

Aneurin Bevan University Health Board

Governance Statement 2016/2017

1. Scope of responsibility

The Board of Aneurin Bevan University Health Board is accountable for good governance, risk management and internal control of the organisation. As Chief Executive of the Health Board, I have responsibility for maintaining appropriate governance structures and procedures, as well as a sound system of internal control that supports the achievement of the organisation's policies, aims and objectives, whilst also safeguarding public funds and this organisation's assets, for which I am personally responsible. These are carried out in accordance with the responsibilities assigned by the Accountable Officer of NHS Wales.

Aneurin Bevan University Health Board, established on 1st October 2009, covers the areas of Blaenau Gwent, Caerphilly, Monmouthshire, Newport, and Torfaen with a population of approximately 600,000 people. The Health Board has an annual budget from the Welsh Government of just over £1 billion per year from which we plan and deliver services for the population of the Gwent area and also South Powys. The Health Board as well as providing services locally works in partnership to seek to improve health and well-being in the area.

The Health Board is committed to a number of key objectives. These are:

- *Delivering Patient Centred Services:* Taking all opportunities to organise services around the citizen and balancing the whole system.
- *Focusing on Safety, Excellence and Quality:* We have a responsibility to ensure that patients and the population we serve receive the best quality, evidence-based care that we can provide and that we ensure we deliver the basics exceptionally well. We also have a responsibility to consider quality in its wider definition including patient experience (and appropriate access to services and care), securing maximum productivity and ensuring minimal waste, as well as clinical effectiveness and patient safety.
- *Empowering Our Staff:* We can only deliver effectively by trusting our staff, supporting them to make the right decisions close to the patient and to find innovative ways of developing our workforce.

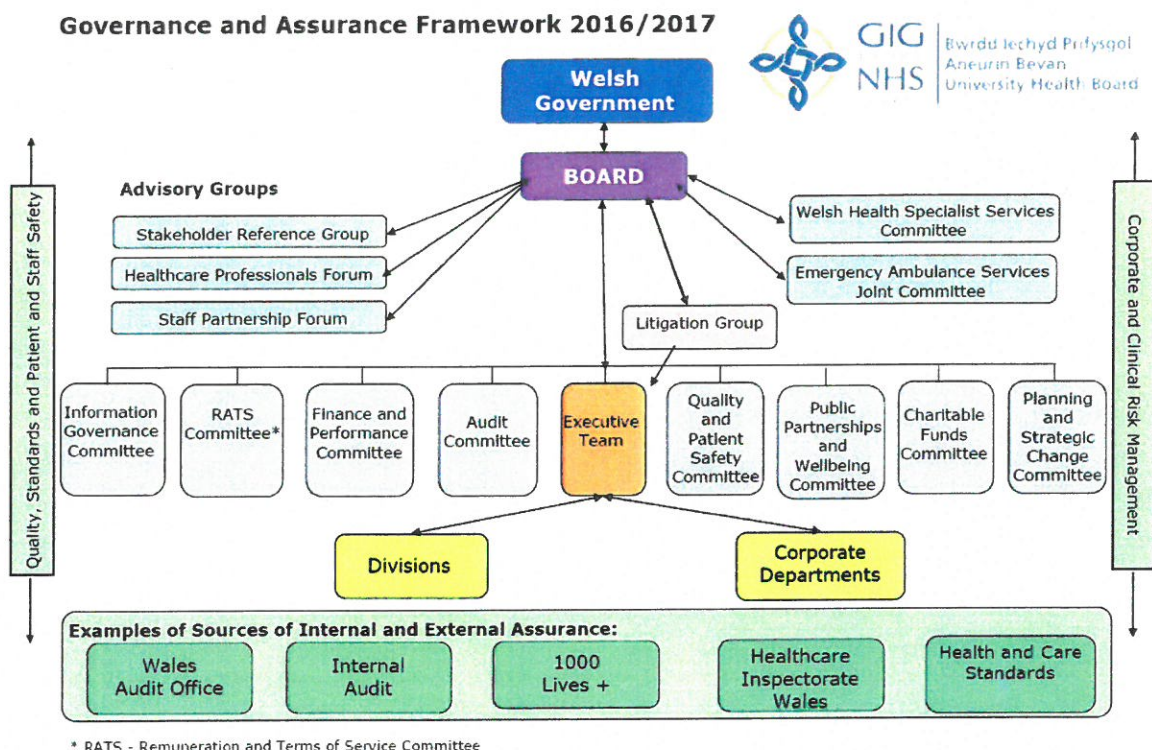
- *Achieve Better use of Resources*: Whatever changes we make and wherever we deliver care we must do this in line with best practice, with an excellent workforce, within the resources we receive and with confidence that improvements can be sustained.
- *Improving Our Public Health*: At present, there continues to be major inequity in health status within our population. We need to focus our efforts alongside those of Local Authorities and other partners to systematically improve the health of the population in those areas of greatest need, through addressing determinants of health, supporting healthier lifestyles and improving access to evidence based preventative services.

In this statement the Health Board will provide an overview of its performance against our stated organisational objectives and also outline decisions made, areas considered during the year and key risks identified and responded to by the Board and the wider organisation.

During 2016/2017, the Health Board has continued to develop a system of governance and assurance. The Board sits at the top of the organisation's governance and assurance system and sets strategic objectives, monitors progress, agrees actions to achieve these objectives and ensures appropriate controls are in place and are working properly. The Board also takes assurance from its Committees and assessments against the Health and Care Standards for Wales and other professional standards and regulatory frameworks.

The Health Board's agreed objectives also seek to ensure we meet national priorities set by Welsh Government, locally determined priorities and also national and professional standards throughout the conduct of our business. These are expressed in the Health Board's Integrated Medium Term Plan (IMTP). Further information regarding the IMTP is provided within this Statement. Reporting and monitoring against these objectives and the risks associated with their delivery and achievement are actively considered and responded to by the Health Board and its Committees.

1.1 Our System of Governance and Assurance



The Health Board in line with all Health Boards in Wales has agreed Standing Orders for the regulation of proceedings and business of the organisation. They are designed to translate the statutory requirements set out in the LHB (Constitution, Membership and Procedures) (Wales) Regulations 2009 into day to day operating practice, and, together with the adoption of a scheme of matters reserved to the Board; a scheme of delegation to officers and others; and Standing Financial Instructions, they provide the regulatory framework for the business conduct of the Health Board and define its 'ways of working'. These documents, together with the range of corporate policies set by the Board make up the Governance and Assurance Framework.

The Health Board continues to implement its Values and Behaviours Framework, which was launched by the Board in November 2013 and activity has been undertaken to embed this throughout the organisation and the Framework has been regularly refreshed and updated. During the year the Health Board's Declarations of Interest and Staff Code of Business Conduct Policy has been further embedded to better manage any conflicts of interest that might arise for our Board Members and staff. This continues to be rolled out across the organisation and communication and engagement undertaken on the requirements of the policy.

1.2 The Role of the Board: The Health Board usually meets six times a year in public. The Board is made up of individuals from a range of backgrounds, disciplines and areas of expertise. The Board comprises the Chair, Vice Chair and nine other Independent Members and the Chief Executive and eight Executive Directors. There are also three Associate Independent Members. The full membership of the Board and their lead roles and committee responsibilities are outlined in **Table One** starting on Page 12.

The Board provides leadership and direction to the organisation and has a key role in ensuring that the organisation has sound governance arrangements in place. The Board also seeks to ensure that it has an open culture and high standards in the ways in which its work is conducted. Together, Board Members share corporate responsibility for all decisions and play a key role in monitoring the performance of the organisation. All the meetings of the Board in 2016/2017 were appropriately constituted with a quorum. The key business and risk matters considered by the Board during 2016/2017 are outlined in this statement and further information can be obtained from the published Health Board meeting papers on the Health Board's web pages via the following link.

<http://www.wales.nhs.uk/sitesplus/866/page/41395>

1.3 Committees of the Board: The Health Board has established a range of committees, as outlined in the diagram above. These Committees are chaired by Independent Members of the Board and the Committees have key roles in relation to the system of governance and assurance, decision making, scrutiny, development discussions, an assessment of current risks and also performance monitoring.

The Health Board revised its committee structure in 2016/2017 reducing the number of Committees i.e. discontinuing the Mental Health and Learning Disabilities Committee and the Workforce and Organisational Development Committee. The roles and responsibilities of the Mental Health and Learning Disabilities Committee is now undertaken by an officer led Mental Health and Learning Disabilities Board. Mental health was the only service area of the Health Board that had its own dedicated Committee and therefore establishing the Mental Health and Learning Disabilities Board has brought this in line with existing organisational arrangements. However, the Health Board maintains the statutorily required Mental Health Act Managers Committee, which reports to the Quality and Patient Safety Committee and the Vice Chair has designated responsibility for mental health matters.

The responsibilities of the Workforce and OD Committee have been assumed by the Finance and Performance Committee. Also, during the year the Board changed the name of the Public Health and Partnerships Committee to the Public Partnerships and Well Being Committee. This reflects the increasing role of this committee in assuring the Board on its approach to key legislation such as the Social Services and Well Being Act and the Well Being of Future Generations Act.

These changes to the committee structure of the Health Board were undertaken to respond to the issue of reduced numbers of Independent Members during the year. This was as a result of a number of Independent Members reaching the end of their tenures or leaving the Health Board and some delays in appointing new members. Active recruitment with the Welsh Government's Public Appointments process has taken place during the year and the Board will consider whether to revise its committee structure again for 2017/2018 following the recruitment of new members during the year.

In terms of the existing structure, the Planning and Strategic Change Committee has adopted a different model of membership, which includes both Independent Members and Executive Members of the Board. This recognises that the committee is constituted to focus on development and medium and longer term planning matters rather than acting only as an assurance committee for scrutiny purposes.

Also, it should be noted that the same membership is used by the Board for the Finance and Performance Committee, Charitable Funds Committee and the Remuneration and Terms of Service (RATS) Committee, although they remain separately constituted committees. In relation to the RATS Committee the membership is joined by the Chair of the Audit Committee.

The committees provide assurance reports and the minutes of their meetings to each Board meeting to contribute to the Board's assessment of assurance and to provide scrutiny on the delivery of objectives. There is also cross representation between committees to support the connection of the business of committees and also to integrate assurance reporting. The Health Board is continuing to develop the ways in which its committees work together to ensure the Board has assurance on the breadth of the Health Board's work to meet its objectives and responsibilities and the risks against their non achievement.

During 2016/2017, the Health Board increased the openness and transparency with regard to way in which it conducted its committee business. In previous years the Health Board's committees did not meet in public. However, during the last year the majority of the committees of the Board now meet in public with their papers published on our website

prior to their meetings. The meetings that currently do not meet in public are either because of the confidential nature of their business such as the RATS Committee or they are development meetings such as the Planning and Strategic Change Committee, discussing plans and ideas often in their formative stages.

The Board, as part of its committee structure, also has a **Charitable Funds Committee** which oversees the Health Board's Charitable Funds on behalf of the Board, as Corporate Trustee for charitable funds. The work of the Committee provides assurance through reporting to the Board that charitable funds are being appropriately considered and overseen within the organisation.

An important Committee of the Board in relation to this Annual Governance Statement is the **Audit Committee**, which on behalf of the Board keeps under review the design and adequacy of the Health Board's governance and assurance arrangements and its system of internal control. During 2016/2017, key issues considered by the Audit Committee relating to the overall governance of the organisation have been:

- The Committee approved an Internal Audit Plan for 2016/2017 and has kept under review the resulting Internal Audit Reports and noted key areas of risk and tracked the management responses made to improve systems and organisational policies. Alongside this, an interactive platform to track Internal Audit and Wales Audit Office high level recommendations is being developed. It is anticipated that this interactive tool will aid the organisation in taking ownership of recommendations and enable Divisions to track their own progress in implementing each of their recommendations.
- A continued focus on improvements in the financial systems and controls procedures and the monitoring of payments and trending processes and regular monitoring of implementation of the financial control policies.
- In early 2016, an Accountability Review was commissioned by the Health Board, specifically to review custom and practice within the Scheduled Care and Unscheduled Care Divisions. The findings have resulted in further work being undertaken and the Audit Committee is monitoring the progress of this work.

- Continuing to oversee a comprehensive programme of compliance internal audits in Divisions of the organisation with a range of supportive follow-up activity undertaken. The Committee has kept these reports, in particular, on the forward work programme and regular updates from the leads for each area have been submitted to the Committee, to ensure progress and continued traction where appropriate.
- Continuing to seek assurance on the processes for post payment verification (PPV) reviews for primary care practitioners. The PPV work has seen a significant improvement during 2016/17 with a number of presentations to the Committee outlining the progress that has been made by the PPV team in Primary Care and Shared Services.
- Further developing the Health Board's risk management strategy and processes. During the year the organisational Risk Management Strategy has been fully re-developed and approved by the Audit Committee and the Board. The revised strategy includes an agreed organisational risk appetite statement for all aspects of the Health Board's business. Work is currently ongoing to re-align the Corporate Risk Register with the risk to the non-delivery of the Health Board's IMTP. Members of the Corporate Services Team are meeting with Executive Directors to discuss each of their respective risks and how they link to the IMTP and align to the key principles of the organisational Risk Management Strategy and approach.
- A new development in December 2016 was that the Committee received a report that outlined all decisions that had been made by the Committee during the last financial year. This decision tracker demonstrated whether the decisions made had actions taken against them. The Committee was pleased to note that all decisions had actions taken against them.
- Further development and engagement work has been undertaken in relation to the Health Board's Declarations of Interests register. The Board Secretary and the Medical Director have written to Health Board Consultants. This has resulted in a significant increase of Declarations of Interest, all of which have been captured on the organisational register. The result of a populated register will allow further scrutiny and analysis of the information available to the Health Board. Awareness raising has also continued through the Staff Code of Conduct Policy and employees are increasingly aware of when a Declaration of Interest needs to be submitted.

- The Committee continues to work with the Wales Audit Office (WAO) with regard to the work of external audit on the accuracy of financial statements. The Committee also liaises with the WAO on performance audits within the organisation and assurance reports. This includes the comprehensive Structured Assessment undertaken annually.

The **Quality and Patient Safety Committee** is also a crucial committee with regard to the assessment of the Health Board's overall governance and assurance. Key issues considered by this committee are outlined below, but have not been highlighted in detail in this document as they are covered comprehensively in the Health Board's Annual Quality Statement to be published in July 2017. The Committee has identified a number of key issues and achievements during 2016/2017, which are outlined below:

During 2016/17 the Committee's key areas of focus were:

- Consider more innovative ways of including a patient voice at the Committee for example, patient stories, which set the tone and become part of the core business of the Committee;
- Consider a whole system and integrated approach to developing agendas, considering divisional themes and a thematic approach in respect of disease groups;
- Ensure that Primary and Community Care services have a greater focus as part of scrutinising whole care pathways;
- The Committee has continued to monitor the Health Board's performance with regard to mortality data and has continued to explore variation in data in relation to condition specific mortalities as well as receiving regular updates in relation to the focused work on the Mortality Audit/Review Process, coding completeness and timeliness. Throughout the year a lower Risk Adjusted Mortality Index (RAMI) in comparison with other Health Boards in Wales has been maintained at the Royal Gwent Hospital, Nevill Hall Hospital and Ysbyty Ystrad Fawr. The Health Board's main focus on mortality reviews has generated a range of learning through these reviews and clinicians have been appointed to undertake these reviews and support next steps.

- The regulations for the management of concerns in Wales were introduced in April 2011. The regulations required health bodies to 'investigate once, investigate well'. The Committee has continued to monitor Divisional performance against the 20 and 30 day compliance targets and to receive assurance that there is learning from each complaint and/or incident and that this is communicated across the Health Board.
- The Committee has continued to monitor the number of clostridium difficile cases and was pleased to see its excellent rate of reduction across the year, which has been commended. The Committee also received the Infection Prevention and Decontamination Annual Review and was assured that the organisational approach to infection control and prevention is being continually monitored by the Infection Control Committee.
- The Committee received updates in relation to the Health and Care Standards 2016/2017 and monitored progress made in implementing the management actions in response to the 2015/2016 Internal Audit Report recommendations. The Health and Care Standards Group meets regularly with good engagement across the Health Board.
- Adverse incidents that have occurred within other health bodies, have been considered by the Committee to ensure that the Health Board's arrangements are safe and to consider recommendations for further improvement.
- The Committee has continued to monitor performance and progress against a number of key areas of activity, including ophthalmology, urgent primary care services, falls prevention, prevention of suicide and self-harm, waiting times within the Health Board's Emergency Departments, and Continuing Health Care.
- The Primary Care Operational Support Team is pro-actively targeting practices which are fragile, to encourage mergers where appropriate, and make the service more sustainable. The Committee has acknowledged that there needs to be a shift from the traditional primary care model and the Health Board's Engagement and Communication Teams are being utilised to ensure there is public involvement in the service re-design. A whole system approach is required to support primary care in resolving the current issues and moving care closer to home.

Litigation Group: Under WHC (97) 17 on Clinical Negligence and Personal Injury Litigation – Claims Handling, the Welsh Assembly Government formally delegated its authority for the management of clinical negligence and personal injury litigation claims with a value of under £1m to Health Boards and NHS Trusts on the condition that guidance in the circular was followed.

The Health Board has approved the Policy for the Management of Clinical Negligence and Personal Injury Litigation which formally sets out the Health Board's financial scheme of delegation following the guidelines within the Welsh Health Circular. Under the scheme a formal sub group of the Board, known as the **Litigation Group** has been established with delegated authority to make decisions on claims with a value above £100,000, where cases may be taken to trial and for cases which significantly risk the reputation of the health Board. Although a sub-group of the Board, the group reports routinely for assurance purposes to the Quality and Patient Safety Committee.

The Health Board, as part of its wider governance arrangements, is also a member of a number of joint Committees, which report to the Board. These are:

Welsh Health Specialised Services Committee (WHSSC)

The Welsh Health Specialised Services Committee (WHSSC) is responsible for the joint planning of Specialised and Tertiary Services on behalf of Local Health Boards in Wales.

WHSSC was established in 2010 by the seven Local Health Boards in Wales to ensure that the population of Wales has fair and equitable access to the full range of specialised services. In establishing WHSSC to work on their behalf, the seven Local Health Boards (LHBs) recognised that the most efficient and effective way of planning these services was to work together to reduce duplication and ensure consistency.

WHSSC is hosted by Cwm Taf University Local Health Board. The Health Board is represented on the Committee by the Chief Executive and reports of the joint committee's activity are regularly reported to the Board.

Emergency Ambulance Services Committee (EASC)

Ambulance commissioning in Wales is a collaborative process underpinned by a national collaborative commissioning quality and delivery framework. All seven Health Boards have signed up to the framework. Emergency Ambulance services in Wales are provided by a single national organisation – Welsh Ambulance Services NHS Trust (WAST).

The framework provides a mechanism to support the recommendations of the 2013 McClelland review of ambulance services. It puts in place a structure which is clear and directly aligned to the delivery of better care. The framework introduces clear accountability for the provision of emergency ambulance services and sees the Chief Ambulance Services Commissioner (CASC) and the Emergency Ambulance Services Committee (EASC) acting on behalf of health boards and holding WAST to account as the provider of emergency ambulance services.

EASC is hosted by Cwm Taf University Local Health Board. The Health Board is represented on the Committee by the Chief Executive and reports of the joint committee's activity are regularly reported to the Board.

During the last year, as part of our governance arrangements, these joint Committees as well as the **NHS Wales Shared Services Partnership** and the **National Informatics Board and NHS Wales Informatics Service** have periodically attended the Health Board meetings to discuss with the Board key issues, plans for the future and key risks.

1.4 Membership of the Health Board and its Committees:

In **Table One** below, the membership of the Board is outlined for 2016/2017 and the attendance at Board meetings for this period. It also highlights the membership of Health Board Committees and the areas of Health Board responsibilities that are championed by the members of the Board.

The Health Board keeps under review the membership of Board Committees to ensure changes are made regularly to refresh the membership of each committee and respond to circumstances when new members join the Board. This ensures that the Board maximises the skills and knowledge of the members of the Board by engaging them in the right committee to meet their background and areas of interest. It also supports succession planning for future roles on committees, particularly Chair and Vice Chair. A report of any proposed changes to the structure and membership of Health Board committees is approved by the Board at its meeting in May of each year. The Board also ensures that terms of reference for each committee are reviewed annually to ensure the work of committees clearly reflects any required governance requirements or changes to delegation arrangements or areas of responsibility from the Board. Committees also develop Annual Reports of their business and activities, which are also presented to the Health Board meeting in May.

Health Board Attendance at Public Board Meetings 2016/2017:

Key:

- Audit Committee
- ◆ Quality and Patient Safety Committee
- Information Governance Committee
- ▲ Public Partnerships and Well Being Committee
- ⬢ Charitable Funds Committee
- ◆ Remuneration and Terms of Service Committee
- ⊙ Finance and Performance Committee
- ⊛ Planning and Strategic Change Committee
- Litigation Group

Table One

Name	Position	Board Committee Membership 2016/2017	Champion Roles	Attendance Record at Board 2016/2017
David Jenkins OBE	Chair	<ul style="list-style-type: none"> ⊙ Chair ⊛ Chair Attends all other committee meetings as an observer □ Chair 		Attended 6 out of 6 meetings
Judith Paget	Chief Executive	<ul style="list-style-type: none"> ⬢ ⊛ Attends all committees on a periodic basis □ 		Attended 5 out of 6 meetings
Alan Brace (left organisation 9 th September 2016)	Director of Finance/Deputy Chief Executive	<ul style="list-style-type: none"> ● Lead Officer ⬢ Lead Officer ⊙ Lead Officer ⊛ 		Attended 2 out of 2 meetings
Glyn Jones (began post 10 th September 2016)	Interim Director of Finance	<ul style="list-style-type: none"> ● Lead Officer ⬢ Lead Officer ⊙ Lead Officer ⊛ 		Attended 4 out of 4 meetings
Dr Paul Buss	Medical Director /Deputy Chief Executive	<ul style="list-style-type: none"> ◆ Lead Officer ⊛ □ Lead Officer ■ Lead Officer 		Attended 6 out of 6 meetings
Christopher Koehli	Independent Member (Finance)	<ul style="list-style-type: none"> ● ◆ Chair ⊛ Chair □ 	<ul style="list-style-type: none"> • Carers Champion • Primary Care Lead • Torfaen area lead 	Attended 5 out of 6 meetings
Denise Llewellyn (left organisation on 23 rd September 2016)	Director of Nursing	<ul style="list-style-type: none"> ◆ Lead Officer ⊛ Director of Nursing no longer required to attend Planning and Strategic Change Committee as of 25th May 2016 		Attended 2 out of 2 meetings

Name	Position	Board Membership 2016/2017	Committee Champion Roles	Attendance Record at Board 2016/2017
Lin Slater (24 th September – 31 st December 2016)	Interim Nurse Director	◆ Lead Officer ●		Attended 5 out of 5 meetings
Bronagh Scott – (Commenced post 1 st January 2017)	Director of Nursing	◆ Lead Officer ●		Attended 2 out of 2 meetings
Nick Wood	Chief Operating Officer	▲ Lead Officer ●		Attended 5 out of 6 meetings
Cllr Brian Mawby	Independent Member (Local Authority)	● ● ● ◆	<ul style="list-style-type: none"> •Veterans and Armed Forces champion •Facilities lead •Local Government lead •Structural Design lead 	Attended 6 out of 6 meetings
Geraint Evans	Director of Workforce and OD	◆ Lead Officer ●		Attended 5 out of 6 meetings
Dr Gill Richardson	Director of Public Health	▲ Lead Officer ●		Attended 6 out of 6 meetings
Philip Robson	Vice Chair of the Board	◆ ▲ Chair □ Vice Chair ●	<ul style="list-style-type: none"> • Safeguarding Champion • Children and Young People Lead • Blaenau Gwent Area Lead 	Attended 6 out of 6 meetings
Alison Shakeshaft	Director of Therapies and Health Science	◆ Lead officer		Attended 6 out of 6 meetings
Nicola Prygodzicz	Director of Planning and Performance	■ Lead Officer ● Lead Officer ●		Attended 6 out of 6 meetings
Joanne Smith	Independent Member (Community)	■ ▲ ●	<ul style="list-style-type: none"> •Putting Things Right Champion •Newport area lead •Equalities Champion 	Attended 3 out of 6 meetings
Katija Dew	Independent Member (Third/Voluntary Sector)	● Vice Chair ■ ▲	<ul style="list-style-type: none"> • Citizen Engagement Champion • Mental Health and Learning Disabilities Champion 	Attended 6 out of 6 meetings
Professor Dianne Watkins (commenced 7 th November 2016)	Independent Member (University)	◆ Vice Chair ▲ ●		Attended 2 out of 3 meetings
Frances Taylor	Independent Member (Community)	◆ ● ● ◆ ●	<ul style="list-style-type: none"> •Patient Champion •Older People Champion 	Attended 5 out of 6 meetings

Name	Position	Board Committee Membership	Champion Roles	Attendance Record at Board 2016/2017
Dr Janet Wademan	Independent Member (ICT)	● Chair ■ Chair ◆ ◆ □ Attends as Chair of the Audit Committee	• ABCi Champion	Attended 6 out of 6 meetings
Colin Powell	Chair of the Health Professionals (Associate Independent Member)	◆		Attended 3 out of 6 meetings
Lorraine Morgan	Chair of the Stakeholder Reference Group (Associate Independent Member)	◆ ▲		Attended 4 out of 6 meetings
Liz Majer (until 30th September 2016)	Associate Independent Member – Directors of Social Services	▲		Attended 3 out of 3 meetings
Claire Merchant (commenced 1st October 2016)	Associate Independent Member – Directors of Social Services	▲		Attended 2 out of 3 meetings
Richard Bevan	Board Secretary	Attends a range of committee meetings on a regular basis. Lead Officer for the Stakeholder Reference Group and Healthcare Professionals Forum. ⊙ ● Lead Officer □		Attended 6 out of 6 meetings

Please note that Executive members of the Board are lead officers for some committees, but can be required to attend all committees.

Key:

- **Audit Committee**
- ◆ **Quality and Patient Safety Committee**
- **Information Governance Committee**
- ▲ **Public Partnerships and Well Being Committee**
- ◊ **Charitable Funds Committee**
- ◆ **Remuneration and Terms of Service Committee**
- ⊙ **Finance and Performance Committee**
- ⊛ **Planning and Strategic Change Committee**
- **Litigation Group**

The attendance of Board Members at the in-public Board meetings during the last year is shown above. However, members are involved in a range of other activities on behalf of the Board, such as Board Development Meetings (at least six a year), Board Briefings (four a year), meetings of Committees of the Board, service visits and a range of other internal and external meetings.

The Board also held an additional meeting of the Board in 2016/2017 on the 9th March 2017 to formally consider and approve the Health Board's IMTP for 2017-2020 for submission to Welsh Government, this meeting was organised on the basis of quorum only.

The Board also meets in public in June to formally approve the Annual Accounts of the Health Board following detailed consideration by the Health Board's Audit Committee. This meeting has not been included in the above attendance record as this is a procedural meeting and is run with the required number of members for a quorum for the Board only and therefore not all members are required to attend.

All of the meetings of Board Committees during 2016/17 were quorate.

Advisory Groups – The Board also has three advisory groups. These are the Stakeholder Reference Group, Healthcare Professionals Forum and the Trade Union Partnership Forum (Local Partnership Forum) established in line with our Standing Orders.

Stakeholder Reference Group: The Group is made up of a range of partner organisations from across the Health Board area. The Group is chaired by an Associate Independent Member of the Board who is Lorraine Morgan, Carer Representative. The Group during the year has continued to advise the Health Board on a range of service issues and planning and development matters and acts as a 'critical friend' to the organisation with regard to its emerging plans.

Healthcare Professionals Forum: The Forum comprises representatives from a range of clinical and health professions within the Health Board and across primary care practitioners. The Forum is chaired by an Associate Independent Member of the Board who is Colin Powell, Hospital Pharmacist representative on the Forum. The Forum during the year has considered a range of professional and service issues and provided advice to the Board with regard to how to effectively engage with professionals across the organisation. The Forum also provides input to the National Joint Professional Advisory Committee (NJPAC) at Welsh Government and the Chair is automatically a member of the NJPAC.

Trade Union Partnership Forum (Local Partnership Forum): The Trade Union Partnership Forum (TUPF) is jointly chaired by George Puckett on behalf of the staff side and Judith Paget, Chief Executive for the management side. The Forum is responsible for engaging with staff organisations on key issues facing the organisation. The TUPF provides the formal mechanism for consultation, negotiation and communication between our staff and the Health Board, embracing the Trades Union Congress principles of partnership. The Forum via its Chairs reports formally to the Board each year.

1.5 Integrated Medium Term Plan: The National Health Service Finance (Wales) Act 2014 became law in Wales from 27th January 2014, new duties with regard to operational planning were placed upon Local Health Boards. The legislative changes were made to section 175 of the NHS Wales Act 2006.

The Health Board approved an Integrated Medium Term Plan for 2015-2018 and this was submitted to and approved by Welsh Ministers. The Health Board refreshed the IMTP on the 9th March 2017 and this was approved to run from 2016/2017 to 2018/2019.

In terms of progress against the IMTP, the Health Board has assessed that it has progressed well with the delivery of the IMTP recognising that continuing implementation work is required. Further information regarding this progress is provided in the Health Board's Performance Section of the Annual Report.

The Health Board met its revenue resource limit for the year and delivered a surplus of £49,000 (to be confirmed with final accounts). In addition, the Board was measured for the first time in its statutory duty to breakeven over 3 years, which it also achieved with a cumulative surplus of £672,000. The Board met its in-year capital resource limit in addition to its three year duty to breakeven against its capital allocation.

1.6 All-Wales Risk Pool Arrangements: The Welsh Risk Pool Services (WRPS) is a risk sharing mechanism, akin to an insurance arrangement which provides indemnity to NHS Wales's organisations against negligence claims and losses. Individual NHS organisations must meet the first £25,000 of a claim or loss which is similar to an insurance policy excess charge. Until the beginning of financial year 2014/15 the WRPS was funded directly by Welsh Government with overspends being covered directly from Welsh Government budgets. With effect from 2015/2016, the overall budget was transferred into NHS Wales on a risk share basis.

1.7 Wales Audit Office Structured Assessment: The Wales Audit Office Structured Assessment Report for 2016 made the assessment that the Health Board's governance and planning approaches are positively shaping the direction and performance of the organisation, but finances and continuity of independent membership remain a risk. Key elements of the assessment, which the Health Board is continuing to respond to and progress, are outlined below:

- The Health Board continues to control budgets and monitor the delivery of savings plans effectively but the scale of the financial pressures may lead to an unsustainable financial position.
- Operational financial planning and budget setting arrangements are effective but longer-term financial plans do not yet demonstrate a sustainable position.
- In-year controls operate effectively and ensure appropriate financial stewardship.
- Financial reporting is sufficient to inform decisions where corrective action is required.
- The Health Board successfully managed its spend within the revenue resource limit, but it has been reliant on Welsh Government funding and its current financial position remains a risk.
- The Health Board's planning arrangements are positively shaping the organisation and its committees operate effectively but change to independent membership poses continuity risks and programme management arrangements need further development.
- The Health Board continues to strengthen strategic planning but it needs to further develop its change management capacity to ensure it achieves the benefits set out in its key strategic programmes and specialist critical care centre programme.
- The Board and committees operate effectively, but there are risks to the continuity of independent membership and board assurance framework arrangements need to better link to longer-term achievement of objectives.
- The Health Board is making reasonable progress to address the issues identified in last year's structured assessment.

The Health Board along with its internal sources of assurance, which includes its internal audit function provided by NHS Shared Services, also uses sources of external assurance and reviews from auditors, regulators and inspectors to inform and guide our development. The outcomes of these assessments are being used by the Health Board to further inform our improvement planning and the embedding of good governance across a range of the organisation's responsibilities. The Health Board has undertaken further work during the year on mapping its sources of assurance and a more formal assurance map and Board Assurance Framework will be developed in the coming year.

The Health Board also has in place a tracking system for internal audit recommendations and the agreed management actions, which is regularly reported to the Health Board's Audit Committee. This has been further developed to also include the tracking of external audit recommendations.

The Health Board uses reports from Healthcare Inspectorate Wales, the Welsh Risk Pool and other inspectorates and regulatory bodies to inform the governance and assurance approaches established by the organisation.

1.8 Annual Quality Statement - The Health Board published its fourth Annual Quality Statement in 2016, which provided the organisation with an opportunity to outline for the public an assessment of what the Health Board has been doing to ensure our services are meeting local needs and are achieving the required standards of quality and safety. The fifth Annual Quality Statement will be produced in July 2017.

1.9 ABCi - The Health Board also uses information regarding best practice available inside and outside the public sector to benchmark its performance and continue to foster a culture of continuous improvement that has been established by the ABCi (Aneurin Bevan Continuous Improvement) initiative in the Health Board to lead and advise on areas of this work. ABCi lead for the organisation on engagement with the 1000 Lives Plus Programme and the Board promotes the use of these methodologies for improvement and is aware of improvements made and barrier to improvements and these are monitored by the Quality and Patient Safety Committee on behalf of the Board.

2. The purpose of the system of internal control

The Health Board's system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risks; it can therefore only provide reasonable and not absolute assurances of effectiveness.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place for the year ended 31 March 2017 and up to the date of approval of the annual report and accounts.

3. Capacity to handle risk

Aneurin Bevan University Health Board has continued to develop and embed its approaches to risk management over the last year and has undertaken a full review and redevelopment of its approach to risk management. This has included the agreement of a new Risk Management Strategy and Policy in January 2017 and also a new reporting arrangement for the Board and its committees using a new style Risk Dashboard. A link to the Health Board's Risk Dashboard as at the 31st March 2017 is provided below:

<http://www.wales.nhs.uk/sitesplus/documents/866/Corporate%20Risk%20Dashboard%2031%20March%202017.pdf>

Further work is now underway to introduce this new risk approach across the Health Board and embed new assessment and reporting arrangements. This work will ensure risk systems continue to be streamlined and interconnected and that our understanding of risks actively informs the Health Board's key priorities and actions and our overall approach to risk governance.

The Health Board as part of the above developments and through active Board Member engagement has also agreed a risk appetite statement and clear risk tolerances. Further work is being undertaken to actively demonstrate how this risk appetite is being applied to the organisation's decision making and how it is used to support accountability and authority to act. The Health Board's consistency of approach on risk management will be supported through the use of standardised software across the organisation and also increased training and awareness raising work across the organisation.

The continuing development work undertaken on the Health Board's Risk Management Strategy and processes have been informed by using feedback from Internal Audit Reports and the Wales Audit Office Structured Assessment. Further work is being undertaken to continue to develop the Corporate Risk approaches to respond to the risks to the Health Board's delivery of the agreed Integrated Medium Term Plan and the assurances the Board will require to know that it is on track to deliver its stated objectives in the ways it intended and to the level of quality it expected.

Work is also underway to reflect in the Health Board's risk approaches the short, medium and longer term risks as required by the Well Being of Future Generations Act and which is also reflective of the Health Board's risk appetite statement. Through this work the Health Board is actively working with partners through Public Service Boards and our Gwent Partnership Board for the Social Services and Well Being Act to develop and agree partnership risk assessments, which enable local partners to inform and advise the assessments of Health Board risks and vice versa.

Therefore, the Health Board sees active and integrated risk management as key elements of all aspects of our functions and responsibilities especially in order to support the successful delivery of our business. This assists in ensuring high quality and safe health care is provided to local people, that we contribute to improving the health and well-being of our population and that a safe and supportive working environment is provided for our staff.

The Health Board also recognises that risks can arise from not taking opportunities to develop and deliver improved services. The Health Board recognises it might need to take controlled risks over time or at certain times to enable the delivery of new forms of services or different ways of delivering services in changing economic, political and social contexts and the Health Board's appetite for risk is assessed on an issue by issue basis bearing in mind the issues outlined above. The Health Board via its Public Partnerships and Well Being Committee has also developed a Public Health and Health Promotion Risk Register, which recognises the different nature of public health risks and also potentially the longer timeframes involved with these types of risks. This work is seen as leading work in the NHS in Wales and is contributing to the Health Board's response to the Well Being of Future Generations Act.

As Chief Executive, I have overall responsibility for the management of risk for the Health Board. The Executive Lead for clinical risk management is the Director of Therapies and Health Science and has delegated responsibility for ensuring that arrangements are in place to effectively assess and manage clinical risks across the Health Board. The Board Secretary along with the Director of Therapies and Health Science

work together to design systems and processes for risk management with the Board Secretary having responsibility for maintaining and co-ordinating a corporate risk register and the corporate reporting of risks. The Health Board and its committees identify and monitor risks within the organisation. Specifically, the Executive Team meetings present an opportunity for the executive function to consider and address risk and actively engage with and report to the Board and its committees on the organisation's risk profile.

The Health Board is also committed to ensuring staff throughout the organisation are trained and equipped to appropriately assess, manage escalate and report risks and further work continues to embed good risk management throughout the organisation but it is recognised that further work is required to extend the scope of risk management training across the organisation. The Health Board has established a network of risk leads across the divisions and departments of the Health Board and has recently undertaken an assessment of risk management training needs to further inform a programme of training and development for 2017/2018.

This work throughout the Health Board is being informed by best practice examples through advice from the Health Board's Internal Auditors and the Wales Audit Office and also the engagement of external advice.

The risk profile of the Health Board is continually changing, but the key risks that emerge and can impact upon the Health Board's achievement of its objectives include strategic, operational, financial, compliance and public health risks.

There were 37 risks on the Health Board's Corporate Risk Register at the end of March 2017.

Category of Risk	Number of Risks at March 2017
Strategic Risks	10
Financial Risks	3
Operational/Business Risks	13
Compliance Risks	8
Public Health Risk	3

The profile of corporate level risks as at 31st March 2017 in terms of their assessed levels is outlined in the risk map below.

Consequence Score	Likelihood Score				
	1 Rare	2 Unlikely	3 Possible	4 Likely	5 Almost certain
5 - Catastrophic		• 1	• 7	• 10	• 1
4 - Major	• 2	• 1	• 7	• 8	
3 - Moderate					
2 - Minor					
1 - Negligible					

Below is provided an overview of the key risks of the organisation, as at the 31st March 2017:

- **Operational/Business Risk** - Failure to meet the expectations of the population in relation to patient experience and dignity of care – monitoring of quality measures in relation to this risk are in place via the Quality and Patient Safety Committee.
- **Strategic Risk** - Inability to recruit to junior and middle grade doctors within the Mental Health and Learning Disabilities Division which means a reduced medical workforce to ensure cover across all sites – A redesign of the current service options are currently being explored alongside additional work on medical workforce to mitigate this risk
- **Operational/Business Risk** - Failure to implement adequate falls prevention on inpatient wards – training is being undertaken, alongside the revision of the 'Prevention and Management of Inpatient Falls policy' and business case development to respond to this risk.
- **Operational/Business Risk** - Failure to meet the needs of local people in relation to emergency care provision including WAST provision – Improvement plans developed through the Urgent Care Board and approved by the Executive Team, with ongoing monitoring provided on a weekly basis at meetings with the Health Board Divisions.
- **Strategic Risk** - Failure to meet Welsh Government wait targets of 4 and 12 hours – Improvement plans are in place and an Urgent Care Collaborative was launched in December 2016. Instances where patients wait longer than the target times are escalated to the Chief Operating Officer and monitored via the Urgent Care Programme Board.

- **Strategic Risk** - Unsustainable model of care in Primary Care Services - a range of policies and procedures are in place and, in some instances, the Health Board directly manages some practices to mitigate this risk.
- **Strategic Risk** - Failure to implement Welsh Community Care Information System (WCCIS) – Programme Board and Regional Group established with active Board engagement.
- **Operational/Business Risk** - Detrimental impact on patient care, if required levels of registered nurses are not maintained – rosters developed and active recruitment programme.
- **Strategic Risk** - Failure to provide sustainable services due to requirements of the Deanery – service plans developed to mitigate required rota and engagement taking place with Welsh Government.
- **Strategic Risk** - Failure to recruit appropriately skilled staff to deliver high quality care – workforce implementation plans are included in the IMTP. Recruitment and Retention plans are in place.
- **Strategic Risk** - Failure to appropriately recruit levels of medical staffing in Primary and Secondary Care Services – plans are in place to maximise recruitment in all identified areas to minimise risk.

The Health Board during the year has also had an assessed significant financial risk with regard to financially breaking even and meeting its statutory financial duties, but this risk was effectively mitigated during the year. Also, the Health Board had on its corporate risk register during the year an assessed significant risk with regard to non-approval of the plans for the Specialist and Critical Care Centre (SCCC). However, this risk was successfully mitigated following the approval of the Final Business Care for the SCCC by Welsh Government in October 2016.

3.1 The risk and control framework

The Health Board's approach to risk management provides a framework and structured process for the identification and management of risk across the organisation to better inform decision making. The Health Board's systems and processes allow for the Board and staff to implement necessary actions to respond to risks at all organisational levels. They also facilitate the reporting of risks throughout the organisation, escalating to senior levels of management, where required, and to the Health Board and its Committees via the Executive Team, or vice versa, to further inform corporate decisions.

The Health Board recognises that through these processes it is not possible to eliminate or avoid all risks and that in some instances the Board, the wider organisation and with our partners we might have to take informed risks to further our stated aims and objectives. However, as risks are recognised and identified, actions to understand and respond to these risks are undertaken and implemented. If after all necessary steps have been taken and the risk remains, the Health Board may decide to accept the risk and continue to actively manage it.

The Board's decision to accept and actively manage risks might be different for the range of its responsibilities and this is reflected in the Health Board's Risk Appetite Statement. The Board through information and intelligence from within and outside the organisation will determine the level of risk it is willing to accept for each area of its plans and business – known as its 'risk appetite'. A risk appetite statement has been agreed by the Board. Further work will be required in the coming year to embed the risk appetite statement in the Health Board's strategic and operational planning activities and also to ensure that it becomes evident in the decision making of the Health Board.

The Health Board links closely with public service partners, such as Local Authorities and other bodies and organisations to assess and manage risk and to understand key issues and risk that could impact upon the Health Board and affect the effective and efficient delivery of its services and functions to support patient care. This work has been taken forward particularly in the last year on the implementation of key areas of new legislation such as the Social Services and Well Being Act and the Well Being of Future Generations Act through our local Partnership Board and the five local Public Service Boards in the Gwent area.

The Health Board also uses the Health and Care Standards for Wales as a part of our framework for gaining assurance on our ability to fulfil our aims and objectives for the delivery of safe and high quality health services. This involves self-assessment of our performance against the standards across all activities and at all levels throughout the organisation and this is also linked to the Health Board's approach to risk management. An assessment against the Health and Care Standards has been undertaken and will be reported in the Health Board's Annual Quality Statement (AQS).

3.2 UK Corporate Governance Code: Aneurin Bevan Health Board has also undertaken an assessment against the main principles of the UK Corporate Governance Code as they relate to an NHS public sector organisation in Wales. This assessment has been informed by the Health Board's governance, assurance and effectiveness self-assessment undertaken by the Board in April 2017. The Health Board is satisfied that it is complying with the main principles of the Code, is following the spirit of

the Code to good effect and is conducting its business openly and in line with the Code. The Health Board has not identified any departures from the Code through the year. However, the Board recognises that not all reporting elements of the Code are outlined in this Governance Statement but are reported more fully in the Health Board's wider Annual Report.

3.3 Ministerial Directions 2016/2017 and Welsh Health Circulars:

A list of Welsh Government Ministerial Directions issued in 2016/17 is available at the following Welsh Government website:

<http://gov.wales/legislation/subordinate/nonsi/nhswales/2016/?lang=en>

The Health Board can confirm that all of these directions have been fully considered and assessed and where appropriate implemented by the Health Board or in partnership with other NHS organisations.

The Welsh Government reintroduced Welsh Health Circulars during 2014/2015, which replaced the former system of Ministerial Letters/Directions. These are centrally logged within the Health Board with a lead Executive Director identified to oversee the implementation of the required action or to develop the required response. Also, where appropriate the Board, a designated Committee or the Executive Team monitors progress against the circulars depending on the subject matter or actions required within the circular.

There are no major issues to report with regard to the implementation of these Ministerial Directions or Welsh Health Circulars.

Also a formal system is in place that tracks regulatory and inspection reports against statutory requirements and all such reports are made available to the appropriate Board Committee.

3.4 Information Governance: The Health Board has a range of responsibilities in relation to the appropriate use and access to the information that it holds including confidential patient information. This is guided by legislation and the Caldicott principles. The Medical Director is the Health Board's Caldicott Guardian and the Director of Planning and Performance is the Senior Information Risk Owner (SIRO).

The Health Board has a committee structure in place that provides the Board with assurance that it meets its obligations under law and its strategic objectives, including working with its partners. The Information Governance Committee (IGC) provides assurance and advice to the Board to assist it in discharging its functions and meeting its responsibilities with regard to the Health Board's arrangements for creating, collecting, storing, safeguarding, disseminating, disclosing, sharing, using and disposing of information in accordance with its stated objectives,

legislative responsibilities and any relevant requirements and standards determined for the NHS in Wales. The IGC receives key performance information in order to assess the Health Board's compliance with standards and legislative requirements.

During 2016/17, the Health Board received 4,369 Data Protection Act Subject Access Requests (SARs). The largest proportion of requests received continues to be made by solicitors and legal services at 68%. The Health Board communicates with all requestors, especially if the request is complex and the 40 day target is unlikely to be met, so that the requestor's expectations are managed appropriately. The compliance rate as at March 2017 was 94%.

The Health Board recorded 712 incidents regarded as an Information Governance incident. There were several complaints made regarding allegations of potential breaches of confidentiality, the integrity of data, and non-compliance with the Data Protection Act (Subject Access Requests). There were 19 complaints made to the Information Governance Unit, either directly or through a third party (including the Information Commissioners Office) regarding allegations of a breach of the Data Protection Act. These cases were investigated appropriately and the Health Board was seen to act reasonably in response. The Health Board responded positively to the third party data (Landauer) breach regarding staff personal identifiable information. It was successful in delivering a programme of informing, advising and assisting affected staff within 6 weeks of being informed about the breach in February 2017. This was a concerning period for staff and will continue to be so for some time and the Information Governance Unit will continue to be available to help.

The Health Board has undertaken a self-assessment of its position regarding recommendations with the Caldicott Report, to inform the Caldicott Principles into Practice (C-PIP) Out-Turn Report. The C-PIP score for 2016/17 was 89% showing a consistent achievement for the past three years and an increase from 69% since the C-PIP inception in 2011. The Health Board uses the NHS Wales risk assessment process to determine the level of Information Governance risks and these are monitored by the IGC.

Policies review continues to be a key component of the Information Governance framework providing patients with the assurance that staff are working within a competent and pragmatic set of rules. The Health Board continues to be collaborative in its approach to ensure consistency of policy content and context across all NHS Wales organisations.

The percentage of staff who had received mandatory Information Governance training stands at approximately 89% of the total workforce of over 12,500 staff as at the end of March 2017.

The development of Information Governance Stewards continues to be a key strategic tool to embed Information Governance within the Divisions. The number of Information Governance Stewards has increased to approximately 280 across the organisation.

The sharing of information is core to the development and implementation of new strategies around joint working between health and well-being services (social care or third sector organisations). The South-East Wales Information Sharing Partnership enables the health, social care, police and fire and rescue service partners to review and discuss information sharing and assure the local Information Sharing Protocols (ISP). This group has assured seven ISP's this year.

3.5 Data Quality: The Health Board is committed to ensuring the best standards of data quality to inform decision making and assessment of performance to improve services for patients. There are systems and audit processes in place to continually focus on improving data quality by regular checks on validity, consistency, time lines and accuracy both locally and in partnership with NHS Wales Informatics Service. A range of improvement actions are in place to ensure that the Board received the highest quality of the data to ensure it can make its assessments of governance and assurance. The audit undertaken at Scheduled Care has improved the internal referral process.

Preparations for the General Data Protection Regulation are underway and 2016/17 saw a data gathering exercise about the regulation and participation in the various consultation exercises. The Health Board has prepared information to assist with our gap analysis and various requirements of the Regulation. This will inform our detailed preparations during 2017/18.

4. Review of effectiveness

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the system of internal control is informed by the work of the internal auditors, and the executive officers within the organisation who have responsibility for the development and maintenance of the internal control framework, and comments made by external auditors in their annual audit letter and other reports.

As Accountable Officer I have overall responsibility for risk management and report to the Board regarding the effectiveness of risk management across the Health Board. My advice to the Board is informed by reports on internal controls received from all its committees and in particular the Audit Committee and Quality and Patient Safety Committee. The Quality and Patient Safety Committee also provides assurance relating to issues

of clinical governance, patient safety and health standards. In addition, reports submitted to the Board by the Executive Team identify risk issues for consideration.

Each of the Health Board's Committees have considered a range of reports relating to their areas of business during the last year, which have included a comprehensive range of internal audit reports and external audit reports and reports on professional standards and from other regulatory bodies. The Committees have also considered and advised on areas for local and national strategic developments and new policy areas. Each Committee undertakes an annual review and develops an annual report of its business and the areas that it has covered during the last year and these are reported in public to the Health Board.

4.1 Internal Audit: Internal Audit provides me as Accountable Officer, and the Board through the Audit Committee, with a flow of assurance on the system of internal control. I have commissioned a programme of audit work which has been delivered in accordance with public sector internal audit standards by the NHS Wales Shared Services Partnership. The scope of this work is agreed with the Audit Committee and is focused on significant risk areas and local improvement priorities.

The overall opinion by the Head of Internal Audit on governance, risk management and control is a function of this risk based audit programme and contributes to the picture of assurance available to the Board in reviewing effectiveness and supporting our drive for continuous improvement.

4.2 Health and Care Standards: The Health and Care Standards set out the Welsh Government's common framework of standards to support the NHS and partner organisations in providing effective, timely and quality services across all health care settings. They set out what the people of Wales can expect when they access health services and what part they themselves can play in promoting their own health and wellbeing. They set out the expectations for services and organisations, whether they provide or commission services for their local citizens.

The Health and Care Standards came into force from 1 April 2015 and incorporate a revision of the 'Doing Well, Doing Better: Standards for Health Services in Wales (2010)' and the 'Fundamentals of Care Standards (2003)'.

Standards provide a consistent framework that enables the Health Board to look across the range of our services in an integrated way to ensure that all we do is of the highest quality and that we are doing the right thing, in the right way, in the right place at the right time and with the right staff. The work on Health and Care Standards is led within the organisation by the Director of Nursing and monitored in terms of

compliance by the Quality and Patient Safety Committee. During the last year, the Health Board's Internal Auditors undertook a review of the implementation of Health and Care Standards in the organisation and this received an assessment of 'reasonable' assurance.

As indicated above, the Health and Care Standards cover seven key themes, but also have at their core a focus on patient-centred care and it is recognised are surrounded by the requirement for clear governance, leadership and accountability. Further information on compliance with standards are covered in the Annual Quality Statement. This is outlined in the diagram below.



Details and key themes from the Board's self-assessment are reflected below. This includes an assessment against a series of 'Must Do's' identified by the Board in last year's Governance Statement and also key areas of focus for the coming year to guide our continued improvement linked to our IMTP.

Below an update is provided against the key areas of improvement action identified for 2016/2017 as Health Board 'Must-Do's':

Health Board 'Must-Do's 2016/2017	Assessment of Progress
Eradicate the utilisation of staff from non contract agencies from 1 April 2016.	Completed - The Health Board agreed not to use off contract agency from 1st April 2016. This position was maintained throughout 2016/2017.
Develop a comprehensive Unscheduled Care Plan, which encompasses all parts of the system including GP Out of Hours and Delayed Transfers of Care (DToCs), resulting in improved performance in the 4 and 12 hour targets.	<p>GP Out of Hours performance has improved. Performance compliance improved from February to March with 90% of all urgent calls returned within 20 minutes and 73% of routine calls returned within 60 minutes.</p> <p>DToCs have improved during the last year. The number of reported DToCs in non-mental health beds reduced in March 2017 to 60. This position represents a significant improvement compared with the same time last year where 85 patients were reported. Also, there has been improved performance during the last year against the 4 and 12 hours targets for Accident and Emergency Departments. The 4 hour waits in March 2017 were 79% compared to 76.8% in March 2016. The 12 hour numbers were 573 in March 2017 compared to 743 at the end of March 2016.</p>

<p>Develop a more robust and innovative Recruitment and Retention Plan for key clinical staff groups.</p>	<p>The Health Board has undertaken additional work on recruitment and retention of all staff groups. There have been active recruitment campaigns, including recruitment overseas. However, the overseas recruitment campaign in 2016 resulted in limited results due to a number of external factors around International English Learning Test System (IELTS). The strategy to recruit overseas staff is now under review.</p> <p>There has been a focus on workforce planning for future requirements through encouraging college and school pupils to consider careers in the NHS. The Health Board continues to ensure that recruitment and retention is a key priority. There is a drive to continue to increase the number of work experience placements and apprenticeships.</p> <p>Work has been undertaken on a Medical Resourcing Strategy to address current and future medical workforce requirements. We are also participating in national work which is reviewing medical locum and agency rates and clinicians doing non clinical work. The Health Board is also supporting and participating in the all Wales recruitment Campaign – Train – Work - Live.</p>
<p>Develop and deliver sustainable plans to improve and deliver Referral to Treatment Time (RTT) and diagnostic targets over the next three years.</p>	<p>Significant improvement in RTT waiting times has been delivered in 2016/17, with progress also made in diagnostic access. The 2017/18 – 2019/20 IMTP describes how further improvements will be delivered over the next three years. Further information on this performance is provided in the Health Board's Annual Report.</p>
<p>Develop at pace the Outpatient Transformation Project, developing new models of care across a range of specialties.</p>	<p>The Out-patient programme is starting to gain momentum with the main focus starting in ENT (Ear, Nose and Throat) as the pilot service specialty. The teams have attended a pre-learning day followed by an additional learning set earlier in the year and a more recent event in May to take this forward. The learning from ENT will be an</p>

	<p>opportunity to spread the improvements to the wider Out-patients specialties across the Health Board.</p> <p>We are planning to spread the ENT work to all of the Out-patients specialties from September 2017 with a view to building the collaborative around the model for improvement IHI (Institute for Healthcare Improvement) methodology.</p>
Develop a more robust approach to improve productivity and efficiency to support financial delivery.	An Efficiency Framework has been developed as part of IMTP, to identify efficiency opportunities and deliver savings requirements. Cross cutting themes have been established, with Executive Director leads, to reinforce the required delivery.
Implement a new Performance Management Framework by the end of Quarter 1.	An integrated performance management framework was delivered in 2016/17 together with an integrated performance report and this has been reflected in the reports to the Health Board Meetings during 2016/2017. Further information on this performance is provided in the Health Board's Annual Report.
Revised resource allocation framework used to redirect resources and confirmed in budget setting process for 2016-17; strategy and framework for Investment decisions designed and implemented.	IMTP and 2017/18 budget setting has identified resource allocation priorities, including applying differential efficiencies based on benchmarking intelligence available to the Health Board. A process for appraising investment proposals has been strengthened with the inclusion of a Pre-Investment Panel (PIP) within the organisation's processes.
Develop organisational development and culture to be a real learning organisation.	<p>An external Peer Review of the Organisational Development (OD) Strategy has identified the need to refocus and invest our capacity to ensure we are equipped to deliver the OD agenda and are prepared for the cultural change needed for SCCC, which will be in line with the 'Clinical Futures' and 'Care Closer to Home' service models.</p> <p>The Board has approved new Personal Appraisal Development Review (PADR) approach which provides more of a focus on regular conversations within teams.</p>

	<p>The results of the recent NHS Wales Staff Survey and Medical Engagement Scale, will see a range of activities to address the feedback and the Health Board has made a commitment to actively respond to the results of the surveys.</p> <p>Successful reaccreditation of University status reflects the growing maturity of the Health Board in relation to its facilitation of learning and research development. The Board places a consistent emphasis on learning from patient experience as evidenced by the regular patient stories shared with the Board and the emphasis placed on learning from concerns at the Quality and Patient Safety Committee.</p> <p>We have also created a public sector collaborative which has seen a range of collective learning opportunities being put in place. We are spreading/sharing expertise and seeking to address obligations associated with Wellbeing and Future Generations Act.</p>
Develop the Prevention Agenda at pace to support greater system change.	<p>The Health Board continues to strengthen its focus on health prevention each year and set out clear milestones for delivery across key public health priorities in our IMTP. Prioritised investment areas included the award winning Living Well, Living Longer Programme, smoking cessation, Adult and Child Weight Management Service, Immunisation, Making Every Contact Count and the Bowel Cancer Screening Service.</p>
New wider ranging and innovative Primary Care Strategy agreed by end Quarter 2 and implementation commenced, including the Closer to Home project.	<p>The Health Board has continued to focus on primary care in line with the National Delivery Plans and the Intermediate Care Fund. NCNs are continuing to mature and are becoming increasingly involved in the planning and delivery of the overall care closer to home agenda and specifically the utilisation and evaluation of primary care funding.</p>

Develop the Value agenda to improve focus on patient outcomes and patient experience and development of the International Consortium for Health Outcome Measures (ICHOM) partnership.	<p>The Health Board is leading work across Wales on the Value Based agenda including developing IT platforms for outcome collection and new ways of evaluating our clinical costs.</p> <p>We are co-ordinating the national approach to this in collaboration with ICHOM with work concentrated on lung cancer as well as co-ordinating Patient Reported Outcome Measures (PROMS) and Patient Reported Experience Measures (PREMS) measures in a number of disciplines.</p>
Strengthen joint partnership working and citizen engagement.	<p>The Health Board has a range of well-established and embedded partnership mechanisms. We are actively working with a range of partners locally and across South Wales to take forward our objectives and key programmes of work. This is increasingly within the context of the Social Services and Well Being Act and Well Being of Future Generations Act. Our citizen engagement programme continues to develop.</p>

4.3 Health Board Review of Effectiveness:

The Health Board has also undertaken a collective assessment of its progress and effectiveness during the last year. The Board's self-assessment process was undertaken by the full Board and was observed independently for internal assurance purposes by the organisation's Head of Internal Audit. From the self-assessment processes the Health Board has identified that although generally good progress has been made there are some areas of the Health Board's functions and priorities which will require a further focus in 2017/2018.

The Board reemphasised the Health Board's commitment to providing safe and high quality services and the best possible delivery of local and national targets within available resources as described in the organisation's Integrated Medium Term Plan (IMTP). It was recognised that the Health Board sought to deliver improvement, manage significant pressures and enhance clinical services within the context of the Health Board's Clinical Futures Programme.

The Board assessed that throughout 2016/17, there had been a collective Board and organisation-wide focus in ensuring that the positive values developed over recent years were sustained and further developed. The Board also reaffirmed its continuing commitment to effective leadership

based on public sector values, openness and transparency, candour with patients and staff, and effective engagement in the planning and delivery of services.

The Board recognised that with the introduction of the Well Being of Future Generations Act, the Health Board had continued to pursue these values through partnership and engagement, supported by robust governance and assurance processes, which it was further developing with partners.

It was also assessed that there was a strong focus on improvement and developing mitigation plans to reduce risk across the organisation. It was considered that this approach was evidenced through a continued strong focus on:

- Effective Public Health.
- Enhanced Primary and Community Care services and support.
- Accessible and sustainable Mental Health and Learning Disability services.
- Improving performance in delivering safe and high quality services.
- The drive to deliver services closer to home.
- Development of new relationships focusing on outcomes and value.
- The transition to the opening of the Specialist Critical Care Centre and enhanced regional planning.

The Health Board considered that it had demonstrated continuing good relationships with staff and their representatives, the effective joint working with the Community Health Council, and that the partnership, communication and engagement work taking place between the Health Board, Local Authorities and other partners and in the wider community supported this assessment. Also, the recent NHS Wales Staff Survey was seen as a clear demonstration of improvement across a range of measures, with the Health Board staff providing feedback consistently above the All Wales mean.

It was recognised by the Board that the IMTP was developed following extensive engagement and has continued to use the Service Change Plan framework to deliver change across the organisation, from prevention to primary care through to secondary and tertiary care. It was considered that progress been made in 2016/17, notably in relation to improving the quality of care, improving access and managing its resources.

However, the Health Board recognised that there continue to be significant challenges and risks going forward and that these had been reflected in its 2017/18 – 2019/20 Integrated Medium Term Plan, which is currently being considered by Welsh Government.

In addition to these as part of its effectiveness review the Board outlined a number of key actions and areas for improvement. These areas are outlined below:

- Board members acknowledged that there was a significant change programme required by the Health Board as it moves forward with the implementation of its Clinical Futures Programme and the construction of the Specialist and Critical Care Centre and that a Programme Management approach was required allied with sufficient programme management capacity to support implementation.
- Board Members also recognised that these developments would require continued cultural change and further organisational development. Therefore, it would be important to continue to build the trust and confidence of staff in this direction of travel and to be clear regarding what the organisation is seeking to achieve and how it would go about it. Therefore, further work on refining and embedding the Health Board's Organisation Development Framework would be important.
- Therefore, the Health Board's Organisational Development Strategy would need to be further strengthened and appropriately resourced to support the required change programme.
- Whilst it was recognised that there has been excellent progress in developing the Health Board's Citizen Engagement framework during 2016/2017 and clear examples of engagement in specific service changes, it was considered that further work was needed to consolidate and embed this work in our planning and delivery processes during 2017/18.
- The Health Board acknowledged that there had been significant turnover in Independent members during 2016/17 and further changes would continue into 2017/18. Therefore, the Board emphasised the need to have effective knowledge transfer arrangements and effective local and national induction and development/training arrangements to respond to this ongoing risk.
- It was recognised that a significant amount of work has been undertaken in relation to the Health Board's corporate risk management processes over the past 12 months, however, a key action for 2017/18 would be the further development and embedding of the Health Board's agreed risk appetite with clear evidence of this informing planning and decision making. Also, further work would be required on mapping required assurance and sources of assurance as part of a developing assurance framework approach.

4.4 Additional Assurance Disclosures:

As an employer with staff entitled to membership of the NHS Pension Scheme, control measures are in place to ensure all employer obligations contained within the scheme regulations are complied with. This includes ensuring that deductions from salary, employer's contributions and payments in to the Scheme are in accordance with the Scheme rules, and that member Pension Scheme records are accurately updated in accordance with the timescales detailed in the Regulations.

Control measures are also in place to ensure that all the organisation's obligations under equality, diversity and human rights legislation are complied with and the Health Board is implementing an Equality and Human Rights Strategy approved by the Board. The Health Board has an agreed series of Equality Objectives for the organisation.

Risk assessments have been undertaken and delivery plans are in place in accordance with emergency preparedness and civil contingency requirements to adapt and mitigate for the extreme weather predicted as a consequence of climate change based on UK Climate Impacts programme 2009 projections.

The organisation has undertaken risk assessments and Carbon Reduction Delivery Plans are in place in accordance with emergency preparedness and civil contingency requirements as based on UKCIP 2009 weather projections to ensure that the organisation's obligation under the climate change Act and the Adaptation Reporting requirements are complied with.

Further to the National Health Service Finance (Wales) Act 2014 becoming law in Wales from 27th January 2014, new duties with regard to operational planning were placed upon the Local Health Boards. The legislative changes are effected to section 175 of the NHS Wales Act 2006. The Health Board therefore approved an Integrated Medium Term Plan for 2017/2020 at a meeting in March 2017 for submission to Welsh Government.


4.5 Post Payment Verification: In accordance with the Welsh Government directions the Post Payment Verification (PPV) Team, (a role undertaken for the Health Board by the NHS Shared Services Partnership), in respect of General Medical Services Enhanced Services, General Dental Services and General Ophthalmic Services has carried out its work under the terms of the service level agreement (SLA) and in accordance with NHS Wales agreed protocols.

5. Head of Internal Audit Opinion

The overall opinion by the Head of Internal Audit on governance, risk management and control is a function of this risk based audit programme and contributes to the picture of assurance available to the Board in reviewing effectiveness and supporting our drive for continuous improvement.

5.1 The Head of Internal Audit has concluded:

'In my opinion the Board can take Reasonable assurance that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Several significant matters require management attention with low to moderate impact on residual risk exposure until resolved.'

Reasonable Assurance		The Board can take reasonable assurance that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Some matters require management attention in control design or compliance with low to moderate impact on residual risk exposure until resolved.
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In reaching this opinion the Head of Internal Audit has identified that in overall terms he can provide positive assurance to the Board that arrangements to secure governance, risk management and internal control are suitably designed and applied effectively in the following assurance domains:

- Corporate governance, risk management and regulatory compliance;
- Strategic planning, performance management and reporting;
- Financial governance and management;
- Information governance and security
- Operational services and functional management;
- Workforce management; and
- Capital and estates management.

In particular, based on the internal audit work performed, he can provide substantial assurance with regard to the Information governance and security domain.

However, the significance of the matters identified in those areas where there are improvements to be made in governance, risk management and control impacts upon the overall audit assessment in the following assurance domain:

- Clinical governance quality and safety

Management are aware of the specific issues identified and have agreed action plans to improve control in these areas.

Progress has been made by the Health Board during the year, notably in the responsiveness to recommendations and in certain areas, such as Bank Office, significant work has been undertaken to address internal audit recommendations. However, there remain areas such as 'Putting Things Right' and the Arjohuntleigh Contract that require continued focus to make the improvements required as a result of internal audit work and this has been an area of focus for the Audit Committee and Internal Audit.

Limited assurance reports for Clinical Audit, 'Putting Things Right' and the Hootvox system have led to the Clinical Governance, Quality and Safety domain being rated with limited assurance overall and a number of high priority recommendations will need to be taken forward by management.

The response by management to these limited assurance reports and also the limited assurance report in respect of Private Patients/Overseas Patients and Capital Projects (Cardiac Cath Lab) has been positive and the value from internal audit identifying meaningful recommendations where improvements are required continues to be recognised. In these areas there is a need for the Health Board to take stock and review its processes in order to ensure that risks are being identified and managed effectively and that resources are being applied effectively.

Substantial assurance reports for three audits in the Information Governance and security domain have led to this domain being rated with substantial assurance overall. The Health Board's established corporate governance, financial governance and management and strategic planning arrangements continue to receive positive internal audit reports.

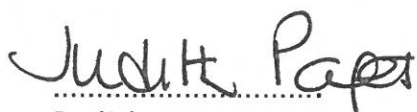
6. Conclusion

This Governance Statement indicates that the Health Board has continued to make progress and mature during 2016/2017 and that we are further developing and embedding good governance and appropriate controls throughout the organisation. This has been evidenced by good progress against the Health Board's 'must do's' and an increased number of Internal Audits that have resulted in 'substantial' or 'reasonable' audit assessments when compared with 2015/16.

However, the Health Board is also aware, that there have been a number of areas of the business of our organisation and our performance during the last year that have received assessments of 'limited' assurance from Internal Audit as mentioned in the assessment by the Head of Internal Audit. There are also a number of suggested areas of improvement from Wales Audit Office through the Structured Assessment, which require continuing management action to respond to the impact of potential risk, and these have been outlined above.

In each instance, management action is being taken forward to respond and progress is evident and monitored by the Health Board's Committees, particularly the Audit Committee, Quality and Patient Safety Committee and the Board. The Health Board will continue to progress and improve these arrangements as we further develop as an organisation.

The organisation will continue to take forward these improvements and in so doing continue to undertake our business openly and provide information publically on our performance. Information about our services will be published to provide assurance to our citizens and stakeholders that the services we provide are efficient, effective and of a high quality. Also, that they are designed to meet the needs and expectations of patients and citizens and the wider communities we serve.



Judith Paget
Chief Executive

Date: 31/8/17