

## **Aneurin Bevan University Health Board**

### **Governance Statement 2017/2018**

#### **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 1<sup>st</sup> 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, particularly through our partnership arrangements to respond to the Social Services and Well-Being Act and the Well Being of Future Generations Act. These regional statutory partnerships also have the responsibility for the management of funds allocated from Welsh Government and the development and delivery of integrated care and services to meet the identified needs of our local population.

During the year the Health Board has been committed to a number of high level objectives expressed within our IMTP and in line with our Clinical Futures Strategy. This Strategy sets out how we are focusing on population health and well-being and also moving to a better balance of services and care by:

- Making primary and community services central to this new integrated model of care and services. Also by developing new relationships with patients to preserve, maintain and improve their own health and well-being;
- delivering most care close to home;

- creating a network of local hospitals providing routine diagnostic and treatment services;
- centralising specialist and critical care services in a purpose built Specialist and Critical Care Centre to be called The Grange University Hospital.

Therefore, our high level objectives during the last year have been:

- *Delivering Patient Centred Services*: Taking all opportunities to organise services around the citizen and balancing the whole health and care 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 provides 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.

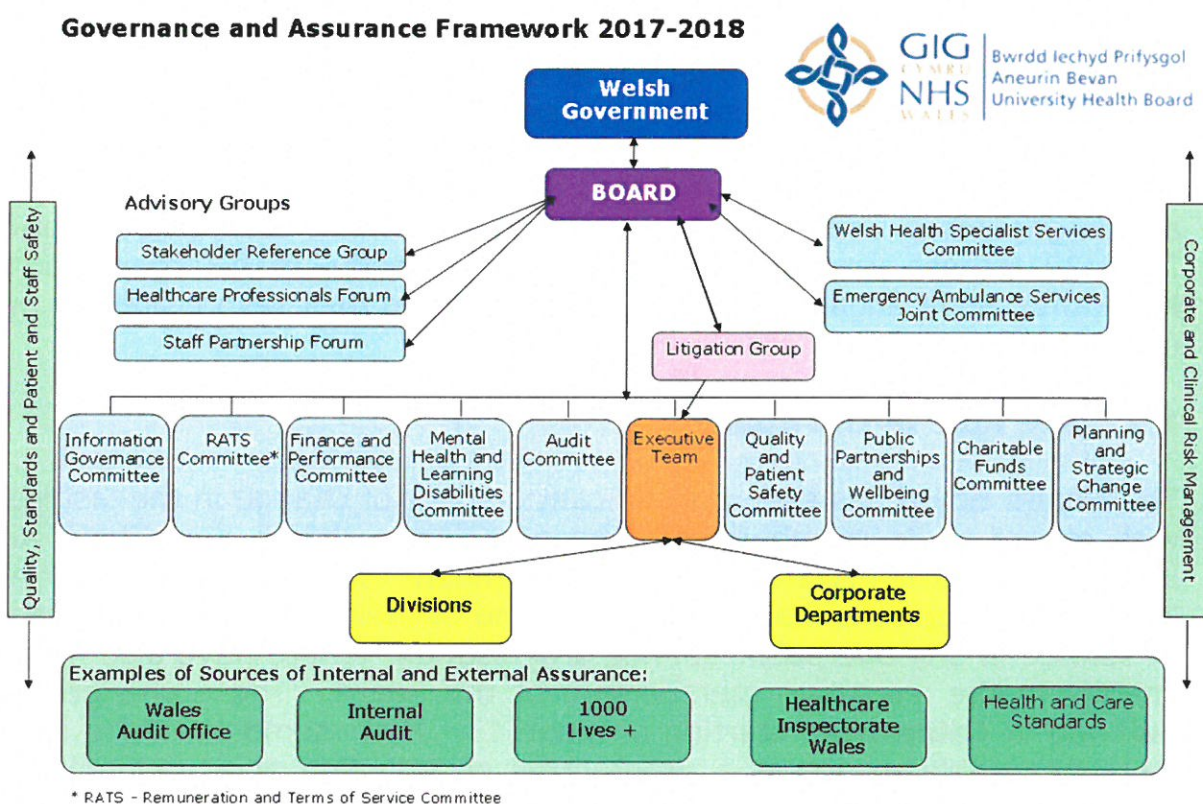
During 2017/2018, the Health Board has continued to develop a system of governance and assurance. The Board sits at the top of the organisation's governance and assurance system and sets strategic objectives, monitors progress, agrees actions to achieve these objectives and ensures



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 clearly 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 Board is in the process of further developing a written Board Assurance Framework, which will be introduced in 2018 and will include a Board Assurance Map, which outlines the sources of assurance used by the Board to assist the organisation in making judgements about the progress it is making against its stated objectives and particularly the quality and timeliness of care for the population we serve.

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. Further work has also been undertaken on the development of a People Plan and an Organisational Development Strategy in line with the Health Board's IMTP and Clinical Futures Strategy.

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. During 2018/2019 these arrangements will also be embedded in the organisation's PADR process to engage all staff in understanding their responsibilities and obligations.

## **1.2 The Role of the Board**

The Health Board has seen a significant amount of change in the last year with regard to its membership. The organisation has a new Chair, Ann Lloyd CBE and a number of new Independent Members, as the former holders of these roles had come to the end of their maximum eight years of service in any one public service organisation. There have also been a change in the executive membership of the Board. These changes are outlined in **Table One**, starting on page 13. New members of the Board have been able to access a programme of induction at a national level facilitated by Academi Wales and the Welsh Government. The Health Board also provided complementary local activities including tailored local induction arrangements.

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 13.

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 2017/2018 were appropriately constituted with a quorum. The key business and risk matters considered by the Board during 2017/2018 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 on page 3. 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 2017/2018 reducing the number of members on each Committee to make more manageable the portfolio of committees for each member. The Health Board also reinstituted the Mental Health and Learning Disabilities Committee from February 2018. This had been stood down in the previous year due to the reduced number of Independent Members and replaced by an officer led Mental Health and Learning Disabilities Board. The Health Board also maintains the statutorily required Mental Health Act Managers Committee, which reports to the Mental Health and Learning Disabilities Committee. The Vice Chair of the Board has undertaken additional development work with the Mental Health Act Managers Group during the last year in line with his designated responsibility for mental health matters.

The Chair of the Board and the Board are keeping the Committee structure under review and will consider whether to further revise the committee structure during 2018/2019 in line with the Health Board's governance framework and priorities of the IMTP.

In terms of the existing structure, the Planning and Strategic Change Committee has 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 as an assurance committee for scrutiny purposes.

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 some cross representation between committees to support the connection of the business of committees, however, this has changed during the last year due to the reduction of members on each committee. Further work is required during the next year to continue building cross committee working and also the flow of business and assurance between committees and the Board. The Health Board is continuing to develop the ways in which its committees operate and 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 2017/2018, the Health Board continued to increase the openness and transparency with regard to way in which it conducted its committee business. The majority of the committees of the Board now meet in public with their papers published on our website prior to their meetings.

The link to the Health Board's web page where the papers are published is provided below:

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

The meetings that currently do not meet in public are either because of the confidential nature of their business such as the Remuneration and Terms of Service (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 Health Board and its committees have also sought to undertake the minimum of its business in private sessions and ensure business wherever possible is considered in public. During the next year the Board will further develop its approach by agreeing a documented approach, to guide the current process used in the determination of whether business should be considered in public or private and publish this to provide clarity on the process that is used.

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 2017/2018, 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 2017/2018 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. Further work is being undertaken to develop an interactive platform to track Internal Audit and Wales Audit Office recommendations. This is being developed via the NHS Wales Shared Services Partnership in association with the all-Wales Board Secretaries Group.
- 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.
- Continuing to oversee a comprehensive programme of 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.
- Engaged actively with Counter Fraud, receiving regular update reports throughout the year and approving the Counter Fraud Annual Plan.
- Continuing to seek assurance on the processes for post payment verification (PPV) reviews for primary care practitioners.
- Further developing the Health Board's risk management strategy and processes, following the approval of the revised Risk Management Strategy in January 2017. Work has been undertaken during the year to develop a risk appetite statement for the Health Board, to develop new style risk reports to the Board.
- 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 previously wrote 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. Further work has been undertaken during the

year to embed these processes in to the PADR and induction process. PADR documentation has now been revised to include a specific discussion question on Declarations of Interest.

- 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 an important 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 2018. The Committee has identified a number of key issues and achievements during 2017/2018, which are outlined below:

- Understanding patient experience and how patient stories could be further used as part of the Committees work. The Committee heard examples of patient stories that were integral to the Value-Based work (which is outlined later in this statement) and the way we deliver and re-design our services. The Committee has continued to consider more innovative ways of including a patient voice at the Committee, which sets the tone and becomes part of the core business of the Committee;
- 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 generally been maintained. There has been a recent discussion on the new RAMI model and the Health Board has been awaiting assurance regarding its accuracy. The Health Board's main focus on mortality reviews has generated a range of learning and regular reports have been presented to the Committee to provide updates on the progress;
- 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 compliance levels are provided in the Health Board's Annual Quality Statement for 2017/2018, which is published in July 2018.

- The Committee has continued to monitor the number of clostridium difficile cases, following the rise in cases at the start of the year. The Committee was pleased to see divisional progress with targets and interventions to address the situation. Actions put in place had a positive effect and the number of cases decreased. The Committee also received the Infection Control Annual Report and was assured that infection control and prevention was being robustly monitored by the Health Board;
- The Committee received updates on the progress that had been made in embedding the Health and Care Standards to date in 2017/18. The Internal Audit of Health and Care Standards was undertaken in April 2017 and the final report issued gave a reasonable level of assurance. The Health and Care Standards Group meets regularly with good engagement across the Health Board;
- Any adverse incidents that have occurred within our Health Board or 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 maternity services, urgent primary care services, stroke, falls prevention, prevention of suicide and self-harm, waiting times within the Health Board's Emergency Departments, and Continuing Health Care;
- The Committee has continued to monitor Winter Plans to ensure the reduction in patient care delays, improvements to the flow of patients across the system, and improvements of timely access for patients into and out of our system. The Plans have highlighted areas of good practice and learning to build on the evaluation and experiences of this winter and previous years. The Committee also received an update on ambulatory care in acute medicine and commended the excellent work that had been carried out. The model has been considered with Neighbourhood Care Networks (NCNs) to align the urgent care model to the ambulatory care model;
- Primary and Community Care services have had a greater focus as part of scrutinising whole care pathways. The Committee has received updates on Quality and Patient Safety in Primary Care,

including the current position, work to date and future opportunities. Assurance has been provided that data captured has been used to identify outlying practices and then measures have been put in place to provide additional support. A set programme is in place for Healthcare Inspectorate Wales (HIW) inspections and concerns are addressed with the practices directly;

- The Committee received updates in relation to Mandatory and Statutory Training compliance within the Health Board, including historical and current challenges to improving compliance rates. A number of plans have been put in place to increase training compliance;
- The Committee received updates on all HIW and Aneurin Bevan Community Health Council reports going forward to ensure recommendations are across the organisation to enable learning.

**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 also has a **Redress Panel**. Under the Putting Things Right Regulations that govern the investigation of Concerns in Wales, there is a requirement to - **"Investigate once, investigate well"**. If the investigation of a concern (e.g. complaint or incident) has identified that there have been or may have been failings in care, and that, as a result of those failings, the patient has, or may have, suffered harm – then the concern is presented to the Redress Panel before a response to the concern can be issued.

The purpose of the Redress Panel is to consider the findings of the investigation and to make final determinations as to whether there has been a breach of duty of care and whether any harm ('causation') has been



caused to the patient by such a breach. Further information on this work is provided in the Annual Quality Statement.

The Health Board, as part of its wider governance arrangements, is also a member of a number of **Joint Committees**, which regularly provide written update reports 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 (LHBs) 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 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 and Committee meetings to

discuss with the Board and its committees key issues, plans for the future and organisational, partnership and system risks.

#### **1.4 Membership of the Health Board and its Committees:**

In **Table one** starting on page 13, the membership of the Board is outlined for 2017/2018 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. As mentioned earlier, the Health Board has seen significant change in the membership of the Board during 2017/2018.

The Chair of 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. 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 presented to the Health Board meeting July.

#### **Health Board Attendance at Public Board Meetings 2017/2018:**





































##### **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**
-  **Mental Health and Learning Disabilities Committee**

The members shown in grey boxes were those that left the organisation during 2017/2018.



**Table One**

<b>Name</b>	<b>Position</b>	<b>Board Committee Membership</b>	<b>Champion Roles</b>	<b>Attendance Record at Board 2017/2018</b>
<b>Ann Lloyd CBE</b> (Commenced post 10 July 2017)	<b>Chair</b>	<b>2017/2018</b>  Chair  Chair Attends all other Committees as an observer on a periodic basis during the year.		Attended 5 out of 5 meetings
<b>David Jenkins OBE</b> (Left post 31 May 2017)	<b>Chair</b>	 Chair   Chair Attends all other committee meetings as an observer.  Chair		Attended 1 out of 1 meetings
<b>Judith Paget</b>	<b>Chief Executive</b>	  Attends all committees on a periodic basis 		Attended 6 out of 6 meetings
<b>Glyn Jones</b> (Commenced post 22 May 2017)	<b>Director of Finance</b>	 Lead Officer  Lead Officer  Lead Officer 		Attended 6 out of 6 meetings
<b>Dr Paul Buss</b>	<b>Medical Director /Deputy Chief Executive</b>	 Lead Officer   Lead Officer  Lead Officer  Lead Officer		Attended 3 out of 6 meetings
<b>Christopher Koehli</b> (Left post 30 September 2017)	<b>Independent Member (Finance)</b>	  Chair  Chair 	<ul style="list-style-type: none"> <li>• Carers Champion</li> <li>• Primary Care Lead</li> <li>• Torfaen area lead</li> </ul>	Attended 3 out of 3 meetings
<b>Bronagh Scott</b>	<b>Director of Nursing</b>	 Lead Officer 		Attended 6 out of 6 meetings
<b>Nick Wood</b>	<b>Chief Operating Officer</b>	 Lead Officer   Lead Officer		Attended 5 out of 6 meetings
<b>Cllr Brian Mawby</b> (Left post 30 April 2017)	<b>Independent Member (Local Authority)</b>	  Chair  	<ul style="list-style-type: none"> <li>•Veterans and Armed Forces Champion</li> <li>•Facilities Lead</li> <li>•Local Government Lead</li> <li>•Structural Design Lead</li> </ul>	Attended 0 out of 0 meetings
<b>Geraint Evans</b>	<b>Director of Workforce and OD</b>	 Lead Officer  Lead Officer 		Attended 6 out of 6 meetings
<b>Dr Sarah Aiken</b> (commenced in post 1 December 2017)	<b>Director of Public Health</b>	 Lead Officer 		Attended 6 out of 6 meetings

<b>Name</b>	<b>Position</b>	<b>Board Committee Membership</b> <b>2017/2018</b>	<b>Champion Roles</b>	<b>Attendance Record at Board</b> <b>2017/2018</b>
<b>Philip Robson</b>	<b>Vice Chair of the Board</b>	<ul style="list-style-type: none"> <li>◆ Chair</li> <li>▣ Vice Chair</li> <li>⊗ Vice Chair</li> <li>✱ Chair</li> <li>✧ Vice Chair</li> </ul>	<ul style="list-style-type: none"> <li>• Safeguarding Champion</li> <li>• Children and Young People Lead</li> <li>• Mental Health Lead/Champion</li> <li>• Blaenau Gwent Area Lead</li> <li>• Greater Gwent Partnership Board Lead/Champion</li> </ul>	Attended 5 out of 6 meetings
<b>Alison Shakeshaft</b> <b>(Left post 31 December 2017)</b>	<b>Director of Therapies and Health Science</b>	<ul style="list-style-type: none"> <li>◆ Lead officer</li> <li>⊗</li> </ul>		Attended 3 out of 4 meetings
<b>Nicola Prygodzicz</b>	<b>Director of Planning and Performance</b>	<ul style="list-style-type: none"> <li>▣ Lead Officer</li> <li>⊗ Lead Officer</li> <li>⊗ Lead Officer</li> </ul>		Attended 6 out of 6 meetings
<b>Joanne Smith</b> <b>(Left post 30 September 2017)</b>	<b>Independent Member (Community)</b>	<ul style="list-style-type: none"> <li>▣ Vice Chair</li> <li>▲</li> <li>⊗</li> </ul>	<ul style="list-style-type: none"> <li>• Putting Things Right Champion</li> <li>• Newport Area Lead</li> <li>• Equalities Champion</li> </ul>	Attended 3 out of 3 meetings
<b>Katija Dew</b>	<b>Independent Member (Third/Voluntary Sector)</b>	<ul style="list-style-type: none"> <li>●</li> <li>▣ Vice Chair</li> <li>▲</li> <li>✱ Vice Chair</li> </ul>	<ul style="list-style-type: none"> <li>• Citizen Engagement Champion</li> <li>• Mental Health Lead/Champion</li> <li>• Newport Lead/Champion</li> </ul>	Attended 6 out of 6 meetings
<b>Professor Dianne Watkins</b>	<b>Independent Member (University)</b>	<ul style="list-style-type: none"> <li>◆ Chair</li> <li>▲</li> <li>⊗ Chair</li> </ul>	<ul style="list-style-type: none"> <li>• University and Research Lead/Campion</li> <li>• ABCI Lead/Champion</li> <li>• Monmouthshire Lead/Champion</li> <li>• Pharmaceutical Applications Lead/Champion</li> </ul>	Attended 5 out of 6 meetings
<b>Frances Taylor</b>	<b>Independent Member (Community)</b>	<ul style="list-style-type: none"> <li>◆ Vice Chair</li> <li>⊗ Chair</li> <li>⊗ Vice Chair</li> <li>✧</li> <li>⊗</li> <li>✱ Vice Chair</li> </ul>	<ul style="list-style-type: none"> <li>• Patient Champion</li> <li>• Charitable Funds Lead/Champion</li> </ul>	Attended 6 out of 6 meetings
<b>Dr Janet Wademan</b> <b>(Left post 30 September 2017)</b>	<b>Independent Member (ICT)</b>	<ul style="list-style-type: none"> <li>● Chair</li> <li>▣ Chair</li> <li>◆</li> <li>✧</li> <li>▣ Attends as Chair of the Audit Committee</li> </ul>	<ul style="list-style-type: none"> <li>• ABCi Champion</li> </ul>	Attended 3 out of 3 meetings
<b>Louise Wright</b> <b>(commenced in post 9 April 2017)</b>	<b>Independent Member (Trade Union)</b>	<ul style="list-style-type: none"> <li>▣</li> <li>⊗</li> <li>⊗</li> </ul>	<ul style="list-style-type: none"> <li>• Equalities Champion/Lead</li> <li>• Welsh Language Champion/Lead</li> <li>• Staff Welfare Champion/Lead</li> </ul>	Attended 5 out of 6 meetings



<b>Name</b>	<b>Position</b>	<b>Board Committee Membership</b> <b>2017/2018</b>	<b>Champion Roles</b>	<b>Attendance Record at Board</b> <b>2017/2018</b>
<b>Shelley Bosson</b> (Commenced in post 3 April 2017)	<b>Independent Member</b> (Community)	<ul style="list-style-type: none"> <li>● Vice Chair</li> <li>○ Chair</li> <li>▲</li> <li>◆</li> </ul>	<ul style="list-style-type: none"> <li>• Putting Things Right Champion/Lead</li> <li>• Out of Area Referrals Champion/Lead</li> <li>• Caerphilly Champion/Lead</li> <li>• Structural Design Champion/Lead</li> <li>• Pharmaceutical Applications Champion/Lead</li> </ul>	Attended 6 out of 6 meetings
<b>Pippa Britton</b> (Commenced in post 1 November 2017)	<b>Independent Member</b> (Community)	<ul style="list-style-type: none"> <li>● Vice Chair</li> <li>▲</li> <li>◆</li> </ul>	<ul style="list-style-type: none"> <li>• Torfaen Champion/Lead</li> </ul>	Attended 2 out of 3 meetings
<b>Catherine Brown</b> (Commenced in post 1 October 2017)	<b>Independent Member</b> (Finance)	<ul style="list-style-type: none"> <li>● Chair</li> <li>○</li> <li>◆</li> <li>□</li> </ul>		Attended 2 out of 3 meetings
<b>Cllr Richard Clark</b> (Commenced in post 1 October 2017)	<b>Independent Member (Local Authority)</b>	<ul style="list-style-type: none"> <li>◆</li> <li>○</li> <li>◆</li> </ul>	<ul style="list-style-type: none"> <li>• Local Government Champion/Lead</li> </ul>	Attended 2 out of 3 meetings
<b>David Jones</b> (Commenced in post 9 November 2017)	<b>Independent Member (ICT)</b>	<ul style="list-style-type: none"> <li>■ Chair</li> </ul>		Attended 1 out of 3 meetings
<b>Colin Powell</b>	<b>Chair of the Health Professionals</b> (Associate Independent Member)	<ul style="list-style-type: none"> <li>◆</li> </ul>		Attended 3 out of 6 meetings
<b>Lorraine Morgan</b>	<b>Chair of the Stakeholder Reference Group</b> (Associate Independent Member)	<ul style="list-style-type: none"> <li>◆</li> <li>▲</li> </ul>		Attended 5 out of 6 meetings
<b>Claire Marchant</b>	<b>Associate Independent Member – Directors of Social Services</b>	<ul style="list-style-type: none"> <li>▲</li> </ul>		Attended 4 out of 6 meetings
<b>Richard Bevan</b>	<b>Board Secretary</b>	<p>Attends a range of committee meetings on a regular basis. Lead Officer for the Stakeholder Reference Group and Healthcare Professionals Forum.</p> <ul style="list-style-type: none"> <li>◆</li> <li>● Lead Officer</li> <li>□</li> </ul>		Attended 6 out of 6 meetings



Name	Position	Board Committee Membership	Champion Roles	Attendance Record at Board
		2017/2018		2017/2018
Please note that Executive members of the Board are lead officers for some committees, but can be required to attend all committees.				

The attendance of Board Members at the in-public Board meetings during the last year is shown in the above table. However, members are involved in a range of other activities on behalf of the Board, such as Board Development/Briefing 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 2017/2018 on the 29<sup>th</sup> March 2018 to formally consider and approve the proposal for Major Trauma Services in South Wales. This meeting was organised on the basis of quorum only and has therefore, not been included in the information above.

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 the Committees of the Board during 2017/18 were appropriately constituted and 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 27<sup>th</sup> 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.

In line with its planning duty, the Health Board progressed as planned its IMTP during 2017/2018. (Further information with regard to this progress is outlined in the Health Board's Performance Report to be published in July 2018). The Health Board refreshed its IMTP on the 9<sup>th</sup> March 2017 and this was approved by Welsh Ministers to run from 2017/18 to 2019/2020. The Health Board has also approved an Integrated Medium Term Plan for 2018-2021 at its meeting on the 21<sup>st</sup> March 2018 and this has been submitted for approval by Welsh Ministers.

In terms of progress against the IMTP, the Health Board has assessed that it has progressed well with the delivery of the previously agreed IMTP. There is continuing implementation work to deliver the agreed objectives and priorities of the IMTP. Further information regarding this progress is provided in the Performance Section of the Health Board's Annual Report.

## Revenue Resource Performance

The Health Board met its Revenue Resource Limit for the year and delivered a surplus of £246K. Against the breakeven duty over a rolling three year period, the Board reported a surplus of £509K as shown below:

3 Year Revenue Breakeven Duty	2015/16 £000	2016/17 £000	2017/18 £000	Total £000
Underspend Against Allocation	214	49	246	509



## Capital Resource Performance

In addition to a revenue resource limit the Health Board has a capital resource limit (CRL) that sets the target for capital expenditure. The target of £50.476M was met in 2017/18 with a small underspend of £78K. The target is measured over a 3 year period as shown below:

<b>3 Year Capital Resource Duty</b>	<b>2015/16 £000</b>	<b>2016/17 £000</b>	<b>2017/18 £000</b>	<b>Total £000</b>
Underspend Against Allocation	89	42	78	<b>209</b>

**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 2017, which examines the arrangements the Health Board has in place to support good governance across key areas of the Health Board's business and the efficient, effective and economic use of resources, made the following assessment:

- The Health Board's savings approaches are helping it to improve the overall financial position, however there are increasing financial challenges ahead. *Monitored by Finance and Performance Committee.*
- The Health Board has a clear vision and long-standing governance arrangements that with some improvement will help it deliver improved health services in South East Wales. *Monitored by Planning and Strategic Change Committee.*
- The Health Board has established arrangements to manage its resources such as assets, workforce and information technology but these will need further development to support delivery of corporate objectives. *Monitored by the Finance and Performance Committee.*

The Health Board has committed to undertake a number of improvement actions during 2018 to respond to this assessment and the progress against these actions will be monitored by the Executive Team and the Health Board's Committees as shown above on each bullet point, but the overall



organisational response to these actions will be kept under review through the Audit Committee's reporting and tracking mechanisms.

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 reported to the Health Board's Audit Committee. This has been further developed to also include the tracking of external audit recommendations. Further work is being undertaken on this system with audit colleagues to ensure smart recommendations are developed with full engagement along with clear management responses, which are more easily tracked to ensure that the organisation can obtain further assurance that effective responses have been made and the required outcomes are being achieved and are clearly reported.

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 fifth Annual Quality Statement in 2017, 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 sixth Annual Quality Statement will be produced in July 2018.

**1.9 Aneurin Bevan Continuous Improvement (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.

**Value Based Healthcare** -The Value Based Healthcare Programme at Aneurin Bevan was initially established in support of Prudent Healthcare, and looks to support other National and Local initiatives including the Wellbeing of Future Generations Act, the Parliamentary Review and of Health and Social Care in Wales and Clinical Futures Strategy. The Health Board is ambitious in its vision to build and implement at scale and with pace a value based care system with the aim of ***'achieving the outcomes that matter to people and being good stewards of the financial resource available, working together to do the right thing across the whole system – improving Value for people with a range of medical conditions'***.

The Programme is currently working across 18 live projects (i.e. specific disease/condition areas) and will continue to grow in line with the priorities laid out in the Clinical Futures Strategy and Integrated Medium Term Plan.

## **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 2018 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 and agreed a Risk Appetite Statement. This has included the agreement of a new Risk Management Strategy and Policy and also a new reporting arrangement for the Board and its committees using a Risk Dashboard format. A link to the Health Board's Risk Dashboard as at the 31<sup>st</sup> March 2018 is provided below:

<http://www.wales.nhs.uk/sitesplus/documents/866/6.4%20Risk%20Dashboard%20Report%20-%20March%202018.pdf>



Further work is now underway to introduce this new risk approach across the Health Board and embed new assessment and reporting arrangements including a written Board Assurance Framework, Assurance Map and the use of 'Risk on a Page' reporting. 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 outline risk tolerances, however, further work is being undertaken on this in line with the work outlined above. Work is also 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 has been informed by using feedback from Internal Audit Reports and the Wales Audit Office Structured Assessment. Work continues to develop the Corporate Risk approaches to respond to the risks to the Health Board's delivery of the agreed IMTP 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.

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 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 Deputy 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 Deputy 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 Board and the Executive Team undertook specific risk management refresher training during 2017/2018 and also considered the development of assurance maps as part of our organisational approach.

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 undertaken an assessment of risk management training needs to further inform a programme of training and development for 2018/2019.

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

Category of Risk	Number of Risks at March 2018
Strategic Risks	9
Financial Risks	2
Operational/Business Risks	11
Compliance Risks	4
Public Health Risk	2

The profile of corporate level risks as at 31<sup>st</sup> March 2018 in terms of their assessed levels is outlined in the risk map below. Further information is provided below with regard to the highest assessed risks.

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

- **Operational/Business Risk** – The risk of poor patient experience and quality of care in hospital and community settings. (Assessed Red Risk – Score 20)
- **Strategic Risk** – The risk of failing to implement and deliver the priorities agreed in the Health Board's Integrated Medium Term Plan, particularly as it relates to the delivering of the objectives of the Health Board's Clinical Futures Strategy. This will include the delivery of The Grange University Hospital and the required wider service changes.
- **Operational/Business Risk** – The risk of a malware or ransomware attack on the Health Board's ICT systems and the potential compromising of the Health Board's ability to effectively deliver care and services. (Assessed Red Risk – Score 20)
- **Operational/Business Risk** - The risk of non-delivery of the new General Data Protection Regulations and the security and appropriate use of patient and public identifiable data.

- **Operational/Business Risk** - Failure to meet the needs of local people in relation to emergency care provision including Welsh Ambulance Services NHS Trust (WAST) provision. Also, the risk of not meeting Welsh Government targets for 4 and 12 hour waiting times in emergency departments. (Assessed Red Risk – Score 20)
- **Strategic Risk** - Unsustainable model of care in Primary Care Services including GP Out of Hours Services, community based services and the wider care home sector. This also includes the risk of unsuitable primary and community based estate and facilities. (Assessed Red Risk – Score 20)
- **Operational/Business Risk** - Detrimental impact on patient care, if required levels of doctors and registered nurses and other health professions are not maintained – and active recruitment programme do not secure the required levels of the workforce required to deliver safe and sustainable care. (Assessed Red Risk – Score 20)
- **Operational/Compliance Risk** – The risk of not reducing and the levels of healthcare associated infections both in hospitals and community settings and the impact on the quality of care. (Assessed Red Risk – Score 20)

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.

### 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 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 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:** The 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 WAO Structured Assessment, key feedback from the Internal Audit Programme and an independent assessment of the Health Board meeting of March 2018. This will be supplemented by a governance, assurance and effectiveness self-assessment, which is being undertaken by members of the Board during May 2018. The Health Board is satisfied that it is complying with the main principles of the Code 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 2017/2018 and Welsh Health Circulars:**

A list of Welsh Government Ministerial Directions issued in 2017/18 is available at the following Welsh Government website:

<https://gov.wales/legislation/subordinate/nonsi/nhswales/2017/?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's committee structure was revised in 2017/18 to ensure and assure the processes in place meet the legal obligations, standards and strategic objectives. The Information Governance Committee (IGC) continues to provide assurance and advice to the Board to assist it in discharging its functions and meeting its responsibilities with regard to the Health Board's management arrangements for information and ICT. In addition a Transformation to Digital (T2D) Delivery Board has been created to ensure that the Health Boards programme for change to digital information and technological frameworks is managed effectively. The T2D Delivery Board provides the direct managerial link between operational services and informatics strategy and plans and provides a mechanism for



Division engagement and participation. The T2D Delivery Board is chaired by the Health Board's Director of Planning and Performance.

The ICO 12-step guide was used as the basis for the Health Board's readiness programme for the General Data Protection Regulation (GDPR) and new Data Protection Act (DPA) and is well placed to meet the new legal requirements. Reports on readiness continue to be provided to the T2D Delivery Board and to Executive Directors. Education and awareness sessions were held across the organisation and as the date for change became nearer the volume of these were increased. New rules and guidelines about new requirements for amongst others, consent, subject access requests and asset registers are being put in place. The Health Board appointed its Data Protection Officer in February 2018. The Health Board is proactive in the NHS Wales Information Governance management support framework to ensure consistency of policy, standards and interpretation of the rules across NHS Wales organisations.

During 2017-18, the Health Board received over 4,850 Data Protection Act Subject Access Requests (SARs). The largest proportion of requests received continues to be made by solicitors and legal services at over 60%. The compliance rate continues to be approximately 94% throughout the year.

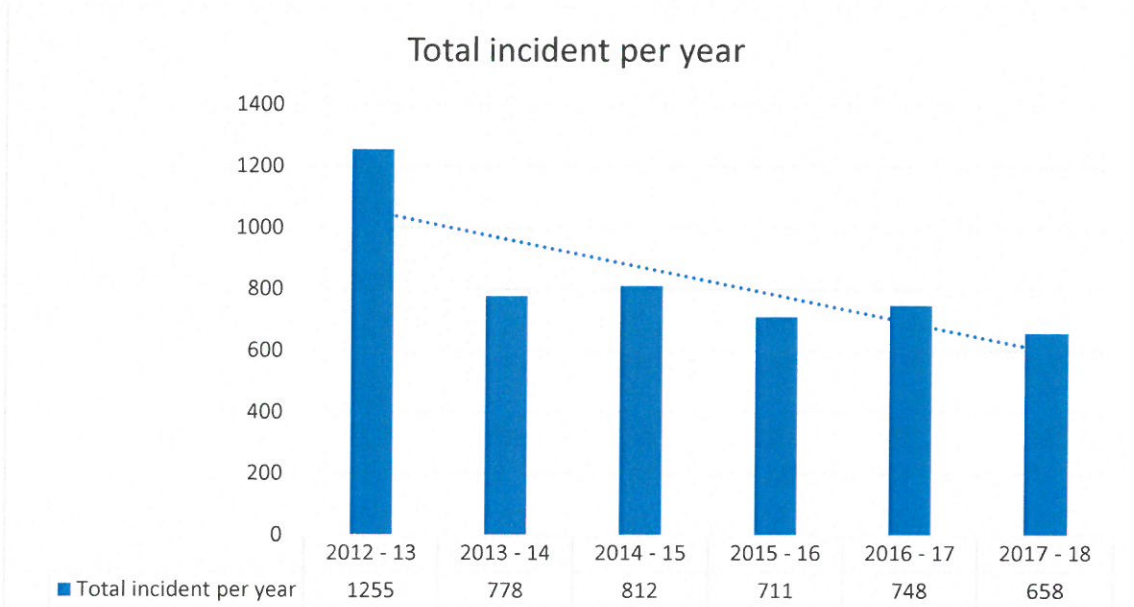
The percentage of staff who had received mandatory Information Governance training stands at approximately 90% of the total workforce of over 13,000 staff.

The Information Governance Stewards continues to be an important strategic tool to embed Information Governance within the Divisions. The embedding programme is now enhanced by the implementation of Divisional Information Governance Delivery Groups (IGDG). The IGDGs are "owned" by each Division and chaired by Assistant Directors which provides authority and credibility to embed the IG requirements at operational level.

The Wales Accord on the Sharing of Personal Information (WASPI) framework will change in light of the GDPR and the Health Board as part of the South-East Wales Information Sharing Partnership is at the forefront of influencing the changes required. The Partnership continues to review and discuss information sharing and assure the local Information Sharing Protocols (ISP) between health, social care, police and fire and rescue service partners via a South East Wales Partnership.

658 information governance incidents were recorded by staff this year on the Health Board's DATIX Incident Reporting System. These cover incidents of lower levels of concern, such as missing pages in a paper record to IT systems being unavailable for a period of time. None of these incidents were considered as a significant risk. If the incidents were of

significant concern these would be reported directly to Welsh Government and monitored by the Information Governance Committee. Action was taken in all of these reported areas to resolve the incidents recorded. This represented a reduction of 12% on the incidents reported in 2016/17. This follows the year on year trend which has seen a reduction of 48% since 2012 – indicating successful embedding and knowledge strategies.



Five complaints were made to the ICO by complainants (four of these were in relation to subject access requests and one was in relation to a breach of personal information). The Health Board provided supportive evidence to the ICO to show that it was acting within the law and had provided the complainants with an effective service regarding their information. No action was taken by the ICO against the Health Board during the year.

IG and ICT policies continue to be reviewed on an all-Wales basis as part of the collaborative work around GDPR requirements to ensure consistency of policy content and context across and this will continue during 2018-19.

#### **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 below, 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.



#### **4.3 Health Board Review of Effectiveness:**

The Health Board is in the process of undertaking a comprehensive review of its effectiveness. This includes an independent assessment/observation of the Board meeting that was undertaken in March 2018. This is being supplemented by a governance, assurance and effectiveness self-assessment survey, which is being undertaken by members of the Board during May 2018. The Health Board will be undertaking at its June 2018 meeting a facilitated discussion based on the outcome of this assessment/observation and the survey results. This collective assessment



will identify key areas for improvement for 2018/19 and will supplement the actions already agreed as part of the Health Board's response to the Wales Audit Office Structured Assessment and a statement of general outcome of these activities will be published by the Board at its July 2018 Board Meeting.

#### **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. However, it is recognised that further work is required across the organisation to further embed equality impact assessment activity and also assessments against the five ways of working as outlined in the Well Being of Future Generations Act (2015). The Health Board has adopted a news Board paper format, which requires active assessment against these requirements to be reported to the Board and its committees.

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 27<sup>th</sup> 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 2018/2021 at a meeting in March 2018 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**

Internal audit provides the Accountable Officer and the Board through the Audit Committee with a flow of assurance on the system of internal control. The Health Board has 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.

### **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.'

<b>Reasonable Assurance</b>		The Board can take <b>reasonable assurance</b> 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 <b>moderate impact on residual risk</b> 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.

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

Limited assurance reports for Medical Equipment and Devices and Unscheduled Care Wards and high priority recommendations arising from the audit of Infection Control have led to the Clinical Governance, Quality and Safety domain being rated with limited assurance overall. Management are aware of the specific issues identified and have agreed action plans to improve control in these areas and there will be follow-up activity by Internal Audit in 2018/19 to ensure that recommendations have been implemented.

Further areas for improvement were noted by Internal Audit in respect of IT service management, staff performance management and appraisals and in respect of health and safety management and fire safety. These latter two areas are a cause for concern because Internal Audit identified that significant improvement is needed in these areas. This will be an area of particular focus for the senior management team in order to ensure that all recommendations are fully implemented within the agreed timescales.

In contrast to these areas of focus for improvement, the Health Board's established financial governance and management and strategic planning arrangements continue to receive positive internal audit outcomes, together with internal audit work in respect of the Grange University Hospital. Positive assurance in these areas is important to support the transformation programme that the Health Board will be going through as it implements the Clinical Futures Strategy.


## **6. Conclusion**

This Governance Statement indicates that the Health Board has continued to make progress and mature during 2017/2018 and that we are further developing and embedding good governance and appropriate controls throughout the organisation.

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, Finance and Performance 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: 31.5.18