Model Framework Document – Non-Ministerial Offices

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Approved	**Next Review**
5/11/2025	As required, but before **4/11/28**

Introduction

1. This framework document is agreed between Food Standards Scotland (FSS) and the Scottish Ministers. It recognises the independence of Food Standards Scotland and sets out how the organisation will work with the Scottish Government (SG), and the key roles and responsibilities of:

- the FSS Board
- the Chief Executive and Accountable Officer of Food Standards Scotland
- the Scottish Ministers; and
- the Portfolio Accountable Officer within the SG whose remit includes liaison with Food Standards Scotland.

2. While this document does not confer any legal powers or responsibilities between the Scottish Ministers and FSS, as a live document it should be reviewed by both parties at least every 2-3 years. Any changes will be agreed between the Board and the Scottish Ministers.

3. Any question regarding the interpretation of the document will be resolved through discussion between the SG and FSS. Legislative provisions take precedence over any part of the document.

4. Copies of the document will be published on the Food Standards Scotland website.

5. The FSS vision is “A safe and healthier food environment that Scotland can trust”.

Purpose

6. FSS is established under Part 1 of the Food (Scotland) Act 2015 (“the 2015 Act”), and is a body corporate, governed by board members appointed by the Scottish Ministers. As a body corporate, FSS possesses a distinct legal identity, enabling Ministers and other stakeholders to engage with it as a separate and accountable legal entity**.** The Food (Scotland) Act (Consequential Provisions) Order 2015 makes FSS part of the Scottish Administration, alongside, but separate from, the Scottish Government – as FSS is non-ministerial.

7. FSS employs its Chief Executive (CE) and its staff (“FSS staff”). The Chief Executive is authorised by FSS to arrange for the exercise of all FSS functions allowed under section 14 of the 2015 Act. The actions of all staff are undertaken on behalf of FSS. This Framework Document sets out respective roles and responsibilities which underpin this authorisation.

8. FSS provides broad strategic direction to the staff it employs and holds the CE to account for the leadership and performance of FSS. The CE is responsible for the day-to-day running of FSS. The staff of FSS are civil servants, appointed by and accountable to FSS. As civil servants, FSS staff are bound by the civil service code.

9. This Framework Document sets out the terms of an agreement between FSS and the Scottish Government in relation to the governance, financing and operation of the functions of FSS. The framework document is a statement of intent, agreed jointly. It does not create legal obligations.

10. The 2015 Act gives FSS three statutory objectives:

a) to protect the public from risks to health which may arise in connection with the consumption of food.

b) to improve the extent to which members of the public have diets which are conducive to good health; and

c) to protect the other interests of consumers in relation to food.

11. While not referred to specifically in the act, FSS also advise on the risks to public health due to how food and drink is produced or supplied.

12. The Act also sets out FSS’s general functions. These are:

a) to develop (and assist the Scottish Ministers and public bodies and officeholders to develop) policies in relation to food matters and animal feeding stuffs matters;

b) to advise, inform and assist the Scottish Ministers and public bodies and officeholders and other persons in relation to food matters and animal feeding stuffs matters;

c) to keep the public adequately informed about and advised in relation to matters which significantly affect their capacity to make informed decisions about food matters;

d) to keep users of animal feeding stuffs adequately informed about and advised in relation to matters which significantly affect their capacity to make informed decisions about animal feeding stuffs matters; and

e) to monitor the performance of and promote best practice by enforcement authorities in enforcing food legislation.

13. By delivering its functions effectively to achieve its statutory objectives, FSS will contribute to the Scottish Government's Programme for Government, where specific priorities related to Public Health, but in particular:

a) making sure food in Scotland is safe, and improving the diet and nutrition of people in Scotland, so people lead longer, healthier lives;

b) being efficient and responsive to Scottish circumstances, helping to ensure that our public services are high quality, continually improving, efficient and responsive to local people's needs; and

c) provide clear, accessible and evidence-based communications that help consumers make informed choices and support businesses to understand and meet their obligations and to thrive.

Regulation and enforcement

14. The 2015 Act gives FSS its objectives and general functions such as: developing policies; providing advice; keeping the public informed; and monitoring the performance of enforcement authorities. However, the 2015 Act also gives FSS powers to carry out observations and powers of entry for authorised officers so that FSS can also act as an enforcement authority or regulator. Where the Scottish Ministers make regulations under a relevant Acts such as the 2015 Act and the Food Safety Act 1990, FSS can be designated by Ministers as being a competent authority or enforcement authority for the regulations.

15. FSS is also designated as a competent authority and enforcement authority under assimilated food and animal feed law in Scotland. As such, FSS has responsibility for providing relevant policy advice to Scottish Ministers as part of the UK Common frameworks processes (once they are agreed), as well as on other relevant matters out with the scope of these frameworks. In this regard, FSS will act to ensure the interests of consumers and Ministers in Scotland are fed into policy development at UK level and will make recommendations to Scottish Ministers based on the outputs of risk analysis and the application of the UK Common Frameworks. FSS will also provide assurance to Scottish Ministers that official control activities are being delivered as appropriate.

16. As part of the arrangements established following the UK's exit from the EU, FSS will also report jointly with Food Standards Agency on an annual basis on the status of food and feed safety and standards in the UK and official control delivery where required. The frequency can be changed subject to the agreement of the Board and Scottish Ministers. FSS's working relationship with FSA in respect of these matters is set out as part of a Memorandum of Understanding and in associated protocols agreed between the two bodies.

Diet and Nutrition

17. By the minute dated 23rd April 2015 the Scottish Minister clarified the statutory objective set out above regarding FSS's role in dietary health policy.

18. The diet and nutrition remit for Food Standards Scotland will be a leadership role and focused on:

a) creating an authoritative primary source of evidence-based diet and nutrition advice for Ministers, delivery partners and consumers about diets conducive to good health to support the Scottish Dietary Goals;

b) providing a strategic co-ordination of diet and nutrition research and surveillance, through partnership working, to help ensure the effective use and application of resources. To advise on, publicise and develop policy in respect of the Scottish diet;

c) providing the guidance and expertise necessary to ensure coherent and aligned delivery of dietary health improvement; and

d) advising Ministers, making recommendations, where appropriate, on actions that improve dietary health.

19. Ministers expect FSS to lead a co-ordinated approach through working in partnership to:

a) ensure that public health nutrition policy protects the health of the Scottish population and puts the consumer first;

b) be the primary source of impartial and evidence-based public health nutrition and food safety advice for consumers, health and education professionals and policy makers in Scotland;

c) ensure regulations are applied fairly; enabling food and feed businesses in Scotland to comply with the law and gain the trust of consumers and export markets; including advice for businesses on Food allergens

d) be involved in the provision of all consumer focused diet and nutrition advice to ensure it contributes positively to achieving the Scottish Dietary Goals;

e) improve the nutritional quality of food and drink in the Scottish food chain;

f) contribute to improvement in health outcomes by providing evidence-based advice on diet and nutrition for all public sector areas such as the NHS, prisons, care homes and schools;

g) ensure effective targeting of research and surveillance on diet and nutrition in Scotland to provide information on which to revise and develop dietary policy for Scotland, through an open and transparent tender processes;

h) be responsible for co-ordinating all relevant diet and nutrition SG-funded research.

Governance and Accountability

20. This section summarises the specific responsibilities and accountabilities of the key people involved in the governance of FSS and in managing its relationship with SG.

The Board

21. The members of FSS, including the Chair, are non-executives who form the corporate body, which is known colloquially as the Board. They are appointed by the Scottish Ministers in line with the Code of Practice for Ministerial Public Appointments in Scotland. The Chair and Board Members are accountable to the Scottish Parliament and may be required to give evidence to Parliamentary Committees.

22. The Board has overall responsibility for setting the strategic direction for FSS, ensuring there is adequate strategic leadership . and ensuring FSS meets its statutory objectives and functions, as set out paragraphs 10-12 above, in accordance with the aims, policies and priorities of the Scottish Ministers. In fulfilling this responsibility, members, under the leadership of the chair, will:

a) monitor outcomes and delivery of the functions of FSS without compromising its independence;

b) regularly scrutinise current and projected performance against the aims, objectives and targets set out in plans and seek assurance on implementation of remedial action where required;

c) ensure that effective governance is maintained, including ensuring that decision-taking is open and transparent and, with support from the Accountable Officer and the Audit and Risk Committee, ensure that key risks are identified and managed;

d) approve the annual report and accounts and ensure these are laid before the Scottish Parliament;

e) promote the efficient, economic and effective use of resources consistent with the principles of Best Value, regularly scrutinise financial performance, with support from the Finance and Business Committee (FBC) and ensure compliance with the Scottish Public Finance Manual, including through collaboration and use of shared services.

23. Board Members have collective responsibility for the actions and decisions of FSS and are directly accountable to the Scottish Parliament.

24. The Chair will:

a) lead the Board, ensuring that all Board members have suitable induction to understand the role and their responsibilities, that the skills and experience of all Board Members are used effectively and that the Board undertakes regular self-assessment of its performance;

b) ensure that the performance of each Board member is reviewed at least once per year and that the Board and/or individual Board members undertake development activity when required to ensure the effectiveness of the Board;

c) ensure that the Board reviews its effectiveness annually;

d) ensure that a Code of Conduct (aligned to the Model Code of Conduct for Board Members) is in place, that corporate actions are taken to implement it as required and that Members understand their responsibilities, using the guidance provided by the Standards Commission; and

e) work with the Portfolio Accountable Officer or their delegate(s) and the Public Appointments Team in SG on succession planning for the Board, take any action necessary to fill vacancies as they arise, skills requirements and diversity are promoted by encouraging applications from less represented groups, including younger people, people from minority ethnic backgrounds and people with disabilities.

25. Specific guidance on how the Chair and Board Members should discharge their duties will be provided in their appointment letters and in On Board – A Guide for Members of Statutory Boards. Guidance on governance good practice is available in the Scottish Public Finance Manual. A list of key aspects of governance to consider is included in the section on Governance and Risk below.

The Chief Executive

26. The Chief Executive is a director level senior civil servant employed and appointed by the Board, with the approval of the Scottish Ministers, and is the principal adviser to the Board on the discharge of its functions. The Chief Executive role is to provide leadership to staff working for FSS and to ensure that its aims and objectives are met, its functions are delivered, and its targets are met through effective and properly controlled executive action.

27. The specific duties of the Chief Executive will be set out in a job description, and annual objectives will be agreed with the Chair and used in appraisal of the Chief Executive's performance. In addition to any other specific duties, the Chief Executive will:

a) advise the Board on the discharge of its responsibilities – as set out in this Framework Document, in the founding legislation and in any other relevant instructions and guidance issued by or on behalf of the Scottish Ministers;

b) implement or oversee implementation of the decisions of the Board; work with the Board on preparation of the FSS Strategy, including liaising with the Senior Lead Officer on the timetable and any points which SG may suggest for inclusion, and work with the Board to ensure that annual delivery plans are put in place to meet the strategy aims, objectives and performance measures;

c) manage the staff of FSS, ensuring their wellbeing, learning and development are prioritised, and ensuring that the NMO staff responsibilities set out in the section below are addressed and maintain the independence of FSS from Scottish Government;

d) manage the budget for FSS in line with Scottish Government Finance guidance, policies and procedures, including the Scottish Public Finance Manual, and advise the Board on financial implications of all Board decisions, ensuring that appropriate financial appraisal and evaluation techniques are followed (see the Appraisal and Evaluation section of the SPFM);

e) manage the day-to-day relationship with SG officials, including the Portfolio Accountable Officer, through appropriate fora, and with other key stakeholders, including staff of other public bodies.

f) In advising the Board, the Chief Executive will ensure that the key governance issues highlighted in the section on Governance and Risk below are addressed.

The Accountable Officer

28. The Principal Accountable Officer for the Scottish Administration will designate a senior official as the Accountable Officer (AO). For FSS this is the Chief Executive. The AO is personally responsible for the propriety and regularity of the public finances of FSS and ensuring that its resources are used economically, efficiently and effectively, as required by section 15 of the Public Finance and Accountability (Scotland) Act 2000 and may be called to give evidence to the Public Audit Committee of the Scottish Parliament. The responsibilities of the AO are set out in full in the Memorandum to Accountable Officers for Parts of the Scottish Administration in the Scottish Public Finance Manual.

29. The Accountable Officer may consult the Portfolio Accountable Officer on any aspect of accountable officer duties.

The Scottish Ministers

30. The working conditions and rules for FSS staff are set by FSS, but they must be approved by Scottish Ministers. Separately, FSS must periodically publish a document called the *Statement on Performance of Functions*, which is presented to the Scottish Parliament on how the organisation intends to deliver its functions. Additionally, FSS must get permission from Ministers before publishing certain materials—such as reports required by the Public Services Reform (Scotland) Act 2010 or any updates to the Code of Conduct for Members.

31. Ministers are also responsible for setting FSS's budget.

32. The Scottish Ministers appoint the Chair and Board Members, in line with Public Appointments and Public Bodies etc. (Scotland) Act 2003 but they do not oversee the performance of FSS, which will be scrutinised by the Scottish Parliament. Under the 2015 Act, Ministers are responsible for appointing and reappointing members of FSS and for setting their remuneration. They also have responsibilities in connection with the following of FSS's functions and will work with the Board in line with the Shared Principles set out below:

a) determine the proposed budget, ensuring that this is sufficient for FSS to carry out its functions and secure the necessary Parliamentary approval; and

b) approve pay remits or proposals and superannuation arrangements for the staff, Chief Executive, Chair and Board members.

c) the 2015 Act provides for Ministers to request FSS to provide advice or take specific or general action and the Act requires FSS to comply with such requests when reasonably practicable. Where Ministers consider that there has been serious failure by FSS to exercise

any of its functions, they may give specific written and published directions to remedy the failure. Ministers must consult with FSS before issuing such directions; and

d) where appropriate approve terms for staff, consent to disposal of land or guarantees and consent to the location of the NMO premises.

SG Portfolio Accountable Officer

33. The Principal Accountable Officer for the Scottish Administration (the Permanent Secretary of the SG) also designates each Director General as the Portfolio Accountable Officer (AO) for particular portfolio areas. The Portfolio AO may choose to delegate some of their public body duties to the Deputy Director of Population Health Protection and Resilience in managing the relationship between SG and FSS.

34. The Portfolio AO's duties are to establish a framework for the relationship between SG and a public body, oversee the operation of that framework, ensure the public appointments to the body are made appropriately and ensure that appropriate assurance is provided on the performance and governance of the body. The responsibilities of a Portfolio Accountable Officer are set out in detail in the Memorandum to Accountable Officers for Parts of the Scottish Administration.

35. The Portfolio AO will:

a) make sure the framework document is agreed between the Scottish Ministers and the Board of FSS, reviewed regularly and oversee the operation of the roles and responsibilities set out;

b) in line with Code of Practice for Ministerial Appointments ensure that public appointments are made in good time and secure appropriate skills, experience and diversity amongst the members;

c) support regular and effective engagement between FSS and the relevant Scottish Minister(s); and ensure FSS is made aware of strategic developments that may impact the organisation and that the organisation's position is considered in SG policy decision, and it has due regard for advice provided by the FSS;

d) appropriate Scottish Government corporate services are available to support and facilitate the work of FSS;

e) ensure appropriate appraisal and reporting arrangements are in place for the Chair; and

f) will meet the Chair of FSS at least twice annually to discuss SG policy and strategy as they relate to the work of the NMO and, as appropriate, to discuss matters of governance including arrangements for the appointment and appraisal of Board members

36. The Portfolio AO remains personally answerable to the Scottish Parliament for the implementation of this framework.

FSS Policy Forum

37. The FSS Policy Forum was set up in April 2025 and is chaired by the Deputy Director, or a substitute from Population Health Directorate, Scottish Government. The purpose of the Forum is to provide a coordinated response to issues facing the work that FSS does and facilitate the exchange of soft intelligence and problem solving. Membership will include representatives from Directorates with an interest in FSS performance, Health Finance and FSS colleagues.

38. The Chair will provide advice and support to the SG Portfolio Accountable Officer in pursuit of their duties at paragraph 36, to include an assessment of the level of resources required by FSS to provide value for money and support discussions on financial performance.

Shared Principles

39. FSS and the Scottish Ministers confirm that they will adhere to the following shared principles.

40. FSS and the Scottish Ministers are committed to good and effective communications with each other, and in particular the Scottish Ministers will keep FSS informed of any policy changes or

issues that may be relevant to its operation. Scottish Ministers and FSS are committed to the principle of good communications, especially where the work of one has bearings upon the responsibilities of the other.

a) FSS will not act in such a way as might compromise, or be seen to compromise, its own independence;

b) Scottish Ministers will not act in such a way as might compromise, or be seen to compromise, the independence of FSS;

c) FSS will remain politically neutral;

d) FSS will carry out its functions with integrity, will promote transparency and will ensure that appropriate summaries of its activity and financial performance are available for scrutiny by the Scottish Parliament;

e) FSS is bound by the confidentiality requirements set out in the Code of Conduct for Members of FSS;

f) FSS and the Scottish Ministers will both work in ways which support the best principles of corporate governance and financial accountability as set out in the Scottish Public Finance Manual. The Government and FSS will establish and maintain effective working relations through regular contact with each other, including regular meetings. Where appropriate FSS will make the relevant SG Directorate aware in advance of any significant announcements or publications which may have implications for the Government. The Directorate will, in turn, inform FSS in advance of any significant announcements or publications which may have implications for FSS or the regulated sector.

Broad responsibilities for NMO staff

41. While FSS remains aligned with SG Main policies, it should comply with SG Main HR policies, practices and systems, ensuring FSS's HR policies, practices and systems comply with employment and equalities legislation, and standards expected of public sector employers.

42. The Chief Executive, challenged and supported by the Board, has responsibility for the recruitment, retention and motivation of its staff. The broad responsibilities toward staff are to ensure that:

a) the level and structure of staffing, including grading and staff numbers, are appropriate to its functions and the requirements of economy, efficiency and effectiveness (subject to the SG Pay Policy for Staff Pay Remits);

b) the performance of staff at all levels is regularly appraised and performance management systems are reviewed periodically;

c) staff are encouraged to acquire the appropriate professional, management and other expertise necessary to achieve the body's objectives;

d) proper consultation with staff takes place on key issues affecting them, as appropriate, including working in partnership with trade unions;

e) effective grievance and disciplinary procedures are in place; and

f) effective whistle-blowing policy and procedures consistent with the Public Interest Disclosure Act 1998 are in place.

Pay and conditions of service

43. Staff of FSS are on SG Main [or Senior Civil Service] terms and conditions and pay settlements will therefore be determined through the negotiation process for SG Main staff. Payment of salaries by FSS will comply with the Tax Planning and Tax Avoidance section of the SPFM. Proposals on non-salary rewards will comply with the guidance in the Non-Salary Rewards section of the SPFM.

Pensions, redundancy and compensation

44. FSS staff will normally be eligible for a pension provided by Civil Service Pension Scheme (CSPS). Staff may opt out of the PCSPS, but the employers' contribution to any personal pension arrangement, including stakeholder pension, will normally be limited to the national insurance rebate level.

45. Any proposal by FSS to pay any redundancy or compensation for loss of office, requires the prior approval of the Scottish Ministers. Proposals on compensation payments will comply with the Settlement Agreements, Severance, Early Retirement and Redundancy Terms section of the SPFM. This includes referral to the Scottish Ministers of any proposed severance scheme (for example, a scheme for voluntary exit), business case for a settlement agreement being considered for an individual, or proposal to make any other compensation payment. In all instances, a body should engage with the Senior Lead Officer prior to proceeding with proposed severance options, and prior to making any offer either orally or in writing.

Strategic and business delivery planning

46. The FSS Strategic Plan ("the strategy") will be supported by annual delivery plans that outline the work to be progressed over the five years of the strategy. The Board will ensure that appropriate governance arrangements are in place to facilitate the delivery of FSS' vision and statutory objectives.

47. To earn the trust and confidence of consumers, the FSS Board operates in an open and transparent manner. The Board meets in public at least four times a year and adopts Standing Orders that specify, among other things, which matters will be considered in private and how the reasons for such discussions will be recorded and published.

48. To meet its statutory objectives, FSS's core responsibilities remain to:

a) work with stakeholders to drive improvements to the safety, standards and nutritional quality of food and feed produced and sold in Scotland to prevent foodborne illness and poor dietary health outcomes in our population;

b) work with the Food Standards Agency (FSA) according to the Memorandum of Understanding (MoU) with FSA; ensuring our advice on food safety is underpinned on robust science and evidence and supports delivery of a streamlined, efficient and effective Market Authorisations service for Regulated Products which protects public health and the interests of consumers in Scotland;

c) undertake research, surveillance, monitoring and analysis to generate a robust evidence base which enables us to understand trends in foodborne illness and public health nutrition, assess risks, and target interventions to where they are most likely to have an impact;

d) protect consumers from potential risks associated with food and feed, intervening by investigating food/feed safety incidents and food crime, ensuring the appropriate action is taken;

e) ensure consumers have the information they need to inform healthier food choices and can trust the provenance of the food they buy;

f) work with partners to implement a proportionate and effective enforcement regime that supports the food and drink industry by applying evidence based and targeted controls; rewarding good practice, applying robust sanctions where appropriate and providing guidance which promotes compliance;

g) maintain a robust and effective regulatory assurance regime in Scotland, working across the UK and internationally to strengthen consumer confidence and support trade; and

h) play our part in supporting efforts to create a more sustainable and resilient food system for Scotland; supporting our partners across government in ensuring policies on

climate change adaptation and sustainability take full account of food and feed safety and public health nutrition.

49. When a new plan is to be prepared, the Chief Executive or their delegate will consult with the SG Senior Lead Officer on timetable for preparation and any SG suggestions of points that should be considered. The final agreed version of the Strategic plan will be published on the FSS website.

Annual report and accounts

50. FSS will publish an annual report of its activities together with its audited accounts after the end of each financial year. The annual report and accounts will cover the activities of any corporate, subsidiary or joint ventures under the control of FSS. It will comply with the Government Financial Reporting Manual (FReM) and outline the body's main activities and performance against agreed objectives and targets for the previous financial year.

51. The accounts will be prepared in accordance with relevant statutes and the specific accounts direction (including compliance with the FReM) and other relevant guidance issued by the Scottish Ministers. Any financial objectives or targets set by the Scottish Ministers should be reported on in the accounts and will therefore be within the scope of the audit.

52. As soon as reasonably practicable after the end of each financial year, FSS will prepare an annual report on how it has conducted its statutory functions during that year. The annual report will contain an outline of FSS main activities and performance. As part of the Scottish Administration, FSS is subject to the accountability and audit provisions of Part 2 of the Public Finance and Accountability (Scotland) Act 2000, including the duty to prepare annual accounts. For each financial year FSS will produce accounts of expenditure incurred in the fulfilment of its statutory functions. The annual accounts must be prepared in accordance with the relevant legislation and the specific Accounts Direction (including compliance with the Financial Reporting Manual (FReM)) and other relevant guidance issued by the Scottish Ministers. The annual accounts will be audited by the Auditor General for Scotland (AGS) or by auditors appointed by the AGS.

53. The annual report and audited accounts will be laid before the Scottish Parliament and will be published. A copy will be provided to the Portfolio AO in advance of publication.

External audit

54. The Auditor General for Scotland (AGS) audits, or appoints auditors to audit, FSS's annual accounts and the accounts are laid before the Scottish Parliament together with the auditor's report and any report prepared by the AGS. The AGS, or examiners appointed by the AGS, may also carry out examinations into the economy, efficiency and effectiveness with which the body has used its resources in discharging its functions and/or carry out examinations into the arrangements made by FSS to secure Best Value.

55. The AGS, or the AGS's appointed auditors or examiners, have a statutory right of access to documents and information held by relevant persons, including any contractors to or recipients of grants from FSS will ensure that this right of access to documents and information is made clear in the terms of any contracts issued or conditions of any grants awarded and will also use its best endeavours to secure access to any other information or documents required which are held by other bodies.

Internal Audit

56. FSS have established and will maintain arrangements for internal audit in accordance with the Public Sector Internal Audit Standards and the Internal Audit section of the SPFM. An Audit and Risk Committee (ARC) of the Board has been set up in accordance with the Audit Committees section of the SPFM, to advise both the board and the Accountable Officer.

Budget management and delegated authority

57. Each year the Portfolio AO or Senior Lead Officer will confirm a budget allocation for FSS and will provide details of the budget monitoring information required. FSS will agree with SG health

finance the format and timing of the monitoring information requested and with any requests for further information.

58. The statement of budgetary provision will set out the budget within the classifications resource Departmental Expenditure Limits (RDEL), capital DEL (CDEL) and Ring-fenced (non-cash) (RfDEL) – and, where applicable, Annually Managed Expenditure (AME). These categories are explained in Annual Budgeting Process in the SPFM, and FSS will not transfer budgetary provision between the categories without the prior approval of the SG Finance Directorate, which should be sought directly or via the Senior Lead Officer. The Board will be made aware of any transfers within the categories agreed with the Portfolio Accountable Officer. if these do not breach any other constraints, for instance the approved pay remit.

59. Where budgetary provision includes projected income, any reduction in income will usually need to be offset by an equivalent reduction in spending although any pressures that arise from such an event can be discussed with SG Health.

Governance and Risk

60. Guidance on governance requirements is available in several documents referred to earlier in this framework document:

Scottish Public Finance Manual (SPFM)

Audit and Assurance Committee Handbook

On Board - A Guide for Members of Statutory Boards

61. If in any doubt about a governance issue, the Chair or Chief Executive may need to contact the SG Public Bodies Unit, the SG Governance and Risk Team and/or other teams with relevant expertise.

62. The Board and Chief Executive are advised to pay particular attention to guidance on the following issues.

Risk management

63. FSS must develop an approach to risk management consistent with the Risk Management section of the SPFM. Where a risk or issue has wider implications for SG or other public bodies, or where SG may have a role in the management of a risk or issue, the Chief Executive or Chair should ensure that this is brought to the attention of the Senior Lead Officer as early as possible.

64. FSS can flag risks to Ministers or 'escalate' risks to the SG via the sponsorship team or the relevant DG family for where FSS' portfolio sits. There is a mechanism in the SPFM for this to happen, it is generally a formal action between the public body's audit committee into the SG but can also be raised by the CEO to SG for discussion. FSS cannot absolve itself of managing a risk when it is escalated, and FSS will still need to manage that as a live issue until the scale of the risk is reduced. Escalation to SG is a trigger for discussion on how SG might help a public body navigate the risk that they are addressing.

Internal Control

65. The Board should establish **clear internal delegated authorities** with the Chief Executive, who may in turn delegate responsibilities to other members of staff and establish an assurance framework consistent with the internal control framework in the SPFM.

66. **Counter-fraud** policies and practices should be adopted to safeguard against fraud and theft - see the Fraud section of the SPFM.

67. Any **major investment programmes or projects** undertaken should be subject to the guidance in the Major Investment Projects section of the SPFM and in line with delegated authorities. **ICT investment plans** must be reported to the SG's Office of the Chief Information Officer.

68. FSS must comply with the requirements of the **Freedom of Information** (Scotland) Act 2002 and ensure that information is provided to members of the public in a spirit of openness and

transparency. FSS must also register with Information Commissioners Office and ensure that it complies with the **Data Protection Act 2018** and the General Data Protection Regulations**,** commonly known as **GDPR.**

Budget and finance

69. Public bodies must comply with the SPFM standards..

Remuneration

70. **Remuneration, allowances and any expenses paid to the Chair and Board Members** must comply with the latest SG Pay Policy for Senior Appointments and any specific guidance on such matters issued by the Scottish Ministers.

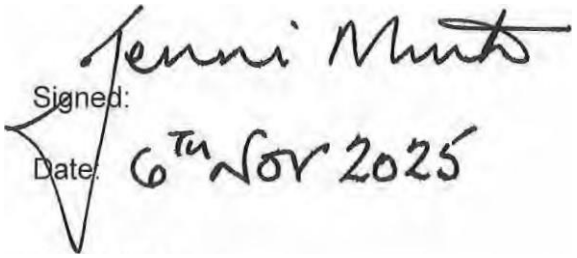
71. **Staff pay; pensions and any severance payments** must be in line with the requirements of Public sector pay policy and the responsibilities described in the section on NMO Staff Management Responsibilities.

72. All individuals who would qualify as employees for tax purposes should be paid through the payroll system with **tax deducted at source**.

Banking and cash management

73. Banking arrangements must comply with the Banking section of the SPFM.

74. Cash management arrangements need to be addressed as well as overall budget management. Any cash provided to FSS to support the allocated budget for the year in question will be authorised by the Scottish Parliament in the annual Budget Act. FSS will normally receive monthly instalments based on updated profiles and will not seek any payment in advance of need. Budget provision not drawn down by the end of the financial year will lapse



Signed:

Date: 5 November 2025

Jenni Minto
Minister for Public Health and Women's Health

Heather Kelman
Chair of FSS Board