

Aneurin Bevan University Health Board

Annual Governance Statement 2018/2019

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 Health Board area. 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 directly 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 and Programme. The Clinical Futures Programme 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.

The Health Board in its Integrated Medium Term Plan has expressed a clear change ambition for our organisation and the population that we serve. This change ambition frames our organisational priorities and plans.

Our Change Ambition

In our area, people are looking after their own health and well-being and that of their families. When they need help, this is readily available at home and in their community and supported through innovative technology.

We work in a modern system that with partners delivers the best quality outcomes, utilising best practice in the most appropriate setting. Our service provides truly holistic care from home to home and continuously evolves so it remains leading edge.

Compassionate care is delivered by talented creative teams that we trust and respect to put the needs of our patients at the heart of everything we do.

Our staff tell us they feel empowered, equipped and driven to make a difference to the lives and outcomes of people. Our teams feel listened to, valued and trusted.

We are a dynamic organisation that cares, learns and improves together.

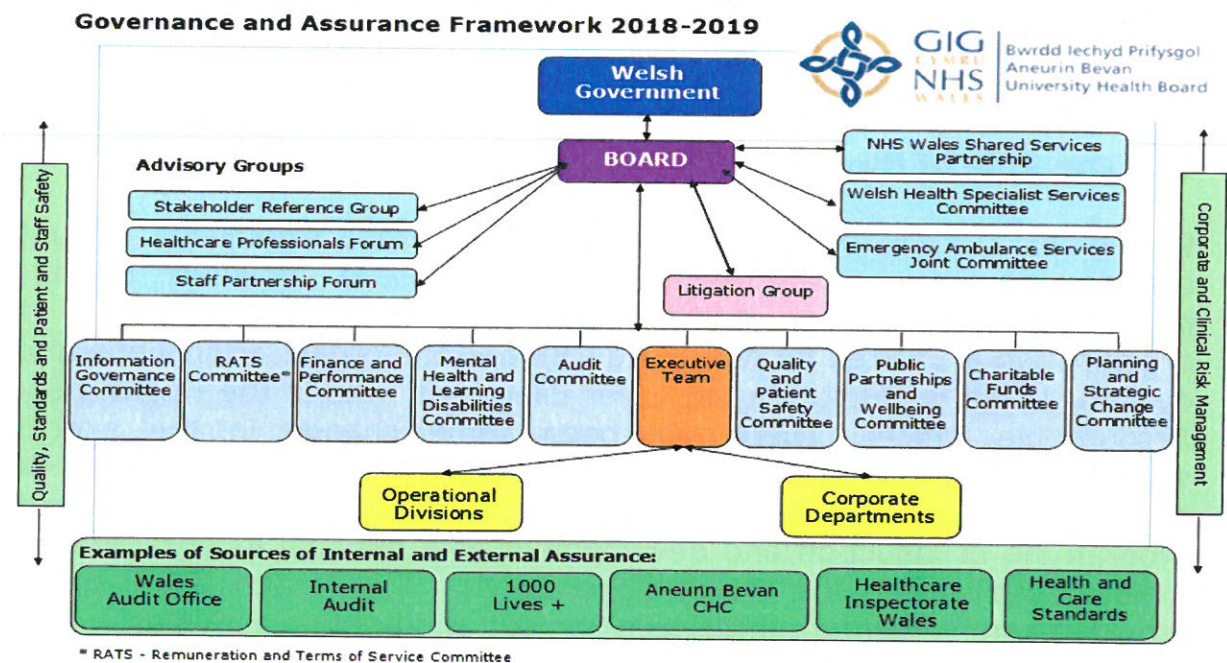
In this Annual Governance Statement the Health Board provides an overview of its performance against this position and also outlines decisions made, areas considered during the year and key risks identified and responded to by the Board and the wider organisation.

During 2018/2019, the Health Board has continued to develop and improve its system of governance and assurance. However, as an organisation we are not complacent and we are aware that there is continuing work that has to be undertaken to further develop, especially to continue to realise the opportunities and requirements of our status as a University Health Board and as we continue to deliver our Clinical Futures Programme. The Grange University Hospital build, as part of Clinical Futures, remains on time and to budget. Sights continue to be set on Operational Commissioning which will be a significant task once the building is handed over to the Health Board in 2020.

The Health Board's current leadership and stewardship of governance and assurance arrangements include taking assurance from work of our Committees and assessments against the Health and Care Standards for Wales and other professional standards and regulatory frameworks. This is alongside a range of sources of assurance from within and outside the organisation. Further development work has been undertaken and will continue to be taken forward during the next year to ensure all our arrangements are fit for purpose and appropriately aligned through a comprehensive governance and assurance framework with a key focus on the quality and safety of our clinical services.

The Health Board's approach also seeks 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 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



In line with all Health Boards in Wales, Aneurin Bevan University Health Board has agreed Standing Orders for the regulation of proceedings and business of the organisation. These 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 Health Board make up the Governance and Assurance Framework and arrangements.

The Board is in the process of further developing a written Board Assurance Framework, which will be introduced in 2019 and will include a Board Assurance Map, which outlines the sources of assurance used by the Board to assist the organisation in judging the progress it is making against its stated objectives and particularly the quality, safety 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. The Health Board has also introduced an Employee Experience Framework in February 2019, as we are clear that good employee experience and organisational culture shapes positive patient experience.

During the year the Health Board's Declarations of Interest and Staff Code of Business Conduct Policy has been updated and 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 were embedded in the organisation's Personal Appraisal Development Review (PADR) process to engage all staff in understanding their responsibilities and obligations and encouraging declarations.

1.2 The Role of the Board

During 2017/2018 the Health Board experienced a significant amount of change with regard to the membership of the Board. However, during the last year this new membership has consolidated its position. The organisation is chaired by Ann Lloyd CBE and the organisation's operational delivery is led by Judith Paget, Chief Executive, who is the Health Board's Accountable Officer. There has been some change in the executive membership of the Board. These changes are outlined in **Table One**, starting on page 13. Members of the Board have been able to access a programme of induction and development at a national level facilitated by Academi Wales and the Welsh Government. The Health Board has also provided complementary local development and briefing activities.

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 Associate Independent Members and other senior managers who routinely attend Board Meetings. 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 2018/2019 were appropriately constituted with a quorum. The key business and risk matters considered by the Board during 2018/2019 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.

[Health Board Meeting Papers](#)

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 has continued to keep its committee structure under review and a revised committee structure is proposed for 2019/2020 and these proposals will be submitted to the May 2019 meeting of the Health Board in line with the Health Board's governance framework and priorities of the IMTP.

In terms of the existing committee 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. This is an area that will be further worked on in 2019/2020 to effectively co-ordinate business between committees and avoid any duplication. Therefore, further work is required during the next year to continue to build 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 2018/2019, the Health Board continued to increase its openness and transparency with regard to the ways in which it conducted its committee business. The majority of the committees of the Board continue to meet in public with their papers published on our website prior to their meetings.

The link below provides to access to the Health Board's web pages, where the papers are published:

[Health Board Meeting Papers](#)

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 a minimum of its business in private sessions and ensure business wherever possible is considered in public. During the coming year as part of the Health Board's overall plan for Board and Committee business further work will be completed to build on this position and ensure that we maximise the amount of our business undertaken in public.

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 2018/2019, 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 2018/2019 and has kept under review the resulting Internal Audit Reports, noted key areas of risk and tracked the management responses made to improve systems and organisational policies. Improvement work is progressing with regard to the arrangements to track Internal Audit and Wales Audit Office recommendations, their implementation and progress made against them. This is being further developed during 2019/2020 with the NHS Wales Shared Services Partnership to implement an on-line tracking and reporting system.

- There has been a continued focus on improvements in the financial systems and control 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. There has been a particular focus on monitoring continuing improvement and seeking assurance regarding the organisation's arrangements for clinical audit, following limited assurance reports in this area. Progress has been noted during the year, but the Audit Committee in association with the Quality and Patient Safety Committee will continue to closely scrutinise the progress being made in this area.
- During the year the Committee also considered a limited assurance report on patient discharge arrangements. The Committee noted that the proposed recommendations and responses the audit were very clear as to how to address the issues from the audit. The Committee noted that the Discharge Policy was under review and being consulted on across the whole organisation and that the Health Board had made significant levels of investment in this area of its business. The improvement measures being implemented in relation to monitoring, auditing, spot checking and holding individuals to account were discussed and it was agreed that this improvement work would be closely monitored by the Executive Team.
- Engaged actively with Counter Fraud, receiving regular update reports throughout the year and approving the Counter Fraud Annual Plan and Annual Report.
- Continuing to seek assurance on the processes for post payment verification (PPV) reviews for primary care practitioners.
- Further developing the Health Board's approach to risk management strategy and processes. Comprehensive work has been undertaken during the year to undertake a whole organisation Risk Management Landscape Review. This has been reported and the Committee has endorsed an Action Plan and implementation of this plan will be monitored by the Committee during 2019/2020.
- 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 all 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 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 a programme of performance audits within the organisation and assurance reports. This includes the comprehensive Structured Assessment undertaken annually. The Committee has received this assessment and an Action Plan, which will be monitored during the year. Further information of the Structured Assessment is provided on page 20.

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 and particularly the quality and safety of the Health Board's services. 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 2019. The Committee has identified a number of key issues and achievements during 2018/2019, which are outlined below:

- Understanding patient experience and how patient stories could be further used as part of the Committee's work has been a key area of focus during the last year. The Committee has heard examples of patient stories about the ways the Health Board delivers and designs our services and how patient experience can influence and shape this work. The further development and active use of patient experience metrics is a key area of attention for the Committee and will be progressed during the next year, particularly in relation to how this influences delivery of the Health Board's Clinical Futures Programme.
- 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 and 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. The Health Board's focus on mortality reviews has generated a range of learning and regular reports have been presented to the Committee to provide updates on 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 organisational and divisional performance against the 20 and 30 day compliance targets for response 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 been clear that further improvement is required in this area, particularly in terms of compliance with response targets. The compliance levels are provided in the Health Board's Annual Quality Statement for 2018/2019, which is published in July 2019.

- The Committee has continued to monitor organisational performance against quality and safety targets and measures, for example the number of clostridium difficile cases and the cases of pressure damage experienced by patients. The Committee has been pleased to see divisional progress with targets and interventions to address the measures and targets, but have emphasised the continuing need to improve in some areas. The Committee received the Infection Control Annual Report and was assured that infection control and prevention was being robustly monitored across the Health Board;
- The Committee received updates on the progress that had been made in embedding the Health and Care Standards to date in 2018/19. The Internal Audit of Health and Care Standards was reported in March 2019 and the final report 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. In relation to Maternity Services, the Committee as part of its cycle of service reviews undertook a specific scrutiny session on maternity services at its February 2019 meeting and received assurance from the Health Board's Maternity Service Board on the continuing focus on quality and safety in these services across the Health Board;
- 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 Committee received a detailed presentation in February 2019 on the impact of the plans and noted that active evaluation was underway. 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 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 and steady improvement has been noted;
- The Committee received updates on all Healthcare Inspectorate Wales (HIW) and Aneurin Bevan Community Health Council reports going forward to ensure recommendations made are being progressed across the organisation to enable learning. The Committee has overseen the arrangements for the establishment of a comprehensive tracking and reporting process for all recommendations and actions agreed as a result of these reports. The first full report will be submitted to the Committee in June 2019.
- The Committee has jointly with the Mental Health and Learning Disability Committee received feedback on the Health Board's responses to the Betsi Cadwaladr University Health Board's response to the reports on service at the Tawel Fan Unit and also considered our local action plan to ensure that our local services have used the learning from these reports to further develop our local services.

The **Public Partnerships and Well Being Committee** is also an important Committee of the Board, as it provides assurance to the Health Board regarding the organisation's contribution and commitment to public partnerships, in which the Health Board is playing a key role.

- This includes the Regional Partnership Board for the Social Services and Well Being Act and also the five Public Service Boards in the Health Board area under the Well Being of Future Generations Act. The Committee has ensured that the Health Board has contributed to the proposals for the local Transformation Programme in response to the Transformation Fund provided by Welsh Government.
- The Committee provides assurance to the Board on the range of partnership structures on a regional basis and also focuses on the Health Board's individual responsibilities and preparedness for the implementation of these key areas of legislation.
- The Committee also provides assurance on the Health Board's work in the area of primary and community based services and seeks assurance on the developing work and governance arrangement of the Neighbourhood Care Networks (NCNs) in the Health Board area.
- It also focuses on plans for promoting good public health and the prevention and early intervention programmes to support improved health and well-being outcomes for the population of the Health Board area.

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.

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, a 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 also has reporting to it a number of Wales-wide **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 Morgannwg 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 Morgannwg 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, reports from these joint Committees as well as the **NHS Wales Shared Services Partnership** and the **National Informatics Board and NHS Wales Informatics Service** have been reported to the Health Board and Committee meetings to discuss 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 2018/2019 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 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 effectively utilise their background and areas of interest. It also supports succession planning for future roles on committees, particularly Chair and Vice Chair roles. A report of any proposed changes to the structure and membership of Health Board committees is approved by the Board and as mentioned a revised committee structure for 2019/2020 will be considered by the Board at its May 2019 Meeting.

The Board also ensures that terms of reference for each committee are reviewed annually to confirm 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 2018/2019:

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 2018/2019.

Table One

Name	Position	Board Committee Membership 2018/2019	Champion Roles	Attendance Record at Board 2018/2019
Ann Lloyd CBE	Chair	<div> ◆ Chair ■ Chair </div> Attends all other Committees as an observer on a periodic basis during the year.		7 out of 7 possible meetings attended
Judith Paget	Chief Executive	<div> ◆ ⊗ </div> Attends all committees on a periodic basis		7 out of 7 possible meetings attended
Glyn Jones	Director of Finance and Performance/ Deputy Chief Executive (from 1 st July 2018 to present)	<div> ● Lead Officer ◆ Lead Officer ○ Lead Officer ⊗ </div>		7 out of 7 possible meetings attended
Dr Paul Buss	Medical Director	<div> ◆ Lead Officer ⊗ ■ Lead Officer ■ Lead Officer ✱ Lead Officer </div>		6 out of 7 possible meetings attended
Bronagh Scott (on secondment from 30 th November 2018)	Director of Nursing	<div> ◆ Lead Officer ⊗ </div>		4 out of 4 possible meetings attended

Name	Position	Board Committee Membership 2018/2019	Champion Roles	Attendance Record at Board 2018/2019
Martine Price (acting Director of Nursing from 1 st December 2018)	Acting Director of Nursing	◆ Lead Officer ●		2 out of 2 possible meetings attended
Nick Wood	Director of Primary, Community and Mental Health on 9 th November 2018 (formerly Chief Operating Officer	▲ Lead Officer ● ★ ★ Lead Officer		2 out of 7 meetings attended. (Please note Mr Wood was on a leave of absence from May to December 2018
Geraint Evans	Director of Workforce and OD/Deputy Chief Executive (from 1 st April 2018 to 30 th June 2018)	◆ Lead Officer ● Lead Officer ●		7 out of 7 possible meetings attended
Dr Sarah Aitken	Director of Public Health and Strategic Partnerships	▲ Lead Officer ●		7 out of 7 possible meetings attended
Philip Robson (left post as Vice Chair on 23 rd May 2018)	Vice Chair of the Board	◆ Chair ▲ Vice Chair □ Vice Chair ● Vice Chair ★ Vice Chair ◆ Vice Chair	<ul style="list-style-type: none"> • Safeguarding Champion • Children and Young People Lead • Mental Health Lead/Champion • Blaenau Gwent Area Lead • Regional Partnership Board Lead/Champion 	1 out of 1 possible meetings attended
Philip Robson commenced the role Special Adviser to the Chair of the Board on 24 th May 2019	Special Adviser to the Board	Attends the Board and a range of committee meetings on a regular basis. Mr Robson is also Chair of the Regional Partnership Board under the Social Services and Well Being Act arrangements in the Gwent area.		6 out of 6 in this role.
Emrys Elias (commenced post 5 th November 2018)	Vice Chair of the Board	◆ Vice Chair ▲ Vice Chair □ Vice Chair ● Vice Chair ★ Chair ◆ Vice Chair	<ul style="list-style-type: none"> • Safeguarding Champion • Children and Young People Lead • Mental Health Lead/Champion 	3 out of 3 possible meetings attended
Nicola Prygodzicz	Director of Planning, Digital and IT	■ Lead Officer ● Lead Officer ● Lead Officer		7 out of 7 possible meetings attended

Name	Position	Board Committee Membership 2018/2019	Champion Roles	Attendance Record at Board 2018/2019
Katija Dew	Independent Member (Third/Voluntary Sector)	 Vice Chair  Chair  Vice Chair	<ul style="list-style-type: none"> • Citizen Engagement Champion • Mental Health Lead/Champion • Newport Lead/Champion 	7 out of 7 possible meetings attended
Professor Dianne Watkins	Independent Member (University)	 Chair  Vice Chair	<ul style="list-style-type: none"> • University and Research Lead/Champion • ABCI Lead/Champion • Monmouthshire Lead/Champion • Pharmaceutical Applications Lead/Champion 	5 out of 7 possible meetings attended
Frances Taylor	Independent Member (Community)	 Vice Chair  Chair  Vice Chair  Vice Chair  Vice Chair	<ul style="list-style-type: none"> • Patient Champion • Charitable Funds Lead/Champion 	7 out of 7 possible meetings attended
Louise Wright	Independent Member (Trade Union)	 Chair  Vice Chair	<ul style="list-style-type: none"> • Equalities Champion/Lead • Welsh Language Champion/Lead • Staff Welfare Champion/Lead 	6 out of 7 possible meetings attended
Shelley Bosson	Independent Member (Community)	 Vice Chair  Chair  Vice Chair  Vice Chair	<ul style="list-style-type: none"> • Putting Things Right Champion/Lead (until June 2018) • Out of Area Referrals Champion/Lead • Caerphilly Champion/Lead • Structural Design Champion/Lead • Pharmaceutical Applications Champion/Lead 	7 out of 7 possible meetings attended
Pippa Britton	Independent Member (Community)	 Vice Chair  Chair  Vice Chair	<ul style="list-style-type: none"> • Torfaen Champion/Lead 	6 out of 7 possible meetings attended
Catherine Brown	Independent Member (Finance)	 Chair  Vice Chair  Vice Chair  Vice Chair		6 out of 7 possible meetings attended
Cllr Richard Clark	Independent Member (Local Authority)	 Chair  Vice Chair  Vice Chair  Vice Chair	<ul style="list-style-type: none"> • Local Government Champion/Lead 	4 out of 7 possible meetings attended
David Jones	Independent Member (ICT)	 Chair		6 out of 7 possible meetings attended

Name	Position	Board Committee Membership 2018/2019	Champion Roles	Attendance Record at Board 2018/2019
Colin Powell (Left post 30 th November 2018)	Chair of the Health Professionals (Associate Independent Member)	◆		1 of 5 possible meetings attended
Lorraine Morgan (Left post 30 th September 2018)	Chair of the Stakeholder Reference Group (Associate Independent Member)	◆ ▲		1 of 4 possible meetings attended
Claire Marchant (Left post 30 th May 2018)	Associate Independent Member – Directors of Social Services	▲		1 of 1 possible meetings attended
Dave Street (commenced post on 4 th October 2018)	Independent Member (Directors of Social Services)	▲		2 of 3 possible meetings attended
Keith Sutcliffe (commenced post 5 th March 2019)	Associate Independent Member (Chair of Stakeholder Group)	◆ ▲		0 of 1 possible meetings attended
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. ⚙️ ● □		6 of 7 possible meetings attended
Claire Birchall (commenced post 12 th December 2018)	Director of Operations (formerly Interim Director of Operations)	● Lead Officer ○ Lead Officer		6 of 7 possible meetings attended
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 and all of the meetings of the Board in 2018/2019 were quorate. Members are involved in a range of other activities on behalf of the Board, such as Board Briefing Meetings (at least six a year), Board Development Sessions (three in 2018/2019), meetings of Committees of the Board, service visits and a range of other internal and external meetings.

The Board also held one additional meeting of the Board in 2018/2019 (over and above the scheduled six meetings) on the 27th June 2018 to formally consider and approve the proposal for Thoracic Surgery Services in South Wales.

The Board also held its Annual General Meeting on Wednesday 25th July 2019.

The Board also meet in May 2018 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 2018/19 were appropriately constituted and were quorate with the exception of the Quality and Patient Safety Committee held on Wednesday 7th February 2019. However, the meeting continued to be held and any required decisions were ratified at the next meeting of the Committee, which was held on the 4th April 2019.

The Board in October 2018 also held a joint meeting between the **Audit Committee and the Information Governance Committee** to discuss recent IT system outages.

The meeting considered and discussed the Thematic Review of National Major Incidents in 2018 and agreed a number of actions with regard to the impact of outages locally on patient care and the sustainability of services.

The Committee discussed mitigation and acknowledged that the Health Board could manage local risks, however, it did not have control of national approaches. The Committee agreed that the Health Board should continue to do all it could to influence the National Wales Informatics Service (NWIS) and the resilience on a national scale.

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. Up until September 2018 this was chaired by Lorraine Morgan, Carer Representative. This position is now held by Keith Sutcliffe, Veterans 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. This role was held by Colin Powell, Hospital Pharmacist representative on the Forum until November 2018. The Forum is in the process of agreeing a new Chair, but meetings are chaired by the Vice Chair or from within the membership until a formal appointment is made. 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.

In line with its planning duty, the Health Board progressed as planned its IMTP during 2018/2019. (Further information with regard to this progress is outlined in the Health Board's Performance Report to be published in July 2019). The Health Board refreshed its IMTP on the 23rd January 2019 and this was approved by Welsh Ministers to run from 2019/20 to 2021/2022.

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 £235K. Against the breakeven duty over a rolling three year period, the Board reported a surplus of £530k as shown below:

3 Year Revenue Breakeven Duty	2016/17 £000	2017/18 £000	2018/19 £000	Total £000
Underspend Against Allocation	49	246	235	530

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 £140.933M was met in 2018/19 with a small underspend of £41k. The target is measured over a 3 year period as shown below:

3 Year Capital Resource Duty	2016/17 £000	2017/18 £000	2018/19 £000	Total £000
Underspend Against Allocation	42	78	41	161

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 2018, 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 has effective planning processes, but there is more to do to ensure governance arrangements operate as intended and improve performance against some key targets
- Whilst the Health Board has established the necessary arrangements to support good governance, there is more to do to ensure they are operating as intended
- The Health Board has a clear vision supported by effective planning processes, and work is continuing to update plans for service re-design
- The Health Board has a track record in managing resources effectively and a good developing approach to improving productivity, although some aspects are not always sufficiently strategic or detailed and performance against some key targets needs to improve

The Health Board has committed to undertake a number of improvement actions during 2019 to respond to this assessment and the progress against these actions will be monitored by the Executive Team and the Health Board's Committees, 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 implemented 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 include the tracking of external audit recommendations. Further work has been undertaken with audit colleagues to ensure smart recommendations are developed along with clear management responses from Executive colleagues. These are more easily tracked to ensure that the organisation can be assured that effective responses have been made, the required outcomes are being achieved and are clearly reported. This process will be developed

further in 2019/20 with the transfer of the recommendations tracker to the automated Team Mate software used by Internal Audit and the additional reporting requirements that have been established for Executive Team sign-off of completed actions prior to reporting to Audit Committee.

The Health Board also 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. A tracking mechanism for these recommendations is also in place and is monitored by the Quality and Patient Safety Committee.

1.8 Annual Quality Statement

The Health Board published its sixth Annual Quality Statement in 2018, 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 seventh Annual Quality Statement will be published in July 2019.

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 a number of live projects (i.e. specific disease/condition areas) and will continue to grow in line with the priorities laid out in the Clinical Futures Programme and Integrated Medium Term Plan. Further information is available in the Health Board's Annual Quality Statement.

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 2019 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 comprehensive review and redevelopment of its approach to risk management. This has generated an agreed action plan that will be implemented during 2019. The Health Board's approach includes reporting arrangements for the Board and its committees using a Risk Dashboard format. A link to the Health Board's Risk Dashboard as at the 31st March 2019 is provided below:

[Risk Dashboard – 31st March 2019](#)

Work is now underway to implement the 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's approach to risk management for 2018/2019 was given a 'reasonable' assurance rating by Internal Audit.

Further work during 2019 will be undertaken through active Board Member engagement to agree a new risk appetite statement and risk tolerances, in line with the work outlined above, which will build on the existing risk appetite statement included in the Health Board's Risk Management Strategy. Work will also be undertaken to actively demonstrate how 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 the comprehensive risk review and also 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 the Social Services and Well Being Act and ensure this is reflected in the Health Board's risk appetite statement. Through this work the Health Board is actively working with partners through Public Service Boards and our Regional 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 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 Board and the Executive Team undertook specific consideration of our approach to risk management through a development and training session held in March 2019. This session used as its context the outcome of the comprehensive risk management review.

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. Further work has been undertaken through the review to extend the scope of risk management training and awareness raising 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 as part of the review to further inform a programme of training and development for 2019/2020.

This work throughout the Health Board is being informed by best practice examples identified through external advice to support the risk management review and through advice from the Health Board's Internal Auditors and the Wales Audit Office.

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 **30** risks on the Health Board's Corporate Risk Register at the end of March 2019.

The profile of risks are as follows:

Category of Risk	Number of Risks at March 2019
Strategic Risks	9
Financial Risks	3
Operational/Business Risks	11
Compliance Risks	4
Public Health Risk	3

The profile of the assessed level of risks as at 31st March 2019 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	2	
4 - Major		1	9	6	
3 - Moderate			2		
2 - Minor		2			
1 - Negligible					

The Health Board as at the 31st March 2019 had two risks which were assessed as high level risks. These were:

- **Operational/Business Risk** – Failure to meet the needs of the local people in relation to emergency care provision including WAST provision. (Assessed Red Risk – Score 20)
- **Operational/Business Risk** - Failure to recruit and retain appropriately skilled staff and senior leadership to deliver high quality 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 current 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 as part of the Risk Management Strategy. 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 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 Health Board 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 the Board's assessment of its own effectiveness. This has been supplemented by a self-assessment and action plan, which was developed by members of the Board at a development session in April 2019. 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 2018/2019 and Welsh Health Circulars

A list of Welsh Government Ministerial Directions issued in 2018/19 is available at the following Welsh Government website:

[Ministerial Directions 2018/2019 and Welsh Health Circulars](#)

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, including the new (May 2018) General Data Protection Regulations (GDPR) and new Data Protection Act (DPA) and the Caldicott principles. The Medical Director is the Health Board's Caldicott Guardian and the Director of Planning, Digital and IT is the Senior Information Risk Owner (SIRO).

The Information Governance Committee (IGC) provides assurance and advice to the Board to assist it in discharging its legal obligations and meeting its responsibilities with regard to the Health Board's management arrangements for information and ICT. The Transformation to Digital (T2D) Delivery Board ensures that the Health Board's 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, Digital and IT.

The General Data Protection Regulation (GDPR) and new Data Protection Act (DPA) have now been in law since May 2018 and the Health Board has integrated its requirements into its general day-to-day working arrangements. The Health Board continues to implement processes and communication around information asset tracking, GDPR and data protection. The information governance e-learning training material has been revised and made available on the intranet. Revision of privacy notices at a national and local level have taken place and are in deployment. Information governance policies continue to be reviewed on an all-Wales basis as part of the collaborative work required in light of GDPR to ensure consistency of policy content and context across and this will continue.

The Health Board continues to be 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 2018-19, the Health Board received over 5,400 Data Protection Act Subject Access Requests (SARs); this is a 12% increase from 2017-18. The largest proportion of requests received continues to be made by solicitors and legal services at over 60%. The changes to the compliance requirements, reduced from 40 days to 30 days, coupled with staff numbers have been challenging, however, the compliance rate is now similar to that of last year at approximately 94%.

The Divisional Information Governance Delivery Groups (IGDGs) are "owned" by each Division and chaired by Assistant Directors, which provides authority and credibility to embed the information governance requirements at operational level. These groups are an important conduit for legislative requirements, standards and change management programmes.

The Wales Accord on the Sharing of Personal Information (WASPI) framework has been amended to conform to GDPR. The Health Board plays a leading role as part of the South-East Wales Information Sharing Partnership and 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.

There were 822 information governance incidents recorded by staff this year on the Health Board's DATIX Incident Reporting System; an increase of 25%. This was expected this year with the new legislation, an emphasis on staff learning and communications through IGDGs to help staff recognise a potential information governance incident and this is seen as a positive step. These incidents are of various levels of concern, such as missing pages in a paper record to IT systems being unavailable for a period of time. All significant incidents are monitored by the Information Governance Committee.

Four complaints were made to the ICO by complainants (and 2 concerns were reported by the Health Board). 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.

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, which builds on the externally facilitated work that was undertaken in May 2018 through a Board observation exercise, Board Member survey and workshop review. This resulted in an additional training and development programme over and above the existing arrangements in order to focus on key areas of the Board's responsibilities, such as planning, finance, safeguarding, Mental Health Act and risk management.

The effectiveness review work in 2019 has been undertaken through an independently facilitated questionnaire and Board development session, which was held on the 10th April 2019. This collective assessment identified key areas for improvement for 2019/20 and will supplement the actions already agreed as part of the Health Board's response to the Wales Audit Office Structured Assessment.

Some of the agreed key areas for development and improvement during 2019/20 are outlined below:

- To continue a programme of team building for the Board. A further session is to be planned for September 2019;
- To establish a programme of training for Chairs, lead executives and committee secretariat colleagues with regard to running effective meetings, further improving Board and Committee paper formats and information provided to the Board and Committees;
- Progress our approach regarding risk management aligned to the IMTP and agree a new risk appetite statement as part of finalisation of a new Board Governance and Assurance Framework.
- Continue to focus on transparency and openness and agree a new code of conduct for the management of information and the conduct of our Board and Committee meetings;
- Further enhance our approach to public and staff engagement with active Board involvement to further support a positive culture across the organisation;
- Further develop our organisational approaches to foster a culture of value, innovation and share best practice and learning.

This programme of work will be progressed during 2019/2020 and progress will be monitored by the Board.

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 and will further refine this, which requires active assessment against these requirements to be reported to the Board and its committees, this will need to be fully implemented during 2019/2020.

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. Reports are made to the Executive Team with regard to these areas.

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 2019/2022 at a meeting in January 2019 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. This area is scrutinised by the Audit Committee via regular reporting throughout the year.

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:


Internal Audit

Internal audit provide 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 focussed 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.'

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.

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 Patient Discharge Process and Clinical Audit Follow-up led to the Clinical Governance, Quality and Safety domain being rated with limited assurance overall. The Head of Internal Audit has highlighted that this is the third year in succession that this domain has received limited assurance and improvement in this area is expected as part of the programme of improvement in governance and assurance arrangements.

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 and improved internal audit outcomes for other aspects of capital and estates. Positive assurance in these areas is important to support the transformation programme that the Health Board is going through as it implements the Clinical Futures Strategy.

6. Conclusion

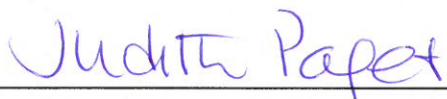
This Governance Statement indicates that the Health Board has continued to make progress and mature during 2018/2019 and that we are further developing and embedding good governance and appropriate controls across key areas the organisation. However, there are a number of challenges and areas for further development that the Health Board will need to be progress during the coming year based on our own improvement plans and also the assessments made by our Internal Auditors, Wales Audit Office and our inspectors and regulators.

The Health Board is aware, that the areas of our business that received 'limited' assurance from Internal Audit during the last year are within the audit domain of Clinical Governance, Quality and Safety, as mentioned in the

assessment by the Head of Internal Audit. This will be a key area of focus for the Health Board in the coming year to actively respond to these areas of limited assurance assessment and ensure that improvement in this domain is achieved. 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 being actively monitored by the Executive Team and reported to and monitored by the Health Board's Committees, particularly the Audit Committee, Quality and Patient Safety Committee, Finance and Performance Committee in order to provide assurance to the Board.

The Health Board will continue to progress and improve our arrangements as we further develop as an organisation in the coming year. In taking forward these improvements we will 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 are of a high quality and level of safety. We will also actively involve patients and citizens in the design, delivery and transformation of our services to meet the needs and expectations of patients and citizens and the wider communities we serve and develop structured ways for this to be reported to the Board and through our public reporting of our performance in relation to our services and delivery of our future plans through the Clinical Futures Programme.



Judith Paget
Chief Executive

Date: 30th May 2019