

Aneurin Bevan University Health Board

Accountability Report 2017/18

1. Introduction

Aneurin Bevan University Health Board is required to publish, as part of our annual reporting, an Accountability Report. The purpose of the Accountability Report section of the annual report has been designed to demonstrate the ways in which the Health Board is meeting its key accountability and reporting requirements.

This Accountability Report has three sections:

- **Corporate Governance Report**
This explains the composition of the Health Board, its governance structures and arrangements and how the Health Board seeks to achieve its objectives and responsibilities to meet the needs of the people we serve.
- **Remuneration and Staff Report**
This section contains information about the staff of the organisation, particularly focusing on the remuneration of its Board and senior management, fair pay ratios and other staff information such as sickness absence rates.
- **Parliamentary Accountability and Audit Report**
This section contains a range of disclosures on the regularity of expenditure, fees, charges, compliance with cost allocation, material remote contingent liabilities, long-term expenditure trends and charging requirements set out in HM Treasury guidance.

2. Corporate Governance Report

As a minimum, the corporate governance report includes:

- The Directors' report
- The statement of Accounting Officer's responsibilities
- The Annual Governance Statement.

2.1 Directors' Report

This section of the report sets out details of the directors of the Health Board in 2017/18. This information is outlined in the Annual Governance Statement of the Health Board and can be found in detail in the Annual Governance Statement (AGS) on pages 13-16. Details of the membership of the Board and its Committees, including the Audit Committee, are also shown in this section of the AGS.

2.2 Board Members' Interests

The document, which can be accessed in the link below, shows details of directorships of other organisations or other interests that have been declared by the members of the Board of Aneurin Bevan University Health Board, as at the 31st March 2018. This information is available on the Health Board Internet site and can be accessed by following this link:

http://www.wales.nhs.uk/sitesplus/documents/866/Declarations%20of%20Interest%20Form%202017_2018.pdf

2.3 Information Governance

This section covers information relating to data related incidents where they have been formally reported to the Information Commissioner's Office. It also includes information relating to personal data related incidents, including 'serious untoward incidents'. This information is available in the Health Board's Annual Governance Statement (AGS) and can be found on page 26 to 28 of the AGS.

2.4 Information on Environmental, Social and Community Issues

This section provides information on environmental, social and community issues. The Board has a Wellbeing of Future Generations Steering Group which covers a broad agenda including Energy, Waste, Water and Sustainability. It is co-chaired by the Director for Public Health and Board Secretary. The group is charged with taking forward the sustainability agenda of the organisation. Reporting to the group is the Environmental Management Steering Group that takes forward the improvements in energy, water and waste management by developing and reporting against

targets. In addition the group includes other representatives responsible for developing sustainable procurement, IT and travel initiatives.

Environmental public health issues are dealt with in liaison with Public Health Wales Environmental Health and the Health Protection Agency in England. Environmental public health incidents reports are made to the Public Health and Partnerships Committee of the Board.

The Health Board has a Carbon Management Strategy which reflects the current priorities, drivers and opportunities for the Health Board. It examines how overall carbon management in the organisation could be made more effective with best practice, technology and innovation. This includes a challenging target for carbon reduction of 3% year on year for 5 years, the performance of which is currently being independently assessed and reviewed by the Carbon Trust.

The Health Board continues to work towards introducing more sustainable and resource efficient methods of processing waste generated from health care activities. Recycling facilities are embedded at all main hospital sites which stream off co-mingled mixed recyclates for onward sorting and reprocessing into new products and materials. Cardboard is separated and baled at the two main hospital sites within the Health Board and processed into mill size bales.

The segregation of infectious waste is continually evaluated and where possible, in line with guidance and best practice items are removed and diverted into a lower cost disposal option.

The Health Board continues to work towards implementing a zero to landfill approach. This includes exploring the options to divert residual waste to energy or a waste plant.

The Health Board continues to operate a third party certified Environmental Management System (EMS) to the international standard ISO 14001.

The EMS has developed to become the focal point for driving forward continual environmental improvement. It provides a joined up approach for the management of waste minimisation initiatives, recycling, energy and carbon management, sustainable procurement and green travel initiatives.

Certification ensures that we not only comply with legislation but go above and beyond this implementing best practice in our role as an exemplar NHS organisation in the area of healthcare waste and environmental management.

The organisation places high importance on continued certification to ISO 14001 and the assurance it provides to the Board and our stakeholders.

The Health Board has led a 'world first' project on the recycling of polypropylene instrument wrap from the Hospital Sterilisation and Disinfection Unit (HSDU) for recycling. Before the introduction of the recycling initiative all the polypropylene wrap from HSDU was being collected into Orange Hazardous Waste bags and consigned as Infectious Waste at considerable cost and environmental impact.

The Health Board can demonstrate a number of benefits in relation to the diversion of material from the clinical waste stream (currently 2 tonnes per month), while producing a commercial polymer with a commodity value.

Further plans are in process for collaboration with a major established Healthcare Supplier to use 3D printing technology to create healthcare consumables directly from the hospitals own "plastic waste", therefore creating a closed loop recycling model which benefits the circular economy. The Health Board has received widespread publicity and recognition for this.

2.5 Sickness Absence Data

The Health Board sickness absence rates for 2017/2018 have slightly decreased from 5.29% in 2016/2017 to 5.22% in 2017/2018. Sickness levels in the winter period were higher than normal due to higher levels of colds and coughs and flu. Over 71% of sickness absences is long term sickness, and the main reasons for absence continue to be stress, anxiety, and long term musculo-skeletal problems. For short-term sickness the reasons tend to be coughs, colds, influenza and gastroenteritis.

Sickness absence remains a high priority. Evidence based analysis enables the Health Board to target sickness absence not only with the aim of reducing sickness absence but ensuring the well being of our staff. Outlined below are some examples of work that is currently being undertaken:

- A focus on high sickness absence areas through a triangulated approach on hotspot areas. A quarterly refresh of the top sickness absence areas has been produced and a plan had been established for each area.
- Working with other Health Boards across Wales to look at reasonable adjustments and to produce a tool and resource pack that provides a number of useful links that supports staff wellbeing.

- Employee Assistance Programme has been launched via the intranet and is accessible on the Workforce and OD Employee Wellbeing page. The programme provides face to face, telephone counselling and a range of other services such as, Fitness, Nutrition & Wellbeing resources, Lifestyle - A library of online articles. A wellbeing assessment and budgeting and debt counselling, Stress Management Programmes.
- Promoting coaching and resilience through a new marketing campaign with a clear referral process to promote availability of trained coaches across the Health Board.
- Posters have been developed to promote services that are available to staff which includes Well Being Services, Credit Union, food banks.

	2017/18	2016/17	2015/16
Days lost (Short term)	60,406	53,097	61,261
Days lost (Long term)	153,345	147,711	144,562
Total days lost	213,751	200,808	205,823
Total staff years	937	880	902
Average working days lost	15.2	14.2	14.7
Total staff employed in period (headcount)	14,012	14,155	14,020
Total staff employed with no absence (headcount)	4,848	5,803	4,919
Percentage staff with no sick leave	37%	41%	40%

2.6 Statement of the Accountable Officer's Responsibilities

The Welsh Ministers have directed that the Chief Executive should be the Accountable Officer to Aneurin Bevan University Local Health Board. The relevant responsibilities of Accountable Officers, including their responsibility for the propriety and regularity of the public finances for which they are answerable, and for the keeping of proper records, are set out in the Accountable Officer's Memorandum issued by the Welsh Government.

To the best of my knowledge and belief, I have properly discharged the responsibilities set out in my letter of appointment as Accountable Officer.

As Accountable Officer, I confirm that, as far as I am aware, there is no relevant audit information of which the Health Board's Auditors are unaware, and I have taken all the steps that ought to have been taken to make myself aware of any relevant audit information and that the Health Board's auditors are aware of that information.

As Accountable Officer, I confirm that the Annual Report and Accounts as a whole are fair, balanced and understandable and that I take personal responsibility for the Annual Report and Accounts and that the judgements required for determining that they are fair, balanced and understandable.

Name Judith Paget

Date 31st May 2018

Judith Paget, Chief Executive

2.7 Statement of Directors' responsibilities in respect of the accounts

The directors are required under the National Health Service Act (Wales) 2006 to prepare accounts for each financial year. The Welsh Ministers, with the approval of the Treasury, direct that these accounts give a true and fair view of the state of affairs of the LHB and of the income and expenditure of the LHB for that period.

In preparing those accounts, the directors are required to:

- apply on a consistent basis accounting principles laid down by the Welsh Ministers with the approval of the Treasury
- make judgements and estimates which are responsible and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the account.

The directors confirm that they have complied with the above requirements in preparing the accounts.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the authority and to enable them to ensure that the accounts comply with requirements outlined in the above mentioned direction by the Welsh Ministers.

By Order of the Board

Signed:

Ann Lloyd, Chair:
Dated: 31st May 2018

Judith Paget, Chief Executive:
Dated: 31st May 2018

Glyn Jones, Director of Finance:
Dated: 31st May 2018

2.8 Annual Governance Statement

The Annual Governance Statement of the Health Board is provided as a separate document.

3. Remuneration and Staff Report

3.1 Directors' Remuneration Report

This report provides information in relation to the remuneration of those persons in senior positions within the Health Board who have authority and responsibility for directing or controlling the major activities of the Health Board. Details are provided in the tables below.

Remuneration Report

Salary and Pension entitlements of Senior Managers Remuneration

Name	Title	2017-18				2016-17			
		Salary	Benefits in kind	Pension Benefits	Total	Salary	Benefits in kind	Pension Benefits	Total
		(bands of £5,000) £000	(to nearest £100) £00	£000	(bands of £5,000) £000	(bands of £5,000) £000	(to nearest £100) £00	£000	(bands of £5,000) £000
Executive Directors									
Judith Paget	Chief Executive	195 - 200	0	28	225 - 230	195 - 200	0	28	220 - 225
Alan Brace	Director of Finance / Deputy Chief Executive (Until 09.09.16)	0	0	0	0	65 - 70	0	14	80 - 85
Glyn Jones	Director of Finance (Since 10.09.16)	135 - 140	85	57	200 – 205	70 - 75	6	41	110 - 115
Nicola Prygodzicz	Director of Planning and Performance	110 - 115	7	32	140 - 145	105 - 110	0	275	380 - 385
Denise Llewellyn	Nurse Director (Until 23.09.16)	0	0	0	0	60 - 65	0	0	60 - 65
Linda Slater	Interim Nurse Director (Since 24.09.16 Until 31.12.16)	0	0	0	0	30 - 35	0	73	105 - 110
Bronagh Scott	Nurse Director (Since 01.01.17)	125 - 130	0	151	275 - 280	30 - 35	0	3	30 - 35
Geraint Evans *	Director of Workforce and Organisational Development	115 - 120	0	0	115 – 120	125 - 130	0	201	325 - 330
Dr Gill Richardson **	Director of Public Health (Until 31.05.17)	20 - 25	0	0	20 – 25	120 - 125	0	17	135 - 140
Dr Sarah Aitken ***	Director of Public Health (Since 01.06.17)	115 - 120	0	83	200 – 205	0	0	0	0
Dr Paul Buss	Medical Director / Deputy Chief Executive (Since 01.10.16)	200 - 205	0	0	200 - 205	190 - 195	0	0	190 - 195
Alison Shakeshaft	Director of Therapies and Health Sciences (Until 31.12.17)	75 - 80	0	16	90 - 95	100 - 105	0	50	150 - 155
Nick Wood	Chief Operating Officer	140 - 145	0	33	170 – 175	140 - 145	0	28	165 – 170
Board Secretary									
Richard Bevan	Board Secretary	95 - 100	0	41	135 - 140	90 - 95	0	23	115 - 120

Non-Executive Directors

David Jenkins OBE	Chairman (Until 31.05.17)	10 - 15	0	0	10 - 15	65 - 70	5	0	70 - 75
Ann Lloyd CBE	Chairman (Since 10.07.17)	50 - 55	0	0	50 - 55	0	0	0	0
Philip Robson	Vice Chair	55 - 60	2	0	55 - 60	55 - 60	3	0	55 - 60
Katija Dew	Independent Member (Third/Voluntary Sector)	15 - 20	0	0	15 - 20	15 - 20	1	0	15 - 20
Prof. Dianne Watkins	Independent Member (University) (Since 07.11.16)	15 - 20	0	0	15 - 20	5 - 10	0	0	5 - 10
Chris Koehli	Independent Member (Finance) (Until 30.09.17)	5 - 10	0	0	5 - 10	15 - 20	0	0	15 - 20
Catherine Brown	Independent Member (Finance) (Since 01.10.17)	5 - 10	0	0	5 - 10	0	0	0	0
Cllr Brian Mawby	Independent Member (Local Authority) (Until 30.04.17)	0 - 5	0	0	0 - 5	15 - 20	2	0	15 - 20
Richard Clark	Independent Member (Local Authority) (Since 01.10.17)	5 - 10	0	0	5 - 10	0	0	0	0
Joanne Smith	Independent Member (Community) (Until 30.09.17)	5 - 10	0	0	5 - 10	15 - 20	0	0	15 - 20
Pippa Britton	Independent Member (Community) (Since 01.11.17)	5 - 10	0	0	5 - 10	0	0	0	0
Frances Taylor	Independent Member (Community)	15 - 20	0	0	15 - 20	15 - 20	0	0	15 - 20
Shelley Bosson	Independent Member (Community) (Since 03.04.17)	15 - 20	2	0	15 - 20	0	0	0	0
Dr Janet Wademan	Independent Member (ICT) (Until 30.09.17)	5 - 10	0	0	5 - 10	15 - 20	2	0	15 - 20
David Jones	Independent Member (ICT) (Since 09.11.17)	5 - 10	0	0	5 - 10	0	0	0	0
Louise Wright	Independent Member (Trade Union) (Since 09.04.17)	0	0	0	0	0	0	0	0
Lorraine Morgan	Associate Independent Member (Chair of Stakeholder Group)	0	0	0	0	0	0	0	0

Liz Majer	Associate Independent Member (Social Services) (Until 30.09.16)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Claire Marchant	Associate Independent Member (Social Services) (Since 01.10.16)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Colin Powell	Associate Independent Member (Chair of Health Professionals Forum)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

		2017-18	2016-17	
Band of Chief Executive's Total Remuneration £000		195 - 200	195 - 200	
Median Total Remuneration £		28,005	27,230	
Ratio		7.1	7.3	
		2017-18	2016-17	
Band of Highest paid Director's Total Remuneration £000		200 - 205	195 - 200	
Median Total Remuneration £		28,005	27,230	
Ratio		7.2	7.3	

* Geraint Evans retired on the 31st May 2017 and returned to employment initially for 16 hours per week from the 15th June 2017, increasing to full-time hours from the 2nd July 2017 under the provisions of the Accessing NHS Pension Retirement Guidelines (2014).

** Dr Gill Richardson 2016-17 salary is within the band £125k - £130k, the reported amount has reduced due to recovery of overpayment relating to previous years.

*** Dr Sarah Aitken 2017-18 salary includes £77k invoiced by Public Health Wales NHS Trust for the period June 2017 through to November 2017, this is not the amount paid to Dr Sarah Aitken by Public Health Wales NHS Trust.

The amount of pension benefits for the year which contributes to the single total figure is calculated using a similar method to that used to derive pension values for tax purposes and is based on information received from NHS BSA Pensions Agency.

The value of pension benefits is calculated as follows:

(real increase in pension* x20) + (real increase in any lump sum) – (contributions made by member)

*excluding increases due to inflation or any increase of decrease due to a transfer of pension rights

This is not an amount which has been paid to an individual by the Health Board during the year, it is a calculation which uses information from the pension benefit table. These figures can be influenced by many factors e.g. changes in a person's salary, whether or not they choose to make additional contributions to the pension scheme from their pay and other valuation factors affecting the pension scheme as a whole.

Salary and Pension entitlements of Senior Managers Pension Benefits

Name	Title	Real increase in pension at pension age (bands of £2,500)	Real increase in pension lump sum at pension age (bands of £2,500)	Total accrued pension at 31 March 2018 (bands of £5,000)	Lump sum at pension age related to accrued pension at 31 March 2018 (bands of £5,000)	Cash Equivalent Transfer Value at 31 March 2018	Cash Equivalent Transfer Value at 31 March 2017	Real increase in Cash Equivalent Transfer Value	Employer's contribution to stakeholder pension
		£000	£000	£000	£000	£000	£000	£000	£00
Judith Paget	Chief Executive	0.0 - 2.5	5.0 - 7.5	90 - 95	275 - 280	1,968	1,800	151	0
Glyn Jones	Director of Finance	2.5 - 5.0	0.0 - 0.0	15 - 20	0 - 0	199	181	16	0
Nicola Prygodzicz	Director of Planning and Performance	0.0 - 2.5	0.0 - 2.5	35 - 40	95 - 100	591	525	60	0
Bronagh Scott	Nurse Director	5.0 - 7.5	22.5 - 25.0	40 - 45	130 - 135	933	732	193	0
Geraint Evans	Director of Workforce and Organisational Development	(2.5) - 0.0	(2.5) - 0.0	55 - 60	180 - 185	0	0	0	0
Dr Gill Richardson	Director of Public Health (Until 31.05.17)	(2.5) - 0.0	(2.5) - 0.0	40 - 45	125 - 130	891	834	8	0
Dr Sarah Aitken	Director of Public Health (Since 01.06.17)	2.5 - 5.0	10.0 - 12.5	35 - 40	110 - 115	817	689	101	0
Alison Shakeshaft	Director of Therapies and Health Sciences (Until 31.12.17)	0.0 - 2.5	(2.5) - 0.0	40 - 45	100 - 105	725	661	43	0

Nick Wood	Chief Operating Officer	2.5 - 5.0	0.0 - 0.0	15 - 20	0 - 0	234	192	40
Richard Bevan	Board Secretary	2.5 - 5.0	0.0 - 2.5	40 - 45	100 - 105	709	631	72

* Geraint Evans has chosen not to be covered by the NHS Pension Scheme from June 2017.

* Dr Paul Buss was not covered by the NHS Pension arrangements in 2016/17, as well as 2017/18 and hence is not included in the table above.

As Non-Executive members do not receive pensionable remuneration, there will be no entries in respect of pensions for Non-Executive members.

3.2 Membership of the Remunerations and Terms of Service Committee (RATS)

The Remuneration and Terms of Service Committee advises the Board on remuneration and terms and conditions matters. The membership of this Committee is published as part of the Annual Governance Statement (AGS). The information is published on pages 13-16 of the AGS.

The remuneration policy of the Health Board for the current and future financial years is set by Welsh Government and guidance and requirements are provided to the Health Board. The remuneration levels of senior decision makers within the Health Board are determined in line with national pay scales and Welsh Government approved proposed salary levels for very senior staff, who are not covered by the Agenda for Change pay scales.

All senior managers within the Health Board are subject to annual appraisal and the Health Board's PADR process. This process sets objectives for staff throughout the year and assesses individual achievement against these objectives.

In relation to contracts and tenure of Board Members, the Chair, Vice-Chair and Independent Members can be appointed up to 4 year terms, which can be extended to a maximum of eight years in any one NHS organisation. Executive Members of the Board are appointed to permanent contracts in line with Welsh Government contractual guidance and requirements and as a result are required to provide three months' notice of termination of employment.

3.3 Remuneration Relationship

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

The banded remuneration of the highest paid director for the financial year 2017-18 was £200k - £205k (2016-17, £195k - £200k). This was 7.2 times (2016-17, 7.3) the median remuneration of the workforce, which was £28,005 (2016-17, £27,230).

The banded remuneration of the Chief Executive for the financial year 2017-18 was £195k - £200k (2016-17, £195k - £200k). This was 7.1 times (2016-17, 7.3) the median remuneration of the workforce.

In 2017-18, 14 (2016-17, 16) employees received remuneration in excess of the highest-paid director.

The workforce remuneration ranged from £15k to £254k (2016-17 £16k to £281k).

There has been a 2.8% increase in the median remuneration of the workforce due to the 1% pay award, incremental pay progression and workforce composition fluctuations.

Although the remuneration for the highest paid director has risen, the ratio of pay against the median salary of the workforce has fallen from 7.3 to 7.2 due to the increase in the median remuneration. The Chief Executive's remuneration has remained static at £195k - £200k, which has resulted in the ratio falling from 7.3 to 7.1 due the increase in the workforce median remuneration.

Remuneration includes salary and non-consolidated performance-related pay. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions or benefits-in-kind which due to the value are not material.

3.4 Staff Report

3.4.1 Staff Numbers:

Average number of employees						
	Permanent Staff	Staff on Inward Secondment	Agency Staff	Other	Total	2016-17
	Number	Number	Number		Number	Number
Administrative, clerical and board members	2,038	16	10	0	2,064	1,961
Medical and dental	964	7	61	0	1,032	1,017
Nursing, midwifery registered	3,500	0	74	0	3,574	3,616
Professional, Scientific, and technical staff	413	9	6	0	428	646
Additional Clinical Services	2,394	0	2	0	2,396	1,846
Allied Health Professions	494	1	25	0	520	715
Healthcare Scientists	216	0	12	0	228	351
Estates and Ancillary	1,087	0	21	0	1,108	1,126
Students	1	0	0	0	1	0
Total	11,107	33	211	0	11,351	11,278

3.4.2 Staff Composition

The table above provides the breakdown of staff numbers per discipline and professional group within the Health Board.

The gender breakdown for all staff groups is provided below:

	Female	Male	Total
Total	8,880	2,338	11,218

The total number of staff per discipline differs from the staff numbers table shown on page 15 due to the gender figures being based on a point in time as at 31st March 2018. The staff numbers figures represents the average over a 52 week period of staff in post.

3.4.3 Sickness Absence data

This information is provided above in section 2.5 (page 4).

3.4.4 Staff Policies applied in the Year

The Health Board has a policy framework in place, which covers all policies, procedures and guidance that apply to the Health Board, our staff and those who work in partnership with the organisation or are contracted to work for the Health Board. These policies also include policies relevant to the protected characteristics of age, disability, gender reassignment, race, religion or belief, sex, and sexual orientation to ensure that the Health Board is fair, open and equal to all members of staff and to those who apply to work for the organisation. These policies include open and accessible training programmes, which promote equality of opportunity and raise awareness of the needs of all staff, but particularly those with protected characteristics.

3.4.5 Expenditure on Consultancy

As disclosed in Note 3.3 of the annual accounts, the following table shows details of expenditure incurred on consultancy services with external providers in 2017-18.

CONSULTANT	DETAILS	£000
ALISON WATKINS COMMUNICATIONS	SAIL evaluation resources as part of Living Well Living Longer programme	6
BWB CONSULTING LTD	Consultancy services provided re Nevill Hall traffic management	-7
CARDIFF UNIVERSITY	BioInformatics support for the Living Well Living Longer programme	9
CASTOR BUSINESS CONSULTING LTD	Consultancy work undertaken to review Chepstow PFI contract	24
CHKS LTD	All Wales Insight Benchmarking	11
CHRYSTAL CONSULTING LTD	Legal & VAT advice relating to Werfen blood gas	5
COMMON CAUSE CONSULTING LTD	Consulting on Board governance and assurance	2
DELOITTE LLP	Employment tax and VAT compliance review and advice	91
ERNST & YOUNG LLP	VAT compliance reviews	18
GOODMAN CONSULTANCY LTD	Catering model review	18
GOODMAN CONSULTANCY LTD	Develop implementation of integrated facilities IT system	6
GP ACCESS LTD	Pathfinder on-site programme	121
GP FIRE & SECURITY	Security Infrastructure Review	-4
KPMG	Submit retrospective VAT Claim (Fleming)	114
NEWPORT CITY COUNCIL	Consultancy fees for the Care Closer to Home project	87
OEE CONSULTING LTD	External consultancy providing support to the division on implementing a continuous improvement team.	50
OPERASEE LTD	GP demand and capacity study	45
PAUL HOLLAND	Independent investigation review support	3
PWC	Independent review of palliative care services	67
SWANSEA UNIVERSITY	SAIL evaluation resources as part of Living Well Living Longer programme	48
TRICORDANT LTD	Clinical futures session	5
Total		719

3.4.6 Off Payroll Engagements

Tax assurance for off-payroll Appointees

For all off-payroll engagements as of 31 March 2018, for more than £245 per day and that last for longer than six months:

	Main department
No. of existing engagements as of 31 March 2018	18
Of which...	
No. that have existed for less than one year at time of reporting.	6
No. that have existed for between one and two years at time of reporting.	6
No. that have existed for between two and three years at time of reporting	1
No. that have existed for between three and four years at time of reporting	0
No. that have existed for four or more years at time of reporting	5

For all new off-payroll engagements or those that reached six months in duration, between 1 April 2017 and 31 March 2018, for more than £245 per day and that last for longer than six months:

	Main department
No. of new engagements, or those that reached six months in duration, between 1 April 2017 and 31 March 2018	13
Of which;	
No. assessed as caught by IR35	0
No. assessed as not caught by IR35	13
No. engaged directly (via PSC contracted to department) and are on the departmental payroll	0
No. of engagements reassessed for consistency / assurance purposes during the year whom assurance has been requested but not received; and	3
No. of engagements that saw a change to IR35 status following the consistency review	0

For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2017 and 31 March 2018

There have been no off-payroll engagements of board members, and/or senior officials with significant financial responsibility between 1 April 2017 and 31 March 2018

3.4.7 Exit Packages

The exit packages identified below disclose exit packages agreed in the year as per note 9.5 to the accounts.

Staff Exit Packages

	2017-18	2017-18	2017-18	2017-18	2016-17
Exit packages cost band (including any special payment element)	Number of compulsory redundancies	Number of other departures	Total number of exit packages	Number of departures where special payments have been made	Total number of exit packages
	Whole numbers only	Whole numbers only	Whole numbers only	Whole numbers only	Whole numbers only
less than £10,000	0	0	0	0	1
£10,000 to £25,000	0	3	3	0	1
£25,000 to £50,000	0	1	1	0	2
£50,000 to £100,000	0	0	0	0	0
£100,000 to £150,000	0	0	0	0	1
£150,000 to £200,000	0	0	0	0	0
more than £200,000	0	0	0	0	0
Total	0	4	4	0	5

	2017-18	2017-18	2017-18	2017-18	2016-17
				Cost of special element	
Exit packages cost band (including any special payment element)	Cost of compulsory redundancies	Cost of other departures	Total cost of exit packages	included in exit packages	Total cost of exit packages
	£'s	£'s	£'s	£'s	£'s
less than £10,000	0	0	0	0	5,899
£10,000 to £25,000	0	66,537	66,537	0	17,789
£25,000 to £50,000	0	43,267	43,267	0	69,933
£50,000 to £100,000	0	0	0	0	0
£100,000 to £150,000	0	0	0	0	108,932
£150,000 to £200,000	0	0	0	0	0
more than £200,000	0	0	0	0	0
Total	0	109,804	109,804	0	202,553

Redundancy and other departure costs have been paid in accordance with the provisions of the NHS Voluntary Early Release Scheme (VERS). Exit costs in this note relate to exit packages agreed in year. The actual date of departure might be in a subsequent period and the expense in relation to the departure costs may have been accrued in a previous period. Where the LHB has agreed early retirements, the additional costs are met by the LHB and not by the NHS Pensions scheme. Ill-health retirement costs are met by the NHS Pensions scheme and are not included in the table.

The 2016/17 figures have been restated from £161,180 previously reported in the 2016/17 Annual Accounts to £202,553 in line with the revised guidance.

4 National Assembly for Wales Accountability and Audit Report

4.1 Regularity of Expenditure

Expenditure incurred by the Health Board during 2017/18 was in line with the purposes intended by the National Assembly for Wales.

4.2 Fees and charges

The Health Board incurred costs amounting to £0.409m for the provision of the statutory audit by the Wales Audit Office.

4.3 Managing public money

This is the required Statement for Public Sector Information Holders as referenced at 2.1 (page 2) of the Directors' Report. In line with other Welsh NHS bodies, the Health Board has developed standing financial instructions which enforce the principles outlined in HM Treasury guidance 'Managing Public Money' which sets out the main principles for dealing with resources in the UK public sector. As a result the Health Board should have complied with the cost allocation and charging requirements of this guidance. The Health Board has not been made aware of any instances where this has not been done.

4.4 Remote Contingent Liabilities

This disclosure was introduced for the first time in 2015-16. It shows those contingent liabilities that are deemed to be extremely remote and have not been previously disclosed within the normal contingent liability note within the accounts. It relates to 1 personal injury case in 2017/18 (5 medical negligence cases & 2 personal injury cases in 2016/17) and is reported in Note 21.2 to the main accounts.

4.5 Certificate and Report of the Auditor General for Wales to the National Assembly for Wales

Report on the audit of the financial statements

Opinion

I certify that I have audited the financial statements of Aneurin Bevan University Local Health Board for the year ended 31 March 2018 under Section 61 of the Public Audit (Wales) Act 2004. These comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Cash Flow Statement and Statement of Changes in Tax Payers Equity and related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and HM Treasury's Financial Reporting Manual based on International Financial Reporting Standards (IFRSs).

In my opinion the financial statements:

- give a true and fair view of the state of affairs of Aneurin Bevan University Local Health Board as at 31 March 2018 and of its net operating costs for the year then ended; and
- have been properly prepared in accordance with the National Health Service (Wales) Act 2006 and directions made there under by Welsh Ministers.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)). My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the board in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Chief Executive has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the board's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Chief Executive is responsible for the other information in the annual report and accounts. The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

Opinion on regularity

In my opinion, in all material respects, the expenditure and income in the financial statements have been applied to the purposes intended by the National Assembly for Wales and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Report on other requirements

Opinion on other matters

In my opinion, the part of the remuneration report to be audited has been properly prepared in accordance with the National Health Service (Wales) Act 2006 and directions made there under by Welsh Ministers.

In my opinion, based on the work undertaken in the course of my audit:

- the information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and the Governance Statement has been prepared in accordance with Welsh Ministers' guidance;
- the information given in the Accountability Report and Foreword for the financial year for which the financial statements are prepared is consistent with the financial statements and the Accountability Report has been prepared in accordance with Welsh Ministers' guidance.

Matters on which I report by exception

In the light of the knowledge and understanding of the board and its environment obtained in the course of the audit, I have not identified material misstatements in the Accountability Report or the Governance Statement.

I have nothing to report in respect of the following matters, which I report to you, if, in my opinion:

- proper accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns;
- information specified by HM Treasury or Welsh Ministers regarding remuneration and other transactions is not disclosed; or
- I have not received all the information and explanations I require for my audit.

Report

I have no observations to make on these financial statements.

Responsibilities**Responsibilities of Directors and the Chief Executive for the financial statements**

As explained more fully in the Statements of Directors' and Chief Executive's Responsibilities (set out on pages 6 and 7), the Directors and the Chief Executive are responsible for the preparation of financial statements which give a true and fair view and for such internal control as the Directors and Chief Executive determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors and Chief Executive are responsible for assessing the board's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could

reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Responsibilities for regularity

The Chief Executive is responsible for ensuring the regularity of financial transactions.

I am required to obtain sufficient evidence to give reasonable assurance that the expenditure and income have been applied to the purposes intended by the National Assembly for Wales and the financial transactions conform to the authorities which govern them.



Huw Vaughan Thomas
Auditor General for Wales
6 June 2018

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