. McGill.
  - **Members:** S. Cowan; A. Langa; K. Redpath.
- 2.2. In accordance with paragraph 9.9 of the Standing Orders, the Board may appoint co-opted members to the Committee. Co-opted members shall contribute to the business of the Committee but will not have the right to vote. The Committee does not currently have co-opted members.
- 2.3. The Committee will routinely invite the Chief Executive and members of the Transitional Leadership Group to meetings. The Director of Nursing and the Director of Nursing, Midwifery and Allied Health Professionals and Transitional Leadership Group Medical Directors will serve as Executive Lead(s) for the Committee. Other officers may be invited to attend meetings as required.

### 3. Meetings and Quorum

- 3.1. The Committee shall meet at least four times per year. Meetings and business will be conducted in accordance with the Standing Orders, as approved by the Board.
- 3.2. The quorum for a meeting of the Committee shall be no less than one-third of the members, as outlined in paragraph 2.1, who are entitled to vote and, in any event, not less than three members.

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<sup>1</sup> The Corporate Governance Framework includes the Standing Orders, Scheme of Delegation, Standing Financial Instructions, Board Assurance Framework, Code of Conduct and Committee Terms of Reference.

- 3.3. Meetings will not be held in public and the Committee may sit in private without any non-members present for all or part of a meeting if they so decide.

#### **4. Reporting**

- 4.1. The Chair of the Committee will provide a report to the Board after each meeting. A copy of the minutes may form the basis of this report. The minutes will reflect when the Committee has met in private.
- 4.2. The Committee shall develop a schedule of business each year to determine the information that it requires at meetings. An annual report shall also be prepared for the Board to provide assurance that the Committee continues to discharge its remit effectively.

#### **5. Remit**

The Committee shall:

##### Statutory and Regulatory Assurance

- 5.1. Assure the Board that statutory regulatory requirements for education and training are being met.
- 5.2. Monitor compliance of health and social care education and training with statutory and regulatory requirements relating to equity, equality, human rights, person-centred care, participation, Government policy and other relevant policies. Seek assurance on Board-delegated equality and diversity outcomes connected to educational quality. This includes oversight of the education and quality arrangements for the NHS Scotland Academy, as set out in Appendix 1.
- 5.3. Scrutinise, approve or note annual reports, as appropriate, relating to the statutory regulation of health and social care education and any additional responsibilities delegated by the Board.

##### Quality, Performance and Continuous Improvement

- 5.4. Ensure that effective arrangements are in place for educational quality assurance, management and control in line with PSD Scotland's policies, relevant professional, statutory and regulatory requirements and sectoral best practice.
- 5.5. Obtain assurance that effective arrangements are in place for the continuous improvement of the quality of health and social care education and training, ensuring these arrangements take a strategic view and are informed by a contemporary understanding of service and workforce need, relevant data and feedback.
- 5.6. Examine arrangements for identifying, sharing and embedding good and innovative practice across PSD Scotland to enhance educational quality and performance.
- 5.7. Assess the performance, monitoring, management and value of health and social care education and training programmes and contracts, including the identification of impact or intended impact where possible.

### Strategy, Research and Partnerships

- 5.8. Review strategies, policies, consultation responses, structures and governance processes for health and social care education, training and research to ensure they adopt a forward-looking and strategic perspective.
- 5.9. Consider progress with the implementation of education and training-related strategies and policies, seeking assurance that intended outcomes are being delivered.
- 5.10. Review the effective management of health and social care educational research programmes.
- 5.11. Evaluate the quality and impact of strategic engagement with partners and users across health and social care in relation to education and training, including approaches to education and workforce development that affect service delivery.

### Other Responsibilities

- 5.12. Oversee governance arrangements for Board-delegated strategic risks by reviewing risk identification, assessment and mitigation in line with the Board's risk appetite and agreeing escalation where required.
- 5.13. Oversee governance arrangements for Board-delegated performance measures and report progress to the Board.
- 5.14. Address any additional matters assigned to the Committee by the Board or other Standing Committees. Activity arising from internal audit reports may be delegated by the Audit and Risk Committee.

## **6. Review and Approval**

- 6.1. The Committee shall review these Terms of Reference at least annually. Any amendments shall be submitted to the Board for consideration and approval before they take effect.
- 6.2. The Board approved the Committee's Terms of Reference on <insert date>.

## **Appendix 1: NHS Scotland Academy – Delegated Governance and Scrutiny**

The PSD Scotland Education Committee is delegated governance and scrutiny responsibilities for the NHS Scotland Academy on behalf of the PSD Scotland and NHS Golden Jubilee (NHSGJ) boards. In doing so, the Committee will review, scrutinise and approve education, quality, developmental and performance reports to ensure that:

1. Strategic partners are effectively engaged, including universities, regulators, Health and Social Care partners, young people and school-based pathway providers.
2. Education and training delivered or planned by the NHS Scotland Academy meets statutory regulatory requirements and complies with the expectations of the relevant regulators.
3. Education and training programmes receive appropriate accreditation and maintain required standards.
4. Education and training activities, outcomes and performance are effectively managed, quality assured, subject to continuous improvement, and demonstrate measurable impact.
5. Arrangements exist to identify, share and embed good and innovative practice across PSD Scotland and NHSGJ in ways that strengthen the quality of education and training.
6. Continuous improvement is embedded in the management and delivery of programmes, informed by user feedback, complaints, learner satisfaction, retention, attainment and progression.
7. Governance and quality management controls support the delivery of technology-enhanced education and training, ensuring standards and consistency.
8. Educational and quality-related risks are appropriately identified, mitigated and reported through established governance processes.
9. Annual reporting on NHS Scotland Academy educational and quality governance is provided to the PSD Scotland Audit and Risk Committee and PSD Clinical Governance Committee as part of the Education Committee Annual Report.

# Public Service Delivery Scotland

## Finance & Resources Committee Terms of Reference

### 1. Purpose

- 1.1. The Finance & Resources Committee, referred to hereafter as “the Committee”, shall provide independent and objective oversight of PSD Scotland’s financial position, procurement and sustainability activity and performance management. The Committee provides assurance to the Board that effective arrangements are in place – and operating as intended – to secure economy, efficiency, and effectiveness in the use of resources.
- 1.2. The Committee shall operate within the Corporate Governance Framework<sup>1</sup> approved by the Board and in accordance with the principles outlined in the [Blueprint for Good Governance](#).

### 2. Membership and Attendance

- 2.1. At least five members will be appointed to the Committee by the Board. The Chair of the Committee will be nominated by the Chair of the Board and thereafter confirmed by the Board. The Committee may nominate a Vice Chair from among the membership to deputise for the Chair of the Committee as required. The Committee’s current composition is as follows:
  - **Chair:** G. Greenhill.
  - **Vice Chair:** A.G Logan.
  - **Members:** L. Blackett; P. Buchanan; O. Clayton; K. Redpath.
- 2.2. In accordance with paragraph 9.9 of the Standing Orders, the Board may appoint co-opted members to the Committee. Co-opted members shall contribute to the business of the Committee but will not have the right to vote. The Committee does not currently have co-opted members.
- 2.3. The Committee will routinely invite the Chief Executive and members of the Transitional Leadership Group to meetings. The Director of Finance, Corporate Governance and Legal Services and the Director of Finance along with the Director of Planning, Performance and Transformation and the Director Primary & Community Care / Strategy, Performance & Service Transformation will serve as Executive Lead(s) for the Committee. Other officers may be invited to attend meetings as required.

### 3. Meetings and Quorum

- 3.1. The Committee shall meet at least four times per year. Meetings and business will be conducted in accordance with the Standing Orders, as approved by the Board.

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<sup>1</sup> The Corporate Governance Framework includes the Standing Orders, Scheme of Delegation, Standing Financial Instructions, Board Assurance Framework, Code of Conduct and Committee Terms of Reference.

- 3.2. The quorum for a meeting of the Committee shall be no less than one-third of the members, as outlined in paragraph 2.1, who are entitled to vote and, in any event, not less than three members.
- 3.3. Meetings will not be held in public and the Committee may sit in private without any non-members present for all or part of a meeting if they so decide.

#### **4. Reporting**

- 4.1. The Chair of the Committee will provide a report to the Board after each meeting. A copy of the minutes may form the basis of this report. The minutes will reflect when the Committee has met in private.
- 4.2. The Committee shall develop a schedule of business each year to determine the information that it requires at meetings. An annual report shall also be prepared for the Board to provide assurance that the Committee continues to discharge its remit effectively.

#### **5. Remit**

The Committee shall:

##### Strategic Planning and Sustainability

- 5.1. Scrutinise and recommend to the Board for approval the Annual, 3-year or 5-year Delivery Plan, which will include all business activities and associated Financial Plans prepared in line with statutory financial responsibilities.
- 5.2. Scrutinise and recommend for approval the PSD Scotland Standing Financial Instructions.
- 5.3. Review and scrutinise delivery against the PSD Scotland Financial Sustainability Plan and seek assurance that appropriate management actions are in place.
- 5.4. Seek assurance that the organisation has appropriate arrangements in place to manage environmental, climate emergency and sustainability risks, including compliance with relevant national policy and reporting requirements.
- 5.5. Scrutinise and recommend for approval the PSD Scotland Climate Sustainability Strategy and supporting action plan

##### Performance, Delivery and Oversight

- 5.6. Review financial and operational performance against plans, including progress against the Annual Delivery Plan targets, and consider the appropriateness and effectiveness of current and planned management actions.
- 5.7. Review and scrutinise the full quarterly performance indicators reports prior to the Board, including associated data relating to risk, delivery, finance, Best Value and efficiencies.
- 5.8. Scrutinise the performance of programmes delivered by PSD Scotland on behalf of NHS Scotland.

- 5.9. Scrutinise the content and quality of financial reporting and information presented to the Board.
- 5.10. Ensure that systems and procedures are in place to monitor, manage and improve organisational performance reporting, including the demonstration of impact and outcomes.
- 5.11. Scrutinise quarterly complaints reports and the Annual Feedback, Comments, Concerns and Complaints Report, prior to the Board
- 5.12. Scrutinise performance against PSD Scotland's climate sustainability objectives, including the National Sustainability Assessment Tool (NSAT) and the Sustainability Performance Report.
- 5.13. Seek assurance that health inequalities and social accountability considerations are addressed across PSD Scotland business, including monitoring of the Anchors Strategic Plan and Population Health impacts.
- 5.14. Review any occurrences where Standing Financial Instructions have not been followed, including reports specifically required by the SFIs

#### Resources, Procurement and Investment

- 5.15. Approve property transactions at Outline Business Case or Full Business Case stage, undertaken in accordance with the NHS Scotland Property Transactions Handbook
- 5.16. Approve the local and national procurement strategies, plans and annual reports.
- 5.17. Approve any procurements requiring Board authority under PSD Scotland Standing Financial Instructions.
- 5.18. Approve budget limits and set business performance targets for all Directorates, except for earmarked funds allocated for specific purposes by the Scottish Government.
- 5.19. Approve new income contracts above £500,000.
- 5.20. Review and make recommendations on business cases beyond delegated financial authority prior to submission to the Scottish Government, ensuring compliance with the Scottish Capital Investment Manual.

#### Resilience, Risk and Business Continuity

- 5.21. Monitor, seek evidence and provide assurance on business continuity and organisational resilience, including emergency planning.
- 5.22. Review and make recommendations on the PSD Scotland Business Continuity Plan.
- 5.23. Receive assurance that in-year Scottish Government commissions are incorporated into the overall strategic work programme, aligned to organisational strategy and intended benefits realisation.

### Other Responsibilities

- 5.24. Oversee governance arrangements for Board-delegated strategic risks by reviewing risk identification, assessment and mitigation in line with the Board's risk appetite and agreeing escalation where required.
- 5.25. Oversee governance arrangements for Board-delegated performance measures and report progress to the Board.
- 5.26. Address any additional matters assigned to the Committee by the Board or other Standing Committees. Activity arising from internal audit reports may be delegated by the Audit and Risk Committee.

### **6. Review and Approval**

- 6.1. The Committee shall review these Terms of Reference at least annually. Any amendments shall be submitted to the Board for consideration and approval before they take effect.
- 6.2. The Board approved the Committee's Terms of Reference on <insert date>.

# Public Services Delivery Scotland

## Remuneration Committee Terms of Reference

### 1. Purpose

- 1.1. The Remuneration Committee, referred to hereafter as “the Committee”, ensure the application and implementation of fair and equitable pay systems on behalf of the Board. The Committee will provide assurance that systems and procedures are in place to comply with directions, guidance and circulars<sup>1</sup> and shall ensure that overarching staff governance responsibilities can be discharged.
- 1.2. The Committee shall operate within the Corporate Governance Framework<sup>2</sup> approved by the Board and in accordance with the principles outlined in the [Blueprint for Good Governance](#). It is established in accordance with [MEL \(1993\) 114](#) and subsequent amendments.

### 2. Membership and Attendance

- 2.1. The Chair of the Board and at least three non-executive members, of which one must be the Employee Director(s), shall be members of the Committee. The Chair of the Committee will be nominated by the Chair of the Board and thereafter confirmed by the Board. The Committee may nominate a Vice Chair from among the membership to deputise for the Chair of the Committee as required. The Committee’s current composition is as follows:
  - **Chair:** G. Valiotis.
  - **Vice Chair:** I. Cant.
  - **Members:** L. Blackett; L. Grieve; K. Redpath.
- 2.2. The Committee will routinely invite the Director of HR and Organisational Development and the Director of People and Culture to receive professional advice. The Chief Executive Officer will also be regularly invited. Other officers may be invited to attend meetings as required.
- 2.3. Attendees will not be present for any discussion or decisions relating to their own performance, remuneration, and terms and conditions.
- 2.4. Papers are shared only with Committee members and authorised attendees in line with requirements under the Data Protection Act 2018 and the General Data Protection Regulation (GDPR).
- 2.5. Executive performance papers remain restricted to Committee members, except where the National Performance Management Committee (NPMC) requests information for assurance, such as evidence and/or minutes.

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<sup>1</sup> Including but not limited to: [MEL \(1993\) 114](#), [DL \(2019\) 15](#), [PCS\(DD\)1995/6](#), [PCS\(DD\)2000/1](#), [PCS\(DD\)2022/01](#) and [Consultant Grade Terms and Conditions of Service](#).

<sup>2</sup> The Corporate Governance Framework includes the Standing Orders, Scheme of Delegation, Standing Financial Instructions, Board Assurance Framework, Code of Conduct and Committee Terms of Reference.

### **3. Meetings and Quorum**

- 3.1. The Committee shall meet at least two times per year. Meetings and business will be conducted in accordance with the Standing Orders, as approved by the Board.
- 3.2. The quorum for a meeting of the Committee shall be no less than one-third of the members, as outlined in paragraph 2.1, who are entitled to vote and, in any event, not less than three members.
- 3.3. Meetings will not be held in public and the Committee may sit in private without any non-members present for all or part of a meeting if they so decide.

### **4. Reporting**

- 4.1. The Committee shall develop a schedule of business each year to determine the information that it requires at meetings. An annual report shall also be prepared for the Board to provide assurance that the Committee continues to discharge its remit effectively.

### **5. Remit**

The Committee shall:

- 5.1. Comply with all Health and Social Care Directorate in Scottish Government directions and take into account any relevant guidance on remuneration or terms and conditions of employment.
- 5.2. Review and approve all new or additional posts created at higher Agenda for Change bands (8d and 9) and Executive Grades. In addition, agree on appointments where the lower half of the salary range will not secure the preferred candidate. The Committee may delegate authority to the Chair to approve these matters to prevent delays in appointments, with a report of all decisions submitted to the next Committee meeting.
- 5.3. In respect of Executive Grade roles, review and approve all terms and conditions of employment, including job descriptions, terms of employment, basic pay, performance pay (where applicable) and all benefits associated with each post.
- 5.4. In respect of Executive Graded staff, review and approve annual performance objectives, oversee the mid-year review of performance against these objectives and agree any revisions required during the year.
- 5.5. In respect of Executive Graded staff, consider and approve year-end performance assessments and any resulting changes to remuneration or terms and conditions of employment, ensuring onward submission for approval to the National Workforce Performance Management Committee within the required timescales.
- 5.6. Approve any responsibility allowances or temporary regrading for staff within the Executive cohort and review the overall position on an annual basis.
- 5.7. Ensure that effective arrangements are in place for carrying out the activities set out in 5.3 to 5.5 in respect of members of the Executive cohort.

- 5.8. Review submissions from the Chief Executive for settlement agreements and business cases for redundancy or severance, ensuring that cases exceeding £95,000 follow the Scottish Public Finance Manual process and obtain Scottish Government approval under DL (2019) 15.
- 5.9. Consider early retirements requiring employer costs. Employer-cost early retirements must meet a maximum two-year payback period.
- 5.10. Receive an anonymised annual report on voluntary severance and related cases prior to inclusion in the Annual Report and Accounts.
- 5.11. Review and approve, on an annual basis, the Discretionary Points awarded by the PSD Scotland Committee on Consultants' Discretionary Points, confirm the process followed and report the outcomes to both the Board and the Executive Medical Director(s).

## **6. Review and Approval**

- 6.1. The Committee shall review these Terms of Reference at least annually. Any amendments shall be submitted to the Board for consideration and approval before they take effect.
- 6.2. The Board approved the Committee's Terms of Reference on <insert date>.

# Public Service Delivery Scotland

## Service & Digital Transformation Committee Terms of Reference

### 1. Purpose

- 1.1. The Service & Digital Transformation Committee, referred to hereafter as “the Committee”, provides strategic oversight and system-level assurance on PSD Scotland’s digital, data and service transformation work. It ensures the organisation has the capability, capacity and operating model to deliver internal and national transformation aligned to PSD Scotland’s strategy and Scottish Government priorities.
- 1.2. The Committee shall operate within the Corporate Governance Framework<sup>1</sup> approved by the Board and in accordance with the principles outlined in the [Blueprint for Good Governance](#).

### 2. Membership and Attendance

- 2.1. At least five members will be appointed to the Committee by the Board. The Chair of the Committee will be nominated by the Chair of the Board and thereafter confirmed by the Board. The Committee may nominate a Vice Chair from among the membership to deputise for the Chair of the Committee as required. The Committee’s current composition is as follows:
  - **Chair:** P. Buchanan.
  - **Vice Chair:** G. Valiotis.
  - **Members:** J. Ford; G. Greenhill; A.G Logan; K. Redpath.
- 2.2. In accordance with paragraph 9.9 of the Standing Orders, the Board may appoint co-opted members to the Committee. Co-opted members shall contribute to the business of the Committee but will not have the right to vote. The Committee does not currently have co-opted members.
- 2.3. The Committee will routinely invite the Chief Executive and members of the Transitional Leadership Group to meetings. The Director of Planning, Performance and Transformation and the Director Primary & Community Care / Strategy, Performance & Service Transformation along with the Director of Digital/Technology and Director of Digital and Security will be Executive Lead(s) for the Committee. Other officers may be invited to attend meetings as required.

### 3. Meetings and Quorum

- 3.1. The Committee shall meet at least four times per year. Meetings and business will be conducted in accordance with the Standing Orders, as approved by the Board.
- 3.2. The quorum for a meeting of the Committee shall be no less than one-third of the members, as outlined in paragraph 2.1, who are entitled to vote and, in any event, not less than three members.

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<sup>1</sup> The Corporate Governance Framework includes the Standing Orders, Scheme of Delegation, Standing Financial Instructions, Board Assurance Framework, Code of Conduct and Committee Terms of Reference.

- 3.3. Meetings will not be held in public and the Committee may sit in private without any non-members present for all or part of a meeting if they so decide.

#### **4. Reporting**

- 4.1. The Chair of the Committee will provide a report to the Board after each meeting. A copy of the minutes may form the basis of this report. The minutes will reflect when the Committee has met in private.
- 4.2. The Committee shall develop a schedule of business each year to determine the information that it requires at meetings. An annual report shall also be prepared for the Board to provide assurance that the Committee continues to discharge its remit effectively.

#### **5. Remit**

The Committee shall:

##### Strategic Planning, Oversight and Engagement

- 5.1. Provide oversight of the organisation's national digital and service transformation capability, ensuring alignment with PSD Scotland's strategy, Scottish Government priorities and wider public service reform. This includes, but is not limited to, the [Population Health Framework](#), the [Health & Social Care Service Renewal Framework](#) and the [Public Service Reform Strategy](#).
- 5.2. Maintain awareness of local, regional and national policy developments to ensure that PSD Scotland's transformation activity reflects current priorities on prevention, system renewal and integrated public services.
- 5.3. Oversee PSD Scotland's strategic planning and horizon scanning to ensure organisational development supports its national enabling role.
- 5.4. Ensure PSD Scotland has effective, coherent and forward-looking strategic plans for engagement and communication with Scottish Government, NHS boards, sub-national planning and delivery structures, Integration Joint Boards, COSLA and wider public and third sector organisations and bodies.

##### System-Level Assurance

- 5.5. Provide assurance to the Board that PSD Scotland's contribution to whole-system transformation across health, social care and public services continues to be effective.
- 5.6. Scrutinise progress, risks and interdependencies associated with major transformation programmes and commissions undertaken by PSD Scotland or in partnership with other organisations.
- 5.7. Seek assurance that PSD Scotland's transformation approach supports coherent, interoperable and person-centred digital and service models across Scotland's health, social care and wider public sector.
- 5.8. Scrutinise and seek assurance on the progress and implementation of national technology developments, systems, data, AI and Cyber Security.

### Internal Organisational Change and Transformation

- 5.9. Oversee PSD Scotland's internal transformation programmes, corporate development and organisational improvement activity, ensuring these support the organisation's future operating model and national remit.
- 5.10. Seek assurance that PSD Scotland has the organisational capacity, leadership, culture and digital maturity required to deliver transformation across Scotland's public services system.
- 5.11. Oversee the unification and development of digital systems, corporate functions and planning processes from PSD Scotland's predecessor organisations.

### Other Responsibilities

- 5.12. Oversee governance arrangements for Board-delegated strategic risks by reviewing risk identification, assessment and mitigation in line with the Board's risk appetite and agreeing escalation where required.
- 5.13. Oversee governance arrangements for Board-delegated performance measures and report progress to the Board.
- 5.14. Address any additional matters assigned to the Committee by the Board or other Standing Committees. Activity arising from internal audit reports may be delegated by the Audit and Risk Committee.

## **6. Review and Approval**

- 6.1. The Committee shall review these Terms of Reference at least annually. Any amendments shall be submitted to the Board for consideration and approval before they take effect.
- 6.2. The Board approved the Committee's Terms of Reference on <insert date>.

# Public Services Delivery Scotland

## Staff Governance Committee Terms of Reference

### 1. Purpose

- 1.1. The Staff Governance Committee, referred to hereafter as “the Committee”, is established by the Board to provide assurance that PSD Scotland meets its obligations under the [Staff Governance Standard](#) and relevant legislation. The Committee promotes a culture in which the highest quality of staff management, partnership working and collaborative practice are understood to be the responsibility of everyone, and ensures that robust arrangements are in place to implement and monitor the Staff Governance Standard.
- 1.2. The Committee shall operate within the Corporate Governance Framework<sup>1</sup> approved by the Board and in accordance with the principles outlined in the [Blueprint for Good Governance](#).

### 2. Membership and Attendance

- 2.1. At least five members will be appointed to the Committee by the Board. The Chair of the Committee will be nominated by the Chair of the Board and thereafter confirmed by the Board. The Committee may nominate a Vice Chair from among the membership to deputise for the Chair of the Committee as required. The Committee’s current composition is as follows:
  - **Chair:** L. Blackett.
  - **Vice Chair:** L. Grieve.
  - **Members:** I. Cant; S. Cowan; A. Langa; K Redpath.
  - **Trade Union Representatives:** To be confirmed.
- 2.2. The Chair of the Board, Employee Director(s) and four trade union representatives will be members of the Committee.
- 2.3. In accordance with paragraph 9.9 of the Standing Orders, the Board may appoint co-opted members to the Committee. Co-opted members shall contribute to the business of the Committee but will not have the right to vote. The Committee does not currently have co-opted members.
- 2.4. The Committee will routinely invite the Chief Executive and members of the Transitional Leadership Group to meetings. The Director of HR and Organisational Development and the Director of People & Culture will serve as the Executive Lead(s) for the Committee. Other officers may be invited to attend meetings as required.

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<sup>1</sup> The Corporate Governance Framework includes the Standing Orders, Scheme of Delegation, Standing Financial Instructions, Board Assurance Framework, Code of Conduct and Committee Terms of Reference.

### **3. Meetings and Quorum**

- 3.1. The Committee shall meet at least four times per year. Meetings and business will be conducted in accordance with the Standing Orders, as approved by the Board.
- 3.2. The quorum for a meeting of the Committee shall be no less than one-third of the members, as outlined in paragraph 2.1, who are entitled to vote and, in any event, not less than three members.
- 3.3. Meetings will not be held in public and the Committee may sit in private without any non-members present for all or part of a meeting if they so decide.

### **4. Reporting**

- 4.1. The Chair of the Committee will provide a report to the Board after each meeting. A copy of the minutes may form the basis of this report. The minutes will reflect when the Committee has met in private.
- 4.2. The Committee shall develop a schedule of business each year to determine the information that it requires at meetings. An annual report shall also be prepared for the Board to provide assurance that the Committee continues to discharge its remit effectively.
- 4.3. The PSD Scotland Partnership Forum has a key role in the delivery and implementation of the Staff Governance Standard through the Staff Governance Action Plan. The Committee will receive regular reports from the Partnership Forum to provide necessary evidence and assurance.

### **5. Remit**

The Committee shall:

#### Staff Governance and Policy

- 5.1. Ensure an effective system of governance and oversight for the management, safety and welfare of the workforce, including the development of a strategic workforce planning strategy.
- 5.2. Oversee the development of frameworks that support the delivery of the Staff Governance Standard.
- 5.3. Review evidence of attainment and maintenance of the Staff Governance Standard through the Workforce Plan, identifying causes of any shortfalls and recommending remedial action.
- 5.4. Oversee the development and monitoring of organisational workforce policy to ensure compliance with National Workforce Policies.
- 5.5. Approve any policy amendment to achieve the Staff Governance Standard and provide support to drive their implementation.
- 5.6. Agree detailed and timely staff governance and employee relations data reporting standards to support both PSD Scotland operational needs and national monitoring requirements.

- 5.7. Provide staff governance information for inclusion in the Statement of Internal Control in the Annual Report and Accounts.

#### Workforce Values, Risk and Complaints

- 5.8. Seek assurance that the PSD Scotland organisational values are embedded.
- 5.9. Receive assurance that health, safety and wellbeing arrangements meet legislative requirements.
- 5.10. Review annual staff survey results and be assured that appropriate strategic actions are in place to support an ethos of continuous improvement and a positive, values-based culture.
- 5.11. Review and advise on whistleblowing policy, procedures and processes.
- 5.12. Receive quarterly and annual whistleblowing reports.
- 5.13. Provide assurance that systems and procedures are in place to manage the issues set out in the amended [MEL \(1993\) 114](#).
- 5.14. Receive relevant reporting on any staff-related concerns under the organisation's Prevent policy.

#### Equality, Diversity, Inclusion and Human Rights

- 5.15. Monitor the organisation's approach to equality, diversity, inclusion and human rights, and approve all documents required for publication under the Public Sector Equalities Duty to ensure compliance with the Equality Act 2010 and related legislation.

#### Other Responsibilities

- 5.16. Oversee governance arrangements for Board-delegated strategic risks by reviewing risk identification, assessment and mitigation in line with the Board's risk appetite and agreeing escalation where required.
- 5.17. Oversee governance arrangements for Board-delegated performance measures and report progress to the Board.
- 5.18. Address any additional matters assigned to the Committee by the Board or other Standing Committees. Activity arising from internal audit reports may be delegated by the Audit and Risk Committee.

## **6. Review and Approval**

- 6.1. The Committee shall review these Terms of Reference at least annually. Any amendments shall be submitted to the Board for consideration and approval before they take effect.
- 6.2. The Board approved the Committee's Terms of Reference on <insert date>.

**Public Services Delivery  
Scotland  
Standing Financial  
Instructions**

**2026-27**

**Draft v0.1**

# Contents

<b>Section 1: Introduction</b> .....	<b>7</b>
<b>General</b> .....	<b>7</b>
1.01 Background .....	7
1.02 The purpose of the scheme of control is: .....	7
1.03 Responsibilities & application of the SFIs .....	8
1.04 Compliance.....	8
1.05 Variation and Revocation .....	9
1.06 Terminology .....	9
<b>Section 2: Responsibilities of Chief Executive, Director(s) of Finance, Directors, and Employees</b> .....	<b>11</b>
2.01 Responsibilities of Chief Executive as Accountable Officer .....	11
2.01 (a) General Responsibilities .....	11
2.01 (b) Specific Responsibilities .....	12
2.01 (c) Regularity and Propriety of Expenditure.....	13
2.01 (d) Advice to the Board.....	14
2.01 (e) Absence of Accountable Officer .....	14
2.02 Responsibilities of the Director(s) of Finance.....	15
2.03 Responsibilities of the Board .....	15
2.04 Responsibilities of all Directors and Employees.....	16
<b>Section 3: Code of Conduct</b> .....	<b>18</b>
3.01 Introduction.....	18
3.02 General Principles .....	18
3.03 Activities involving the use of official information or experience.....	18
3.04 Outside Occupation.....	19
3.05 Confidentiality .....	19
3.06 Contracts and use of services of PSD Scotland contractors.....	19
3.07 Acceptance of Gifts .....	20
3.08 Acceptance of Hospitality .....	20
3.09 Procedure for completing and recording forms. ....	21
3.10 Reporting.....	21
3.11 Use of official Accommodation, Equipment or Vehicles.....	21
3.12 Bribery .....	21
<b>Section 4: Suspected Theft, Fraud and Other Irregularities</b> .....	<b>23</b>
4.01 Introduction.....	23
4.02 Theft, Fraud, Embezzlement, Corruption, Bribery and Other Irregularities .....	23
4.03 Remedial Action .....	24
4.04 Reporting to SGHSCD .....	24

4.05 Responses to Press Enquiries .....	25
4.06 National Fraud Initiative.....	25
4.07 Whistleblowing .....	25
<b>Section 5: Audit and Financial Performance</b>	
<b>Arrangements .....</b>	<b>26</b>
5.01 Audit and Risk Committee .....	26
5.02 Finance and Resources Committee .....	26
5.03 NHS Scotland Academy .....	26
5.04 Director(s) of Finance.....	26
5.05 Irregularities.....	27
5.06 Audit Reporting.....	28
5.07 Internal Audit .....	28
5.08 External Audit .....	29
5.09 Service Audit .....	29
5.10 Risk Management .....	30
<b>Section 6: Financial Planning and Budget Control .....</b>	<b>31</b>
6.01 Introduction.....	31
6.02 Preparation of budgets .....	32
6.03 New Funding Requests .....	32
6.04 Systems of budgetary control.....	33
6.05 Budget limits and Delegation.....	34
6.06 Virement .....	35
6.07 Family Health Service Payments .....	36
6.08 Financial consequences of change .....	37
<b>Section 7: Resource Limits.....</b>	<b>38</b>
8.01 General.....	38
<b>Section 8: Staff Appointments, Remuneration, and related matters.....</b>	<b>39</b>
8.01 Remuneration Committee .....	39
8.02 Staff Appointments .....	39
8.03 Processing of Payroll.....	40
8.04 Termination Settlements.....	42
8.05 Organisational Change.....	43
8.06 Extension to Pay during periods of absence.....	43
8.07 Ex Gratia Payments .....	43
<b>Section 9: Non-Pay Expenditure .....</b>	<b>44</b>
9.01 Introduction.....	44
9.02 Delegation of Authority .....	44
9.03 Responsibilities .....	44
9.04 Requisitioning of goods and services.....	46

<b>Section 10: Tenders, Quotations and Contracting Requirements</b> .....	<b>47</b>
10.01 Introduction.....	47
10.02 Thresholds for Purchasing of goods, services and works. ....	47
10.03 PSD Scotland Contract / Framework Agreement .....	50
10.04 Contract Extensions .....	51
10.05 Contracts on behalf of Scottish Ministers, NHSScotland or other public bodies.....	51
10.06 NHS Scotland Health Board Capital Expenditure Procurements .....	52
10.07 Advertising of contracts .....	52
10.08 Signing of contracts.....	52
10.09 Record of contracts .....	53
10.10 Variations to contracts .....	53
10.11 Interim and final payments .....	53
10.12 Communications.....	53
10.13 Contract and Supplier Management.....	54
<b>Section 11: Tenders, Quotations and Contracting Requirements for Research</b> .....	<b>55</b>
11.01 Introduction.....	55
11.02. Thresholds for Purchasing of Research Services.....	55
11.03 Research contract award approval.....	56
11.04 Advertising and notification of research contracts .....	57
11.05 Research contract agreement signature .....	57
11.06 Record of research contracts .....	57
11.07 Interim and final payments .....	58
11.08 Research contract variations .....	58
11.09 Research collaboration agreements.....	58
11.10 Communications.....	58
<b>Section 12: Appointment of advisers and non permanent staff</b> .....	<b>59</b>
12.01 Introduction.....	59
12.02 Definition.....	60
12.03 Specification of need .....	60
12.04 Procedures for appointment .....	60
12.05 Appointment considerations for the Director .....	60
12.06 Tendering Arrangements .....	61
12.07 Functional continuity.....	61
12.08 Audit and Risk Committee Reporting Requirements .....	62
<b>Section 13: Income Generation and Intellectual Property</b> .....	<b>63</b>

13.01	Introduction.....	63
13.02	Authority Levels.....	63
13.03	Determination of charges.....	63
13.04	Foreign Currency.....	64
13.05	Third party contracts and agreements.....	65
13.06	Intellectual Property and Other Guidance.....	65
13.07	Notification of income to the Director(s) of Finance.....	66
13.08	Recovery of outstanding debt.....	66
<b>Section 14: Capital Investment, Private Financing, Fixed Asset Registers.....</b>		<b>67</b>
14.01	Capital Investment.....	67
14.02	Asset Registers.....	68
14.03	Security of assets.....	69
<b>Section 15: Banking arrangements.....</b>		<b>71</b>
15.01	General.....	71
15.02	Banking Procedures.....	71
15.03	Payments and Approvals.....	71
15.04	Bank balances.....	72
15.05	Provision of Imprests.....	72
15.06	Corporate Purchasing Cards.....	72
15.07	Treatment of receipts.....	73
<b>Section 16: Stocks and Stores.....</b>		<b>74</b>
16.01	Introduction.....	74
16.02	Custody of stocks.....	74
16.03	Stores records.....	74
16.04	Movement of stocks.....	74
16.05	Valuation of stock.....	74
16.06	Slow moving and / or obsolete stock.....	75
16.07	Stock levels.....	75
16.08	Stock taking.....	75
16.09	Stock certificates.....	75
16.10	Stocks held on behalf of SGHSCD.....	76
16.11	Delegation of authority.....	76
16.12	Reporting.....	76
16.13	Escalation.....	76
<b>Section 17: Annual Report and Accounts.....</b>		<b>77</b>
17.01	Introduction.....	77
17.02	Basis for preparation.....	77
17.03	Chief Executive Responsibilities.....	77
17.04	Director(s) of Finance Responsibilities.....	78
17.05	Approval of Annual Report and Accounts.....	78

<b>Section 18: Information Governance</b> .....	<b>79</b>
18.01 Financial Information Systems .....	79
18.02 Data Protection Act.....	80
18.03 Freedom of Information .....	81
18.04 Management, Retention and Disposal of Administrative Records.....	81
<b>Section 19: Losses and Special Payments</b> .....	<b>82</b>
19.01 General.....	82
<b>Section 20: Non-Public funds donated</b> .....	<b>83</b>
20.01 General.....	83
<b>Section 21: Endowment Funds</b> .....	<b>83</b>
21.01 General.....	83
<b>Section 22 General Nursing Council (GNC) Fund: Registered Charity: SC015662</b> .....	<b>84</b>
22.01 General.....	84
<b>Section 23 Joint Working Arrangements</b> .....	<b>85</b>
23.01 General.....	85
<b>Section 24 Sponsorship</b> .....	<b>86</b>
24.01 General.....	86
<b>Appendix I</b> .....	<b>87</b>
Losses: delegated limits .....	87
<b>Appendix II</b> .....	<b>89</b>
Strategic Financial Principles .....	89
<b>Appendix III</b> .....	<b>90</b>
Director of Finance Checklist .....	90

# Section 1: Introduction

## General

### 1.01 Background

Standing Financial Instructions (“SFIs”) are issued in accordance with the financial directions issued by the Scottish Government Health & Social Care Directorate (SGHSCD) under the provisions contained in the Regulation 4 of the NHS (Financial Provisions) (Scotland) Regulations 1974 (GEN) 88 and Annex and NHS Circular MEL (1994) 80. All officers of the Common Services Agency, more commonly known as Public Services Delivery Scotland (and referred to as PSD Scotland throughout these Standing Financial Instructions) must comply with the SFIs from 1 April 2026.

SFIs and supporting policies and procedures detail the financial responsibilities adopted by PSD Scotland. Their purpose is to provide sound control of PSD Scotland's financial and related activities and are carried out in accordance with the law and Scottish Government policy. They should be used in conjunction with the Standing Orders and in particular the Schedule of Matters Reserved to the Board and the Scheme of Delegation therein.

All PSD Scotland policies referred to in this document can be found on PSD Scotland website and intranet.

### 1.02 The purpose of the scheme of control is:

- To ensure that PSD Scotland acts within the law and that financial transactions are in accordance with the appropriate authority.
- To ensure that proper accounting records, which are accurate and complete, are maintained.
- To ensure that financial statements, which give a true and fair view of the financial position of PSD Scotland and its expenditure and income, are prepared timeously.
- To protect PSD Scotland against the risk of fraud and irregularity.
- To safeguard PSD Scotland assets.
- To ensure proper standards of financial conduct are maintained.
- To enable the provision of appropriate management information.
- To ensure that PSD Scotland seeks best value from its resources by making proper arrangements to pursue continuous improvement,

having regard to economy, efficiency, and effectiveness in PSD Scotland operations.

- To ensure that any delegation of responsibility is accompanied by clear lines of control and accountability, together with appropriate reporting arrangements; and
- To ensure transparency and accountability in all procurement and contracting activities.

PSD Scotland shall exercise financial supervision and control by:

- Formulating a financial strategy.
- Requiring the submission and approval of financial plans and budgets within approved allocations and overall income.
- Defining and approving essential features of financial arrangements in respect of procedures and financial systems (including the need to obtain value for money).
- Defining specific responsibilities placed on directors and officers as indicated in the Scheme of Delegation.

### **1.03 Responsibilities & application of the SFIs**

These SFIs identify the financial responsibilities that apply to everyone working for PSD Scotland. They do not provide detailed procedural advice and should be read in conjunction with detailed departmental and financial procedure notes. All financial procedures and any consequent amendments must be approved by the Director(s) of Finance,

Should any difficulties arise regarding the interpretation or application of any of the SFIs then the advice of the Director(s) of Finance must be sought before you act.

### **1.04 Compliance**

The Director(s) of Finance is responsible for assisting the Chief Executive as Accountable Officer and therefore have ultimate responsibility ensuring that SFIs are in place, up to date and observed in PSD Scotland. The responsibilities of the Director(s) of Finance, as specified in the SFIs may be carried out by such other senior finance officers as he or she might specify.

All Members and officers of PSD Scotland shall observe these SFIs at all times. The Chief Executive and the Directors shall be responsible for ensuring that the SFIs are made known within the services for which they are responsible and shall ensure they are adhered to.

Any adverse event to these SFIs must, on discovery, be reported immediately to the Director(s) of Finance who will discuss the matter with the Chief Executive and/or Director to determine the proper action to be taken. The views of internal audit and/or Counter Fraud Services may also be taken depending on circumstances. Adverse events will be reported to the Finance and Resources Committee in line with Appendix 1 and the SFI reporting framework.

Where the SFIs place a duty upon a person this may be delegated to another person, subject to the Scheme of Delegation contained within the Standing Orders of PSD Scotland.

Nothing in these SFIs shall be held to override any legal requirement or Ministerial Direction placed upon PSD Scotland, its members, or officers.

Failure to comply with the SFIs shall be a disciplinary matter.

### **1.05 Variation and Revocation**

These SFIs may only be varied or revoked in accordance with the Standing Orders.

### **1.06 Terminology**

The following terminology applies throughout these Standing Financial Instructions:

- (a) “Accountable Officer” means the Scottish NHS Officer responsible and accountable for funds entrusted to PSD Scotland. The Accountable Officer will be responsible for ensuring the proper stewardship of public funds and assets. For PSD Scotland it will be the Chief Executive.
- (b) “Board” means the Board of PSD Scotland.
- (c) “Budget” means a resource, expressed in financial terms, proposed by the Board for the purpose of carrying out, for a specific period, any or all the functions of PSD Scotland.
- (d) “Budget Holder” means the director or employee with delegated authority to manage finances (Income and Expenditure) for a specific area of the organisation.
- (e) “Chief Executive” means the chief officer of PSD Scotland.
- (f) “Contract” means any arrangement giving rise to right and obligations between PSD Scotland and any one or more third parties whether legally enforceable or otherwise.

## Public Services Delivery Scotland

- (g) “Director(s) of Finance” means the chief financial officer of PSD Scotland, or chief financial officers at such times as PSD Scotland has more than one Director of Finance
- (h) “Transitional Leadership Group” means the committee of executive officers of PSD Scotland appointed by the Board and given authority by the Board to act in accordance with its remit.
- (i) “Financial Services” means the central finance function of PSD Scotland.
- (j) “Framework Agreement” means a framework agreement in terms of the Public Contracts (Scotland) Regulations 2015.
- (k) “Director” means the chief officer of a Directorate of PSD Scotland; “Legal Advisor” means the properly qualified person appointed by PSD Scotland to provide legal advice.
- (l) “Officer” means employee of PSD Scotland or any other person holding a paid appointment or office with PSD Scotland.
- (m) “PSD Scotland” means Public Services Delivery Scotland, the common name of the “Common Services Agency for the Scottish Health Service.”
- (n) “SGHSCD” means the Scottish Government Health and Social Care Directorate and
- (o) Virement – the reallocation of budget authority
- (p) Wherever the title Chief Executive, Director(s) of Finance, and Director is used in these instructions, it will be deemed to include such other directors or employees who have been duly authorised to represent PSD Scotland.
- (q) Wherever the term "employee" is used and where the context permits it will be deemed to include employees of third parties contracted to PSD Scotland when acting on behalf of PSD Scotland.
- (r) All references in these Instructions to the singular form will be read as equally applicable to the plural. Similarly, any references in these Instructions to the masculine gender will be read as equally applicable to the feminine gender and vice versa.

## **Section 2: Responsibilities of Chief Executive, Director(s) of Finance, Directors, and Employees**

### **2.01 Responsibilities of Chief Executive as Accountable Officer**

- (a) Under the terms of Sections 14 and 15 of the Public Finance and Accountability (Scotland) Act 2000, the Principal Accountable Officer for the Scottish Government has designated the Chief Executive of PSD Scotland as Accountable Officer.
- (b) Accountable Officers must comply with the terms of the Memorandum to National Health Service Accountable officers, and any updates issued to them by the Principal Accountable Officer for the Scottish Government.

#### **2.01 (a) General Responsibilities**

- (a) The Accountable Officer is personally answerable to the Scottish Parliament for the propriety and regularity of the public finances for PSD Scotland ensuring that the resources of the body are used economically, efficiently, and effectively.
- (b) The Accountable Officer must ensure that the Board takes account of all relevant financial considerations, including any issues of propriety, regularity, or value for money, in considering policy proposals relating to expenditure or income.
- (c) It is incumbent upon the Accountable Officer to combine their duties as Accountable Officer with their duty to the Board to whom he or she is responsible and from whom they derive their authority. The Board is in turn responsible to the Scottish Parliament in respect of its policies, actions, and conduct.
- (d) The Accountable Officer has a personal duty of signing the Annual Report and Accounts for PSD Scotland. Consequently, he or she may also have the further duty of being a witness before the Scottish Parliament Public Audit Committee (PAC) and be expected to deal with questions arising from the Accounts, or, more commonly from reports made to Parliament by the Auditor General for Scotland on examinations into economy, efficiency and effectiveness with which the body has used its resources in discharging its functions.
- (e) The Accountable Officer must ensure that any arrangements for delegation promote good management, and that they are supported by the necessary staff with an appropriate balance of skills. This requires

careful selection and development of staff and the sufficient provision of specific skills and services.

## **2.01 (b) Specific Responsibilities**

The Accountable Officer must:

- (a) Ensure that from the outset proper financial systems are in place and applied, and that procedures and controls are reviewed from time to time to ensure their continuing relevance and reliability, especially at times of major changes.
- (b) Ensure that the Board's financial obligations and targets are met. The Chief Executive shall be responsible for the implementation of the Board's financial policies and for co-ordinating any corrective action necessary to further these policies. In fulfilling this responsibility, the Chief Executive shall take account of advice given by the Director(s) of Finance on all such matters. The Director(s) of Finance shall be accountable to the Board for this advice.
- (c) Sign the Accounts assigned to them, and in doing so, accept personal responsibility for ensuring that they are prepared under the principles and in the format directed by the Scottish Ministers.
- (d) Ensure that proper financial procedures are followed incorporating the principles of separation of duties and internal check, and that accounting records are maintained in a form suited to the requirements of the relevant Accounting Manuals, as well as in the form prescribed by the published Accounts.
- (e) Ensure that public funds and assets such as land, buildings or other property including stores and equipment for which he or she is responsible are effectively managed and safeguarded, with the appropriate checks in place.
- (f) Ensure that, in the consideration of policy proposals relating to expenditure or income, for which he or she has responsibilities as Accountable Officer, all relevant financial considerations, including any issues of propriety, regularity or value for money, are considered, and where necessary brought to the attention of the Board.
- (g) Ensure that effective management systems appropriate for the achievement of the organisation's objectives, including financial monitoring and control systems have been put in place.
- (h) Ensure that risks, whether relating to achievement of business objectives, regularity, propriety or value for money, are identified, that their significance is assessed and that systems appropriate to the risks are in place in all areas to manage them.

- (i) Ensure that best value from resources is sought, by making proper arrangements to pursue continuous improvement having regard for economy, efficiency, and effectiveness, and in a manner which encourages the observance of equal opportunities requirements.
- (j) Ensure that managers at all levels have a clear view of their objectives, and the means to assess and measure outputs for performance in relation to those objectives.
- (k) Ensure that managers at all levels are assigned well defined responsibilities for making best use of resources, including a critical scrutiny of output and best value.
- (l) Ensure that managers at all levels have the information (particularly about costs), training, and access to the expert advice which they need to exercise their responsibilities effectively.
- (m) Ensure that procurement activity is conducted in accordance with the requirements in the Procurement Section of the Scottish Public Finance Manual.
- (n) Ensure that the Directors, employees, and all new appointees are notified of and understand their responsibilities within the SFIs.

## **2.01(c) Regularity and Propriety of Expenditure**

- (a) The Accountable Officer has a particular responsibility for ensuring that PSD Scotland achieves high standards of regularity and propriety in the consumption of resources. Regularity involves compliance with relevant legislation, relevant guidance issued by the Scottish Ministers – in particular, the Scottish Public Finance Manual – and the framework document defining the key roles and responsibilities that underpin the relationship between PSD Scotland and Scottish Government. Propriety involves respecting the Parliament's intentions and conventions and adhering to values and behaviours appropriate to the public sector.
- (b) Parliament's attention must be drawn to losses or special payments by appropriate notation of the organisation's Accounts. In the case of expenditure approved under the Budget Act, any payments made must be within the scope and amount specified in that Act.
- (c) All actions must be able to stand the test of parliamentary scrutiny, public judgements on propriety and professional Codes of Conduct. Care must be taken to avoid actual, potential, or perceived conflicts of interest when employing external consultants and their staff.

## **2.01 (d) Advice to the Board**

- (a) The Accountable Officer has a duty to ensure that appropriate advice is tendered to the Board, the Transitional Leadership Group, and other decision-making bodies on all matters of financial propriety and regularity, and more broadly, as to all considerations of prudent and economical administration, efficiency, and effectiveness.
- (b) If the Accountable Officer considers that, despite their advice to the contrary, the Board or other decision making body is contemplating a course of action which they consider would infringe the requirements of regularity or propriety, and that they would be required to take action that is inconsistent with the proper performance of their duties as Accountable Officer, they should inform the SGHSCD's Accountable Officer, so that the Department if it considers it appropriate, can intervene and inform the Scottish Ministers. If this is not possible, the Accountable Officer should set out in writing their objection and the reasons, to the proposal. If their advice is overruled, and the Accountable officer does not feel that he or she would be able to defend the proposal to the Audit Committee of the Scottish Parliament, as representing value for money, he or she should obtain written instructions from the Board for which he or she is designated, and send a copy of their request for instruction and the instruction itself as soon as possible to the External Auditor and the Auditor General for Scotland.
- © The Accountable Officer must also ensure that their responsibilities as Accountable Officer do not conflict with those as a Board member. They should vote against any action that they cannot endorse as Accountable Officer, and in the absence of a vote, ensure that their opposition as a Board member as well as Accountable Officer is duly noted.

## **2.01(e) Absence of Accountable Officer**

- (a) The Accountable Officer should ensure that they are generally available for consultation, and that in any temporary period of unavailability a senior officer is identified to act on their behalf.
- (b) If the Accountable Officer would be unable to discharge their responsibilities for a period of four weeks or more, PSD Scotland will notify the Principal Accountable Officer of the Scottish Government, in order that an Accountable Officer can be appointed pending their return.
- (c) Where the Accountable Officer is unable by reason of incapacity or absence to sign the Annual Report and Accounts in time for them to be submitted to the Auditor General, the Board may submit unsigned copies, pending the return of the Accountable Officer.

## **2.02 Responsibilities of the Director(s) of Finance**

Without prejudice to the functions of any other officers of PSD Scotland the duties of the Director(s) of Finance shall include:

- (a) Provision of financial advice to the Board and its employees.
- (b) Implementing the Board's financial policies and for co-ordinating any corrective action necessary to further those policies.
- (c) Ensuring that sufficient financial records are maintained to show and explain the Board's transactions and to disclose, with reasonable accuracy, the financial position of the Board at any time.
- (d) The design, implementation, and supervision of systems of internal financial control incorporating the principles of separation of duties and internal checks.
- (e) The 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 and responsibilities.
- (f) Setting accounting policies consistent with Scottish Government guidance and generally accepted accounting practice.

## **2.03 Responsibilities of the Board**

- (a) The Board functions in accordance with the NHS Scotland Blueprint for Good Governance (Second Edition) (issued through DL (2022) 38) in 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 and influencing the Board's and the organisation's culture.

The Board has key functions for which it is held accountable by Scottish Government Health and Social Care Directorate on behalf of the Scottish Ministers:

- (b) to set strategic direction of the organisation within the overall policies and priorities of the Government and NHS Scotland, define its annual and longer-term objectives and agree plans to achieve them.
- (c) To oversee the delivery of planned results by monitoring performance against objectives and ensuring corrective action is taken where necessary.

## Public Services Delivery Scotland

- (d) to ensure that there is effective dialogue within the organisation and between the organisation and key stakeholders on its plans and performance and that these are responsive to the stakeholders needs.
- (e) to ensure effective financial stewardship through best value, financial control and financial planning and strategy.
- (f) to ensure that high standards of corporate governance and personal behaviour are maintained in the conduct of the business of the whole organisation; and
- (g) to appoint, appraise and remunerate senior executives.

In fulfilling these functions, the Board should:

- (h) specify its requirements in organising and presenting financial and other information succinctly and efficiently to ensure the Board can fully understand its responsibilities.
- (i) be clear what decisions and information are appropriate to the Board and draw up standing orders, a schedule of decisions reserved to the Board, and standing financial instructions to reflect this.
- (j) establish performance and quality targets that maintain the effective use of resources and provide best value.
- (k) ensure that management arrangements are in place to enable responsibility to be clearly delegated to senior officers for the main programmes of action and for performances against programmes to be monitored and senior officers held to account.
- (l) establish committees, including audit and risk and remuneration committees, on the basis of formally agreed terms of reference which set the membership of the committees, the limit to their powers, and the arrangements for reporting back to the Board; and
- (m) act within the statutory, financial, and other constraints.

## **2.04 Responsibilities of all Directors and Employees**

- (a) The Chief Executive shall have delegated authority from the PSD Scotland Board to secure the efficient operation and management of the full range of PSD Scotland activities in accordance with current policies of PSD Scotland within the limits of the resources available.
- (b) Directors of PSD Scotland have collective responsibility to exercise financial supervision, control, and monitoring by requiring the submission and approval of budgets within approved allocations, by defining and approving essential features of financial arrangements in respect of procedures and

## Public Services Delivery Scotland

- systems including the need to obtain best value, and by defining specific responsibilities placed on officers.
- (c) All directors and employees of the Board, severally and collectively, are responsible for:
- security of the Board's propriety.
  - avoiding loss.
  - exercising economy and efficiency in the use of PSD Scotland resources.
  - complying with the requirements of the Board's Standing Orders, Standing Financial Instructions, Financial Procedures, and the Scheme of Delegation.
  - reporting on discovery of any non-compliance of the SFIs to the Director(s) of Finance.
- (d) The PSD Scotland Strategic Financial Principles must be adopted by all PSD Scotland staff in the exercise of their duties. See Appendix 2.
- (e) All staff must be aware of the Fraud Management Policy (including the Fraud Action Plan) and the Whistleblowing Policy. The Counter Fraud Champion is responsible for ensuring the requirements of Fraud Action Plan are met, and processes followed in every relevant situation.
- (f) The Director should ensure that these SFIs and associated documents are made known to all staff within the Directorates and ensure that they are adhered to.
- (g) Any contractor, or employee of a contractor, who is empowered by PSD Scotland to commit PSD Scotland to expenditure or who is authorised to obtain income will be covered by these instructions. It is the responsibility of the Director to ensure that such persons are made aware of this.
- (h) For all members of the Board and Transitional Leadership Group and employees who carry out a financial function, the form in which financial records are kept and the manner in which those members discharge their duties must be to the satisfaction of the Director(s) of Finance.
- .

## **Section 3: Code of Conduct**

### **3.01 Introduction**

The Model Code of Conduct for Members of Devolved Public Bodies was issued by the Scottish Ministers on 7 Dec 2021, with the approval for the Scottish Parliament, as required by the Ethical Standards in Public Life etc, (Scotland) Act 2000 . Its purpose is to set out the conduct expected of those who serve on the Boards of public bodies in Scotland.

The Code has been developed in line with the nine key principles of public life in Scotland. The financial responsibilities are set out in this section. The code of conduct for Board members of PSD Scotland are discussed further in the PSD Scotland standing orders.

### **3.02 General Principles**

There is a general presumption against the giving or receipt of gifts and hospitality by employees of PSD Scotland. All employees should: -

- Not put themselves in a position where their official and private interests may conflict.
- To be aware of the presumption of influence on a potential purchasing decision or strategic decision relating to the business objectives of PSD Scotland; and
- Not make use of their official positions to further their private interests.
- These guidelines should be read in conjunction with section 3.12 on bribery.

### **3.03 Activities involving the use of official information or experience.**

Any employee of PSD Scotland (other than medical or dental staff engaged in clinical practice) is required to obtain permission from the relevant Director, before undertaking any form of private work which involves the use of official NHS information or their NHS experience.

All media broadcasts or television appearances by employees of PSD Scotland on matters relating to the work of PSD Scotland should be regarded as official duty, and no question of payment to individuals will normally arise. However, if the work of preparation for the media broadcast/television appearance involves private, as well as official time, the Chief Executive may, at their discretion, allow an employee to retain the whole or part of any fee as appropriate.

### **3.04 Outside Occupation**

Employees of PSD Scotland are not allowed to accept any outside employment which would require their attendance at any time during their normal working hours with PSD Scotland. Employees should notify PSD Scotland if they propose to take up outside employment which would, when both or more employments are combined, result in their average working week exceeding the maximum working week laid down in the Working Time Regulations 1998, currently 48 hours per week.

Employees are advised not to engage in outside employment which may conflict with their NHS work or be detrimental to it.

### **3.05 Confidentiality**

No employee of PSD Scotland shall use for their own benefit or gain, or divulge to any persons, firms, companies, or other organisation whatsoever, any confidential information belonging to PSD Scotland, or relating to its affairs or dealings, which may come to the employee's knowledge during the course of their duties.

Employees 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. Employees should note that if they cannot obtain such express consent, they should assume it is not given.

Notwithstanding this, any employee who has genuine concerns about operational issues and service delivery, particularly if the concerns relate to health and safety, malpractice or fraud has a right and responsibility to raise these. Further details of how staff should raise concerns are outlined in the PSD Scotland Whistleblowing policy and the Fraud Management Policy.

### **3.06 Contracts and use of services of PSD Scotland contractors**

On starting employment, all PSD Scotland staff must declare any financial interests or relationships (e.g. Honorary positions held) with any manufacturer, supplier, or contractor, with whom the PSD Scotland has, or is likely to enter into a contractual relationship, or any financial or other interests which may affect PSD Scotland's decisions. In addition, any employee engaged in ongoing activity or a project involving third parties must declare any relevant financial or other interests at the earliest opportunity to their Director and comply with any consequent requests or instructions made by PSD Scotland. Any PSD Scotland staff leading activities or projects with third parties must, at initiation and at all meetings, thereafter, seek positive confirmation as to any such interests which those PSD Scotland staff present may have and take action accordingly. Any

interests declared must be properly recorded in the minutes and records of the meetings.

Board Members have a duty to declare any interests at any meeting when they are acting in their capacity as a Board Member. If a Board Member declares an interest, then the Member must remove themselves from the meeting.

In addition, Board Members, Directors, Senior Managers and Senior Procurement staff of PSD Scotland will be asked quarterly to confirm their declarable interests.

No employee of PSD Scotland may purchase goods from, or use the services of, a contractor on preferential terms for private purposes, if these terms are given directly or indirectly because of the contractual or other official business relationship (whether potential or actual), between the contractor and PSD Scotland.

### **3.07 Acceptance of Gifts**

For the purpose of this section, a gift shall be taken to mean any personal, material and/or financial advantage or reward, which can include material items such as calendars, stationery etc.

Employees must never ask or seek any gift. Where gifts are sent to an employee, these should only be accepted when the gift is of minimal or nominal value and in any case where the value is presumed to be less than £5. All other gifts should be returned to the sender.

It is recognised that, on occasion, a gift may be received from a patient or a donor as a “thank you” for services received. These gifts would be difficult to refuse without causing offence. If they are of low intrinsic value, the principles outlined above should be applied. Should they be expensive, the Director should be consulted for a view on acceptance.

In all cases in relation to gifts, it is recognised that it is PSD Scotland who is the owner of the received gift and not the individual employee.

Casual gifts offered by contractors or others e.g. at Christmas time should be declined.

### **3.08 Acceptance of Hospitality**

For the purpose of this section, hospitality shall be taken to mean an offer of food, drink, invitations to events, travel, and/or accommodation.

As a guiding principle, hospitality should be refused. Modest hospitality, provided it is normal and reasonable in the circumstances, e.g. lunches in the course of working visits, may be acceptable when the scale of hospitality is similar to that which the NHS would be likely to offer in the circumstances. Where hospitality is provided at free events or conferences - where the object is to maintain knowledge or develop networks – this may be accepted, provided the hospitality is proportionate,

For the avoidance of doubt, tickets to national sporting events or similar should be refused.

### **3.09 Procedure for completing and recording forms.**

Full guidance on accepting and recording of gifts and hospitality can be found on the Service Now portal and the intranet.

### **3.10 Reporting**

An annual report of all accepted gifts and hospitality offered and accepted will be submitted to the TLG and Audit and Risk Committee for noting.

### **3.11 Use of official Accommodation, Equipment or Vehicles**

No employee of the PSD Scotland may make use of, or make available for use, official accommodation, equipment, supplies, services, or vehicles, for private purposes, without the prior permission of the Chief Executive.

Employees should not use, or in any way enable others to use, public bodies resources imprudently, unlawfully, for any political activities or matters relating to these or improperly.

Employees should not make inappropriate or unauthorised use of IT systems e.g. email and Internet access. The PSD Scotland guidelines governing the use of IT systems should be referred to for further guidance.

### **3.12 Bribery**

The Bribery Act 2010 came into force on 1 July 2011 and makes it a criminal offence to take part in 'active' or 'passive' bribery or to fail to prevent bribery in an organisation:

- (a) Active bribery (section 1 of the Act) makes it an offence for a person to offer, give or promise to give a financial or other advantage to another individual in exchange for improperly performing a relevant function or activity.
- (b) Passive bribery (section 2 of the Act) makes it an offence for a person to request, accept or agree to accept a financial or other advantage in exchange for improperly performing a relevant function or activity.
- (c) Bribery of a foreign public official (section 6 of the Act) makes it an offence to offer, promise or give a financial or other advantage to a

## Public Services Delivery Scotland

foreign public official with the intention of influencing the official in the performance of their official function. Previously such payments may have been known as Facilitation Payments.

- (d) Corporate offence (section 7 of the Act) states that an organisation may be liable if it fails to have adequate procedures in place to prevent bribery.

Employees must be committed to the prevention of bribery and all forms of corruption. PSD Scotland operates a zero-tolerance approach to bribery committed by any person working at PSD Scotland and any person who provides services for or on behalf of PSD Scotland and that any allegation of bribery by a Board member or employee will be investigated in accordance with relevant processes and procedures and may be reported to the authorities, as appropriate.

The PSD Scotland approach to addressing fraud, which includes bribery, is set out in Section 4.

## **Section 4: Suspected Theft, Fraud and Other Irregularities**

### **4.01 Introduction**

This section should be read in conjunction with the Fraud Management Policy, the Fraud Strategy, and the Fraud Action Plan.

The following procedures should be followed, as a minimum, in cases of suspected theft, fraud, embezzlement, corruption, bribery or other financial irregularities to comply with the above guidance.

In addition, guidance and recommendations issued from time to time by PSD Scotland - Counter Fraud Services (CFS) to combat fraud should also be considered and implemented where necessary.

### **4.02 Theft, Fraud, Embezzlement, Corruption, Bribery and Other Irregularities**

The Accountable Officer is responsible for having adequate arrangements in place to counter fraud within the health board. In line with central guidance, these arrangements should encompass robust systems for the prevention, detection, and investigation controls to reduce the risk of fraud and contribute to the promotion of a counter fraud culture.

PSD Scotland has a Fraud Management Policy and Action Plan which supports the CFS fraud strategy. All PSD Scotland staff should be aware of the content of this policy and their responsibilities in relation to the prevention and detection of fraud including bribery and corruption and their duty to report any suspicious activity.

The Fraud Action Plan is reviewed annually, amended as appropriate, and submitted to the Audit and Risk Committee for re-endorsement annually.

The Board has the responsibility to designate an Executive or Non-Executive Member of the Board who is also a member of the Audit and Risk Committee as the Counter Fraud Champion (CFC). Their role is to influence cultural change within the organisation and raise the profile of counter fraud initiatives and publicity across the organisation. The CFC will support the Fraud Liaison Officer (FLO), whose role it is to coordinate action where there are reasonable grounds for believing that an instance of fraud, theft, embezzlement, corruption, bribery, or other financial irregularity has occurred. Contact details for the CFC and FLO can be found in the Fraud Management Policy and on the PSD Scotland intranet.

It is the FLO's responsibility, supported by the CFC where appropriate, to inform as they deem appropriate, the Police, Counter Fraud Services (CFS), the

appropriate director(s), the Appointed External and Internal Auditors, the Chief Executive and the Chair of the Audit and Risk Committee, where such an occurrence is suspected. It should be noted that CFS does not routinely investigate the crime of theft, unless systematic losses have occurred, and the use of covert surveillance is being considered.

Where any officer has grounds to suspect any of the above activities has occurred, they should report this to the FLO without delay. The FLO will ensure that there is consultation with CFS as set out in the Fraud Management Policy. It is essential that preliminary enquiries are carried out in strict confidence and with as much speed as possible.

Where the suspicion involves an Executive or Non-Executive Director the matter will be reported to the CFC. It is the CFC's responsibility, supported by Counter Fraud Services, to co-ordinate any such investigation. The CFC will inform the appointed External and Internal Auditors and the Chair of the Board, where the allegation relates to the Chair of the Board the CFC will inform Scottish Government.

If, in exceptional circumstances, the CFC, the FLO and the Head of Internal Audit are unavailable the officer should report the circumstances to the Chief Executive who will be responsible for informing CFS. As soon as possible thereafter the FLO should be advised of the situation.

Where preliminary investigations suggest that prima facie grounds exist for believing that a criminal offence has been committed, CFS will undertake the investigation on behalf of, and in co-operation with PSD Scotland. At all stages the CFC, the FLO and the Head of Internal Audit will be kept informed of developments on such cases. All referrals to CFS must also be copied to the Appointed Auditor.

### **4.03 Remedial Action**

As with all categories of loss, once the circumstances of a case are known the FLO will be required to take immediate steps to ensure that so far as possible these do not recur. However, no such action will be taken if it would prove prejudicial to the effective prosecution of the case. It will be necessary to identify any defects in the control systems which may have enabled the initial loss to occur, and to decide on any measures to prevent recurrence.

### **4.04 Reporting to the Scottish Government Health & Social Care Directorate (SGHSCD)**

While normally there is no requirement to report individual cases to the Scottish Government Directorate of Health & Social Care there may be occasions where the nature and/or scale of the alleged offence or the position of the person or persons involved, could give rise to national or local controversy and publicity.

Moreover, there may be cases where the alleged fraud appears to have been of a particularly ingenious nature or where it concerns an organisation with which other public health sector bodies may also have dealings. In all such cases, SGHSCD must be notified by the Chief Executive or their representative of the main circumstances of the case at the same time as an approach is made to CFS.

### **4.05 Responses to Press Enquiries**

Where the publicity surrounding a particular case of alleged financial irregularity attracts enquiries from the press or other media, the Chief Executive will ensure that the relevant officials are fully aware of the importance of avoiding issuing any statements, which may be regarded as prejudicial to the outcome of criminal proceedings or potential actions of CFS. Advice on such issues will be provided by CFS.

### **4.06 National Fraud Initiative**

PSD Scotland participates in the National Fraud Initiative coordinated by the Audit Commission for the prevention and detection of fraud and other financial irregularity. As part of this initiative PSD Scotland is required to share financial data including payroll data with the Audit Commission who will compare this data with other public sector bodies to highlight potential fraud. PSD Scotland through the FLO will investigate all queries arising through the initiative and take action in accordance with its findings.

### **4.07 Whistleblowing**

PSD Scotland adopts the National whistleblowing standards and encourages all staff in PSD Scotland to raise any concerns where there is a risk of harm or wrongdoing (including where financial loss or misuse could ensue). Information on how to raise any concerns is available on the intranet.

Any issues raised will be investigated fully and impartially. Nobody will be unfairly treated for raising a concern, for having a whistleblowing allegation made about them or for cooperating with any investigation.

## **Section 5: Audit and Financial Performance Arrangements**

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

In accordance with Standing Orders the Board will establish an Audit and Risk Committee, with clearly defined terms of reference, which will provide an independent and objective view of internal control.

### **5.02 Finance and Resources Committee**

In accordance with Standing Orders the Board will establish a Finance and Resources Committee, with clearly defined terms of reference, which will provide an independent and objective view on any financial matters referred to it by the Board.

### **5.03 NHS Scotland Academy**

The PSD Scotland Board jointly governs with NHS Golden Jubilee, the work of the NHS Scotland Academy. This is undertaken via the NHSS Academy Executive Programme Board and Governed through the PSD Scotland Education Committee and the NHS Golden Jubilee Strategic Portfolio Governance Committee.

### **5.04 Director(s) of Finance**

The Director(s) of Finance is responsible for:

- a) ensuring there are arrangements to review, evaluate and report on the effectiveness of internal financial control including the establishment of an effective internal audit function.
- b) ensuring that the internal audit is adequate and meets the NHS best practice.

- c) ensuring that an Internal Audit Plan is prepared for the consideration of the Audit and Risk Committee. The plan must cover:
- strategic audit plan covering the coming three years; and
  - a detailed plan for the coming year.
- d) ensuring that an annual Internal Audit Report is prepared for the consideration of the Audit and Risk Committee. The report must cover:
- a clear opinion on the effectiveness of internal control in accordance with current controls assurance guidance issued by SGHSCD including for example compliance with control criteria and standards.
  - major internal financial control weaknesses discovered.
  - progress on the implementation of internal audit recommendations; and
  - progress against plan over the previous year.

The Director(s) of Finance, the Head of Internal Audit or their authorised representatives and CFS in relation to a fraud investigation will have authority, without necessarily giving notice, and on production of identification, to require and receive:

- 1) access at all reasonable times to any land, premises, or employee of PSD Scotland
- 2) 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 will have a duty to safeguard that confidential nature).
- 3) the production or identification by any employee of any PSD Scotland cash, stores, or other property under the employee's control; and
- 4) explanations concerning any matters under investigation.

### **5.05 Irregularities**

Whenever any matter arises which involves, or is thought to involve, irregularities concerning stores or other property of PSD Scotland or any suspected irregularity it will be notified immediately to the Fraud Liaison Officer (FLO) who will inform Counter Fraud Services and the Director(s) of Finance. Where appropriate, the Director(s) of Finance, will inform the Chief Executive and the Head of Counter Fraud Services.

Any decision to involve the police in cases of misappropriation and other irregularities not involving fraud or corruption will be taken by the Chief Executive and the Director(s) of Finance. Such decisions will be taken after obtaining appropriate advice from PSD Scotland Counter Fraud Services.

Further details pertaining to suspected theft, fraud, embezzlement, corruption, bribery, and other irregularities are contained at Section 4.

## 5.06 Audit Reporting

Annual and longer-term audit plans will be prepared and laid before PSD Scotland's Audit and Risk Committee for approval by 31 March preceding the audit year commencing 1 April, or at such other time as the Committee may approve.

## 5.07 Internal Audit

The role, objectives and scope of Internal Audit are set out in the NHS Internal Audit Standards and the Public Sector Internal Audit Standards recognising the importance of an independent and objective internal audit service working to the [NHS Internal Audit Standards](#) (2011). The work of Internal Audit is carried out primarily for the benefit of the Accountable Officer and Board/Executive of the organisation. The Head of Internal Audit, in accordance with the [Public Sector Internal Audit Standards](#) (2013), has a responsibility to provide an annual opinion on the overall adequacy and effectiveness of the organisation's governance, risk management and control processes. There is consequently a major synergy between the purpose of the Head of Internal Audit and the role of the Audit and Risk Committee.

The Internal Auditor shall have specific responsibility to review, appraise, and report upon:

- (a) controls to ensure achievement of PSD Scotland's objectives.
- (b) the extent of compliance with established policies, procedures, plans, regulations, and laws etc.
- (c) the extent to which PSD Scotland's assets and interests are accounted for and safeguarded from loss of any kind arising from: fraud and other offences, theft, accident, waste, extravagance, inefficient administration, poor value for money or other causes.
- (d) the suitability, reliability, and integrity of management information systems; and
- (e) the adequacy of follow-up action to their reports.

The Internal Auditors shall be accountable to the Audit and Risk Committee of PSD Scotland. The reporting and follow up systems for internal audit shall be agreed between the Accountable Officer, the Director(s) of Finance, the Audit and Risk Committee and the Chief Internal Auditor. The agreement shall be in writing and shall comply with the guidance on reporting contained in the NHS Internal Audit manual. The reporting system shall be reviewed at least every 3 years.

The Internal Auditors shall issue reports to the Director(s) of Finance, who shall refer audit reports to the appropriate officers designated by the Chief Executive. Failure to take any necessary remedial action within a reasonable period shall be reported to the Chief Executive.

Where, in exceptional circumstances, the use of normal reporting channels could be seen as a possible limitation of the objectivity of the audit, or where sufficient action

is not taken on matters of consequence, the Internal Auditor shall have direct access to the Audit and Risk Committee. In exceptional circumstances, where they deem necessary, the Internal Auditor shall have the right to report direct to the Chief Executive, PSD Scotland's Chair or the Chair of the Audit and Risk Committee.

At each meeting of the Audit and Risk Committee the opportunity should be given for the Chair of the Committee to meet with Non-Executive Members privately. At least twice a year the Chair of the Audit and Risk Committee and the Non-Executive Members should be provided with the opportunity to meet with the Chief Internal Auditor and External Auditors privately.

### **5.08 External Audit**

The Public Finance and Accountability (Scotland) Act 2000 places responsibility on the Auditor General for Scotland to decide who is to undertake the external audit of each health body in Scotland.

The External Auditor is concerned with providing an independent assurance on financial stewardship including best value, probity, material accuracy, compliance with guidelines and accepted accounting practice for PSD Scotland accounts.

The appointed auditor has a general duty to satisfy themselves that:

- the organisation's accounts have been properly prepared in accordance with directions given under the Public Finance and Accountability (Scotland) Act 2000.
- Proper accounting practices have been observed in the preparation of the accounts; and
- The organisation has made proper arrangement for securing economy, efficiency, and effectiveness in the use of its resources.

### **5.09 Service Audit**

A Service Audit under ISAE 3402 (the international standard for auditing controls in service organisations) will be undertaken for all services provided by PSD Scotland to NHS Boards which will impact on their financial statements.

The Service Auditor will provide an opinion during the year under review. This will be reported to management as soon as practically possible following the audit year in question.

The report will detail the exceptions that were identified during the course of the testing. [Management must respond formally to audit reports within two weeks of receipt](#)

Management will be required to ensure that action is taken to address the risks or issues identified by the agreed deadlines

The finalised reports will be provided to the responsible service Director, Director(s) of Finance, PSD Scotland's external auditor and reported to the Audit and Risk Committee by 30 May each year.

Periodic review of the actions taken will be carried out by the Service Auditors and the findings will be presented to the Audit and Risk Committee.

### **5.10 Risk Management**

The Chief Executive shall ensure that PSD Scotland has a Risk Management Strategy that is approved and monitored by the Audit & Risk Committee.

The Risk Management Strategy shall include:

- a Statement on the PSD Scotland approach to Risk Management,
- a summary of the PSD Scotland Strategy for Risk Management,
- details of the Structures in place to implement the strategy,
- details of the processes in place supporting the risk management structures,
- definition of the Risk Appetite i.e. the level of risk the board is willing to accept, and
- definition of responsibilities with regard to risk management

The Chief Executive is responsible for reviewing the effectiveness of the system of internal control, which includes the maintenance of a PSD Scotland risk register. The PSD Scotland risk register should be reviewed by the Board, Board Committees and Transitional Leadership Group and management teams as set out in the PSD Scotland Risk Management Approach.

The Directors are responsible for ensuring that risk registers are appropriately maintained and reviewed, and that appropriate risk management strategies and practices are adopted within their Directorates as outlined in the Risk Management Approach.

The Audit and Risk Committee is responsible for overseeing the risk management Strategy and the implementation and monitoring of risk management structures and processes for PSD Scotland.

The Director(s) of Finance will ensure that appropriate insurance and indemnity arrangements are in place in support of the risk management strategy.

## **Section 6: Financial Planning and Budget Control**

### **6.01 Introduction**

PSD Scotland has a responsibility to prepare and submit financial plans in accordance with the requirements of SGHSCD to the Board and to SGHSCD, ensuring that the budgets reconcile to such plans.

PSD Scotland will perform its functions within the total of funds allocated by Scottish Ministers and through income from other Health Boards and from other sources. All plans, financial approvals and control systems will be designed to meet this obligation.

PSD Scotland's income consists of four elements:

- the PSD Scotland baseline allocation which is to be treated as an aggregate sum.
- specific additional allocations of funding for projects and services sponsored by SGHSCD and managed by PSD Scotland on behalf of NHSScotland.
- bottom sliced allocation from other Health Boards to fund National Services provided by PSD Scotland; and
- Income earned from trading with other Health Boards and other third parties.

PSD Scotland's financial planning cycle in respect of all income and expenditure will be co-ordinated with its business planning arrangements and timetables as approved by the Board. The financial plans will be reviewed in detail by the TLG and the Finance and Resources Committee before being put to the Board for approval.

All requests for additional funding and income whether capital or revenue should be made using the Service Now Demand portal or the Corporate Radar. Additional funding requests will be approved and prioritised on both an annual basis through the annual financial planning process and monthly at the TLG meetings.

The funding for specific ring-fenced projects will be agreed in advance of the project's commencement with PSD Scotland and SGHSCD and will be supported by request through the Demand tool in the Service Now portal or through the Corporate Radar and an approved business case where required by SGHSCD. The Director(s) of Finance should be notified of any such projects at the earliest opportunity and will be responsible for ensuring funding is secured via additional allocations.

Services funded through bottom slicing will agree the budget with those Health Boards involved. Retrospective adjustments will be made at the same time for any over/underspend from the previous period.

The financial planning cycle in respect all PSD Scotland functions, including projects, programmes and services managed by PSD Scotland on behalf of NHSScotland will be co-ordinated with SGHSCD's planning cycle.

### **6.02 Preparation of budgets**

The Directors will prepare and submit budgets, which reconcile to the approved financial plan to Director(s) of Finance in line with the agreed timetable for PSD Scotland. Such budgets will:

- 1) be prepared within the limits of available funds as advised by the Director(s) of Finance or SGHSCD in the case of additional allocations.
- 2) meet any requirements of the Board and SGHSCD.
- 3) be in accordance with the aims and objectives set out in the Annual Delivery Plan and reflected in the Directorate's Business Plan
- 4) accord with workload, workforce plans, and funded establishment; and
- 5) identify potential risks and opportunities.

The Directors will be required to formally approve the delegated budget for their Directorate on an annual basis and notify the Director(s) of Finance of any subsequent changes to funding or spending requirements as soon as they become known.

### **6.03 New Funding Requests**

The Director is responsible for securing additional revenue or capital funds for new projects, programmes or services for PSD Scotland or delivered by PSD Scotland on behalf of NHSScotland. All additional funding, whether through PSD Scotland or SGHSCD allocations or income from health boards or third parties must be requested through the Business Case process in the Service Now Demand portal or the Corporate Radar. This will ensure the Board have full visibility of all funds they are accountable for.

Once approved these additional funds will form part of the budget for the duration of the project, programme, or service.

## **6.04 Systems of budgetary control**

The Director(s) of Finance will monitor financial performance against budget and will ensure that a performance management process is in place to periodically review the finance plan.

The Director(s) of Finance will have a right of access to budget holders on budget-related matters and be entitled to receive relevant information promptly and fully.

The Director(s) of Finance will devise, introduce, and maintain systems of budgetary control, and all staff of PSD Scotland will ensure compliance with these systems.

Such systems will incorporate:

- 1) Regular financial reports to the Board in a form approved by the Board containing:
  - a) income and expenditure to date showing trends and forecast year-end position.
  - b) capital projects spend and projected outturn against plan on a monthly basis.
  - c) comparison of the agreed annual workforce establishment to the actual in month, year to date and forecast position.
  - d) specific programme level reporting in respect of all major projects, programmes and services managed by PSD Scotland on behalf of NHSScotland, in line with the specific requirements defined by the Finance and Resources Committee.
  - e) explanations of any material variance from Directorate's Finance Plans (material being defined as the higher of 10% and £100,000). For the purpose of reporting, materiality should be considered in relation to the total income, and the total pay and non-pay expenditure; and
  - f) details of corrective action where necessary and the Director(s) of Finance view of whether such actions are sufficient to correct the situation.
  - g) investigation and reporting of variances from financial, workload and workforce budgets, including a requirement for finance staff to escalate any significant changes to income and expenditure to both the Director(s) of Finance and the Director.
- 2) Monthly reporting of the financial position to the Transitional Leadership Team and Scottish Government in the approved format.
- 3) monitoring of management action to correct variances; and
- 4) arrangements for the authorisation of budget transfers in the case of PSD Scotland's general allocation.

- 5) arrangements for the return of specific additional allocations or proposed virement in line with agreed conditions of funding award for funds managed by PSD Scotland on behalf of NHSScotland (see section 6.06 for rules of virement).

The Director is responsible for ensuring that:

- 1) any likely overspending or reduction of income, which is not offset by corresponding reduction in expenditure, which cannot be met by virement within agreed limits is not incurred without the prior consent of the Director(s) of Finance in respect of the general allocation, in addition to SGHSCD in respect of ring-fenced funds.
- 2) the amount provided in the approved budget is not used in whole or in part for any other purpose other than that specifically authorised subject to the rules of virement.

The monthly financial returns from Directorate's will report actual results and forecasts against a revised budget reflecting in year allocations.

### **6.05 Budget limits and Delegation**

The budgets adopted by PSD Scotland will be set so as to ensure that it meets the financial targets to contain its Revenue and Capital expenditure in each year within the limits approved by SGHSCD and to meet the targets set by SGHSCD regarding Cash Releasing Efficiency Savings (CRES) and cash requirement.

The Board will approve budget limits and set business performance targets for all.

Directorate's except in respect of earmarked funds allocated for specific purposes by SGHSCD. Overall responsibility for budgetary control will rest with the Chief Executive, who is the Accountable Officer of PSD Scotland

The Chief Executive will, in turn, delegate this responsibility to senior officers in PSD Scotland within the context of an agreed performance assessment framework.

Each Director is the designated budget holder and is accountable to the Chief Executive and to the Board for the financial performance of their Directorate.

The Chief Executive and delegated budget holders must not exceed the budgetary total or virement limits set by the Board or SGHSCD for National Services Directorate earmarked funding and other funds managed by PSD Scotland on behalf of NHSScotland (including eHealth) as set out in the Scheme of Delegation. Any budgeted funds within PSD Scotland's general allocation not required for their designated purpose(s) revert to the immediate control of the Chief Executive, subject to authorised use of virement (see below). In relation to earmarked funds and other funds managed by PSD Scotland on behalf of NHSScotland, budgeted funds not required for their designated purpose revert to the immediate control of either SGHSCD's

## Public Services Delivery Scotland

Director(s) of Finance or Health Board Chief Executives as appropriate, subject to the authorised use of virement (see below).

As part of monthly financial reporting arrangements, the Director with delegated authority to manage earmarked funds and other funds managed by PSD Scotland on behalf of NHSScotland, must report formally to the Director(s) of Finance where budgeted funds are not required.

The Director(s) of Finance will be responsible for making arrangements to return un-required funds to SGHSCD in line with agreed protocols.

Non-recurring budgets will not be used to finance recurring expenditure without the prior approval of the Chief Executive or Director(s) of Finance, or SGHSCD as appropriate.

Within PSD Scotland's general allocation, the Chief Executive, Director(s) of Finance or the Board, as appropriate, must approve expenditure not covered by an approved budget in advance. Further details are contained in the Scheme of Delegation.

Irrespective of the approved budget levels, commitment of expenditure by budget holders must comply with procurement rules (see section 7 to 11). Approval of any contract award should be in accordance with section 9 and the approval levels set out in 9.02 and 9.05 below.

### **6.06 Virement**

Virement is the re-allocation of budget authority. It involves reducing the level of budget at one or more Budget Centres and correspondingly increasing the level of budget at one or more other Budget Centres.

There is an over-riding requirement on the Board to contain expenditure within PSD Scotland's Revenue Resource Limit (RRL); it may, therefore, be necessary in certain circumstances for the Chief Executive to impose virement and vary the budget of an individual Budget Holder.

Subject to the foregoing rules, planned or fortuitous savings within delegated limits (see Scheme of Delegation) may be redeployed within PSD Scotland's general allocation provided that the Director has verified that:

- (a) they do not arise from major alterations in service provision.
- (b) they are not part of an efficiency savings initiative.
- (c) the level of service defined in the Business Plan has been or will be achieved.
- (d) details of the savings figures have been provided to the Director(s) of Finance.
- (e) non-recurring savings are not committed recurrently.

- (f) the Budget Centre in total is expected to remain within budget by the end of the year.
- (g) the alternative use does not conflict with PSD Scotland's policy.

In the case of NSD's earmarked funding allocation, the Director of NSD has delegated authority from SGHSCD and the Chief Executive to allocate revenue funds to national services, and to make a virement of funds between individual national services. Such actions should be within the earmarked allocation for commissioning national healthcare and screening services to ensure that the actual costs of specialist and screening services needed by residents of Scotland are met, as far as possible, within the overall earmarked allocation made available by SGHSCD, provided that:

- a) the level of service defined in National Healthcare and Screening Service Agreements has been or will be achieved.
- b) waiting times are within the limits set by SGHSCD.
- c) funding shifts do not generate major service change unless prior approval by SGHSCD has been granted.
- d) use or application of savings across the total earmarked funds of NSD (subject to the virement reference above) should be agreed in conjunction with the relevant funding bodies, i.e. SGHSCD for top sliced allocation for designated specialist and screening services and NHS Boards for NHS Scotland financial risk share arrangements; and
- e) savings against earmarked funds of NSD will not be used to support PSD Scotland activity; similarly, PSD Scotland funds will not be used to support activity funded through NSD.

The Director of NSD must report significant virements to the Director(s) of Finance in the first instance and to the National Corporate Finance Network. This will also be reported to PSD Scotland Sponsor Team.

Virement within earmarked capital / non-recurring funds and in respect of funding managed by PSD Scotland on behalf of NHSScotland is only permitted with prior approval of SGHSCD.

For the avoidance of doubt, virement between projects and programmes within eHealth must be specifically approved by the Deputy Director (eHealth) in SGHSCD.

All virements must be recorded and approved in the finance ledger against the appropriate service.

## **6.07 Family Health Service Payments**

PSD Scotland is responsible for the payments to primary care practitioners on behalf of the NHS Scotland territorial Health Boards. Cash is drawn down from

## Public Services Delivery Scotland

Scottish Government on a monthly basis to ensure payment to all contractors under the Medical, Pharmacy, Dental and Ophthalmic contractor streams. The Director of Primary and Community Care is responsible for the delivery of this service.

The Director(s) of Finance is responsible for:

- a) the accuracy and timeliness of the payments to practitioners and for the flow of accurate and timely information to practitioners, NHS Boards, and the SGHSCD regarding these payments.
- b) all aspects of financial control, the management of cash requirements and the processing of payments,
- c) setting the delegated authority limits for the authorisation of payments on a monthly basis,
- d) regular reviews of financial controls,
- e) reviewing and approving changes to financial controls and
- f) the payment of Scottish Infected Blood Scheme payments as directed by Scottish Government.

The Finance and Resources Committee will receive regular reports from the Director(s) of Finance on financial governance, control, and performance in year.

### **6.08 Financial consequences of change**

The Director(s) of Finance will 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 will advise on the financial and economic aspects of future plans and projects.

## Section 7: Resource Limits

### 8.01 General

PSD Scotland, as a Special Health Board, is required by statutory provision made under Section 85 of the National Health Service (Scotland) Act 1978, as amended by the Health Services Act 1980, to perform its functions within the total of funds allocated by the Scottish Government Health and Social Care Directorate. The financial targets which PSD Scotland must operate within are the:

- Revenue Resource Limit (RRL)
- Capital Resource Limit (CRL)
- Cash Requirement

The Director(s) of Finance shall ensure that all income and expenditure is identified correctly and accounted for in the relevant financial year.

The Director(s) of Finance shall, on behalf of the Chief Executive, request an appropriate level of Capital resource from the Scottish Government Health and Social Care Directorate. This may be in the format of a funding transfer from Revenue to Capital.

The Director(s) of Finance shall ensure that amounts drawn for PSD Scotland against the agreed cash limit are required for approved expenditure only.

The Director(s) of Finance will ensure that the cash balances held by PSD Scotland are not excessive but are sufficient to meet immediate liabilities. The Director(s) of Finance shall therefore ensure that due receipts are collected promptly and shall pay invoices in accordance with targets set by the Scottish Government Health and Social Care Directorate.

Payments shall not be made in advance of need and payments of due debts shall not be delayed artificially to a following financial year in order to manage cash balances at year-end.

In submitting the final requisition for a fiscal year, the Director(s) of Finance shall ensure that sufficient resources are available to meet financial commitments at the end of the year. The balances of accounts holding public funds will be maintained at the lowest practicable levels.

The Director(s) of Finance will review the RRL/CRL and Cash positions regularly to ensure that remain on target to meet its financial objectives.

The Director(s) of Finance shall provide reports to the Scottish Government Health

and Social Care Directorate in the form requested and in accordance with the guidance issued by the Scottish Government Health and Social Care Directorate.

## **Section 8: Staff Appointments, Remuneration, and related matters**

### **8.01 Remuneration Committee**

In accordance with Standing Orders, the Board will establish a Remuneration Committee, with clearly defined terms of reference, specifying which posts fall within its area of responsibility, its composition, and the arrangements for reporting.

The Remuneration Committee shall approve any changes to the remuneration, allowances, and conditions of service of the Chief Executive and other Directors in accordance with the Code of Corporate Governance, subject to advice from the Director of People /HR and any necessary SG agreement.

After approval by the Remuneration Committee, the Chair will personally authorise the payment of Performance Related Pay Progression (PRPP) for the Chief Executive. The Chief Executive will personally authorise the PRPP payment for the Executive and Senior Manager cohort.

The Remuneration Committee will approve all new or additional jobs created for Agenda for Change band 8d, 9 and Executive grades. In addition, they will agree all senior appointments where the lower half of the salary range will not secure the preferred candidate.

Subject to limits laid down in the Scheme of Delegation all early retirements, that meet the requirement for a two-year maximum pay-back period and result in additional costs being borne by PSD Scotland, will be submitted to the Remuneration Committee for consideration and recommendation to the Board.

Early retirements due to ill health are approved by SPPA and are usually out-with the remit of the Remuneration Committee, in any rare and exceptional case where additional costs may be borne by PSD Scotland this will be submitted to the Remuneration Committee for consideration and recommendation to the Board.

### **8.02 Staff Appointments**

The Board will delegate responsibility to a manager for:

- a) ensuring that all employees are issued with a Contract of Employment in a form approved by the Board; and
- b) dealing with variations to, or termination of, contracts of employment.
- c) both in a form which complies with employment legislation.

No officer of the Transitional Leadership Group or employee may engage, re-engage, or regrade employees, either on a permanent or temporary nature, or hire agency staff, or agree to changes in any aspect of remuneration:

- a) unless within the limit of their approved budget and funded establishment; or
- b) in exceptional circumstances if authorised to do so by the Chief Executive.

Prior to the filling of any vacant position within PSD Scotland, permission must be sought from the Group responsible for the review of vacancies. Only once a vacant position has been approved to be filled by the group, can recruitment to an open role commence.

Open roles should not be filled by agency staff without the express approval of the VMG but it should be recognised that permission to fill open roles through agency staff should only be sought in exceptional circumstances.

Where short term capacity is required over and above establishment workforce levels, agency staff may be utilised, subject to VMG approval, in exceptional circumstances.

The Board will approve or delegate to a Board Committee the approval of procedures presented by the Chief Executive for the determination of commencing pay rates, condition of service, etc, for employees.

All employee contracts will conform to relevant standard NHS terms and conditions. Any variation from standard terms and conditions will require prior approval of the Director of People/HR.

## **8.03 Processing of Payroll**

The Director(s) of Finance is responsible for ensuring that appropriate arrangements exist for:

- a) specifying timetables for submission of properly authorised time records, expense claims, and other notifications.
- b) the final determination of pay and allowances.
- c) making payment on agreed dates; and
- d) agreeing method of payment.

The Director(s) of Finance will issue instructions regarding:

- a) verification and documentation of data.

- b) the timetable for receipt and preparation of payroll data and the payment of employees and allowances.
- c) maintenance of subsidiary records for superannuation, income tax, national insurance contributions, and other authorised deductions from pay.
- d) security and confidentiality of payroll information.
- e) checks to be applied to completed payroll before and after payment.
- f) authority to release payroll data under the provisions of the Data Protection Act and National Fraud Initiative.
- g) method of payment available to employees and officers.
- h) procedures for payment by bank credit to employees and officers.
- i) procedures for the recall of cheques and bank credits.
- j) pay advances and their recovery.
- k) maintenance of regular and independent reconciliation of pay control accounts.
- l) regular reconciliation of key standing data between the payroll system and the Human Resources Business Systems.
- m) a system to ensure the recovery from leavers of sums of money and property due by them to PSD Scotland
- n) procedures and timetable for reclaiming expenses incurred wholly, necessarily, and exclusively for business purposes.
- o) Policy and procedures for the recovery of any over/under payments; and
- p) procedures for the regular review of protection payments to ensure compliance with policy.

Appropriately nominated managers and TLG members have delegated responsibility for:

- a) completing and authorising time records, and other notifications in accordance with the Director(s) of Finance /Director of People/HR instructions and in the form prescribed by the Director(s) of Finance /Director of People/HR.

- b) submitting time records, and other notifications in accordance with agreed timetables; and
- c) submitting termination forms in the prescribed form immediately upon knowing the effective date of an employee's or officer's resignation, termination, or retirement. Where an employee fails to report for duty or to fulfil Transitional Leadership Group obligations in circumstances that suggest they have left without notice, the Director(s) of Finance and payroll must be informed immediately.
- d) Completion and signing of notification of change forms and such other documents necessary to the payment of staff following changes in employment status or terms and conditions of service shall be submitted via appropriate forms for processing through eESS and as close to the effective date of change as possible for the processing through payroll.

Regardless of the arrangements for providing the payroll service, the Director(s) of Finance will ensure that the chosen method is supported by appropriate (contracted) terms and conditions, adequate internal controls, and audit review procedures and that suitable arrangements are made for the collection of payroll deductions and timely payment of these to appropriate bodies.

## **8.04 Termination Settlements**

In the case of a termination settlement, a cost/benefit statement must be prepared for submission to the Director(s) of Finance to demonstrate the financial effect of the decision and agreed by the Chief Executive. This statement will be in a form approved by the Remuneration Committee. In all cases, the appropriate Director, the Director of People /HR, and the Director(s) of Finance must sign the statement in support.

Where the full cost of the settlement exceeds £95,000, the case must be submitted to the Chair of the Remuneration Committee for prior approval. The Chief Executive will be responsible for authorising settlements where the total cost is less than £95,000. An annual report of all such instances will be presented to the Remuneration Committee by the Chief Executive.

Approval from or notification to SGHSCD of any settlement agreements will be done in conjunction with relevant guidance issued by SGHSCD.

Prior to payment of any termination settlement the Head of Payroll Services will ascertain from the Director(s) of Finance and the Director of People/HR that the settlement has been duly authorised.

An annual report on voluntary severance agreements and any other voluntary resignations with a financial consideration that have been approved through the extant Scottish Government business case process and authorised by the Chief

Executive as Accountable Officer shall be presented to the Remuneration Committee in advance of the inclusion in the Annual Report and Accounts.

## **8.05 Organisational Change**

The Chief Executive has overall responsibility for Organisational Change in PSD Scotland. All organisational change will be carried out in partnership with full financial costings as part of any proposal.

## **8.06 Extension to Pay during periods of absence.**

The line manager with support from HR advisors is responsible for requesting an extension to pay during extended periods of absence. The Section 14 Workforce review panel, chaired by the Director of People/HR will assess the circumstances of the individual and where appropriate approve any extension to pay.

## **8.07 Ex Gratia Payments**

All ex-gratia payments made to staff will be approved in line with section 19 on losses and special payments. An annual report of all such payments in excess of delegated limits per Scheme of Delegation and Appendix I will be presented to the Audit and Risk Committee by the Director(s) of Finance.

## Section 9: Non-Pay Expenditure

### 9.01 Introduction

This section deals with obtaining goods, works or services solely for PSD Scotland use.

The PSD Scotland procurement team will provide advice and support to the Directorate's on all aspects of procurement to ensure compliance with all relevant Acts and regulations. The PSD Scotland Procurement Team will manage all route 2 and 3 procurement requirements as defined within the Scottish Government Procurement Journey,

Capital works must be undertaken in line with the requirements set out in the [Scottish Government Scottish Capital Investment](#) Manual and the [Construction Procurement Handbook](#) or any subsequent amendment or revision of those documents issued by Scottish Government.

It is the responsibility of everyone involved in the process of commitment of Non-Pay Expenditure to familiarise themselves with the requirements commensurate with their intended procurement. Guidance can be sought from and will be provided by the PSD Scotland Procurement team.

### 9.02 Delegation of Authority

Each Director will designate an officer(s) who will be empowered, within defined limits, to authorise the creation of PSD Scotland's official purchase orders on behalf of their respective Directorate. The authorisation of a Purchase Order commits expenditure on behalf of PSD Scotland and, following completion of the relevant procedures, the disbursement of PSD Scotland funds to the supplier.

### 9.03 Responsibilities

The Chief Executive is responsible for

- setting out procedures on the seeking of professional advice regarding the supply of goods and services in line with SGHSCD guidance and recognised best practice.

The Director(s) of Finance is responsible for ensuring:

- instructions are issued for staff regarding the handling, checking and payment of accounts and claims within the Finance Operations/Governance & Operations teams.

## Public Services Delivery Scotland

- where appropriate, the expenditure is in accordance with regulations, and all necessary authorisations have been obtained.
- the account is arithmetically correct.
- appropriate entries have been made in purchasing and payment systems, registers, inventories, stores, or similar records as required.
- appropriate expenditure code numbers are charged with the cost.
- payments for goods and services are only made once goods and services are received.
- appropriate segregation of duties for placing orders, receipting goods and services and authorising payment of invoices.
- ensure that appropriate arrangements are in place for the prompt payment of accounts and claims. Payment of contract invoices will be in accordance with contract terms, or otherwise, in accordance with national guidance.
- only invoices with a valid purchase order number will be paid.
- VAT has been appropriately applied; and
- the account is in order for payment.

The Director is responsible for:

- compliance with the guidance and limits specified by the Director(s) of Finance.
- the purchase of goods is in accordance with Scottish Government Procurement Journey and NHSScotland procurement policies.
- ensuring the procedures are followed when placing an order and invoking competitive quotation or tendering arrangements are outlined in Section 9.
- where consultancy advice is being obtained, the procurement of such advice must be in accordance with Section 11.
- goods and services are received timeously and accurately.
- no contract will be entered into, or purchase order issued for any item or items to any organisation or person which has made an offer of gifts, inducement, reward or benefit to directors or employees,

- no requisition/order or contract acceptance is placed for any item or items for which there is no budget provision unless authorised by the Director(s) of Finance on behalf of the Chief Executive.

### **9.04 Requisitioning of goods and services**

All procurement must be undertaken in line with the [Scottish Government Procurement Journey](#) including the requirements of the Public Contracts (Scotland) Regulations 2015, the Procurement Reform (Scotland) Act 2014, the Procurement (Scotland) Regulations 2016 and the principles set out in the Scottish Government's Scottish Procurement Policy Handbook 2008, and the Scottish Government's published Procurement Journey, including any subsequent revisions. In addition, as a result of the UK's exit from the European Union on 31 December 2020, The Public Procurement etc. (EU Exit) (Scotland) (Amendment) Regulations 2020 and The Public Procurement (Agreement on Government Procurement) (Amendment) Regulations 2021 also apply.

The requisitioner or officer placing the order, in choosing the goods to be supplied (or the service to be performed) and the procurement process to be followed must always seek to obtain the best value for PSD Scotland and NHS Scotland. In so doing, where deemed appropriate, the advice of PSD Scotland's procurement staff and where appropriate CLO shall be sought. Where this advice is not acceptable to the requisitioner, the Director(s) of Finance (and/or the Chief Executive) must be consulted.

Details of any such occurrences should be reported quarterly as appropriate to the Finance and Resources Committee

Full guidance for ordering and receipting of goods and services can be found on the knowledge base of the Finance and Procurement Service Now portal and SharePoint site.

PSD Scotland manage the "Payment on Behalf" process on behalf of NHS Scotland which eliminates the need for the transfer of cash between NHSScotland Boards for the payment of services. The process removes the need for Boards to raise Purchase Orders and invoices to one another and instead recognises the payments as a non-cash transfer. Where payments to other Boards are managed through this process, the Director(s) of Finance is responsible for ensuring that there is an authorisation process in place which assures that services have been received and payment authorised prior to the transfer being made. The Deputy/Associated Director(s) of Finance has delegated authority to approve the transfer request for PSD Scotland on behalf of the Director(s) of Finance.

## Section 10: Tenders, Quotations and Contracting Requirements

### 10.01 Introduction

These Standing Financial Instructions define the arrangements for tendering or receipt of quotations and contracting requirements. They apply for procuring or ordering goods or services for which no applicable public sector contract or framework agreement currently exists that PSD Scotland can use.

In accordance with CEL 05 (2012) where national, regional, or local contracts exist (including framework agreements) PSD Scotland will use these contracts. Only in exceptional circumstances and with the authority of the Director(s) of Finance, can goods or services be ordered out-with such agreements.

The Director(s) of Finance is responsible for ensuring the maintenance of systems for the invitation, receipt, safe-keeping and selection of tenders and quotations, which will include a register of tenders.

### 10.02 Thresholds for Purchasing of goods, services and works.

The thresholds for the purchasing/ordering of all goods, services and works are as follows: -

Thresholds	Purchasing Process
Contract value < £10,000	Achievement of best value should be demonstrated. Where possible, this will be through receipt of three competitive quotations from reputable suppliers. (In the absence of such quotes, the purchaser must be prepared to justify the procurement route chosen to the Director(s) of Finance if asked to do so).
Contract value > £10,000 and < £25,000. (except public works) * Public Works <£2m	PCS quick quote/Mini tender required -

## Public Services Delivery Scotland

<p>Contract value &gt; £25,000 and &lt; £50,000. (except public works)</p>	<p><a href="#">Procurement Journey Route 1</a> / <a href="#">Procurement Journey Route 2</a>.  (Procurement team will assess the <u>procurement journey route based on complexity and risk</u>)</p>
<p>Contract value £50,000 or more over its lifetime (4 years maximum) (except public works)  Public Works £2m or greater</p>	<p><a href="#">Procurement Journey Route 2</a>. This must be done with full advice and guidance of PSD Scotland procurement, CLO and other technical advisers as required. The contract must be advertised on Public Contracts Scotland.</p>
<p>Contract with an estimated value equal to or greater than the published thresholds detailed within <a href="#">SPPN 04/2025</a> (see 10.07 below)</p>	<p><a href="#">Procurement Journey Route 3</a> This must be done with full advice and guidance of PSD Scotland procurement, CLO and other technical advisors as required. The contract must be advertised on Public Contracts Scotland.</p>

*\*To support our SMEs (as defined by HMRC) and comply with Procurement Equality Duty and Fair Work principles, PSD Scotland may directly award contracts up to the value of £25,000 in line with procurement regulations.*

In order to ensure that best value is achieved it is essential that a sufficient number of competent, financially sound suppliers with adequate capacity to undertake the work or provide the goods or service are identified. As part of value for money, due regard to other relevant organisational policies is important, for example, policies in relation to corporate social responsibility, sustainability, and risk management.

In the case of Goods and Services, the estimated value of the contract must include all possible options under the contract. For example, if the contract allows PSD Scotland to aggregate requirements, purchase additional supplies or services or extend the contract period beyond its original duration, the financial implications of these must be included in the estimate of the potential contract value, even if the likelihood of taking up these options is small. This will assist in ensuring the appropriate best practice procurement route is chosen.

In the case of Works, purchasers are required to estimate the value of the whole works project, irrespective of whether or not it comprises a number of separate contracts for different activities, stages, or phases of an individual project.

In certain circumstances, public procurement regulations may not apply. This is permitted using the general exclusions and Specific Situations of the Public Contracts (Scotland) Regulations 2015 Sections 4 or 7 through 18 or by being a service listed in Schedule 3 of the aforementioned regulations. To ensure probity the Sole Source Justification/Waiver form should be completed in these

## Public Services Delivery Scotland

circumstances. If the purchase is of an ongoing nature, a single form for the requirement should be completed at the start of each financial year and attached to the initial Purchase Order for PSD Scotland Procurement records. All subsequent Purchase Orders should reference the initial Purchase Order number. The Sole Source Justification form is located on the Service Now portal at [Sole Source Justification - ServiceNow](#)) and the Waiver form can be found on the intranet. These exemptions require careful consideration, and the advice of the PSD Scotland Procurement team must be sought at the earliest opportunity if circumstances may require their use.

No tender may be invited for goods, services or works unless the estimated expenditure is included in the Directorate's Budget or Business Plan or has been previously approved by the Chief Executive.

Tender submissions should be sought by use of the SG supported e-Tendering system or the Public Contracts Scotland web portal or another approved Public Sector web portal.

All Tenders must be appraised against the Scottish Procurement Document (SPD). This is a statutory requirement that ensures all mandatory & discretionary exclusion criteria are appropriately assessed for each bidder. Where existing Framework Agreements are to be used, the procedures set out in that Agreement must be followed. Guidance on the use of the SPD should be sought at all times from the PSD Scotland Procurement team.

### **Single Tender Regulated**

Where, in exceptional circumstances, three competitive written quotations or tenders cannot be provided by reputable suppliers the tender process and selection must be approved by the Chief Executive or the Director(s) of Finance via a sole source justification on Service Now or a Waiver Form on the intranet. The Director(s) of Finance will present, on an annual basis, a report to the Finance and Resources Committee detailing the nature and justification for any such circumstances.

The Director must:

- be satisfied that all required processes and procedures in compliance with public procurement regulations have been adhered to prior to accepting a tender.
- ensure that all accepted tenders have the appropriate details entered onto the PSD Scotland contract register which will be maintained by the PSD Scotland Procurement Department.
- ensure that all tender documentation, reports, and records must be retained and stored in line with PSD Scotland document management and retention policy.

- ensure that every contract contains a clause entitling PSD Scotland to cancel the contract and to recover from the contractor the amount of any loss resulting from such cancellation if the contractor or their representative, with or without their knowledge, has colluded in tendering for the contract or any other contract with PSD Scotland or has employed any corrupt or illegal practice in obtaining or executing that or any other contract with PSD Scotland.

An officer or executive having a pecuniary interest, whether direct or indirect, in any tender with PSD Scotland must declare this interest to the Director(s) of Finance who must ensure such details are entered in the Register of Pecuniary Interest. Such officers must also disqualify themselves from any involvement in the tender procedures.

Except where otherwise agreed all contracts will be in writing and subject to the Law in Scotland.

### **10.03 PSD Scotland Contract / Framework Agreement**

Prior to award on behalf of PSD Scotland itself of any contract or Framework Agreement or call off by PSD Scotland of any Framework Agreement (or extension of any contract or Framework Agreement or call off same), where the annual amount (or amount relating to the extension period if shorter) which PSD Scotland is committing to pay is:

- less than £50,000, three quotes are required, and approval is required from the Director of Procurement or Director of Finance
- £50,000 to £100,000 must follow formal procurement regulations and approval is required from the Director.
- more than £100,000 but less than £500,000 approval is required as above and the Contracts Approvals Board and the Director(s) of Finance
- more than £500,000 but less than £1 million approval is required from Contracts Approvals Board and then from the Chief Executive.
- More than £1m are reported to the PSD Scotland Board through the Finance and Resources Committee, following approval from the Chief Executive as above.

## 10.04 Contract Extensions

Wherever practicable, approval for contract extensions should be sought on a timely basis so that should extension approval not be granted that there is sufficient time to run the appropriate procurement process set out in these SFIs. For all contract extensions which require authorisation by the Chief Executive or the PSD Scotland Board, PSD Scotland procurement must seek CLO advice and ensure approval is sought in sufficient time to run an appropriate procurement process or an exemption must be agreed by the Chief Executive and reported to the PSD Scotland Board.

## 10.05 Contracts on behalf of Scottish Ministers, NHSScotland or other public bodies

Prior to the new financial year, the Director of National Procurement will provide the Finance and Resources Committee with a procurement strategy detailing all planned contracts/framework agreements awards. Based on an assessment of financial and reputational risk the Committee will identify those contracts/framework agreements which will require approval by the Board.

For contracts/framework agreements awards not identified as requiring Board approval by the Finance and Resources Committee the following approval strategy will apply based on the estimated/expected **total annual value** or uptake under the Contract or Framework Agreement:

- less than £2 million, approval is required from the Director of National Procurement, and the Director of DaS for IT-related contracts.
- more than £2 million approval is required from the Contracts Approvals Board (Chief Executive, Director(s) of Finance, Director of National Procurement, Head of Strategic Sourcing, Head of Procurement and Commercial and for IT approvals the DaS Director).
- more than £5 million, approval is required from the Chief Executive of PSD Scotland following the Contracts Approval Board.

No award or execution of a contract or a Framework Agreement shall be made by or on behalf of PSD Scotland without appropriate authority or in advance of an Approval Certificate being issued.

All PSD Scotland officers and employees should be aware of the importance of acting within statutory powers and functions and the requirement of written records.

Verbal contracts are not acceptable. Care must be taken to ensure Contracts and/or Framework Agreements are not concluded informally. Correspondence on contractual issues should contain a statement that the letter or e-mail is not intended to form a contract and that PSD Scotland will not be bound by any

terms unless and until incorporated within a formal award or document entered into by PSD Scotland which satisfies Section 3 of the Requirements of Writing (Scotland) Act 1995.

## **10.06 NHS Scotland Health Board Capital Expenditure Procurements**

Where Equipping Projects are performed by PSD Scotland, either by direct engagement or under a Service Level Agreement (SLA) with Health Boards and under their own SFIs, with Purchasing Approvals on spend by the Health Board Project Teams under their Capital Expenditure Budget for the Project and with our Procurement Team operating as a proxy Health Board procurement team, the following approval levels will apply.

- less than £100,000, approval is required from the relevant procurement Category Manager
- more than £100,000 but less than £500,000, approval is required from the Head of Strategic Sourcing
- more than £500,000, approval is required from the Director of National Procurement

The above approval levels only apply to contracts where purchase orders are raised by Health Boards and there is no PSD Scotland financial commitment.

## **10.07 Advertising of contracts**

In accordance with the Procurement Reform Act (Scotland) 2014, any contract between £50,000 and threshold values set out in [SPPN 04/2025](#) over its lifetime is considered a regulated contract. Guidance in tendering these contracts must be in accordance with the Procurement Reform Act (Scotland) 2014, any contract between £50,000 and threshold value over its lifetime is considered a regulated contract. Guidance in tendering these contracts must be sought from PSD Scotland Procurement.

## **10.08 Signing of contracts.**

The official signing of any contract or framework agreement that requires Board approval (as per sections 10.02 and 10.04 above) will be sealed with the Common Seal of the Common Services Agency.

The Director(s) of Finance must ensure the segregation of duties between negotiating and the signing of contracts. Contracts entered into by PSD Scotland

for services for PSD Scotland or provided on behalf of NHSScotland must be approved by the Director(s) of Finance or the Chief Executive.

### **10.09 Record of contracts**

To effect compliance with the Procurement Reform (Scotland) Act 2014, PSD Scotland utilises the [Public Contracts Scotland](#) (PCS) web portal contract register functionality to maintain a public register of all contracts in excess of £50,000 in value. The Director(s) of Finance will receive a copy of the register on an annual basis.

### **10.10 Variations to contracts**

All agreements with suppliers/contractors to vary contracts for supplies/works of a revenue or capital nature must be in-line with procurement regulations and will require approval should additional expenditure meet thresholds detailed in line with Section 9.

Claims from suppliers/contractors which are not clearly within the terms of the contract concerned will be referred to the Procurement Department, who will inform the Chief Executive and/or Director(s) of Finance, if necessary, before agreement is reached and any payments are made.

Where completion of a contract is delayed the matter will be referred to the Director(s) of Finance for further action.

With regard to contracts for works (capital expenditure), the contract will specify the circumstances that will occur before a variation is appropriate. The officer authorised to supervise and control the work must ensure these conditions are observed before authorising any contract variation.

### **10.11 Interim and final payments**

Officers authorised by Directors to supervise and control work under contracts (including both revenue and capital contracts) will certify payments to suppliers/contractors and approve through the PECOS order system as work is completed.

### **10.12 Communications**

All contracts (other than for a simple purchase permitted within the Scheme of Delegation and excluding Service Agreements for national specialist healthcare and screening services), leases, tenancy agreements and other commitments

which may result in a liability must be notified to the Director(s) of Finance in advance of any commitment being made.

### **10.13 Contract and Supplier Management**

Each Directorate is responsible for ensuring that key contracts and suppliers are managed effectively to ensure agreements meet performance requirements and provide value for money.

Key suppliers should be identified and managed on a quarterly basis utilising the segmentation tool and balanced scorecard within the Scottish Government Procurement Journey.

An annual report will be submitted to the Finance and Resources Committee on supplier management activity.

## Section 11: Tenders, Quotations and Contracting Requirements for Research

### 11.01 Introduction

This section defines the arrangements for tendering or receipt of quotations and contracting requirements specifically for purchasing research services.

Research and development services, being a Specific Situation of the Public Contracts (Scotland) Regulations 2015, are generally considered an exclusion from the public procurement regulations.

However:

- a) if the benefits of the research accrue exclusively to PSD Scotland for use in the conduct of PSD Scotland's own affairs; **and**
- b) PSD Scotland wholly fund the research from its own budget, then the public procurement regulations do apply and section 9 of these SFIs applies rather than this section 10.

If only one or less of the above conditions apply then the research is considered an exclusion to the public procurement regulations as the research is not considered a commercial contract and the arrangements, as set out below, apply.

The Director is responsible for ensuring that all research contracts comply with current legislation and the Standing Financial Instructions (SFIs), as appropriate.

### 11.02 Thresholds for Purchasing of Research Services

The thresholds for the purchasing all research services are as follows: -

Thresholds	Purchasing Process
Contract value < £10,000	By value for money. Where possible, through receipt of three competitive quotations from reputable providers. (In the absence of such quotes, the purchaser must be prepared to justify the rationale for not seeking three quotations to the Director(s) of Finance (if asked to do so).

Contract value > £10,000 and < £50,000.	By invitation – seeking three quotations from reputable providers without having to advertise the research contract.
Contract value £50,000 or more over its lifetime (4 years maximum)	By advertisement – advertising the contract on the PSD Scotland site. This can be an open or restricted invitation to tender.

The other purchasing process that exists for research services:

- A non-competitive direct award process, used in exceptional circumstances, where three competitive written quotations or tenders cannot be provided. Notable reasons for awarding a research contract directly to a single, identified external research provider are extreme urgency or intellectual property rights.

In order to ensure that value for money is achieved a sufficient number of suitably qualified providers with adequate capacity to undertake the research services are identified.

The estimated value of the contract must include all possible options under the contract. For example, if the contract allows PSD Scotland to aggregate requirements, purchase additional supplies or services or extend the contract period beyond its original duration, the financial implications of these must be included in the estimate of the potential contract value even if the likelihood of taking up these options is small. This will assist in ensuring the appropriate purchasing process is chosen.

No tender may be invited for research services unless the estimated expenditure is included in the Directorate's Budget or has been previously approved by the Director(s) of Finance. Estimated expenditure must be approved prior to the purchasing process commencing.

### **11.03 Research contract award approval**

Prior to award on behalf of PSD Scotland of any contract, where the **total amount** (or amount relating to the variation if shorter) which PSD Scotland is committing to pay is:

- less than £50,000, three quotes are required, and approval is required from Director.

## Public Services Delivery Scotland

- £50,000 to £100,000, research contract is advertised, and approval is required from the Director.
- more than £100,000 but less than £500,000 approval is required as above and the Director(s) of Finance.
- more than £500,000 approval is required from the Director(s) of Finance and then from the Chief Executive.
- more than £1 million are reported to PSD Scotland Board through the Finance and Resources Committee, following approval from the Chief Executive as above.

### **11.04 Advertising and notification of research contracts**

In accordance with the Public Contracts (Scotland) Regulations 2015, research contracts, if they meet the criteria in section 10.01 above are considered excluded contracts. Research contracts above £50,000 over its lifetime are advertised on the PSD Scotland site.

All research tenders, above £50,000, are appraised against the Scottish Procurement Document (SPD). This ensures all mandatory & discretionary exclusion criteria are appropriately assessed for each bidder. Where existing Framework Agreements are to be used, the procedures set out in that Agreement must be followed.

A research contract with an estimated expenditure of more than £1 million (in total) will be notified to the Finance and Resources Committee, via the Director(s) of Finance at the contract advertisement stage.

### **11.05 Research contract agreement signature**

The official signing of any contract or framework agreement must follow the financial thresholds and associated personnel set out in section 9 above.

Except where otherwise agreed all contract agreements will be in writing and subject to the Law in Scotland.

### **11.06 Record of research contracts**

The Directorate must maintain a research contract register for all commissioned research contracts. The Director(s) of Finance shall receive a copy of the research contracts register as requested.

## **11.07 Interim and final payments**

Officers authorised by Directors to supervise and control work under contracts (including both revenue and capital contracts) will certify payments to suppliers/contractors and approve through the PECO's order system as work is completed.

## **11.08 Research contract variations**

Where research contract variations including extensions require additional expenditure, approval for the variation must be sought before agreement is made with the external research provider. For contract variations where the original contract was routed through the Research Office, the Research Office must be notified in the first instance. Approval shall be in line with the financial thresholds and associated personnel set out in section 9 above.

Contract variation agreement signature shall be line with section 9 above.

Wherever practicable, approval for contract variations including extensions should be sought on a timely basis so that should approval not be granted there is sufficient time to run a purchasing process as appropriate.

Claims from external research providers which are not clearly within the terms of the contract concerned will be referred to the Head of PSD Scotland Procurement, if necessary, before agreement is reached and any payments are made. Where completion of a contract is delayed the matter will be referred to the Director(s) of Finance for further action.

## **11.09 Research collaboration agreements**

Where research collaboration agreements require expenditure (including staff time) by PSD Scotland, approval for the collaboration must be sought before agreement is made with the other collaborators.

Collaboration agreement signature shall be line with section 3 above.

## **11.10 Communications**

All research contracts which may result in a liability must be notified to the Director(s) of Finance in advance of any commitment being made.

## Section 12: Appointment of advisers and non-permanent staff

### 12.01 Introduction

These Standing Financial Instructions define the procedures to be followed in the selection and appointment of Advisers and staff not on open-ended contracts and should be read in conjunction with Sections 8 and 9.

Provider	Process
Legal Advisers	CLO must act as appointed legal advisers on all legal matters unless approval has been granted by Chief Executive
Management Consultants/ Contractors (individuals and companies)	The authority limits in section 9 also apply. See sections 11.02 to 11.08 below
Agency staff	<p>In line with all establishment posts, agency and contractor staff will be recorded on the relevant PSD Scotland Business Systems to ensure compliance with the National Directory and NHS Mail access for all members of staff and to allow for effective monitoring of all staff across PSD Scotland. Agency staff must be appointed in line with the PSD Scotland Agency Workers Process including a requirement to utilise any national procurement framework or contract in place for such staff within NHSS. Completion of an online “check of employment status for tax” must also be carried out prior to the start of any engagement.</p> <p>The authority limits in section 9 also apply.</p> <p>The requirements of section 7.02 in respect of the restrictions on the use of agency staff should be clearly noted.</p>
Secondees	Before appointing any Secondees to work in PSD Scotland, the relevant Director must be consulted and their approval to proceed should be given prior to proceeding with any appointment
Temporary/Fixed Term Employees	Normal HR recruitment

## 12.02 Definition

Contractors are used by PSD Scotland -

- a) to provide specific expertise which may not be readily available within PSD Scotland.
- b) to perform a task within a defined time span; or
- c) to provide an outside objective view on a particular matter.

## 12.03 Specification of need

In considering the need for Management Consultants/Contractors it is essential that the following processes are adhered to: -

- 1) Define assignment to be undertaken: The nature of the task requires to be identified and a specification with the timescale prepared. This will enable the quantity and quality of professional skill required to be assessed.
- 2) Consider alternative means of undertaking assignment: Having prepared the specification it should be possible to consider whether the Directorate's own staff can undertake the assignment, within normal working hours, in overtime hours or on a secondment basis. If this is not possible the option of involving other Directorate's staff on a secondment or chargeable basis should be explored before any consideration of an outside source is made. Should outside support be necessary the suitability of temporary staff should be considered before finally deciding to progress to the process leading to the appointment of Management Consultants/Contractors.
- 3) Define the basis of the consultancy: It is necessary to decide the appropriate method of appointment, for example if the end date of the assignment and timescale can be clearly identified a block fee would be appropriate. However, it is recognised that it is not always possible to do this and in such circumstances a day rate basis would be appropriate.

## 12.04 Procedures for appointment

The applicable procurement procedures and limits set out in sections 8, 9 and 10 must always be followed.

## 12.05 Appointment considerations for the Director

- For each appointment, an online assessment through HMRC must be completed to determine the employment status for tax purposes for the engagement.

## Public Services Delivery Scotland

- Contract of employment and fee must be aligned to an established job description, any departure from this must be approved by the Director of People/HR and the Director(s) of Finance.
- Appropriate consideration is given to the particular experience and reputation of the individual(s)/organisation.
- The individual(s)/organisation is competent to undertake the assignment and retain documentary evidence of their consideration.
- Professional competence is vetted, and evidence retained.
- Where the appointment is made due to lack of specific expertise being available within PSD Scotland, arrangements should be made wherever practical for knowledge or skills transfer into PSD Scotland to occur. The anticipated knowledge or skills transfer should be documented and tracked thereafter.
- Conducting a review of the effectiveness and value for money of the assignment prior to the departure of, or as soon as practicably possible thereafter, the appointed Management Consultant/Contractor. Internal Audit, or any other body as may be required, should record the details of such review for the purposes of any subsequent independent scrutiny for ensuring that the work undertaken in the assignment has been carried out satisfactorily, will certify invoices for work done and will ensure that the fee charged is correct.
- Throughout the whole procurement process of developing need, specification, tendering, appointment and payment, the officers involved in the exercise are responsible for ensuring that best value for money is obtained.

### **12.06 Tendering Arrangements**

In all circumstances, the arrangements for tendering set out in Section 9 will be followed.

### **12.07 Functional continuity**

Where for whatever reason it is decided to extend the appointment of a Management Consultant/Contractor, and this will increase the value of the initial or current assignment sufficient to move it into a higher value band (see Section 9) the materiality of any such extension should be measured and appropriate legal advice sought from CLO prior to the approval of the Chief Executive and/or the Director(s) of Finance . The approval of the Chief Executive and/or the

Director(s) of Finance must be obtained before proceeding to extend the appointment.

CLO advice should be sought and the Chief Executive's and/or the Director(s) of Finance' approval must be obtained in all cases where the value or timescale of the extension cannot be estimated.

## **12.08      Audit and Risk Committee Reporting Requirements**

PSD Scotland's Audit and Risk Committee can, at any time, call for the justification of expenditure on Management Consultants.

The Director(s) of Finance will present, on an annual basis, a report to the Audit and Risk Committee detailing the nature of and expenditure incurred by each Directorate on the employment of Management Consultants in the preceding year.

## **Section 13: Income Generation and Intellectual Property**

### **13.01 Introduction**

This Standing Financial Instruction applies to all income generation (excluding SGHSCD allocations) entered into by PSD Scotland, whether or not contractually binding, for the supply of goods and/or services by it to another party and for which money will be receivable by PSD Scotland. It applies to “contracts” with NHSScotland bodies, other public sector bodies and to all arrangements with private sector bodies.

Contracts with SGHSCD are not subject to this section of the Standing Financial Instructions.

### **13.02 Authority Levels**

Directorate’s may enter into income generating activities with outside parties on their own authority provided that:

- 1) the limits set out in Scheme of Delegation are adhered to.
- 2) PSD Scotland’s standard terms and conditions of business/service level agreement apply.
- 3) if denominated in a foreign currency, approval has been obtained from Director(s) of Finance as described below; and
- 4) section 12.06 on legal entity participation or investment is not relevant.

Any income agreement which does not meet all of the criteria above requires prior approval by the Director(s) of Finance and/or Chief Executive.

Income agreements are frequently negotiated over a period of time which may be prolonged and often require to be ratified as soon as terms and conditions are agreed in order to avoid financial loss through further delay. Where authority from a higher level is required, officers should plan for and provide prior warning to all officers whose authority may be required.

### **13.03 Determination of charges**

Each Director will review on at least an annual basis the charges for services provided by the Directorate. Unless such charges are fixed externally or are governed by specific SGHSCD regulations and/or legislation, the Directorate income strategy, including charging principles and proposals for the revision of

charges, will be submitted to the Chief Executive and Director(s) of Finance for consideration and approval in advance of such revised charges being published. This will be formally approved as part of the annual business planning process.

In setting the level of fees and charges, Directors should ensure the full recovery of all costs including capital costs represented by capital charges. For recurring income streams there should be a yearly review as part of the budget process to ensure that full recovery of costs is being achieved.

Where day rates form the basis of any fees and charges the approved PSD Scotland Day rates should be used. Any variation from the approved day rates must be agreed with the Director(s) of Finance.

When deciding whether fees should be charged for courses, consideration must be given to both the source of the funding, and those participating in the courses. Where new courses are run that are not covered by baseline, nor by additional non-recurring funding from Scottish Government, fees should be set at a level which as a minimum covers the net costs to PSD Scotland for providing the course, including an appropriate share of overheads. Approval should be sought as per limits in Scheme of Delegation.

Planned cross subsidisation is not permitted and marginal costing may only be used when unplanned spare capacity arises during the year.

Charges to the private sector may be set at any level that the market will bear, provided the price covers all direct and indirect costs.

In order to preserve the real value of income, increases recommended should have regard to at least the current rate of inflation.

### **13.04 Foreign Currency**

Business should normally be conducted in sterling. Any Sales which are to be denominated wholly or in part in a foreign currency must be pre-notified to the Director(s) of Finance at the earliest opportunity.

Foreign currency transactions will normally only be acceptable in "hard" currencies such as US dollars, the Euro or Swiss Francs. Other major world currencies will be acceptable where business is conducted with the appropriate country.

Foreign currency transactions in excess of £2million require to receive advance authorisation through the Government Banking Service. Such transactions will be referred to the Director(s) of Finance for arrangement. Government accounting regulations require PSD Scotland to minimise the cost of its overseas (banking) transactions while protecting public funds against loss and uncertainty due to foreign exchange movements. PSD Scotland will therefore take steps to minimise its exposure to foreign exchange risks, for example by entering into forward exchange contracts, but must not speculate on foreign exchange movements.

## **13.05 Third party contracts and agreements**

Under certain circumstances, PSD Scotland may enter into non-financial contracts and agreements with third parties. All such agreements should be approved by the relevant Director. The Director should ensure that an appropriate approval process is followed prior to “sign off” in line with Scottish National Blood Transfusion Service Business Development Execution of Agreement Checklist.

## **13.06 Intellectual Property and Other Guidance**

The registration, other forms of protection, management, and exploitation of Intellectual Property Rights (e.g. a brand, patent, domain name, etc.) is subject to compliance with HDL(2004)09 A framework and Guidance on the Management of IP in NHSS, MEL (1998) 23 Policy Framework for the Management of IP within NHSS and PSD Scotland Intellectual Property Policy and Scheme of Delegation.

Where we wish to exploit our right or potential right commercially, it is PSD Scotland policy to take appropriate advice from legal and IP experts in concluding any agreements or licences necessary to deal with the commercial exploitation of IP owned or being developed by PSD Scotland. All proposals to commercially exploit our IPR must be fully costed, taking into account PSD Scotland policies on income generation, and must have the approval of the Director(s) of Finance and the relevant Director.

Consideration should be given to using the services of Scottish National Blood Transfusion Service’s Business Development Department which has particular expertise and experience in providing services necessary for the identification, protection, and exploitation of IP as this is a frequent occurrence within Scottish National Blood Transfusion Service R&D programmes and third-party collaborations. Any such requests should be made via the office of the Director, Scottish National Blood Transfusion Service. An annual report on all relevant IP activity facilitated by Scottish National Blood Transfusion Service Business Development Department will be provided to the PSD Scotland Board/ Chief Executive via the PSD Scotland Clinical Governance Committee.

Any request by a third party for permission to exploit PSD Scotland IPR commercially must be given reasonable consideration in compliance with the Re-use of Public Sector Information regulations, and any refusal must be recorded together with the rationale for refusal. PSD Scotland will, whenever appropriate, ensure that IP resulting from projects funded in whole or in part by NHS funds is exploited to the benefit of NES and ultimately NHSScotland.

As per the PSD Scotland Standard Terms of Purchase, where development forms part of a contract for supply of goods or services, right of ownership of any

invention, design or IP arising from such development shall be transferred to PSD Scotland as soon as any such right arises.

If the sale of any intellectual property rights is being considered, the income requirements set out above should be followed.

### **13.07 Notification of income to the Director(s) of Finance**

All accounts for income due to PSD Scotland will be raised under arrangements approved by the Director(s) of Finance.

The Director is responsible for the new projects, programmes or services for PSD Scotland or delivered by PSD Scotland on behalf of NHSScotland. All new income streams from health boards or third parties must be entered through the Business Case process in the ServiceNow Demand portal/Corporate Radar for approval by the appropriate authority and due diligence.

### **13.08 Recovery of outstanding debt**

The Director(s) of Finance will ensure that appropriate systems are maintained for the recovery of outstanding debts in line with the Debt Management Policy and the Salary Over and Under Payments Policy.

The Director(s) of Finance is responsible for the recovery of outstanding debts and will ensure agreed credit control procedures are exercised to minimise any loss to PSD Scotland.

Outstanding debts that are not recoverable and are to be written off will be dealt with in accordance with the approved procedures for losses (see Section 18 below).

## **Section 14: Capital Investment, Private Financing, Fixed Asset Registers**

### **14.01 Capital Investment**

The Director(s) of Finance and the Chief Executive will ensure that:

- a) there is an adequate appraisal and approval process in place for determining capital expenditure priorities and the effect of each proposal upon business plans.
- b) adequate arrangements are in place for the effective management of all stages of capital schemes and for ensuring that schemes are delivered on time and to cost.
- c) capital investment is not undertaken without confirmation of the availability of resources to finance all revenue consequences, including capital charges; and
- d) All capital programme requests are agreed and prioritised by the Property and Asset Management Board.
- e) For all capital expenditure a proposal should be produced in line with the PSD Scotland Business Case Process.

The Director is responsible for securing capital funds for new projects, programmes or services for PSD Scotland or delivered by PSD Scotland on behalf of NHSScotland. New projects must be requested through the agreed Business Case process. Funding will be approved and prioritised on an annual basis through the financial planning process, and any new requirements in year will be approved by the TLG at the monthly meeting. This will ensure the Board have full visibility of all funds they are accountable for.

The Director(s) of Finance will issue procedures for the regular reporting of expenditure and commitment against authorised expenditure.

The Chief Executive, Director(s) of Finance or the Board, as appropriate, must approve capital expenditure not covered by an approved budget in advance. Further details are contained at Scheme of Delegation.

The approval of a capital programme will not, of itself, constitute approval for expenditure on any scheme. The Director(s) of Finance will issue to the manager responsible for any scheme:

- a) specific authority to commit expenditure.
- b) authority to proceed to tender; and

- c) approval to accept a successful tender.

The Director(s) of Finance will ensure procedures governing the financial management, including variations to contract, of capital investment projects and valuation for accounting purposes are issued. These procedures will fully take into account the delegated limits for capital schemes included in guidance from SGHSCD.

## **14.02 Asset Registers**

Director(s) of Finance is responsible for the maintenance of registers of assets, including the form of any register and the method of updating, and arranging for a physical check of assets against the asset register to be conducted at least once a year.

The minimum data set to be held within these registers will be as specified in the Scottish Capital Accounting Manual as issued by SGHSCD.

Additions to the fixed asset register must be clearly identified to an appropriate budget holder and be validated by reference to:

- a) Properly authorised and approved agreements, architect's certificates, supplier's invoices, and other documentary evidence in respect of purchases from third parties.
- b) Stores, requisitions and wages records for own materials and labour including appropriate overheads; and
- c) Lease agreements in respect of assets held under a finance lease and capitalised.

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 authorisation documents and invoices (where appropriate).

There is a requirement to achieve the best price reasonably achievable when disposing of the assets belonging to PSD Scotland. Competitive tendering should normally be undertaken in line with requirements of the Board's tendering procedures.

Competitive tendering procedures shall not apply to the disposal of:

- a) Any matter in respect of which a fair price can be obtained only by negotiation or sale by auction as determined by the Chief Executive.
- b) Obsolete or condemned articles and stores, which may be disposed of in accordance with the supplies policy and recorded within the losses of the organisation.
- c) Items disposed of with an estimated sale value of less than £5,000.
- d) Items arising from works of construction, demolition, or site clearance which should be dealt with in accordance with the relevant contract; and

- e) Land or buildings concerning which Scottish Government guidance has been issued by subject to compliance with such guidance.

When evaluating options for the treatment of surplus assets consideration of the disposal of assets to community bodies will be included, where appropriate. This consideration should be consistent with the principles of Best Value, where wider public benefits may be achieved.

The Director(s) of Finance will approve procedures for reconciling balances on fixed assets accounts in ledgers against balances on fixed asset registers.

The value of each asset will be indexed to current values in accordance with methods specified in the Scottish Capital Accounting Manual issued by SGHSCD.

The value of each asset will be depreciated using methods and rates as specified in the Scottish Capital Accounting Manual issued by SGHSCD.

The Director(s) of Finance will ensure that capital charges are calculated and accounted for as specified in the Scottish Capital Accounting Manual issued by SGHSCD.

A small equipment registers as specified by the Director(s) of Finance will be maintained within PSD Scotland. This register will incorporate high value and portable items of equipment, e.g. IT equipment, which do not fall within the scope of Capital Expenditure. The register will be in a format approved by the Director(s) of Finance and a full count of identified items will occur at a time period specified by the Director(s) of Finance. Any discrepancies will be noted in writing to the Director(s) of Finance who will investigate as appropriate.

### **14.03 Security of assets**

The overall control of fixed assets is the responsibility of the Chief Executive.

The Director(s) of Finance must approve asset control procedures (including fixed assets and donated assets). This procedure will make provision for:

- a) Recording managerial responsibility for each asset.
- b) Identification of additions and disposals.
- c) Identification of all repairs and maintenance expenses.
- d) Physical security of assets.
- e) Periodic verification of the existence of condition of, and title to, assets recorded.
- f) Identification and reporting of all costs associated with the retention of an asset.

All discrepancies revealed by verification of physical assets to fixed asset register will be notified to the Director(s) of Finance.

Whilst each employee and officer have a responsibility for the security of the property of PSD Scotland, it is the responsibility of the Board and Transitional

## Public Services Delivery Scotland

Leadership Group members and senior employees in all disciplines to apply such appropriate routine security practices in relation to PSD Scotland property as may be determined by the Board. Persistent breach of agreed security practices must be reported to the Chief Executive

Any damage to PSD Scotland's premises, vehicles and equipment, or any loss of equipment, stores or supplies must be reported by Board and Transitional Leadership Group members and employees in accordance with the procedure for reporting losses. (See Section 18) Where practical, assets will be marked as PSD Scotland property.

Upon the closure of premises or transfer of functions a physical check of all items will be conducted. All items held will be detailed on a list certified by the responsible officer, together with their disposition.

## **Section 15: Banking arrangements**

### **15.01 General**

The Director(s) of Finance is responsible for the management of PSD Scotland's banking arrangements and for advising PSD Scotland on the provision of banking services and operation of accounts.

PSD Scotland will operate the bank accounts in accordance with all instructions from Scottish Ministers and His Majesty's Treasury in relation to the operation of bank accounts. All bank accounts will only be opened on the instruction of the Director(s) of Finance.

The Government Banking Service (GBS) will hold PSD Scotland's main bank account. Where necessary, subsidiary bank accounts will be held with a commercial bank. All such bank accounts should be authorised by the Director(s) of Finance.

### **15.02 Banking Procedures**

The Director(s) of Finance must agree in writing with PSD Scotland's bankers the conditions under which each account will be operated.

The Director(s) of Finance, will ensure that detailed instructions on the operation of bank and GBS accounts are prepared which must include:

- a) the conditions under which each bank account is to be operated.
- b) those authorised to sign electronic payments on PSD Scotland's accounts; and
- c) the arrangements to be made for payments that may be required in other currency denominations.

### **15.03 Payments and Approvals**

For payments generated from the Finance System, only one authoriser is required to approve payments using secure on-line access. However, all payments, including manual payments which exceed £50,000 require on-line approval from two authorisers. The Director(s) of Finance will specify all officers approved to authorise payments and BACS files.

The signatory(ies) will satisfy themselves that payments are correctly substantiated and are in respect of sums properly payable by PSD Scotland.

The Director(s) of Finance is responsible for ensuring the system of control of access to; and authorisation of payments from all bank accounts is robust and

administered appropriately using the systems provided by the banks. This system of administration will cover creation and prompt deletion of users as necessary to ensure the security of access and efficient management of the accounts.

The Director(s) of Finance shall ensure that PSD Scotland does not, without the approval of Scottish Government given as appropriate with the consent of Treasury, borrow or lend money nor give any guarantee, indemnity, nor letter of comfort.

### FOREIGN CURRENCY

Business should normally be conducted in sterling. However, some supplies need to be purchased using on-line foreign currency transactions through the Government Banking Services. The Director(s) of Finance will approve the currencies which are open to PSD Scotland for use through GBS.

Foreign currency transactions in excess of £2m require to receive advance authorisation through the Government Banking Service. Such transactions will be referred to the Director(s) of Finance for arrangement.

## **15.04 Bank balances**

All PSD Scotland accounts must be kept in positive balance. Any instance of an account being overdrawn, no matter how temporary, should be reported to the Audit and Risk Committee.

## **15.05 Provision of Imprests**

The Director may request the Director(s) of Finance to provide imprest accounts for the purposes of defraying minor expenses. The request will be in the form of a statement of case and will be by exception where existing processes cannot meet the requirement.

All imprest accounts will be reviewed annually for appropriateness.

## **15.06 Corporate Purchasing Cards**

The Director may request the Director(s) of Finance to provide the use of a corporate purchase card for the purposes of procuring goods and services, where only card payment method is available the request will be in the form of a statement of case and will be by exception where existing processes cannot meet the requirement.

It is the responsibility of the Director to nominate a card holder or card user for their own area.

All corporate purchase card transactions will be reviewed annually for appropriateness by the appropriate finance lead with the Director.

Daily and single transaction limits will be set by the Director(s) of Finance based on the expected use of the card. Increases to those limits must be submitted by the card holder and approved by the Director(s) of Finance.

## **15.07 Treatment of receipts**

The Director(s) of Finance is responsible for ensuring appropriate arrangements are in place for approving the form of all agreement forms, or other means of officially acknowledging or recording monies received or receivable.

All electronic receipts received on behalf of PSD Scotland will be recorded and deposited in accordance with the arrangements authorised by the Director(s) of Finance. No deduction may be made from such money to meet expenditure of any kind.

## **Section 16: Stocks and Stores**

### **16.01 Introduction**

Stocks and stores are those goods normally utilised in day-to-day activity but which at any point in time have not yet been consumed (excluding capital assets).

### **16.02 Custody of stocks**

The management, control and safe custody of stocks will be the responsibility of Directors who may delegate responsibility for specific items to appropriate managers.

The Directors will institute a system, approved by the Director(s) of Finance, for the management, control, and safety of stocks. Any stock loss should be considered for further investigation under Section 4 and any subsequent write off be dealt with in accordance with Section 18.

### **16.03 Stores records**

The Director(s) of Finance will specify the form of stores records to be utilised, in conjunction with the control systems in place.

### **16.04 Movement of stocks**

The Director(s) of Finance will ensure appropriate arrangements are in place to control the receipt and issue of stocks designed to safeguard the assets of PSD Scotland.

### **16.05 Valuation of stock**

Stock will be valued in line with agreed accounting practice. The use of average purchase price is deemed to represent cost where appropriate. Cost includes an appropriate allocation of overheads. Work in Progress will be valued at the cost of direct materials plus other conversion costs.

## **16.06 Slow moving and / or obsolete stock.**

Directors will institute a system, approved by the Director(s) of Finance, for the identification of slow moving and obsolete stock and for the condemnation, disposal, and replacement of all unserviceable items.

Those stocks that have deteriorated or are no longer suitable for their intended purposes or usable for any other reason or may become obsolete or deteriorate before all the stocks can be used, will be written down to their net realisable value. Where this is considered necessary, a report giving full reasons for the write down will be sent to the Director(s) of Finance in such a form to enable a report to be prepared for the Chief Executive and the Board of PSD Scotland. Details of all write downs will be included in the Annual Accounts of PSD Scotland and reported in accordance with the loss's procedures (see Section 19 and Appendix I).

Any stocks disposed of must be recorded and advised to the Director(s) of Finance for inclusion in such a form to enable a report to be prepared for the Chief Executive and the Board. The report will include details of the method of disposal employed, and the costs and/or income accruing.

## **16.07 Stock levels**

Directors will ensure that excess stocks are not held unnecessarily in any part of the supply chain.

Optimum levels of stock must be established by Directors and subjected to continuous monitoring and review as part of the management process.

Unless operational circumstances dictate otherwise, suppliers should be encouraged to hold goods until they are required by direct delivery.

## **16.08 Stock taking**

In order to monitor the effectiveness of measures taken to control stock, a regular programme of stock taking must be established. All stocks will be counted and recorded at least once during each financial year. Unless a programme for 'perpetual inventory' exists, all stocks will also be counted, valued, and reported as at 31 March each year.

## **16.09 Stock certificates**

At each year-end it will be the Directors responsibility to supply the Director(s) of Finance with a certificate for each store that details the value of stock held. The Director(s) of Finance will agree the precise format of this certificate.

## **16.10 Stocks held on behalf of SGHSCD**

PSD Scotland holds and manages a significant value of Scottish Government controlled stock including covid anti-viral, emergency planning and flu vaccination stock. The management of this stock is performed by PSD Scotland as governed by the service level agreement dated 1 September 2015 between PSD Scotland and SGHSCD. Regular reporting on this stock is provided by PSD Scotland to SGHSCD in line with the requirements as noted in the service level agreement mentioned.

## **16.11 Delegation of authority**

The Scottish Government Health Resilience Unit (SGHRU) team have delegated authority to purchase replenishment stock and issue stock from their Pandemic Stock to National Procurement for the following sectors:

- Healthcare Sector
- Acute Hospital Sector
- Independent Sector GP
- Scottish Ambulance Service
- Social Care Sector

## **16.12 Reporting**

The Director for National Procurement will maintain an accurate and up-to-date record of stock balances, issues, and replenishment order status. Weekly status reports and areas of risk will be provided and flagged.

## **16.13 Escalation**

In the event there is a dispute over the management of the stock this will be initially resolved at an operational level and if required escalated to the Director of National Procurement and the lead manager of the SGHRU.

## **Section 17: Annual Report and Accounts**

### **17.01 Introduction**

PSD Scotland is required under the terms of Section 86(3) of the National Health Services (Scotland) Act 1978 and the Public Finance and Accountability I(Scotland) Act 2000 to prepare and transmit the Annual Report and Accounts to the Scottish Ministers.

### **17.02 Basis for preparation**

The Scottish Ministers have issued an Accounts Direction in exercise of powers 1) of the National Health Service (Scotland) Act 1978 which contains provisions covering the basis of the preparation and form of the accounts. PSD Scotland shall comply with all these provisions. Subject to the foregoing requirement, the Annual Report and Accounts shall also contain any disclosure, accounting requirements which Scottish Ministers may issue from time to time.

The Annual Report and Accounts will comply with:

- International Financial reporting standards, as applied to the NHS.
- The accounting and disclosure requirements of the Companies Acts.
- The requirements of the Annual Accounts Manual issued by SGHSCD.

The Annual Report and Accounts shall give a true and fair view of the income and expenditure, total recognised gains and losses, balance sheet, and the cash flow statement.

### **17.03 Chief Executive Responsibilities**

Preparation of the Governance Statement, which he or she shall seek appropriate assurances from the Directors and that of the Head of Internal Audit, with regard to the adequacy and effectiveness of internal control throughout the organisation.

The Chief Executive shall arrange for the publication of the audited Annual Report and Accounts in such form as may be determined by the SGHSCD. The Annual Report and Accounts shall be published no later than nine months after the relevant accounting date, subject to confirmation that they have been formally laid before Parliament.

## **17.04 Director(s) of Finance Responsibilities**

- Will ensure the maintenance of such detailed financial records as are required under relevant statute and regulations that will form the basis for the preparation of the Annual Accounts of PSD Scotland. (see also Section 18 – Information Governance).
- Issue an Annual Report and Accounts completion timetable to Directorate's and Financial Services detailing requirements and associated responsibilities for the provision of information in support of the Annual Report and Accounts process.
- Agree with the External Auditors the timetable for production, audit and approval by the Board of the Annual Report and Accounts by for the Auditor General for Scotland and SGHSCD.

## **17.05 Approval of Annual Report and Accounts**

The Annual Report and Accounts will be reviewed by the Audit and Risk Committee, which has responsibility of recommending approval of the Accounts by the PSD Scotland Board. Under the terms of the Public Finance and Accountability (Scotland) Act 2000, Annual Report and Accounts may not be placed in the public domain, prior to them being formally laid before parliament.

Following the formal approval by PSD Scotland Board, the Annual Report and Accounts and relevant certificates shall be duly signed on behalf of the Board and submitted to the External Auditor for completion of the relevant audit certificates.

PSD Scotland will submit to SGHSCD the approved Annual Report and Accounts and such reports prepared in accordance with the requirements of SGHSCD and any relevant guidance contained in the Annual Accounts Manual issued by SGHSCD.

## Section 18: Information Governance

### 18.01 Financial Information Systems

The Director(s) of Finance, who is responsible for the accuracy and security of the financial data of PSD Scotland, will:

- a) devise and implement any necessary procedures to ensure adequate protection of PSD Scotland's financial data, and related computer hardware and software, for which s/he is responsible from accidental or intentional disclosure to unauthorised persons, deletion or modification, theft, or damage, having due regard for Data Protection principles.
- b) ensure that adequate controls exist over financial data access, entry, processing, storage, transmission, deletion, disposal, and output to ensure security, privacy, accuracy, completeness, and timeliness of the data, as well as the efficient and effective operation of the system.
- c) ensure that adequate controls exist such that the computer operation used in relation to financial procedures is separated from development, maintenance, and amendment.
- d) ensure that a secure, adequate, management (audit) trail exists through the computerised system used in relation to financial procedures and that such computer audit reviews as s/he may consider necessary are being carried out. All audit data will be held securely and only accessed by those authorised to access it in line with their business duties.
- e) all policies and procedures will be in line with PSD Scotland corporate information governance-related policies, procedures, and guidelines.

The Director(s) of Finance will satisfy themselves that new financial systems and amendments to current financial systems are developed in a controlled manner and thoroughly tested prior to implementation. Development, test, and live financial systems shall be appropriately segregated to reduce the risk of unauthorised access to and corruption of live data. Where this is undertaken by another organisation, assurances of adequacy must be obtained from them prior to implementation. Any new financial systems or amendments to existing financial systems must be implemented in line with NHS Scotland Information Security Policy and Standards including HDL (2006) 41 and DL (0215)17. Where the new system or amendment involves the processing of personal data then the development will follow appropriate assessment of any data protection risks.

In the case of all computer systems which are to be utilised by the majority of the Directorate's, the Director of DaS will be responsible for maintaining:

- a) details of the outline design of the system.

- b) in the case of packages acquired either from a commercial organisation, from the NHS Scotland, or from another public sector organisation, the operational requirement.

The Director(s) of Finance will ensure that contracts for computer services for financial applications with another health organisation or any other agency will clearly define the responsibility of all parties for the security, data protection, privacy, accuracy, completeness, and timeliness of data during processing, transmission, and storage. The contract should also ensure rights of access for audit purposes and that all applications and/or systems are purchased, developed, implemented, operated, and decommissioned in line with the NHS Scotland Information Policy and Standards. Where the contract includes the processing of personal information it will be set in compliance with Data Protection principles and NHS CEL 25 (2011).

Where another health organisation or any other agency provides a computer service for financial applications, the Director(s) of Finance will periodically seek assurances that adequate controls are in operation, and they conform to the NHS Scotland Information Security Policy and Standards. If this other organisation is processing personal data as part of the financial application, the assurances sought should, as a minimum, include those set out in NHS CEL 25 (2011).

Where computer systems have an impact on corporate financial systems the Director(s) of Finance will satisfy them self that:

- a) systems acquisition; development and maintenance are in line with corporate policies such as NHS Scotland Information Security Policy and Standards.
- b) data produced for use with financial systems is secure, adequate, accurate, complete, and timely, and that a management (audit) trail exists.
- c) staff authorised by/on behalf of the Director(s) of Finance staff have authorised appropriate access to such data in line with their job duties; and
- d) such computer audit reviews as are considered necessary are being carried out.

## **18.02 Data Protection Act**

PSD Scotland must comply with provisions and principles of data protection law, including, but not restricted to, the EU General Data Protection Regulation, the Data Protection Act 1998 and the Data Protection Act 2018 including any amendments, subsequent orders under the said Acts or revisions thereto.

PSD Scotland's nominated Data Protection Officer is responsible in overall terms for promoting and advising on compliance with the Acts. All staff members must act in compliance with the Acts by observing the PSD Scotland Data Protection Policy and approved Information Governance policy and guidelines.

## **18.03 Freedom of Information**

The PSD Scotland Freedom of Information, EIR & ROPSI Policy provides a framework for ensuring that PSD Scotland complies with the relevant legislation in respect of Freedom of information requests.

Further information is available on the Freedom of Information page of PSD Scotland intranet.

The three relevant pieces of legislation are:

- Freedom of Information (Scotland) Act 2002 (referred to in this Policy as “FOISA”)
- Environmental Information (Scotland) Regulations 2004 (“EIRs”)
- The Re-Use of Public Sector Information Regulations 2015 (“ROPSI”)

Any member of staff may receive a Freedom of Information or Environmental Information Regulation request, either via email, hand-written letter or verbally. On receipt of the request this should be sent to the Corporate FOI team.

## **18.04 Management, Retention and Disposal of Administrative Records**

PSD Scotland must comply with the Public Records (Scotland) Act 2011 and the records management guidance set out in the Records Management Health and Social Care Code of Practice (Scotland) 2020. This code of practice provides guidance on the retention and disposal of administrative records.

All records should be stored securely and in accordance with the PSD Scotland retention policy.

## **Section 19: Losses and Special Payments**

### **19.01 General**

SGHSCD has delegated authority to PSD Scotland to write-off losses and make special payments up to certain limits. Details are given in the Scheme of Delegation and Appendix I. For payments to be made above the levels specified SGHSCD prior approval must be obtained.

In accordance with the Scheme of Delegation and Appendix 1 the Chief Executive and Director(s) of Finance to approve write-off of losses and authorise special payments within the limits delegated by the SGHSCD as per Circular CEL 10 (2010).

On a regular basis and at least annually, the Director(s) of Finance on behalf of the Chief Executive will submit a report to the Audit and Risk Committee detailing all losses written off and special payments made.

The Director(s) of Finance is responsible for ensuring the maintenance of a Losses and Special Payments Register for recording: -

- the circumstances
- the amount / value involved.
- the action taken.
- the date of write-off authority

This Register will form the basis of PSD Scotland's Annual Scottish Financial Return (SFR 18) which is included in PSD Scotland's Annual Accounts.

The Chief Executive may delegate to nominated officers, authority to make ex-gratia payments below approved thresholds in line with procedures pertaining to such payments, e.g. compensation payments. All such payments must be notified to the Director(s) of Finance and reported to the Audit and Risk Committee on at least an annual basis and reported in the Annual Accounts in accordance with the approved procedure for losses.

The Director(s) of Finance will be authorised to take any necessary steps to safeguard PSD Scotland's interests in bankruptcies and company liquidations.

## **Section 20: Non-Public funds donated**

### **20.01 General**

Receipts of non-public funds such as donations and funds from charitable activities will be donated to the Territorial Health Board which is associated with the geographic source of the funds. Should there be any subjectivity over the geographic source of the funds, then the Director(s) of Finance will determine to which Territorial Board the funds should be passed to.

## **Section 21: Endowment Funds**

### **21.01 General**

Should the Board ever receive an endowment (NHS-linked charity), an endowment fund should be set up following regulations set out in 20.01 above. These were put in place to safeguard the use of NHS-linked charitable funds within the Scottish NHS.

## **Section 22 General Nursing Council (GNC) Fund: Registered Charity: SC015662**

### **22.01 General**

The GNC is a charitable trust and is registered with OSCR (SC015662) and constituted by deed which includes provision for the appointment and resignation of Trustees who manage the fund in the deliverance of its charitable purpose.

The GNC Fund was set up with the net proceeds from the sale of the former General Nursing Council for Scotland premises in Darnaway Street, Edinburgh by the National Board for Nursing, Midwifery and Health Visiting for Scotland, a predecessor body of PSD Scotland, in 1983.

The management of The Fund is the responsibility of the Trustees. The Trustees rely on the GNC Fund project team and disbursement panel to distribute information concerning The Fund to potential beneficiaries and to make recommendations to the Trustees concerning awards. The day-to-day financial management of the charity is delegated to the Director(s) of Finance at PSD Scotland.

The Trustees of the GNC may include PSD Scotland Executive and Non-Executive Directors and Board Members whose appointment will be endorsed by the PSD Scotland Board Chair. All Trustees act independently of the PSD Scotland Board.

The Trustees shall ensure appropriate arrangements are in place to maintain such accounts and records as may be necessary to record and protect all transactions and funds of the GNC Fund, including an Investments Register consistent with the current statutory requirements (Law Reform (Miscellaneous Provision) (Scotland) Act 1990).

The Trustees shall ensure that annual accounts are prepared within 9 months of the year end and in accordance with the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended), and that proper arrangements are made for these to be either independently examined or audited by a separately appointed External Auditor and submitted to the Office of the Scottish Charity Regulator (OSCR).

All share and stock certificates and property deeds shall be deposited either with the trustee body's Bankers or Investment Advisers, or in a safe, or a compartment within a safe, to which only a designated responsible officer will have access.

## Section 23 Joint Working Arrangements

### 23.01 General

PSD Scotland participation or investment in any legal entity (e.g. joint venture) is subject to prevailing legislation and SGHSCD guidance and is subject to approval by the Minister. Before proceeding, legal and procedural advice is required, and any activity in this area must be advised to and approved by the Director of Finance.

PSD Scotland has entered a joint arrangement with the NHS Golden Jubilee for the provision of the NHS Scotland Academy (NHSSA). The NHSSA is held accountable through the existing parent Board scrutiny and reporting arrangements.

Financial allocations for the NHSSA work are made to and managed by the respective parent Boards. Expenses and liabilities, and the accounting treatment of these, are recorded and reporting within each parent Boards own records. [IAS 31]

Participation or investment in any legal entity (e.g. joint venture) is subject to prevailing legislation and SGHSCD guidance and is subject to approval by the Minister. Before proceeding, legal and procedural advice is required, and any activity in this area must be advised to and approved by the Director(s) of Finance.

Joint working with pharmaceutical companies is permitted within certain parameters set out in the Scottish Government's guidance – A Common Understanding 2012 Working Together for Patients. The guide on joint-working between NHS Scotland and the pharmaceutical industry, should be applied to any such joint-working arrangement and will assist in developing local joint-working, governance, monitoring, and project arrangements. Such arrangements should also be reviewed in line with sponsorship and Intellectual property policies.

Joint working is also permitted with voluntary organisations, in the form of funding arrangements, subject to certain conditions. PSD Scotland can only directly fund a third sector organisation; whose role was in line with PSD Scotland's statutory purpose, strategic direction and roles and responsibilities.

## Section 24 Sponsorship

### 24.01 General

All sponsorship arrangements, entered into by PSD Scotland, must comply with the PSD Scotland Sponsorship policy and MEL(2000)13: “Fund Raising, Income Generation and sponsorship within the NHSS” at all times and be in accordance with the PSD Scotland Sponsorship Policy, as amended for arrangements within the NHS Scotland Academy (NHSSA).

Where sponsorship arrangements are entered into, they should be appropriate and discreet and not call into question NHSS funding of core business.

If sponsorship arrangements are agreed, the requirements set out in the income section 12 of the is document, should be followed.

# Appendix I

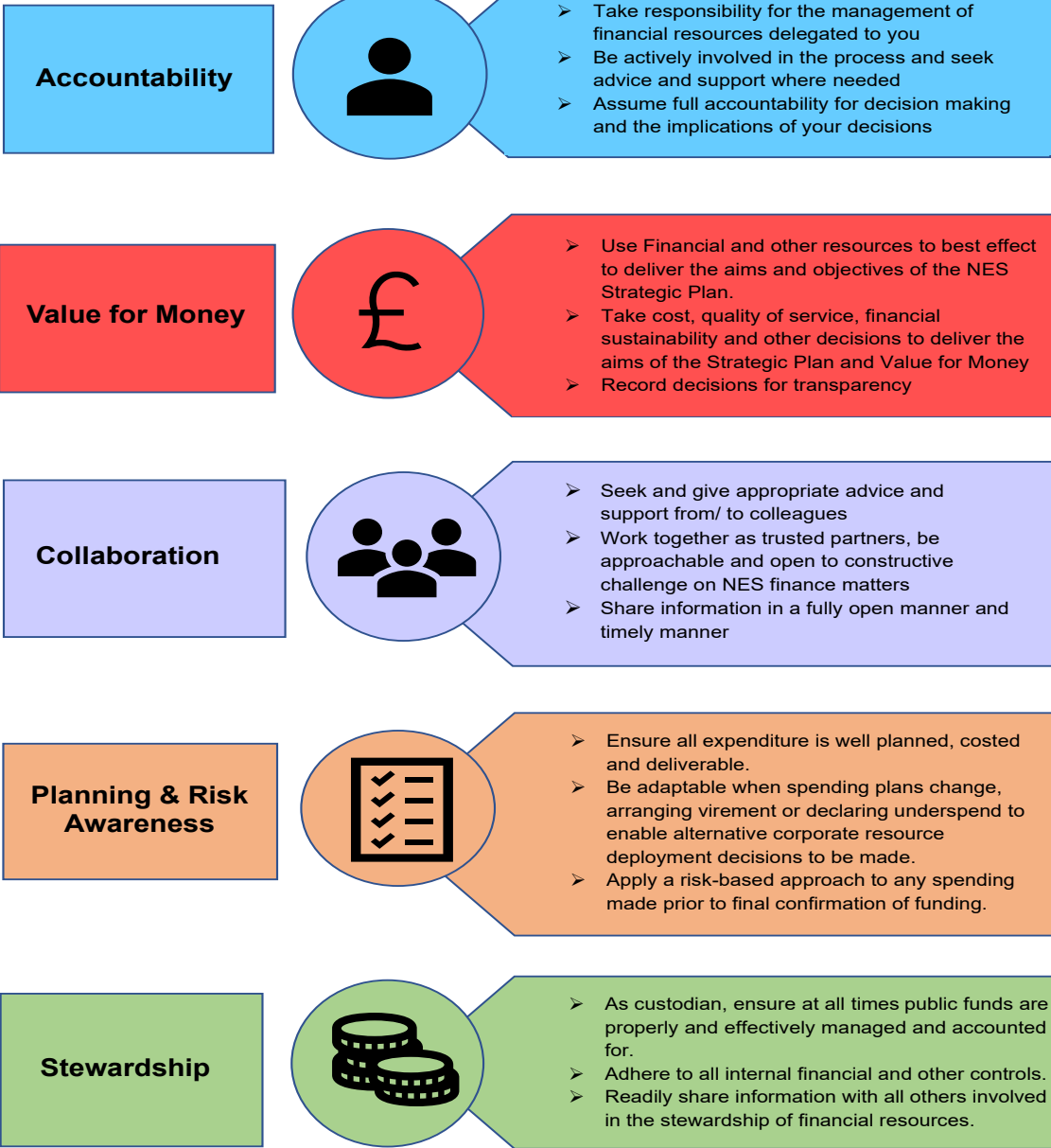
## Losses: delegated limits

Item No	Category of Loss	Delegate Authority (per case) £
<b>Theft /Arson/ Wilful Damage</b>		
1	Cash	15,000
2	Stores/Procurement	30,000
3	Equipment	15,000
4	Contracts	15,000
5	Payroll	15,000
6	Buildings & Fixtures	30,000
7	Other	15,000
<b>Fraud, Embezzlement &amp; other irregularities (including attempted fraud)</b>		
8	Cash	15,000
9	Stores/Procurement	30,000
10	Equipment	15,000
11	Contracts	15,000
12	Payroll	15,000
13	Other	15,000
14	Nugatory & Fruitless Payments	15,000
<b>Claims Abandoned</b>		
15(a)	Private Accommodation	15,000
15(b)	Road Traffic Accidents	30,000
15(c)	Other	15,000
<b>Stores Losses</b>		
16	Incidents of the Service	30,000
	- Fire	30,000
	- Flood	30,000
	- Accident	30,000
17	Deterioration in Store	30,000
18	Stocktaking Discrepancies	30,000
19	Other Causes	30,000
<b>Losses of Furniture &amp; Equipment and Bedding &amp; Linen in circulation</b>		
20	Incidents of the Service	
	- Fire	15,000
	- Flood	15,000
	- Accident	15,000

21	Disclosed at physical check	15,000
22	Other Causes	15,000
<b>Compensation Payments – legal obligation</b>		
23	Clinical	250,000
24	Non-Clinical	100,000
<b>Item No</b>	<b>Category of Loss</b>	<b>Delegate Authority (per case) £</b>
<b>Ex-gratia payments</b>		
25	Extra-contractual payments	15,000
26	Compensation payments – Ex-gratia - Clinical	250,000
27	Compensation payments – Ex-gratia – non-clinical	100,000
28	Compensation payments – Ex-gratia – Financial Loss	25,000
29	Other payments	2,500
<b>Damage to Buildings &amp; Fixtures</b>		
30	Incidents of the Service	
	- Fire	30,000
	- Flood	30,000
	- Accidents	30,000
	- Other causes	30,000
31	Extra-Statutory & Extra Regulatory Payments	Nil
32	Gifts in cash or in kind	15,000
33	Other Losses	15,000

# Appendix II

## Strategic Financial Principles



## Appendix III

### Director of Finance Checklist

Reference	Requirement	Frequency	Committee
1.04	Adverse Events to SFIs	Earliest opportunity	Finance and Resources Committee
9.04	Exceptions to procurement guidelines	Quarterly	Finance and Resources Committee
9.04	Advance payment (Non-finance, contractual) for goods and services	Annual	Finance and Resources Committee
11.02	Sole Source Justification/Waiver Report	Annual	Finance and Resources Committee
12.08	Spend on Management Consultancy	Annual	Audit and Risk Committee
15.03	Any Instance of being overdrawn with bank.	Earliest opportunity	Audit and Risk Committee
19.01	Report of losses and special payments	Annual	Audit and Risk Committee
19.01	Ex Gratia payments to staff	Annual	Audit and Risk Committee

## PSD Scotland Board

### Draft Committee Membership

Committee	Chair	Vice Chair	Non-Executive Members	Co-opted Members
<b>Audit &amp; Risk Committee</b>	Jean Ford	Beth Lawton	Paul Buchanan Shona Cowan Gordon Greenhill	
<b>Clinical Governance Committee</b>	Maria McGill	Olga Clayton	Keith Redpath Arturo Langa George Valiotis	
<b>Education Committee</b>	Olga Clayton	Maria McGill	Keith Redpath Arturo Langa Shona Cowan	
<b>Finance &amp; Resources Committee</b>	Gordon Greenhill	Annie Gunner Logan	Keith Redpath Paul Buchanan Olga Clayton Lisa Blackett	
<b>Remuneration Committee</b>	George Valiotis	Ian Cant	Keith Redpath Lynnette Grieve Lisa Blackett	
<b>Service &amp; Digital Transformation Committee</b>	Paul Buchanan (interim)	George Valiotis	Keith Redpath Annie Gunner Logan Gordon Greenhill Jean Ford	

<b>Staff Governance Committee</b>	Lisa Blackett	Lynnette Grieve	Keith Redpath Arturo Langa Shona Cowan Ian Cant	
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# Public Services Delivery Scotland

## BOARD ASSURANCE FRAMEWORK

DRAFT

Scotland

# Contents

<b>Forward .....</b>	<b>3</b>
<b>1. Introduction .....</b>	<b>4</b>
<b>2. The Assurance Framework within PSDS .....</b>	<b>5</b>
<b>3. The PSDS Board Assurance Framework.....</b>	<b>6</b>
<b>4. Assurance Routes.....</b>	<b>12</b>
<b>5. Internal Controls.....</b>	<b>14</b>
<b>6. Levels of Assurance .....</b>	<b>15</b>
<b>Appendix 1 – Assurance Routes.....</b>	<b>16</b>

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## Foreword

As Chair of the Board for Public Services Delivery Scotland (PSD Scotland), I am pleased to present our Board Assurance Framework. This essential document underscores our commitment to delivering the principles within the NHS Blueprint for Good Governance, providing PSD Scotland and its Board with the routes of assurance required for active governance and management. The Framework sets out our means of ensuring structures are in place to identify and assess gaps in control and assurance which may impact on our ability to deliver our strategic objectives.

The PSD Scotland Board Assurance Framework, as part of the PSD Scotland Corporate Governance Framework, brings together the critical elements of PSD Scotland assurance and control over risk, financial, clinical, workforce, service delivery, and performance matters. It details the roles and responsibilities of the Transitional Leadership Group, the Board and its Standing Committees, and the mechanisms and tools employed internally and externally to proactively deliver good governance.

As we navigate our evolving landscape and our commitment to support the Scottish Government 's ambition for the Public Sector, I am assured that together we have the Governance and Assurance Frameworks needed to lead with control, confidence, compassion, and resilience.



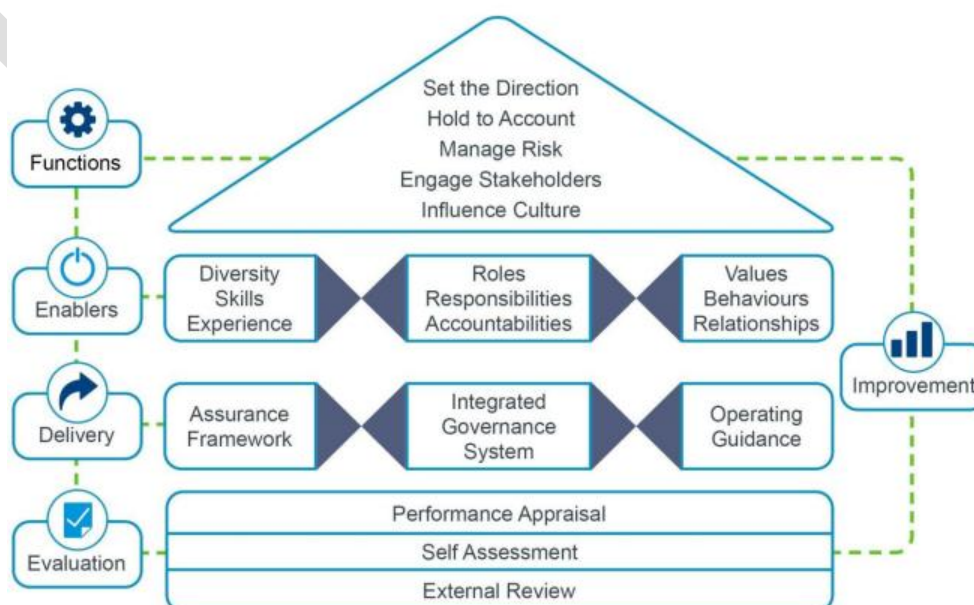
**Keith Redpath**

Chair of Public Services Delivery Scotland

# 1. Introduction

- 1.1 The NHS Scotland Health Boards and Special Health Boards – [Blueprint for Good Governance Second Edition](#) (issued through [DL \(2022\) 38](#)) sets out the promotion and delivery of good governance starting with the development of an assurance framework. This brings together the organisation’s purpose, aims, values, corporate objectives and risks with the strategic plans, change projects and operating plans necessary to deliver the desired outcomes.
- 1.2 The purpose of the Framework is to enable the Board to understand the levels and sources of assurance it receives in relation to work, systems and processes to enable identification of areas where current levels of assurance are considered excessive, or where further assurance mechanisms need to be identified and implemented. The Public Services Delivery Scotland (PSD Scotland) Board have adopted this Board Assurance Framework (BAF) to support them in the discharging of their duties. It describes the high-level system of assurance that operates within PSD Scotland, aligned to the NHS Scotland Blueprint for Good Governance and enables the Board to identify where and how assurance is tested, controls are implemented, and how performance is monitored against the strategic objectives.
- 1.3 Assurance should provide evidence-based confidence that internal controls are in place and effective in supporting the achievement of objectives. The Board Assurance Framework sets out lines of accountability across the Transitional Leadership Group, the Board and its Standing Committees which enable oversight and control of assurance mechanisms. The framework is also used to:
- identify and resolve any gaps in control and assurance;
  - identify any areas where assurance is not present, insufficient, or disproportionate in relation to the delivery of the PSD Scotland’s corporate objectives or operational priorities; and
  - provide evidence to support the Governance Statement published within the Annual Report and Accounts.

**Figure One – The Blueprint for Good Governance**



## 2. The Assurance Framework within PSD Scotland

2.1 The approach to governance within PSD Scotland is aligned to the principles of good governance as defined by the Blueprint for Good Governance and the Audit and Assurance Handbook. It specifies where the Board will require assurance regarding management, quality and performance:

- Board and Standing Committee Arrangements – how the Board will discharge its duties;
- Strategic Planning and Service Delivery – setting the organisation’s strategic direction and monitoring and managing performance against related objectives.
- Quality Management – monitoring quality, making improvements and rectifying quality deficits
- Financial Sustainability and Governance – ensuring the organisation’s financial resources are managed effectively
- Change Management – gaining assurance that organisational and service change is efficient and effective
- Clinical and Research Governance - gaining assurance that public health, safety, and quality outcomes remain at the forefront of service delivery
- Education – ensuring safe, effective and compliant delivery of high-quality health and social care and where appropriate broader public service education and training.
- Staff and Workforce Governance – working in partnership to ensure employees are recruited, developed and managed fairly and effectively;
- Information and Data Governance - the policies, processes and for collecting, holding, using and sharing information safely and effectively;
- Management of risk – processes and practices for identifying and managing operational, strategic, and other risks are effective.
- Sustainability / Climate Governance – supporting Scottish Governments ambitions to achieve Net Zero greenhouse gas emissions by 2045

Figure two – The Assurance Framework



2.2 This integrated approach brings together the functions and enablers available to the Board. It offers clear definitions in relation to the areas of control, assurance and governance frameworks used by PSD Scotland and their supporting policies which are essential for delivering good governance.

### **3. The PSD Scotland Board Assurance Framework**

- 3.1 The Board Assurance Framework provides a clear picture of the links between the outcomes expected by the Board and the strategic plans, transformational change projects and operational plans developed by the Transitional Leadership Group to deliver those outcomes.
- 3.2 The Board operates within a Corporate Governance Framework comprising Standing Orders, Standing Financial Instructions, Scheme of Delegation, Terms of Reference for Board Standing Committees, and the Board Assurance Framework. Board meetings are held in public, with private sessions permitted for confidential or sensitive matters, as per the Boards Standing Orders. The Board reserves approval of the Corporate Governance Framework, Annual Delivery Plan, Risk Management Strategy, Financial Plan, Annual Report & Accounts, major business cases, and the appointment of the chief internal auditor. Authority is delegated to Standing Committees, individual Board members, or employees as appropriate and detailed in the Standing Orders and Terms of Reference.

#### **The PSD Scotland Board and Standing Committees**

3.3 The PSD Scotland Board is comprised of publicly appointed Non-Executive Directors, Chief Executive, and Employee Director (s). The Board is led by the Chair. All appointments to the Board are approved by the Scottish Minister. The Board sets the organisations strategic direction and monitors its delivery. The Board sets the approach to governance and assurance in relation to risk management, financial and internal controls within the organisation and its services. The approach is aligned to national frameworks (such as the NHS Blueprint for Good Governance); regulations and standards; and legislative requirements. The Board is accountable to the Scottish Government and Scottish Ministers. The expectations for PSD Scotland are set out in the PSD Scotland and Scottish Government Framework Document. The Standing Committees of the PSD Scotland Board are:

- Audit & Risk Committee (ARC)
- Clinical Governance Committee (CGC)
- Education Committee (EC)
- Finance & Resource Committee (FRC)
- Remuneration Committee (RC)
- Service & Digital Transformation Committee (SDTC)
- Staff Governance Committee (SGC)

- 3.4 Other than those powers reserved for the Board and its Standing Committees (as set out in the Scheme of Delegation, Standing Orders, and respective Terms of Reference) the Board delegates authority for operational delivery, management, and decision making to the Chief Executive (Accountable Officer). The Chief Executive in turn, delegates authorities to the Executive Directors and Directors comprising the Transitional Leadership Group (TLG) who may delegate further to their senior leaders/managers . The TLG has established key governance and reporting groups to monitor performance and progress delivery across the organisation.
- 3.5 The Board and Standing Committees have agreed a suite of annual Work Plans aligned to the Board Assurance Framework which underpin the delivery of active governance to support the Board in the discharging of their duties.

### **Strategic and Operational Planning**

- 3.6 The PSD Scotland Strategy sets out the organisation's purpose, vision, values, and contribution, and was developed in consultation with service users and approved by the PSD Scotland Board. The Strategic Framework is reviewed and revised biennially. Operational plans are produced annually to deliver on strategic objectives, taking into account Scottish Government guidelines and statutory requirements. These include the Annual Delivery Plan (ADP) , The Capital Plan and Annual Budget, and the Workforce Plan. Each plan is considered by the relevant Governance Committee and approved by the Board. Performance reporting against these plans is described below.

### **Performance Monitoring and Reporting**

- 3.7 Reporting against performance is structured around quarterly cycles, with mid-year and annual reports. All Board and Committee papers include a Director Assurance Statement, explicitly addressing:
- What assurance confirms the system of control achieves its purpose
  - What assurance confirms actions will deliver the required outcomes within an acceptable timescale
- 3.8 Reporting Standing Committees scrutinise these reports, the detail of which is recorded within the meeting minutes and presented to the Board for assurance. As well as these reports, the Board and its Committees receive a wide range of regular and ad-hoc reports that provide assurance of delivery against objectives and specific statutory functions.
- 3.8.1 Committee minutes (except Remuneration) are included in public Board packs, and reporting standards are aligned to the NHS Scotland model meeting paper template.

## The Corporate Governance Framework

- 3.9 The PSD Scotland Corporate Governance Framework incorporates all aspects of good governance and practice through an integrated approach. It sets out the Standing Orders for the Board, the Terms of Reference (ToR) for its Standing Committees including the remits delegated to them by the Board and the Standing Financial Instructions. The Corporate Governance Framework is underpinned by the NHS Scotland Blueprint for Good Governance.

## Scheme of Delegation

- 3.9 The PSD Scotland Scheme of Delegation delegates power to individual officers within the management structure. The holders of the positions identified in the Scheme of Delegation are accountable for their areas and for providing assurance to the Board as required.

## Management Assurance

- 3.10 Assurance is provided to the Board through standard reporting formats which align to [the NHS Scotland model meeting paper template](#). The NHS Blueprint for Good Governance describes the use of active governance which enables members to focus on the right things, consider the right evidence and respond in the right way. This is supported in PSD Scotland by the [Assurance Routes](#) described in appendix 1 in conjunction with the processes described for reporting on performance and risk.

## Assurance Model and Lines of Defence

- 3.11 The Board Assurance Framework applies the three lines of defence model:
- First Line: Operational management and controls within directorates and services.
  - Second Line: Oversight by the Transitional Leadership Group and Standing Committees, using performance dashboards, risk registers, and scheduled reporting.
  - Third Line: Independent assurance via Internal Audit, External Audit, and regulatory bodies.

Assurance is mapped to specific domains, with clear identification of responsible officers, reporting frequency, evidence sources, and committee/Board roles. The Board Assurance Framework enables the Board to challenge, direct, and improve assurance mechanisms as needed.

## Risk Management

- 3.12 The Board approves the Risk Management Strategy and Risk Appetite. The strategy ensures that all categories of strategic, corporate, and programme or project risks are captured, mitigated, and controlled. It also sets out roles and responsibilities in relation to risk management across the organisation

- 3.13 The Audit and Risk Committee scrutinise effectiveness of risk management, red corporate Transitional Leadership Group risks, and significant new risks/issues. The Board receives strategic risk update at least annually. The review corporate risks regularly and direct mitigations. Regular reporting through the Board Committees provides assurance to the Board that corporate risks are being appropriately managed.

### **Internal Audit**

- 3.13 The Internal Auditors report directly to the Audit and Risk Committee and provide independent assurance that the organisation's risk management, governance and internal control framework are operating effectively. The Internal Auditor provider sets out an annual work plan based on the key risks facing the organisation which also tests the main internal controls. This plan is approved by the Audit and Risk Committee who receive progress reports throughout the year. The Audit and Risk Committee and Transitional Leadership Group also receive all internal audit reports and updates on progress with recommendations arising from those reports. Internal audit reports are shared with other Board Standing Committees, for scrutiny and assurance, where the topic falls within or links to their remit. In addition to the programme of annual internal audits, PSD Scotland carries out a number of additional audits for assurance and compliance. This includes the annual plan for Service Audits. The Service Audit programme and outcomes are scrutinised by the Audit and Risk Committee. Some of these audit outcomes then progress to Boards that have services provided by PSD Scotland for their own internal audit purposes.

### **External Audit**

- 3.14 The External Auditor provides an objective assessment of the financial statements and related processes. An opinion is provided by an independent third party, appointed by the Auditor General for Scotland. The Audit and Risk Committee receive from the External Auditor the annual audit plan, the independent auditors report and other information in the Annual Report and Accounts. The Annual Report and Accounts are approved by the Board in private session (usually in June following the end of the financial year) and are then laid before Parliament in advance of being published on the Board website.

### **Workforce, Partnership, and Staff Governance**

- 3.15 Workforce and Staff Governance plans are aligned to the PSD Scotland Strategic Framework, NHS Scotland Workforce Strategy for Health and Care, Scottish Government's Care and Wellbeing Portfolio, the NHSScotland Staff Governance Standard, and the NHS Scotland national priorities in relation to workforce. It falls under the remit of the Staff Governance Committee, supported in scrutiny by the PSD Scotland Partnership Forum.

- 3.16 The PSD Scotland Partnership Forum has a key role in the delivery and implementation of the Staff Governance Standards through the Staff Governance Action Plan. Regular reports from the Partnership Forum are received by the Staff Governance Committee to provide the necessary evidence and assurance that partnership working is implemented appropriately across PSD Scotland.

## Clinical Governance

- 3.17 PSD Scotland has a Clinical Governance Framework which describes the national policy and guidance, and the organisational context and approach to ensuring effective clinical governance is embedded at all levels across PSD Scotland. It is aligned to the Scottish Government Clinical and Care Governance Framework and the NHS Scotland Healthcare Quality Strategy, supporting PSD Scotland to achieve the healthcare quality strategy ambitions of safe, effective, and person-centred care.
- 3.18 The Framework sets out the responsibilities of all PSD Scotland staff at all levels in executing clinical governance by following the arrangements in place to achieve safe, effective, value based, person centred care and in contributing to the quality of care for people who use PSD Scotland products and services including the services provided by education and training and the Scottish National Blood Transfusion Service. The PSD Scotland Clinical Governance Framework falls under the direction and scrutiny of the PSD Scotland Clinical Governance Committee.
- 3.19 The Clinical Governance Framework aligns with the PSD Scotland Quality Management Framework and focuses on how quality management is implemented and governed in the context of PSD Scotland clinical and care services and our clinical professional staff.

## Educational Governance

- 3.20 PSD Scotland is responsible for ensuring the safe, effective and compliant delivery of high-quality health and social care education and training across Scotland, meeting all statutory and regulatory requirements and embedding equality, human rights and person-centred principles throughout its work. It maintains robust quality-assurance, performance-monitoring and evaluation systems to oversee internally regulated activity, credit-rated programmes, leadership development and commissioned training, ensuring continuous improvement informed by learner and service-user feedback and supported by the identification and spread of good practice.
- 3.21 The organisation sets and implements strategic education and learning policies, governance structures and research programmes, ensuring they are forward-looking and aligned with future workforce and service needs. It also leads strong, effective partnerships with universities, regulators, health and social care partners, learners

and pathway providers to enhance quality and support integrated service delivery. PSD Scotland further identifies, mitigates and reports strategic risks relating to education, including those associated with compliance, quality, performance and technology-enhanced delivery. For the NHS Scotland Academy, it holds responsibility for ensuring accredited, high-quality education that is well governed, performance-managed and continuously improving, with clear reporting through established Board processes.

### **Information Governance (IG), Cyber, and Digital**

- 3.22 Information Governance and Security is governed by a suite of related policies and procedures with role-based access controls in place to mitigate risks and monitor access. SIRO and Caldicott Guardian provide leadership, with annual Caldicott reporting. Quarterly IG/security reports (including incidents) are scrutinised by the Audit and Risk Committee for oversight and assurance. Business continuity/disaster recovery processes maintained and reviewed.
- 3.23 Digital and AI developments follow quality planning, control, and improvement processes, including risk identification and monitoring aligned to Scotland's AI Strategy. Evaluation and benefits evidence is reported via relevant committees.

### **Change Management and Transformation**

- 3.24 Service redesign and organisational change are governed through structured business case processes covering impact, efficiency and stakeholder engagement which are scrutinised by the Executives, Senior management, and the Finance and Resource Committee. Programme-level risk registers are actively maintained, with clear escalation to support early identification and mitigation of issues.
- 3.25 The Service & Digital Transformation Committee provides oversight of the transformation portfolio, including technology development and adoption and benefits realisation, strengthening governance and assurance across all change activity.

### **Quality Management**

- 3.24 PSD Scotland works within a Quality Management Framework to ensure Quality Management Systems and embed a culture of quality improvement and continuous learning across PSD Scotland. It is supported by a Quality Improvement Strategies and Delivery Plans. Quality Improvement is addressed across all areas of service delivery and monitored via service area and performance reporting by appropriate standing committees.

## Climate Sustainability

- 3.25 Sustainability and achievement of environmental and sustainability targets is monitored by the Finance, Procurement, and Performance Committee.

## 4. Assurance Routes

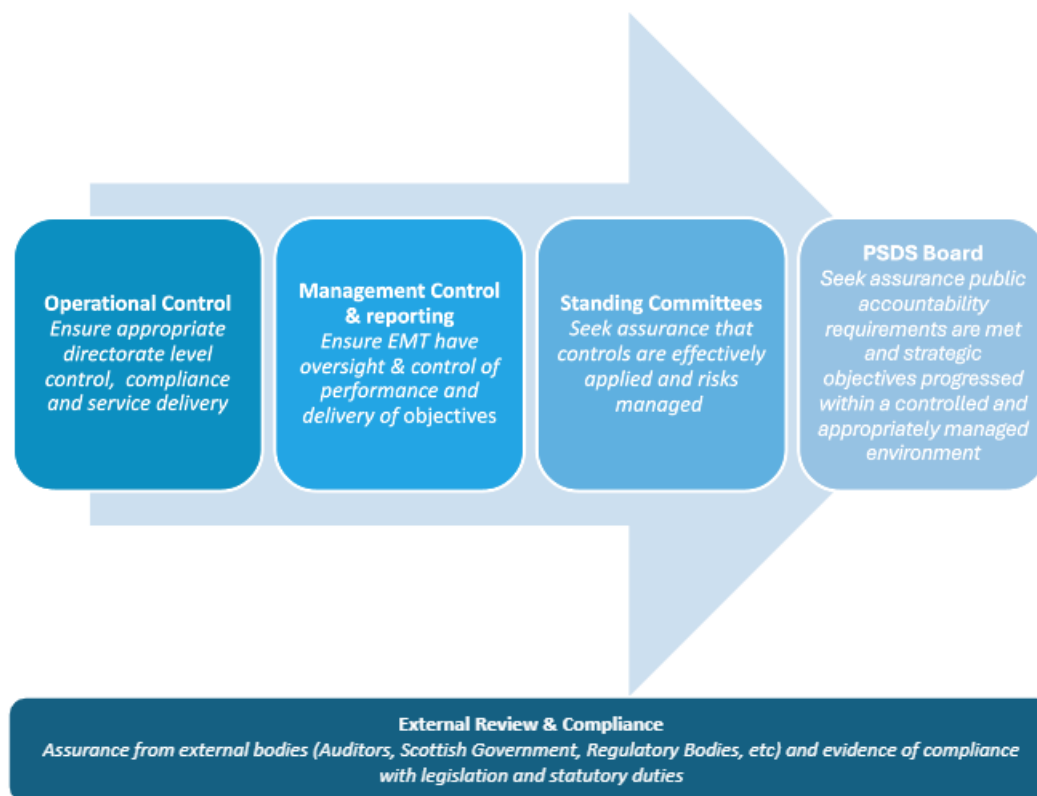


Figure Three – Assurance in PSD SCOTLAND

- 4.1 The Assurance Routes at Appendix 1 set out the main areas of assurance required by PSD Scotland and the Board as set out in the Blueprint for Good Governance. They inform the business of the Board and its Standing Committees. Each has an annual programme of work which sets out the business to be delivered in order to meet the assurance requirements and satisfy the responsibilities as set out in the PSD Scotland Corporate Governance Framework. Many of the items in the Assurance Routes are supported by relevant strategies and policies which are submitted through appropriate governance routes for approval.
- 4.2 Each Standing Committee submits an annual report to the Board that specifies how it has met its remit during the year against its responsibilities as outlines in its ToR and the Board Standing Orders. A high-level overview of the Committees and their remits are set out in the table below. These are not exhaustive, and full detail should be sought from the relevant ToR.

<b>Committee</b>	<b>Principal Function</b>
<b>Audit &amp; Risk</b>	Oversees risk management, internal control, financial systems, and governance arrangements. Scrutinises Internal and External Audit plans, opinions, and follow-up. Reviews information governance compliance, the Governance Statement, and annual reports from other committees. May meet privately with auditors and commission specialist advice.
<b>Remuneration</b>	Ensures fair and equitable pay systems for executives. Sets and approves executive objectives, performance assessments, and reward outcomes. Governs settlement agreements and business cases in line with DL (2019) 15 and SPFM. Oversees Consultants' Discretionary Points. Reports to the Board in private session as appropriate.
<b>Education</b>	Assures statutory and regulatory requirements for health and social care education and training. Monitors quality, performance, and impact of education programmes, thematic/directorate reviews, accreditation, and regulator feedback. Oversees NHS Scotland Academy governance and annual reporting. Assures education research governance.
<b>Finance &amp; Resource</b>	Provides oversight of financial position, procurement, sustainability, and performance management. Reviews and recommends Delivery Plans and Financial Plans. Scrutinises SKPI performance, complaints, climate objectives, and resilience. Approves property and investment decisions within delegated authority.
<b>Clinical Governance</b>	Assures safety, quality, and effectiveness of clinical activities. Scrutinises clinical adverse events, Duty of Candour, HAI, medical devices governance, and patient safety risks. Oversees adult/child protection responsibilities and national clinical functions. Receives annual reports on infection prevention, Duty of Candour, IR(ME)R, and PGDs.
<b>Staff Governance</b>	Holds PSD Scotland to account for the Staff Governance Standard. Oversees workforce strategy, organisational development, health, safety & wellbeing, equality, diversity & human rights, and whistleblowing. Receives Partnership Forum reports, reviews staff-related risks, and annual iMatter results.
<b>Service &amp; Digital Transformation</b>	Holds the portfolio governance for service redesign, digital transformation, data & analytics enablement, technology development and assurance, and benefits realisation. Assurance inputs and frequencies will be codified once remit is finalised.

## 5. Internal Controls

- 5.1 A comprehensive system of internal controls is in place within the organisation and the main route of assurance for these is the Audit & Risk Committee. In addition, all Standing Committees monitor and advise the Board on the appropriateness of internal controls within those areas they have been delegated authority to. The Staff Governance Committee assures activity to support achievement of the Staff Governance Standard as well as other workforce controls. The Clinical Governance Committee assures activity and controls in relation to quality, safety, and compliance in PSD Scotland clinical settings.
- 5.2 The terms of reference for the Audit & Risk Committee as well as the financial management controls in operation within PSD Scotland align to the [Government Financial Reporting Manual](#), the [Scottish Public Finance Manual](#) and the [Audit & Assurance Committee Handbook](#). In line with these, the purpose of the Audit and Risk Committee is stated as assisting the Board to deliver its responsibilities for the issues of risk, control and governance and associated assurance through a process of constructive challenge and scrutiny.
- 5.3 The Annual Report and Accounts includes a summary of the internal control environment and details any instances where controls have not been met. The Accounts also include a summary of the main controls in relation to staff governance. The Accounts in the first instance are assured by the Audit & Risk Committee before being provided for approval by the Board and finally laid in Parliament.

### Reporting Principles

- 5.4 PSD Scotland has identified a number of principles to support the delivery of comprehensive reporting arrangements which provide the information and assurance required at all levels. The PSD Scotland reporting principles require all reports to focus on key indicators and exceptions (under performance or by request from the Board or committee).
- 5.5 Reports cover the latest quarter, with more detailed performance reporting at mid-year and full year. Statistical Process Control (SPC) charts are used for reporting non-financial performance information when possible. Reports are made available through online internal systems and in offline formats for the public record.

### Policy and Governance Documents

- 5.6 The detailed description of governance arrangements and the guidance on implementing these arrangements are contained in a portfolio of documents which includes Standing Orders, Standing Financial Instructions and the Schemes of

Delegation that provide our senior leadership and management with their principal operating guidance. These are reviewed by the Board annually.

- 5.7 The Board Assurance Framework will be reviewed every three years but will be updated should assurance requirements need to change in line with national guidance, statutory duties, or organisational delivery.

## 6. Levels of Assurance

- 6.1 The Blueprint for Good Governance requires that there are effective assurance information systems in place to enable the Board to deliver its assurance function and to be clear on their role in the assurance process. To support this, PSD Scotland has introduced the use of Director Assurance Statements in Board and Committee reports, as well as mapping the purpose and remit of reports and functions within respective Committee Forward Programmes.
- 6.2 The responsible Director will provide a statement of assurance within their report to the Board or Committee providing the focus required to support the review of that assurance. Where papers are being provided for approval, the Assurance Statement should be seeking to answer the following questions:

### Focus of Assurance Statement

Focus of assurance	Question
<b>To operate in a way that satisfies a particular assurance need, such as a quality standard, a professional standard, a regulatory requirement, a legal requirement, or a basic principle of internal control.</b>	What assurance do you take that the system of control achieves or will achieve the purpose that it is designed to deliver?
<b>To achieve a defined level of organisational performance or impact in terms of outcomes for stakeholders.</b>	What assurance do you take that the actions described will deliver the outcomes you require within an acceptable timescale?

## Appendix 1 – Assurance Routes

BAF Ref #	Self-assess link	Board Assurance Role and Requirement	First Line Assurance Mechanism	Second Line Management Information and Oversight	Oversight and Approval	Third Line External and Independent Review	Statutory/ Other Deliverables
<b>1. Setting Direction</b>							
1.1	2a.	Setting strategic direction and organisational priorities	PSD Scotland Strategy	Development and Approval of PSDS Strategy	Executive / Board	Approval of Strategy by Scottish Government (SG)	Development and Approval of PSDS Strategy
1.2	2b.	Development and Performance of Operational Plans including Annual Delivery Plan	PSD Scotland Annual Delivery Plans (ADP)	Approval of Annual Delivery Plan (ADP)	Executive / FRC / Board	Approval of ADP by SG	PSD Scotland ADP Published  Annual Review with SG Sponsor
				External Audit review of Performance in Annual Report and Accounts	Executive / ARC / Board	External Auditors SG Sponsors	
				Quarterly Performance Reports inc progress against Strategic Key Performance Indicators	Executive / Board		
				Monthly Service Area Reports	Executive		
				Quarterly Service Area Report	FRC		
				Quarterly ADP Progress Report	Executive / FRC / Board		
				Annual ADP Progress Report	Executive / FRC / Board		
1.3	2c.	Financial Plans		Approval of Whole System Infrastructure Plan & BCP	Executive / FRC		Regular

BAF Ref #	Self-assess link	Board Assurance Role and Requirement	First Line Assurance Mechanism	Second Line Management Information and Oversight	Oversight and Approval	Third Line External and Independent Review	Statutory/ Other Deliverables
			PSD Scotland Annual Financial Plans (aligned with ADP)	Approval of Finance Plans inc. Investment Bids	Executive / FRC / Board	Approval of budgets and financial plans by SG	engagement with SG and NHSS Directors of Finance
			Annual Service Development and Investment Bids (with annual financial plan)	Monthly Finance Report	Executive		
			Whole System Infrastructure Plan (WSIP) and Business Continuity Plan (BCP)	Quarterly Finance Report	Executive / FRC / Board		
1.4	3f. 6a.	Workforce Plans	PSD Workforce Plan (including Key Performance Indicators and workforce metrics)	Approval of Workforce Plan	Executive / PF / SGC	Scottish Government review of Staff Governance Monitoring data  Trade Unions review of workforce and staff governance plans and performance reporting	Health and Care (Staffing) (Scotland) Act  Equal Pay Gap Report  Alignment to National Workforce Strategy for Health and Social Care in Scotland (2022)
			Staff Governance Annual Action Plan (including Key Performance Indicators (and workforce metrics)	Monthly People Report	Executive / PF		
			Implementation of Safe Staffing Health and Care (Staffing) (Scotland) Act 2019	Quarterly People Report	SGC		
				Talent Management and Succession Plan Reporting	Executive / SGC		
				Staff Governance and Workforce Plan Quarterly Report	PF / SGC		
				Staff Governance and Workforce Plan Annual Report	PF / SGC		
				Quarterly Safe Staffing Report	CGC		
1.5	2e.	Project and Programme Oversight	Annual Delivery Plans (ADP)	Quarterly Integrated Performance	Executive / Board	Regular engagement with Scottish Government	
			Change Oversight Group (COG)	Organisational Change Policy and Procedures	Executive / FOC		
				Quarterly ADP Progress Report	Executive / FRC		
				Service Excellence Reports	Executive / Board		

BAF Ref #	Self-assess link	Board Assurance Role and Requirement	First Line Assurance Mechanism	Second Line Management Information and Oversight	Oversight and Approval	Third Line External and Independent Review	Statutory/ Other Deliverables
			Portfolio Management Group (PMG)	Quarterly PMG Report	Executive / FRC		
			Programme Boards	Quarterly COG Report	Executive / FRC		
			Business Cases (as required)				
1.6	2d.	Quality Improvement and Education	PSD Scotland Clinical Governance Framework	Clinical Governance Framework Delivery Plan Reports	CGC	Internal Audit	Clinical Governance & Quality Improvement Leadership Forum
			Quality Improvement Strategy	Quality Improvement Network Toolkit and Events	Executive / Committees / Board	Formal Review by the GMC (every 5 years) of Medical Education in Scotland.	Alignment with Scotland's Artificial Intelligence (AI) Strategy
			Learning and Education Strategy	Approval of Learning and Education Strategy	Executive / EG / Board		
				Learning and Education Strategy Implementation and impact reports	Executive / EG		
				Thematic Review Reports	Executive / EG		
			Quality Policy Framework for Learning	Review of local quality management outcomes, including those from trainee surveys	Executive / EG		
				Research Governance Policy Approval	Executive / CGC / EG		
			Research Governance Policy	Quality Policy Framework for Learning and Implementation Reports	Executive / EG		
				NHS Scotland Academy Education and Quality Governance Annual Report including National Youth Academy	Executive / EG		
<b>2. Holding to Account</b>							
2.1	3a.		PSD Scotland Strategy	Development and Approval of PSD Scotland Strategy	Executive / Board		Strategy Publishing

BAF Ref #	Self-assess link	Board Assurance Role and Requirement	First Line Assurance Mechanism	Second Line Management Information and Oversight	Oversight and Approval	Third Line External and Independent Review	Statutory/ Other Deliverables
		Monitoring of Organisational Strategy Delivery and Performance	PSD Scotland Annual Delivery Plans (ADP)	Quarterly Performance Reports	FRC	Annual Review with Scottish Government	Procurement Report Publication
				External Audit review of Performance in Annual Report and Accounts	Executive / ARC / Board	External Audit and Annual Report	
				Quarterly Performance Reports inc progress against Strategic Key Performance Indicators	Executive / Board	Quarterly Delivery Reports to Scottish Government	
				Monthly Service Area Reports	Executive		
				Quarterly Service Area Report	FRC		
				Quarterly ADP Progress Report	Executive / FRC / Board		
			Learning and Education Strategy	Annual ADP Progress Report	Executive / FRC / Board		
			Procurement Strategy	Learning and Education Strategy Implementation and impact reports	Executive / EG		
				Learning and Education Research and Innovation Plan/Report	Executive / EG		
				Quarterly and Annual Procurement Report	FRC		
2.2	3b.	Financial Stewardship/Best Value	Best Value Duty Biennial Mapping Exercise	Best Value Duty Reporting	Executive / FRC	External Audit	Annual Report and Accounts laid in Parliament
			External Audit	Annual Best Value Review within Annual Accounts & Report	Executive / ARC / Board	Internal Audits	Annual Procurement Report Published
			Internal Audits	Internal Audit Reports	Executive / ARC	Service Audits	
			Service Audits	Service Audit Reports	Executive / ARC		
				Quarterly Procurement Report	FPC		
2.3	3b.	Budget and budgetary control	PSD Scotland Financial Plans Procurement Strategy and Reporting	Losses and Special Payments Report	ARC	External Audit	Annual Report and Accounts laid in Parliament
				Annual Corporate Purchasing/ Procurement Card Report	ARC		

BAF Ref #	Self-assess link	Board Assurance Role and Requirement	First Line Assurance Mechanism	Second Line Management Information and Oversight	Oversight and Approval	Third Line External and Independent Review	Statutory/ Other Deliverables	
			Audit Scotland External Audit	Review of Consultancy Spend	ARC		Annual Procurement Report Published	
				Quarterly and Annual Procurement Report	FRC			
				Gifts and Hospitality Annual Report	ARC			
2.4	3b.	Financial Control	PSD Standing Financial Instructions (SFI)	Annual review of PSD Scotland Standing Financial Instructions (SFI)	Executive / ARC	External Audit	Annual Report and Accounts	
			Annual Accounts Part B - Accounting Policies	Annual Review of Annual Accounts Part B - Accounting Policies	Executive / ARC			
			Audit Scotland External Audit	Annual Accounts and Report	Executive / ARC / Board			
2.5		Clinical Governance	Clinical Governance Framework	Clinical Governance Framework Delivery Plan Quarterly Report	CGC	External Bodies (e.g. MHRA)	NHS Scotland Healthcare Quality Strategy Scottish Government Clinical and Care Governance Framework	
			Caldicott Guardianship	Caldicott Guardianship Annual Report	CGC			Ionising Radiation (Medical Exposure) Regulations (IR(ME)R) 2017
			Research Governance Policy & Framework	Annual Research Governance Report	CGC			Healthcare Associated Infection (HAI) governance
				Medicine Quality and Safety Annual Report	CGC			
2.6	3e.		Executive Appraisals and Mid-year Reviews	Mid-year Review of Performance	Remm Com	Sponsor Team		
				Annual Review of Performance	Remm Com			

BAF Ref #	Self-assess link	Board Assurance Role and Requirement	First Line Assurance Mechanism	Second Line Management Information and Oversight	Oversight and Approval	Third Line External and Independent Review	Statutory/ Other Deliverables
		Transitional Leadership Group Performance		PSD Scotland Remuneration Committee Annual Report	Board	National Performance Management Committee Assurance Letter	Remuneration Report within Published Annual Accounts
2.7	12b.	Non-executive Performance	Non- Executive Appraisals	Mid-year Review of Performance	PSD Scotland Board Chair	Sponsor Team	Non-executive performance is assessed through annual/mid-year appraisals with the Chair
				Annual Review of Performance	PSD Scotland Board Chair		
2.8	3d. 3f.	Staff Performance and Support	Staff Appraisals and Objectives	Monthly People Report	Executive / PF		Publication of iMatter comparative data by Scottish Government and thematic review
				Quarterly People Report	SGC		
			Mandatory Training	Talent Management and Succession Plan Reporting	Executive / SGC		
			Staff Governance Standards	Staff Governance and Workforce Plan Quarterly Report	PF / SGC		
				Staff Governance and Workforce Plan Annual Report	PF / SGC		
			iMatter	Review of iMatter Results	Executive / PF / SGC		
				iMatter Action Plans	Executive / PF / SGC		
				Staff Related Policy Approval (as required)	Executive / PF / SGC		
2.9	11d. 12c.	Internal Audit and Control	Audit and Risk Committee ToR	Annual internal Audit Plan	Executive / ARC	Internal Audits	
				Internal and Service Audits and Reports	Executive / ARC	Service Audits	
			PSD Scotland Framework Agreement	Internal and Service Audit Progress Plans	Executive / ARC		
			Blueprint for Good Governance	Appointment of Internal and Service Auditors	ARC / Board		
2.10	8b.	Sustainability (Reducing	PSD Scotland Sustainability Strategy	Quarterly Sustainability Report	FRC	Scottish Government	

BAF Ref #	Self-assess link	Board Assurance Role and Requirement	First Line Assurance Mechanism	Second Line Management Information and Oversight	Oversight and Approval	Third Line External and Independent Review	Statutory/ Other Deliverables
		Emissions/ Climate Change Act 2009)	Sustainability and Infrastructure Board	Quarterly and Annual Performance Reports Service Area Reports Annual Climate Emergency and Sustainability Report	Executive / Board Executive/ All Committees / Board FRC		Non-Executive Sustainability Champion  Annual Climate Emergency and Sustainability Report Submissions
<b>3. Managing Risk</b>							
3.1	4a.	Strategic Risk Management	Risk Appetite Risk Management Strategy Resilience Strategy ND Business Continuity / Resilience Plans	Annual Risk Appetite Review Annual Risk Management Strategy Review Resilience Plan Review and Reporting	ARC / Board ARC / Board ARC / Board	Scottish Government  Audit	Shared risks and register with Sponsor Team
3.2	4b. 4c.	Risk Oversight, monitoring, and assurance	Strategic Risk Register and Issues Log	Quarterly Risk and Issues Report Quarterly Resilience Report	Executive / All Committees / Board ARC	External Audit	Included in Annual Report and Accounts
3.3	3c.	Information Governance and Records Management (Public Records Scotland Act)	PSD Scotland Records Management Plan PSD Scotland Records Management Policy Information Asset Register Mandatory Training	Triennial Corporate Records Management Policy Review Quarterly Information Security and Governance Report Service Excellence Reports People Report	ARC ARC Executive / Board Executive / SGC / PF	Scottish Information Commissioner (SIC)/ National Records Scotland (NRS)  The Public Records (Scotland) Act 2011 (PRSA) Regulator Audits	Quarterly reports on Freedom of Information activity to SIC  Records Management Plan to NRS
3.4	3c.		Data Protection & Data Governance Policies	Quarterly Information Security and Governance Report	ARC	Regulator Audit	

BAF Ref #	Self-assess link	Board Assurance Role and Requirement	First Line Assurance Mechanism	Second Line Management Information and Oversight	Oversight and Approval	Third Line External and Independent Review	Statutory/ Other Deliverables
		Cyber and Information Security	Data Protection Impact Assessments Mandatory Training	Policy reviews and Approvals People Report	ARC Executive / SGC / PF	Public Sector Cyber Resilience Framework	Network & Information Systems Regulations Audit
3.5	3c. 3b.	Counter Fraud	NHSScotland National Counter Fraud Strategy	Fraud Annual Report and Action Plan Fraud Report	ARC ARC	Audit and Risk Committee	NHS Scotland Counter Fraud Standard & Fraud Prevention Guide Self-assessment
<b>4. Engaging with Key Stakeholders</b>							
4.1	11d.	Annual Report and Accounts including Governance Statement	Audit Scotland Annual Audit and Report	Review and approval of Annual Report	Executive / ARC / Board	External Audit/ Internal Audit	Annual Report and Accounts
4.2	5a. 5b. 5c. 5e.	Assurance of the engagement of stakeholders and service users in the work of PSD Scotland	Anchor Strategic Plan Planning with People referrals to the General Medical Council and General Dental Council relating to doctors and dentists in training	Approval of Anchor Strategic Plan Anchor Reporting Consultations	Executive / Board FRC As required	Service User and Stakeholder Surveys Anchor Organisation Anchor Reporting Submission to Scottish Government	<a href="#">planning-people-community-engagement-participation-guidance-updated-2024.pdf</a>  <a href="#">Participation Toolkit   HIS Engage</a>
4.3	5d.	Complaints and Feedback	PSD Complaints Handling Procedure SPSO Model Complaints Handling Procedure	PSD Scotland Annual Feedback and Complaints Report Service Area Complaint Reporting	Executive / ARC Executive / All Committees	Scottish Government/ Scottish Public Services Ombudsman	Annual feedback and complaints Report Published
4.4	5d.	Duty of Candour	Adverse Event Policy Duty of Candour	Duty of Candour Reporting	Executive / CGC		Health and Social Care Act 2008

BAF Ref #	Self-assess link	Board Assurance Role and Requirement	First Line Assurance Mechanism	Second Line Management Information and Oversight	Oversight and Approval	Third Line External and Independent Review	Statutory/ Other Deliverables
							(Regulated Activities) Regulations
<b>5. Influencing Culture</b>							
5.1	6e. 3d.	Staff Governance Standard	<p>Joint Local Negotiating Committee</p> <p>Partnership Forum</p> <p>Staff Governance Monitoring Framework</p>	<p>JLNC Quarterly Briefing</p> <p>PF Quarterly Briefing</p> <p>Annual Staff Governance Monitoring Exercise</p>	<p>SGC</p> <p>SGC</p> <p>PF / SGC</p>	<p>Scottish Government response to PSD Scotland's Staff Governance Monitoring Return</p>	<p>Annual Staff Governance Monitoring Return submission</p>
5.2	6f.	Equality, Diversity, and Inclusion & Equality Monitoring (Equality Act 2010 Specific Duties)	<p>Diversity Steering Group</p> <p>Staff Networks</p> <p>Public Sector Equalities Duty Outcome Setting and Report</p> <p>Anti-Racism Plan</p> <p>Equality Impact Assessments</p> <p>Mandatory Training</p>	<p>Equal Pay Gap Report and Statement</p> <p>Equality Mainstreaming Report</p> <p>People Report</p>	<p>PF / SGC</p> <p>PF / SGC</p> <p>Executive / PF / SGC</p>	<p>Scottish Government</p> <p>Ethical Standards Commissioner</p> <p>Equality and Human Rights Commission</p> <p>Membership of NHSScotland Equality Professional Lead Network</p>	<p>Publish Equality Mainstreaming Report including Equality Workforce Equality Monitoring Report</p> <p>Publish Anti Racism Plan</p> <p>Publish Gender Pay Gap report</p>
5.3		Corporate Parenting/ Children's Rights/ United Nations Convention of the Rights of the Child (Incorporation) (Scotland) Act 2024	<p>Corporate Governance Oversight Group (sub of EMT)</p> <p>Equality Steering Group</p>	<p>Corporate Governance Oversight Group</p> <p>Equality Steering Group</p>	<p>Executive / PF / SGC</p>	<p>Scottish Government</p>	<p>UNCRC Report to Scottish Ministers, first due 2026 and then every 3 years</p> <p>Children's Rights and Corporate Parenting Report</p>

BAF Ref #	Self-assess link	Board Assurance Role and Requirement	First Line Assurance Mechanism	Second Line Management Information and Oversight	Oversight and Approval	Third Line External and Independent Review	Statutory/ Other Deliverables
5.4	6c.	Whistleblowing/ Safe to Speak Up	National Whistleblowing Standards	Quarterly Whistleblowing Report	Executive / PF / SGC	Reports submitted to the Independent National Whistleblowing Officer  Equality and Fairer Scotland Duty Assessment of Whistleblowing	Non-Executive Whistleblowing Champion  Published Report  Public Interest Disclosure Act
	6d.		Whistleblowing Policy and Procedures  Confidential Contacts  Speak-up Week	Annual Whistleblowing Report	Executive / PF / SGC / Board		
5.5	6e.	Staff Survey/ iMatter	Participation in iMatter Survey	Review of iMatter Results	Executive / PF/ SGC	n/a	Publication of iMatter comparative data by Scottish Government and thematic review
			Results of iMatter Survey	Annual iMatter Action Plan	Executive / PF/ SGC		
			iMatter - Comparison of Health and Social Care	iMatter - Comparison of Health and Social Care	Executive / PF/ SGC		
5.6	6e.	Health and Safety/ Health and Wellbeing	Transitional Leadership Group	People Reports	Executive / PF/ SGC	Health and Safety Executive	Report to Health and Safety Executive if accident resulted in absence
			Occupational Health and Safety Advisory Committee  PSD Scotland Wellbeing Forum	Adverse Event Reporting	Executive		
5.7		Gender Representation on Public Body Boards	Transitional Leadership Group	Biennial Review and Return	PF / SGC	Scottish Government/ Ethical Standards Commissioner	Published within Equality Duty Report
<b>6. Governance</b>							
6.1	8e.	Register of Interests	Board Register of Interest  Executive and Directorate Register of Interest	Quarterly Update and Publication of Board Register	Board	Standards Commission	Publication on website

BAF Ref #	Self-assess link	Board Assurance Role and Requirement	First Line Assurance Mechanism	Second Line Management Information and Oversight	Oversight and Approval	Third Line External and Independent Review	Statutory/ Other Deliverables
6.2		Register of Gifts and Hospitality	Corporate Register of Gifts and Hospitality	Gifts and Hospitality Annual Report	Executive / ARC	External Auditors	Publication on website
6.3	8d. 11f.	Corporate Governance Systems	Corporate Governance Framework	Annual Review and Approval of Corporate Governance Framework	Executive / Committees / Board	External Auditors	Publication on website  Triennial Board Self-assessment against Blueprint for Good Governance
6.4	10a.	Board Assurance	Corporate Governance Framework	Annual Review of Corporate Governance Framework	Executive / Committees / Board	External Auditors	Triennial Board Self-assessment against Blueprint for Good Governance
			Board Assurance Framework (BAF)	Annual Review of BAF	Board		
6.5	6b.	Code of Conduct	Board Standing Orders	Annual Non-Executive Appraisals	Board Chair	Standards Commission/ Model Code of Conduct	Publication on website
			Board Code of Conduct	Annual Review of Board Standing Orders & Code of Conduct	Board		
6.6	7d. 12a.	Board Self-Assessment & Skills matrix	Board Skills Matrix	Annual Review of Board Skills Matrix	Board	Independent Review	Triennial Board Self-assessment against Blueprint for Good Governance
			Triennial Board Self-assessment against Blueprint for Good Governance	Annual Standing Committee Reports	All Committees / Board		
				Annual ARC Self-Assessment	ARC		

*Note: Where n/a is marked under an Assurance Route it does not automatically indicate a lack or gap in assurance. While the Board has overall responsibility for setting the direction for the organisation and for all areas of assurance, the routes are intended to indicate the routine assurance line for items and where they are not routinely provided, this is marked n/a. This does not exclude the Board from receiving reports in these areas*

*when appropriate or from considering matters escalated to it by a Standing Committee. Several items including statutory requirements are reserved for decision by the Board, and this is covered in the Corporate Governance Framework and its documents.*

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<sup>i</sup> Figure – p.12, Blueprint for Good Governance in NHS Scotland - Second edition, Scottish Governance 2023

<sup>ii</sup> Figure – p.38, Blueprint for Good Governance in NHS Scotland - Second edition, Scottish Governance 2023

DRAFT

# Public Services Delivery Scotland

<b>Meeting:</b>	Public Board
<b>Meeting date:</b>	2 April 2026
<b>Title:</b>	Schedules of PSD Scotland Board and Committee Meetings and Business
<b>Paper No.</b>	<b>PSDB/26/03</b>
<b>Responsible Executive/Non-Executive:</b>	Carolyn Low, Director of Finance, Corporate Governance & Legal Services Christina Bichan, Director of Planning, Performance & Transformation
<b>Report Author:</b>	Drew McGowan, Board Secretary & Principal Lead for Corporate Governance Kyle Clark-Hay, Associate Director of Corporate Governance (Board Secretary)

## 1. Purpose

- 1.1. This is presented to the Board for decision.

## 2. Recommendation

- 2.1. To approve the schedule of meetings (April 2026 to March 2027).
- 2.2. To approve the schedules of business for the PSD Scotland Board and committees (April 2026 to September 2026).

## 3. Report Summary

### Situation

- 3.1. Following the establishment of Public Services Delivery (PSD) Scotland, the Board is asked to review and approve the proposed schedule of meetings for the financial year 2026-27 and the schedules of business for April to September 2026. In conjunction with the Corporate Governance Framework, this is to enable the Board and its committees to discharge their duties and support effective governance.

## **Background**

- 3.2. In accordance with the Standing Orders, the Board and its committees are required to operate to an agreed cycle of meetings and defined schedules of business. The proposed schedules have been developed to reflect PSD Scotland's statutory functions, draft committee terms of reference and key reporting requirements. They have been informed by the arrangements previously in place in both predecessor organisations.
- 3.3. While the schedules of business set out anticipated and planned activity, they are intended to remain flexible to allow the Board and its committees to respond to emerging issues as required. Updated schedules of business will be presented to meetings of the Board and committees on a rolling basis.

## **4. Assessment**

### **Quality, Value, Care and Technology**

- 4.1. The schedules of business, alongside the Corporate Governance Framework, support clear and effective decision-making and assurance, providing confidence to Scottish Government and the public in the governance of PSD Scotland.

### **Workforce**

- 4.2. Workforce matters, including staff governance, wellbeing and organisational capacity, will be progressed and overseen through the Staff Governance Committee in line with its Terms of Reference.

### **Financial**

- 4.3. Financial planning, performance and assurance will be progressed through the Finance & Resources Committee, with additional independent assurance provided through the Audit & Risk Committee, as appropriate.

### **Education and Training**

- 4.4. Education, training and research matters will be considered and overseen through the Education Committee in accordance with its Terms of Reference.

### **Information Governance**

- 4.5. Information governance, including data protection and freedom of information obligations, will be overseen through the Audit and Risk Committee.

### **Environmental and Climate Sustainability**

- 4.6. Environmental and climate sustainability matters will be considered through the Finance and Resources Committee

### **Equality, Diversity, Human Rights and Health Inequalities**

- 4.7. Equality, diversity, human rights and health inequalities considerations will be embedded across the work of the Board and its committees, with reporting and assurance provided through the appropriate governance routes.

### **Other Impacts**

- 4.8. There are no other impacts that require consideration as a result of the recommendations contained in this report.

### **Risk Assessment/Management**

- 4.9. There are no additional risks that require to be added to the Risk Register as a result of the recommendations contained in this report.

### **Communication, Involvement, Engagement and Consultation**

- 4.10. In advance of the schedules of meetings and business being considered by the Board, the draft documents have been reviewed by the Chair and Chief Executive.

### **Route to the Meeting**

- 4.11. This is being presented directly to the Board for approval.

## **5. List of appendices**

- 5.1. The following appendices are included with this report:
- Appendix 1: Schedule of Meetings (2026-27)
  - Appendix 2: Schedule of Business (April 2026 – September 2026)

# Public Services Delivery Scotland

## Board and Board Standing Committees Proposed meeting dates – Quarter 1 2026

### Board Meetings (in person)

Date	Time
Thursday 2 April 2026	10am – 12 noon (public)
Friday 15 May 2026	9.30am – 11:30pm (public) 12:30pm – 14:00pm (development)
Friday 26 June 2026	9.30am – 12 noon (public) 12.30pm – 1.30pm (private – Annual Report and Accounts)

### Committee Meetings (via MS Teams)

Committee	Date	Time
Audit and Risk Committee	Thursday 21 May 2026	9.30am – 12.30pm
Seminar - Audit and Risk Committee (annual report and accounts review)	Thursday 11 June 2026	9.30am – 12.30pm
Audit and Risk Committee (annual report and accounts approval)	Thursday 18 June 2026	9.30am – 12:30pm
Clinical Governance Committee	Thursday 4 June 2026	9.30am – 12.30pm
Finance and Resources Committee	Tuesday 9 June 2026	9.30am – 12.30pm
Remuneration Committee	Tuesday 23 June 2026	9.30am – 12.30pm
Staff Governance Committee	Tuesday 16 June 2026	9.30am – 12.30pm
Service and Digital Transformation Committee	Tuesday 19 May 2026	9.30am – 12.30pm
Education Committee	Thursday 7 May 2026	13.30pm – 16.30pm

## Public Services Delivery Scotland Schedule of Business 2026-2027

Each Board and Committee has a separate tab which details their Schedule of Business; details of reports have been transferred from NES and NSS

For consistency, all meetings have the same standing agenda items

[PSD Scotland Public Board](#)

[PSD Scotland Private Board](#)

[PSD Scotland Audit and Risk Committee](#)

[PSD Scotland Clinical & Care Governance Committee](#)

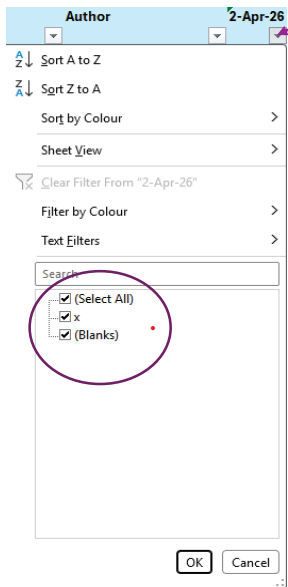
[PSD Scotland Education Committee](#)

[PSD Scotland Finance & Resource Committee](#)

[PSD Scotland Remuneration Committee](#)

[PSD Scotland Staff Governance Committee](#)

To view the reports for each meeting, click the drop-down arrow at the meeting date, then select the 'x' values only (**NB** you must select all before filtering for the next date to ensure all reports are captured)



## PSD Scotland Public Board Schedule of Business

BOARD &  
DEV-SESSION

DEV-SESSION

Category	Report Title	Recurrence	Purpose	Owner	Author	2-Apr-26	15-May-26	26-Jun-26	21-Aug-26	25-Sep-26
Standing	01. Chair's Welcome	Standing	Review	Chair		x		x		x
Standing	02. Apologies for absence	Standing	Noting	Chair		x		x		x
Standing	03. Declarations of interest	Standing	Assurance	Chair		x		x		x
Standing	04. Minutes of previous meeting	Standing	Approval	Chair				x		x
Standing	05. Actions from previous Board Meetings	Standing	Approval	Chair				x		x
Standing	06. Notification of any other business	Standing	Scrutiny	Chair				x		x
Standing	07. Chair's report	Standing	Assurance	Chair		x		x		x
Standing	08. Chief Executive's report	Standing	Assurance	CEO		x		x		x
Standing	09. Committee Meeting Updates and Approved Committee Minutes	Standing	Assurance	Committee Chairs	Board Services			x		x
Standing	10. Board Forward Programme	Standing	Approval	Chair	Board Services	x		x		x
Standing	11. Any Other Business			Chair				x		x
Standing	12. Date of Next Meeting	Standing	Approval	Chair	Board Services	x		x		x
Performance	Annual Feedback and Complaints Report - for 2026 this will be two separate reports reflecting the previous financial year for NES and NSS	Annual	Scrutiny	Director(s) of Planning				x		
Performance	Annual Whistleblowing Report - for 2026 this will be two separate reports reflecting the previous financial year for NES and NSS	Annual	Scrutiny	Director of Planning, Performance & Transformation; Director of Nursing				x		



Governance	PSD Scotland Schedule of Business April – September 2026	Individual	Approval	Director of Planning, Performance and Transformation; Director of Finance, Corporate Governance & Legal Services	Board Secretaries	x				
Strategic	PSD Strategy and Values TBC SG	Individual	Noting	CEO			x			
Performance	Whistleblowing Non-Executive Director Champion Report 2024/25	Annual	Scrutiny	Non-Executive Whistleblowing Champion				x		

## PSD Scotland Private Board Schedule of Business

Category	Report Title	Recurrence	Purpose	Owner	Author	2-Apr-26	15-May-26	26-Jun-26
Standing	01. Minutes of previous Private meeting	Standing	Approval	Chair				x
Standing	02. Actions from previous Private Board Meetings	Standing	Approval	Chair				x
Standing	03. Notification of any other business	Standing	Scrutiny	Chair				x
Audit	Audit Scotland Annual Audit Report	Annual	Noting	Director(s) of Finance				x
Finance	Annual Report and Accounts for NSS and NES	Annual	Approval	Director(s) of Finance				x
Finance	Public Services Delivery Scotland Financial Plan 2026-27 - this will be a combined report for PSD Scotland	Annual	Approval	Director(s) of Finance			x	
Performance	Public Services Delivery Scotland Delivery Plan 2026-27 - this will be combined report for PSD Scotland	Annual	Approval	Director(s) of Planning			x	
Standing	04. Board Forward Programme	Standing	Approval	Chair	Board Services			x
Standing	05. Any Other Business	Standing	Approval	Chair	Board Services		x	x
Standing	06. Date of Next Meeting	Standing	Approval	Chair	Board Services		x	x

## PSD Scotland Audit & Risk Committee Schedule of Business

PRIVATE

Category	Report Title	Recurrence	Purpose	Owner	Author	21-May-26	11-Jun-26	18-Jun-26	16-Sep-26
Standing	02. Apologies for absence	Standing		Chair		x	x	x	x
Standing	01. Chair's Welcome	Standing		Chair		x	x	x	x
Standing	03. Declarations of interest	Standing		Chair		x	x	x	x
Standing	04. Minutes of previous meeting	Standing		Chair		x	x	x	x
Standing	05. Matters arising from the minutes & notification of any other business	Standing		Chair		x	x	x	x
Standing	06. Actions from previous meetings	Standing		Chair		x	x	x	x
Standing	08. Executive Lead report	Standing		Director(s) of Finance	Deputy/Associate Director(s) of Finance	x	x	x	x
Audit	Service Audit Report - end of year	Annual		Director of Finance, Corporate Governance and Legal Services	Associate Director Corporate Governance/ External Auditor	x			
Audit	Quarterly Service Audit update	Standing		Director of Finance, Corporate Governance and Legal Services	Associate Director Corporate Governance/ External Auditor				x
Audit	NES Internal Audit - Financial Sustainability Audit Report	Annual		Internal Auditor		x			
Audit	NES Internal Audit - Property Transactions Monitoring Report	Annual		Internal Auditor		x			
Audit	NES Internal Audit Annual Report 2025-26	Annual		Internal Auditor		x			
Audit	NSS 2025 -2026 Final Service Audit Report	Annual		Service Auditor		x			
Audit	NSS 2025 -2026 Final Internal Audit Report	Annual		Internal Auditor		x			
Audit	PSD ARC Annual Audit Report	Annual		Internal Auditor				x	
Audit	PSD ARC Annual Service Audit Reports	Annual		Internal Auditor				x	
Audit	PSD ARC Approved Internal Audit Plan for 2025-2026 & KPMG Charter	Annual		Internal Auditor		x			

Audit	PSD ARC Audit Scotland Reports	Standing		Internal Auditor		x		x	x
Audit	PSD ARC Completed Audit Reports	Standing		Internal Auditor				x	x
Audit	PSD ARC External Audit Progress Report	Annual		External Auditor		x			
Audit	PSD ARC External Audit Report 2024-2025 Accounts and Letter of Representation	Annual		Internal Auditor				x	
Audit	PSD ARC Follow Up on External Audit Recommendations	Quarterly		Internal Auditor		x		x	x
Audit	PSD ARC Internal Audit Plan & Audit Recommendation Progress Report	Quarterly		Internal Auditor		x		x	x
Audit	PSD ARC Internal Audit Progress Report	Standing		Internal Auditor				x	x
Audit	PSD ARC Internal Audit Reports as agreed in the plan	Standing		Internal Auditor		x			x
Audit	PSD ARC Internal Audit Universe & Charter	Annual		Internal Auditor		x			
Audit	PSD ARC Network Information Systems Audit (NIS) 2024 Audit	Annual		Head of Service, Information Governance;	Director of NES Technology Service			x	
Audit	PSD ARC Private meeting with Internal & External Auditors and Members	Biannual		Internal Auditor; External Auditor				x	
Finance	JOINT ARC Annual Accounts Part B - Accounting Policies	Annual		Director(s) of Finance		x			
Finance	JOINT ARC Final Draft NSS & NES Annual Report and Accounts	Annual		Director(s) of Finance				x	
Finance	JOINT ARC Annual Accounts Update - Review of Accounting Policies & Annual Losses	Annual		Director(s) of Finance		x			
Finance	PSD ARC Best Value Principles	Annual		Director(s) of Finance	Deputy/Associate Director(s) of Finance				x
Finance	PSD ARC Counter Fraud Activities	Quarterly		Director(s) of Finance	Deputy/Associate Director(s) of Finance	x		x	x

Finance	PSD ARC Fraud Annual Report and Action Plan (Fraud Standard Self-Assessment & Fraud Annual Action Plan)	Annual		Director(s) of Finance	Deputy/Associate Director(s) of Finance	x			
Finance	PSD ARC Gifts and Hospitality Annual Report	Annual		Director(s) of Finance	Deputy/Associate Director(s) of Finance			x	
Finance	PSD ARC Losses and Special Payments Annual Report	Annual		Director(s) of Finance	Deputy/Associate Director(s) of Finance			x	
Finance	PSD ARC Review of Consultancy Spend	Annual		Director(s) of Finance	Deputy/Associate Director(s) of Finance			x	
Performance	PSD ARC Overview of Committee Delegated Strategic Risk	Quarterly		Director of Finance, Director of Primary Care, Strategy, Performance and Service Transformation	Risk Manager	x			x
Performance	PSD ARC Performance Measures Report	Quarterly		Director of Planning, Performance & Transformation; Director of Primary Care, Strategy, Performance and Service Transformation	Risk Manager	x			x
Performance	PSD ARC Resilience Plan/Strategy Review	Annual		Director of Finance, Director of Primary Care, Strategy, Performance and Service Transformation	Risk Manager				
Performance	PSD ARC Risk Management Strategy	Biannual		Director of Finance, Director of Primary Care, Strategy, Performance and Service Transformation	Risk Manager	x			

Performance	PSD ARC Risk Management Strategy Review	Biannual		Director of Finance, Director of Primary Care, Strategy, Performance and Service Transformation	Risk Manager				X
Performance	PSD ARC Risks and Issues Report	Quarterly		Director of Finance, Director of Primary Care, Strategy, Performance and Service Transformation	Risk Manager	X		X	X
Performance	PSD ARC Strategic Risk Appetite Review	Annual		Director of Finance, Director of Primary Care, Strategy, Performance and Service Transformation	Risk Manager				X
Governance	PSD ARC Governance Statement (within annual accounts & report)	Annual		Director(s) of Finance	Deputy/Associate Director(s) of Finance; Board Secretaries			X	
Governance	PSD ARC Annual Committee Reports	Annual		Board Secretaries				X	
Governance	PSD ARC Annual Review of Draft Governance Statement	Annual		Director(s) of Finance	Deputy/Associate Director(s) of Finance; Board Secretaries	X			
Governance	PSD ARC Board Assurance Framework	Annual		Director(s) of Finance	Board Secretaries	X			
Governance	PSD ARC Quarterly Prevent reporting (verbal - by exception – patients / public / service reporting)	Quarterly		Director of Social Care & Communities; Director of Primary Care, Strategy, Performance and Service Transformation	Head of Planning			X	X
Governance	PSD ARC Quarterly Resilience Report	Quarterly		Director of Primary Care, Strategy, Performance and Service Transformation	Head of Planning			X	X

Governance	PSD ARC Quarterly Information Governnce & Security Report (inc Caldicott events)	Quarterly		Director DaS				X	X
Governance	PSD ARC Review of ARC ToR for Corporate Governance Framework	Annual		Director(s) of Finance	Board Secretaries				
Governance	PSD ARC Update on the Implementation of the Policy for Controlled documents	Annual							X
Standing	09. Identification of any new risks emerging from this meeting	Standing		Chair		X	X	X	X
Standing	10. Calendar of meeting dates	Standing		Chair	Board Services	X	X	X	X
Standing	11. Committee Forward Programme	Standing		Chair	Board Services	X	X	X	X

## PSD Scotland Clinical Governance Committee Schedule of Business

Category	Report Title	Recurrence	Purpose	Owner	Author	4-Jun-26	10-Sep-26
Standing	02. Apologies for absence	Standing		Chair		x	x
Standing	01. Chair's Welcome	Standing		Chair		x	x
Standing	03. Declarations of interest	Standing		Chair		x	x
Standing	04. Minutes of previous meeting	Standing		Chair		x	x
Standing	05. Matters arising from the minutes & notification of any other business	Standing		Chair		x	x
Standing	06. Actions from previous meetings	Standing		Chair		x	x
Standing	08. Executive Lead report	Standing		Director(s) of Medical		x	x
Performance	Medical Directors Report (including risks, complaints, and adverse events)	Quarterly		Director(s) of Medical	Director(s) of Medical	x	x
Performance	Nurse Directors Report (inc Health and Care Staffing act reporting)	Quarterly		Director(s) of Nursing	Director(s) of Nursing	x	x
Performance	PSD CGC Quarterly Adverse Events and Complaints Report	Quarterly		Director(s) of Medical	Information and Clinical Governance Manager	x	x
Performance	PSD CGC Quarterly Blood Tissue and Cell Quality Safety and Sufficiency Report	Quarterly		Director of SNBTS	SNBTS Medical Director	x	x
Performance	PSD CGC Quarterly Clinical and Patient Safety Strategic Risk	Quarterly		Director(s) of Medical		x	x
Governance	PSD CGC Quarterly Clinical Governance Framework Delivery Plan Report	Quarterly		Director(s) of Medical	Assoc. Dir. for Nursing, CG & QI	x	x
Performance	PSD CGC Quarterly Clinical Risks Report	Quarterly		Director(s) of Medical	Information and Clinical Governance Manager	x	x
Performance	PSD CGC Quarterly HAI Report	Quarterly		Director(s) of Medical	Infection Prevention and Control Manager	x	x

Performance	PSD CGC Initial Action Plan in Response to the Infected Blood Inquiry (IBI): Progress Update	Standing		Director of SNBTS	SNBTS Medical Director	x	x
Governance	PSD CGC Annual Clinical Staff Revalidation Report	Annual		Director(s) of Medical	Deputy Medical Director		x
Governance	PSD CGC Annual Duty of Candour Report	Annual		Director(s) of Medical	Assoc. Dir. for Nursing, CG & QI		x
Governance	PSD CGC Infection Prevention and Control Annual Report	Annual		Director(s) of Nursing	Infection Prevention and Control Manager	x	
Governance	PSD CGC IR(M)ER Advisory Group Annual Report	Annual		Director(s) of Medical	Director of Healthcare Science	x	
Governance	PSD CGC Medical Staff Revalidation and Appraisal Annual Report	Annual		Director(s) of Medical	Deputy Medical Director	x	
Governance	PSD CGC Patient Group Directions (PGDs) Annual Report	Annual		Director(s) of Medical	Assoc. Dir. for Nursing, CG & QI	x	x
Governance	PSD CGC Research Governance Annual Report	Annual		Director(s) of Medical	Director of Healthcare Science	x	
Governance	PSD CGC Review of CGC ToR for Corporate Governance Framework	Annual		Director(s) of Medical	Board Secretaries		
Standing	09. Identification of any new risks emerging from this meeting	Standing		Chair		x	x
Standing	10. Calendar of meeting dates	Standing		Chair		x	x
Standing	11. Committee Forward Programme	Standing		Chair		x	x

## PSD Scotland Education Committee Schedule of Business

Category	Report Title	Recurrence	Purpose	Owner	Author	7-May-26	20-Aug-26
Standing	02. Apologies for absence	Standing		Chair		x	x
Standing	01. Chair's Welcome	Standing		Chair		x	x
Standing	03. Declarations of interest	Standing		Chair		x	x
Standing	04. Minutes of previous meeting	Standing		Chair		x	x
Standing	05. Matters arising from the minutes & notification of any other business	Standing		Chair		x	x
Standing	06. Actions from previous meetings	Standing		Chair		x	x
Standing	08. Executive Lead report	Standing		Director of Nursing, Midwifery and Allied Health Professionals; Medical Director		x	x
Performance	PSD EC NHS Scotland Academy Education and Quality Governance Annual Report including National Youth Academy	Annual		Director of NHS Scotland Academy, Learning and Innovation	Associate Director, NHSSA, Learning and Innovation	x	
Performance	PSD EC Annual Research report	Annual		Director of NHS Scotland Academy, Learning and Innovation	Principal Educator, Planning, Performance and Transformation		x
Performance	PSD EC Equality, Diversity and Inclusion Annual Report	Annual		Director of Planning, Performance + Transformation	Equality & Diversity Principal Lead	x	
Performance	PSD EC Equality, Diversity and Inclusion Mid Year Report	Annual		Director of Planning, Performance + Transformation	Equality & Diversity Principal Lead		x
Performance	PSD EC Leadership Development Annual Report	Annual		Associate Director, ODLL	Head of Programme, ODLL		x

Performance	PSD EC Medical Education Reform Update	Annual		Medical Director	Head of Programme, Medical	x	
Performance	PSD EC Medicine Quality and Safety Annual Report	Annual		Medical Director	Head of Programme, Medical		x
Performance	PSD EC National Centre for Remote and Rural Health and Social Care	Annual		Medical Director	Head of Programme, Medical		x
Performance	PSD EC Quarterly Performance Measures Report	Quarterly		Director of Planning, Performance & Transformation	Risk Manager	x	x
Performance	PSD EC Quarterly Strategic Risk Report	Quarterly		Director of Planning, Performance & Transformation	Risk Manager	x	x
Governance	PSD EC Annual Education Committee Report	Annual		Director of Nursing, Midwifery and Allied Health Professionals	Board Secretary	x	
Governance	PSD EC Draft Schedule of Business 2026/27	Annual		Director of Nursing, Midwifery and Allied Health Professionals; Medical Director	Board Secretary	x	
Standing	09. Consultations Log	Standing		Chair	Board Services	x	x
Standing	09. Identification of any new risks emerging from this meeting	Standing		Chair		x	x
Standing	09. Minutes from Clinical and Care Assurance Sub Group for assurance	Standing		Chair		x	x
Standing	09. New Scottish Government and NES Educational policies	Standing		Chair		x	x
Standing	10. Calendar of meeting dates	Standing		Chair	Board Services	x	x
Standing	11. Committee Forward Programme	Standing		Chair	Board Services	x	x

## PSD Scotland Finance & Resource Committee Schedule of Business

Category	Report Title	Recurrence	Purpose	Owner	Author	9-Jun-26	8-Sep-26
Standing	02. Apologies for absence	Standing		Chair		x	x
Standing	01. Chair's Welcome	Standing		Chair		x	x
Standing	03. Declarations of interest	Standing		Chair		x	x
Standing	04. Minutes of previous meeting	Standing		Chair		x	x
Standing	05. Matters arising from the minutes & notification of any other business	Standing		Chair		x	x
Standing	06. Actions from previous meetings	Standing		Chair		x	x
Standing	08. Executive Lead report	Standing		Director(s) of Finance; Director(s) of Planning		x	x
Finance	PSD FRC National Procurement Strategy (Not anticipated in year (next review 2026))	Annual		Director National Procurement; Director of Finance			x
Finance	PSD FRC Portfolio Management Group (PMG) Report	Standing		Director(s) of Finance		x	x
Finance	PSD FRC Review of Salary Overpayments	Biannual		Director(s) of Finance	Deputy Director of Finance		x
Procurement	PSD FRC - NHS National Procurement Annual Report to Scottish Government	Annual		Director National Procurement; Director of Finance			x
Procurement	PSD FRC Annual Procurement Report	Annual		Director National Procurement; Director of Finance			x
Procurement	PSD FRC Approval of procurements authorised for the Committee by the SFI (as required)	Standing		Director National Procurement	Director National Procurement	x	x
Procurement	PSD FRC Business Cases for Approval per SFIs (as required)	Standing		Director National Procurement	Director National Procurement	x	x

Procurement	PSD FRC Contracts for Approval per SFIs (as required)	Standing		Director National Procurement	Director National Procurement	x	x
Procurement	PSD FRC National Procurement Report & Contract Schedule	Standing		Director National Procurement	Director National Procurement	x	x
Procurement	PSD FRC Procurement Strategy	Annual		Director National Procurement; Director of Finance			x
Procurement	PSD FRC Triennial Procurement Strategy & action plan (2027-30)	Triennial		Director National Procurement; Director of Finance			
Performance	PDS FRC Quarterly Full Board Delivery Report	Quarterly	Assurance	Director of Planning, Performance + Transformation	Manager Planning, Performance + Transformation	x	x
Performance	PSD FRC Annual Climate Emergency and Sustainability Report	Annual		Director Assure; Director of Finance			x
Performance	PSD FRC Assist Progress Report	Annual		Director of Primary Care, Strategy, Performance and Service Transformation	Associate Director Strategy, Performance & Communications	x	
Performance	PSD FRC Business Continuity Plan	Annual		Director of Technology Service; Director Primary & Community Care / Strategy, Performance & Service Transformation		x	
Performance	PSD FRC Change Oversight Group (COG) Report	Standing		Medical Director	Medical Director	x	x
Performance	PSD FRC Governance of externally commissioned activity Report	Standing		Director of Planning, Performance + Transformation	Head of Service, Planning, Performance + Transformation	x	x

Performance	PSD FRC Health inequalities and social accountabilities (incl corporate parenting)	Biannual		Director of Social Care & Communities	Head of Programme, Social Care	x	
Performance	PSD FRC Horizon Scanning	Biannual		Director(s) of Planning	Head of Service, Planning, Performance + Transformation; Associate Director of Strategy, Performance & Communications		x
Performance	PSD FRC Lead Executives Officer Report (including National Information Governance Agreement - Update)	Standing		Director (s) of Finance	Manager Planning, Performance + Transformation	x	x
Performance	PSD FRC Public Bodies Climate Change Duty Report	Annual		Director Assure; Director(s) of Finance			x
Performance	PSD FRC Quarterly Complaints Report	Quarterly		Director(s) of Planning		x	x
Performance	PSD FRC Quarterly Financial Performance Report	Quarterly		Director(s) of Finance; Director Assure		x	x
Performance	PSD FRC Quarterly Full Board Performance Measures Report	Quarterly		Director(s) of Planning	Risk Manager	x	x
Performance	PSD FRC Quarterly Strategic Key Performance Measures Report	Quarterly		Director(s) of Planning	Risk Manager	x	x
Performance	PSD FRC Quarterly Strategic Risk & Issues Report	Quarterly		Director(s) of Planning	Risk Manager	x	x
Performance	PSD FRC Service Excellence & Annual Delivery Plan (ADP) Progress Report	Standing		Director(s) of Planning	Associate Director Strategy, Performance & Communications	x	x
Performance	PSD FRC Sustainability & Climate Emergency Report	Quarterly		Director Assure; Director(s) of Finance	Director Assure; Executive Director of Finance	x	

Performance	SFI Adverse Events Report (verbal update, report by exception)	Standing		Director(s) of Finance	Assoc Director Finance	x	x
Performance	Whole System Infrastructure Plan (WSIP) and Business Continuity Plan (BCP)	Biannual		Director of Finance, Corporate Governance & Legal Services	Deputy Director Finance	x	
Governance	PSD FRC Corporate Information Security policy and IG Policy	Annual		Director of Technology Service; Head of Service, Information Governance	Head of Service, Information Governance		x
Standing	09. Identification of any new risks emerging from this meeting	Standing		Chair		x	x
Standing	10. Calendar of meeting dates	Standing		Chair		x	x
Standing	11. Committee Forward Programme	Standing		Chair		x	x

## PSD Scotland Remuneration Committee Schedule of Business

Category	Report Title	Recurrence	Purpose	Owner	Author	9-Jun-26	8-Sep-26
Standing	02. Apologies for absence	Standing		Chair		x	x
Standing	01. Chair's Welcome	Standing		Chair		x	x
Standing	03. Declarations of interest	Standing		Chair		x	x
Standing	04. Minutes of previous meeting	Standing		Chair			x
Standing	05. Matters arising from the minutes & notification of any other business	Standing		Chair			x
Standing	06. Actions from previous meetings	Standing		Chair			x
Standing	08. Executive Lead report	Standing		Chief Executive	Director(s) of HR/People	x	x
Performance	PSD RC Annual Voluntary Severance Report 2025/2026	Annual		Director(s) of HR/People		x	
Performance	PSD RC Consultants Job Plans - Pay Progression	Annual		Director(s) of HR/People			
Performance	PSD RC Discretionary Pay Progression (CRUMP)	Annual		Director(s) of HR/People		x	
Performance	PSD RC Executive Objectives 2026/27	Annual		Chief Executive		x	
Performance	PSD RC Executive Team Performance Reviews	Annual		Chief Executive		x	
Performance	PSD RC Overview of recruitment activity (including posts approved outwith meeting)	Biannual		Director(s) of HR/People		x	
Governance	PSD RC HR Annual Report on Senior Grade Remuneration	Annual		Director(s) of HR/People		x	
Governance	PSD RC Remuneration Committee Annual Report	Annual		Director(s) of HR/People	Board Secretaries	x	
Standing	09. Identification of any new risks emerging from this meeting	Standing		Chair		x	x

Standing	10. Calendar of meeting dates	Standing		Chair		<b>x</b>	<b>x</b>
Standing	11. Committee Forward Programme	Standing		Chair		<b>x</b>	<b>x</b>

## PSD Scotland Staff Governance Committee Schedule of Business

Category	Report Title	Recurrence	Purpose	Owner	Author	16-Jun-26	1-Sep-26
Standing	02. Apologies for absence	Standing		Chair		x	x
Standing	01. Chair's Welcome	Standing		Chair		x	x
Standing	03. Declarations of interest	Standing		Chair		x	x
Standing	04. Minutes of previous meeting	Standing		Chair			x
Standing	05. Matters arising from the minutes & notification of any other business	Standing		Chair			x
Standing	06. Actions from previous meetings	Standing		Chair			x
Standing	08. Executive Lead report	Standing		Director(s) of HR/People			x
Performance	PSD SGC Health & Safety Annual Report	Annual		Director(s) of HR/People			x
Performance	PSD SGC Staff Risks	Quarterly		Director(s) of HR/People		x	x
Performance	PSD SGC Annual Employment Equalities Monitoring Report	Annual		Director(s) of HR/People	Principal Lead Equality Diversity and Human Rights		x
Performance	PSD SGC Annual Facility Time Publication Release	Annual		Director(s) of HR/People		x	
Performance	PSD SGC Staff Governance Annual Delivery Plan	Annual		Director(s) of HR/People	Head of People Insights, Performance & Systems	x	
Performance	PSD SGC Delegated Performance Measures Report	Quarterly		Director(s) of Planning		x	x
Performance	PSD SGC Delegated Strategic Risk report	Quarterly		Director(s) of Planning		x	x
Performance	PSD SGC Staff Governance Annual Delivery Plan - Quarterly Progress Report	Quarterly		Director(s) of HR/People		x	x

Performance	PSD SGC Staff Governance Action Plan Plan End of Year Progress Report	Annual		Director(s) of HR/People		x	
Performance	PSD SGC iMatter Results	Annual		Director(s) of HR/People			x
Performance	PSD SGC Quarterly People Report	Quarterly		Director(s) of HR/People		x	x
Performance	PSD SGC Quarterly Prevent reporting (verbal - by exception – staff reporting)	Quarterly		Director of Social Care & Communities; Director of Primary Care, Strategy, Performance and Service Transformation		x	x
Performance	PSD SGC Whistleblowing Quarterly Report	Quarterly		Director of Nursing; Director of Planning, Performance & Transformation		x	x
Performance	PSD SGC Equality, Diversity & Inclusion Annual report	Annual		Director (s) of Planning	Principal Lead Equality Diversity & Human Rights	x	
Strategic	PSD SGC Annual Health and Safety Policy Statement	Annual		Chief Executive; Director of Finance			x
Strategic	PSD SGC Draft Strategic Workforce Plan 2026-2029 Update	Annual		Director(s) of HR/People			x
Governance	PSD SGC Quarterly Health, Safety & Wellbeing Forum minutes	Quarterly		Director(s) of HR/People		x	x
Governance	PSD SGC Annual Trade Union Facility Time Reporting	Annual		Director(s) of HR/People		x	
Governance	PSD SGC Employee Relations Analysis	Annual		Director(s) of HR/People			x

Governance	PSD SGC Employment Tribunals	Quarterly		Director(s) of HR/People		<b>x</b>	<b>x</b>
Governance	PSD SGC Relevant Policies and Procedures as required	Quarterly		Director(s) of HR/People			<b>x</b>
Standing	09. PSD SGC JLNC Briefing	Standing				<b>x</b>	<b>x</b>
Standing	10. Identification of any new risks emerging from this meeting	Standing		Chair		<b>x</b>	<b>x</b>
Standing	11. Calendar of meeting dates	Standing		Chair		<b>x</b>	<b>x</b>
Standing	12. Committee Forward Programme	Standing		Chair		<b>x</b>	<b>x</b>

## PSD Scotland Service and Digital Transformation Committee Schedule of Business

Category	Report Title	Recurrence	Purpose	Owner	Author	19-May-26	27-Aug-26
Standing	02. Apologies for absence	Standing		Chair		x	x
Standing	01. Chair's Welcome	Standing		Chair		x	x
Standing	03. Declarations of interest	Standing		Chair		x	x
Standing	04. Minutes of previous meeting	Standing		Chair			x
Standing	05. Matters arising from the minutes & notification of any other business	Standing		Chair			x
Standing	06. Actions from previous meetings	Standing		Chair			x
Standing	08. Executive Lead report	Standing		Director(s) of Planning; Director(s) of Technology/Digital			x
Standing	10. Identification of any new risks emerging from this meeting	Standing		Chair		x	x
Standing	11. Calendar of meeting dates	Standing		Chair		x	x
Standing	12. Committee Forward Programme	Standing		Chair		x	x
Performance	PSD SDTC Delegated Performance Measures Report	Quarterly		Director(s) of Planning	Risk Manager	x	x
Performance	Quarterly National It Contracts Report	Quarterly		Director DaS	Director DaS	x	x
Performance	Quarterly Digital Front Door Report	Quarterly		Director of Technology Service		x	x
Performance	Quarterly Programme Oversight Report	Quarterly		Director DaS	Director DaS	x	x

# Public Services Delivery Scotland

<b>Meeting:</b>	Public Services Delivery Scotland Board
<b>Meeting date:</b>	2 April 2026
<b>Title:</b>	Internal Audit arrangements
<b>Paper No.</b>	<b>PSDB/26/04</b>
<b>Responsible Executive/Non-Executive:</b>	Carolyn Low, Director Finance, Corporate Governance and Legal Services; Jim Boyle, Director of Finance
<b>Report Author:</b>	Kyle Clark-Hay, Associate Director Corporate Governance (Board Secretary); Drew McGowan, Board Secretary and Principal Lead Corporate Governance

## 1. Purpose

- 1.1. This paper asks the Public Services Delivery Scotland (PSD Scotland) Board to homologate the decisions of the NHS National Services Scotland (NSS) and NHS Education for Scotland (NES) Audit and Risk Committees to continue with the current Internal Audit arrangements and in doing so appoint KPMG as the Internal Auditors for PSD Scotland.

## 2. Recommendation

- 2.1. As responsible Executive Directors, we are assured that a robust process has been followed to define the Corporate Governance Framework and that the documents included today for approval meet the needs of PSD Scotland and the Board.
- 2.2. It is recommended that the Board:
  - a) **Homologate** the decisions of the NSS and NES Audit and Risk Committees to appoint KPMG as the Internal Auditors for PSD Scotland.

### 3. Report Summary

#### Situation

- 3.1. The current arrangements for Internal Audit Services are delivered through a collaboration framework which, in 2023 agreed a 3 year contract with KPMG for providing such services. The NHS Scotland Boards who were party to this agreement are NHS National Services Scotland, NHS Education for Scotland, Public Health Scotland, Scottish Ambulance Service and Healthcare Improvement Scotland. This arrangement commenced on 1 April 2023. This contract with KPMG provided for an extension to Internal Auditing services for a further 3 years (initially 2 years with a further 1 year option). Both NSS and NES have worked successfully with KPMG in this space.
- 3.2. All Boards who are party to this Framework were canvassed on their views of the existing arrangements in December 2025. All Boards (including NSS and NES) reported high levels of satisfaction with the Internal Auditing services provided by KPMG and this was also evidenced through the routine feedback from Boards through the ongoing performance monitoring conducted by NSS National Procurement.
- 3.3. In December 2025, following the review, all Boards who are party to this Framework agreed to extend this existing arrangements with KPMG for a further 2 years as per the terms of the contract. To ensure the arrangements were in place from 1 April 2026, all Boards who were party to this Internal Audit Framework sought formal governance from their respective Boards and therefore it was agreed that NSS and NES would use their existing governance arrangements to agree the approach for Internal Audit in advance of PSD Scotland coming into being from 1 April 2026 with assurance that the PSD Scotland Board would homologate this position at its first meeting.
- 3.4. Both NSS and NES sought agreement from their respective Audit and Risk Committees in March 2026 to support this approach and both Committees were in agreement that the existing arrangements should prevail being cognisant of the benefit of continuity of Internal Audit arrangements in the context of the creation of Public Services Delivery Scotland.
- 3.5. Given that the PSD Scotland Board is a new Board and the appointment of the Internal Auditor is a matter reserved for the Board under Standing Orders, this paper is brought before the Board to homologate the decisions of the NSS and NES Audit and Risk Committees. In doing so this will provide the necessary governance to appoint KPMG as the Internal Auditors for PSD Scotland under their current terms of engagement with a further review due in December 2027 to consider the final one year extension under this arrangement.

## 4. Assessment

- 4.1. Provide analysis of the situation and considerations. Assess the current position, identifying any organisational risks, stakeholder considerations and evidence base to help inform decision making.

### **Quality, Value, Care and Technology**

- 4.2. Internal Audit is a key component of organisational transparency and integrity providing clear and effective scrutiny and recommendations for development that instils confidence from Scottish Government and the public in Public Services Delivery Scotland.

### **Workforce**

- 4.3. There are no specific workforce considerations as a result of the recommendations contained in this paper although these are areas that may be subject in Internal Audit review.

### **Financial**

- 4.4. The budget for Internal Audit services is contained within the financial plans for PSD Scotland. The Internal Audit function provides key assurance in relation to the key financial controls of PSD Scotland.

### **Education and Training**

- 4.5. There are no specific issues from an Education and Training perspective as a result of the recommendations contained within this report although these are areas that may be subject in Internal Audit review.

### **Information Governance**

- 4.6. There are no specific issues from an Information Governance perspective as a result of the recommendations contained within this report although this is an area that may be subject in Internal Audit review.

### **Environmental and Climate Sustainability**

- 4.7. There are no specific issues from an Environmental and Climate Sustainability perspective as a result of the recommendations contained within this report although these are areas that may be subject in Internal Audit review.

### **Equality, Diversity, Human Rights and Health Inequalities**

- 4.8. An equality impact assessment is not required for this report.

### **Other Impacts**

- 4.9. There are no other impacts that require consideration as a result of the recommendations contained in this report.

### **Risk Assessment/Management**

- 4.10. There are no additional risks that require to be added to the Risk Register as a result of the recommendations contained in this report.

### **Communication, Involvement, Engagement and Consultation**

- 4.11. In advance of the Internal Auditor being considered by the Board, this has been scrutinised by the NSS and NES Audit and Risk Committees.

### **Route to the Meeting**

- 4.12. This is being presented directly to the Board for homologation.

## **5. List of appendices**

- 5.1. There are no appendices to this report.