MINUTE OF THE MEETING OF NHS FIFE BOARD HELD ON TUESDAY 27 JUNE 2017
AT 11.00 AM IN LECTURE HALLS 1&2, EDUCATION CENTRE, QUEEN MARGARET
HOSPITAL, DUNFERMLINE

Present:
Ms T Marwick (Chairperson)  Ms R Laing, Non-Executive Director
Mr P Hawkins, Chief Executive  Mr S Little, Non-Executive Director
Ms M Adams, Non-Executive Director  Ms J Owens, Non-Executive Director
Dr L Bisset, Non-Executive Director  Mr J Paterson, Non-Executive Director
Mr M Black, Non-Executive Director  Mrs C Potter, Director of Finance
Mrs C Cooper, Non-Executive Director  Ms A Rooney, Non-Executive Director
Dr F M Elliot, Medical Director  Ms H Wright, Director of Nursing

In Attendance:
Ms N Aitken, Head of Corporate Services
Mr M Kellet, Director of Health & Social Care
Professor S McLean, Chief Operating Officer (Acute)
Ms B A Nelson, Interim Director of Workforce
Mrs P King, Corporate Services Manager (Minutes)

28/17  CHAIRPERSON’S WELCOME AND OPENING REMARKS
The Chair welcomed everyone to the meeting, in particular, Ms Pearl Tate, Audit Scotland, NHS Fife’s appointed auditors.

29/17  DECLARATION OF MEMBERS’ INTERESTS
Ms Rooney declared an interest as she would take up appointment as a Non-Executive Member of NHS National Services Scotland with effect from 29 June 2017.

30/17  APOLOGIES FOR ABSENCE
Apologies for absence were received from Mr W Brown and Dr M Hannah.

31/17  MINUTE OF THE PREVIOUS MEETING HELD ON 25 APRIL 2017
The Minute of the previous meeting was approved as a true record.

32/17  COMMITTEE ANNUAL ASSURANCE STATEMENTS 2016-17
The Board received the Annual Assurance Statements from the four sub-committees of the Board, a key component of the Board’s overall corporate governance assurance process. The assurance statements had been submitted to the Audit & Risk Committee at its meeting on 23 June 2017. The Chief Internal Auditor had also considered the assurance statements as part of his reporting and had provided a positive overview on the Board’s controls and governance at the Audit & Risk Committee.
The Board noted the Annual Assurance Statements for 2016-17.

33/17 ANNUAL ACCOUNTS PROCESS

(a) NHS Fife Board Annual Accounts for the Year to 31 March 2017

The Annual Accounts for 2016-17 were presented to the Board, together with the final draft report from Audit Scotland, as required. As is usual, NHS Fife is not permitted by Scottish Government to put the actual report of accounts into the public domain until such time as the accounts are laid before the Scottish Parliament in the Autumn. However, Members had received copies of the reports and the Chair did not want Members to feel constrained by this and was happy for discussion to take place. The Audit & Risk Committee had already scrutinised the draft report and accounts on behalf of the Board at its meeting on 23 June 2017. As soon as the Board is permitted to do so, the final report from Audit Scotland will be placed in the public domain, along with the Accounts.

(i) Annual Accounts Documents

Mrs Potter presented the Annual Accounts for the year ended 31 March 2017 and took the opportunity to thank both the finance team and colleagues from Audit Scotland for their hard work and concerted efforts over the last few months to get the Board to where it is today. 2016-17 was a challenging year financially but the Board had received an unqualified opinion on all aspects of the accounts and that the figures presented confirmed that NHS Fife met its financial targets.

There had been unique circumstances this financial year, with the new requirements in respect of accounting for the Integration Joint Board and the impact of that on the NHS Board accounts. In addition to reviewing the financial statements, Audit Scotland also reviewed wider aspects including financial management and sustainability, governance and transparency and best value. A number of improvements to processes had already been identified and implemented and recommendations from Audit colleagues accepted.

The Audit & Risk Committee undertook detailed scrutiny of the Annual Accounts and supporting portfolio of governance and assurance matters on the Board’s behalf. The Annual Accounts were in the prescribed format in accordance with national guidance and had been presented in full to the Audit & Risk Committee on 23 June 2017. The Audit & Risk Committee had identified some minor typos since the Board papers had been issued and these changes had been made to the final copies for signing under the supervision of Audit Scotland colleagues. It was noted that there had been no significant matters to be drawn attention to since 31 March 2017.

(ii) 2016-17 Annual Audit Report for the Board of NHS Fife and the Auditor General for Scotland

This document provided a summary of the findings arising from the 2016-
17 audit of NHS Fife by Audit Scotland that had been presented to the Audit & Risk Committee on 23 June 2017.

Comments were made about financial sustainability given that NHS Fife relied on non-recurring savings to achieve financial balance in 2016-17 and the message this sent out to the public. Within the Audit Scotland report, reference was made to longer term financial planning and how this would be further developed as part of the regional delivery planning process building a long term financial strategy, in line with the Clinical Strategy and Property and Asset Management Strategy. As Chair of the Finance, Performance & Risk Committee, Mr Paterson confirmed that this issue had been discussed at the Committee earlier today and the key was to ensure that there was a robust process in place with action plans that were delivered.

(iii) Draft Letter of Representation

This was the standard letter required from the Board to the External Auditors, for the purposes of confirming that the Board was satisfied that the financial statements gave a true and fair view of the financial position at 31 March 2017 and its comprehensive net expenditure for the year then ended.

(iv) Annual Assurance Statement from Audit & Risk Committee

Ms Laing presented the Annual Assurance Statement which had been approved by the Audit & Risk Committee the previous week. As Chair of the Audit & Risk Committee she confirmed that the Audit & Risk Committee had reviewed all the relevant documentation and reports and recommended that the Board approve and sign the reports and letter of representation and adopt the annual accounts for the year ended 31 March 2017.

The Board:

- adopted the Annual Accounts for 2016-17;
- authorised the Chief Executive to sign the Letter of Representation; and
- authorised the Chief Executive and Director of Finance to sign the Accounts on behalf of the NHS Board.

On behalf of the Board, the Chair recorded thanks to Audit Scotland for the work they have done assisting NHS Fife throughout the year and in preparing the draft final report which will be laid before Parliament in the Autumn.

(b) Patients’ Private Funds – Receipts and Payments Account for the Year Ended 31 March 2017

Mrs Potter referred to the Patients’ Private Funds Annual Report and Accounts for the year ended 31 March 2017. The process was subject to audit by Thomson Cooper Accountants and an unqualified audit certificate was appended to the Accounts.
The Audit Completion Memorandum confirmed there were no significant matters to report to management and the Letter of Representation that outlined the responsibilities of Board Members in respect of the financial statements of the Patients’ Private Funds.

The Audit & Risk Committee had reviewed the Receipts and Payments Accounts and supporting documentation at its meeting on 23 June 2017 and recommended approval to the Board. Thomson Cooper had not felt it necessary to attend the Board, but had presented their report on the Accounts in full at the Audit & Risk Committee.

The Board:

- **approved** the financial statements of Fife Health Board’s Patients’ Private Funds for the Year Ended 31 March 2017; and
- **authorised** the Chief Executive and Director of Finance to sign, on behalf of the Board, the:
  - Receipts and Payments’ Account;
  - Statement of Health Board Members’ Responsibilities; and
  - Letter of Representation to Thomson Cooper.

### OPENING BUDGETS 2017-18

**(a) Financial Plan 2017-18**

Mrs Potter presented the paper that provided details of NHS Fife’s opening budgets for the 2017-18 financial year and sought to confirm compliance with the requirement to maintain the budgets for the Integration Joint Board at ‘flat cash’ levels. The Finance, Performance & Resources Committee had considered the paper as part of due process at its meeting on 30 May 2017 and was content to recommend approval by the Board.

The Chair of the Finance, Performance & Resources Committee recognised the excellent delivery in the last financial year but emphasised the need for all areas to continue to contribute significantly in order to close the gap in 2017/18. The Chair recorded an appreciation to staff throughout NHS Fife for the work they have done to date to meet the financial targets; this financial year would be even more challenging and she hoped and expected that staff would continue to contribute.

The Board **approved** the opening budgets for 2017-18.

**(b) Capital Budget 2017-18**

Mrs Potter presented the paper that provided detail of the specific budgets allocated within each category of capital expenditure, together with a reminder of the governance structure supporting the review and prioritisation of capital funding.

In response to questions, it was noted that the as part of the overall estates strategy, work continued to review all the buildings across Fife.
including looking at a move away from using the Tower Block at Victoria Hospital for clinical use to more clerical use. It was important to note that delivery of high quality care for in-patients at the Tower Block, Victoria Hospital, was safe.

The Board approved the capital budgets for 2017-18.

35/17 DATE OF NEXT MEETING:

Wednesday 12 July 2017 at 10.00 am in Lecture Halls 1&2, Education Centre, Queen Margaret Hospital, Dunfermline