

Cardiff and Vale University Health Board

Annual Governance Statement 2015-2016

Version 14

Annual Governance Statement Contents Page

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SETTING THE SCENE

Our Mission is: (This is why we exist)

CARING FOR PEOPLE KEEPING PEOPLE WELL

Our Vision is: (This is what we want to do)

A person's chance of leading a healthy life is the same wherever they live and whoever they are

Our Strategy is: (This is our game plan)

Achieve joined up care based on 'home first', avoiding harm, waste and variation, empowering people and delivering outcomes that matter to them

For Our Population (This is what we are offering to do)

Deliver Outcomes that Matter to People

I want to understand my care choices

I want to be healed and my pain eased

Give me hope

I want to be healthy

I want my family and me to be supported

Be there for me at the end of my life

Our Service Priorities (This is what we will focus on most)

Offer services that deliver the improvements in population health that our citizens are entitled to expect

Cancer

Stroke

Long Term Conditions (Diabetes)

Dementia

Mental Health

Oral and Eye Health

Early Years and Maternal Health

Sustainability (This is where we want to excel)

Join up what we do for the people we serve and strive for operational excellence making the best use of the resources we have

A new unplanned care system

Balance capacity and demand for all our services

Avoid harm, waste and variation

Culture (This is what we want working here and with us to be like)

Working better together across care sectors through people, innovation, improvement, research and technology

Being a great place to work and learn

OUR VALUES (These are what are important to us)

Care | Trust | Respect | Personal Responsibility | Integrity | Kindness

Updated 15-4-15



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Bwrdd Iechyd Prifysgol
Caerdydd a'r Fro
Cardiff and Vale
University Health Board



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1. SCOPE OF RESPONSIBILITY

The Board is accountable for Governance, Risk Management and Internal Control. As Accountable Officer and Chief Executive of the Board, I have responsibility for maintaining appropriate governance structures and procedures as well as a sound system of internal control that supports the achievements of the organisation's policies, aims and objectives, whilst safeguarding the public funds and this organisation's assets for which I am personally responsible. These duties are carried out in accordance with the responsibilities assigned by the Accountable Officer of NHS Wales.

Cardiff and Vale University Health Board was established in October 2009 and is one of the largest NHS organisations in the UK. We have responsibility for the health of around 472,400 people living in Cardiff and the Vale of Glamorgan, the provision of local primary care services (GP practices, dentists, optometrists and community pharmacists) and the running of hospitals, health centres and community health teams. Together, these provide a full range of health services for our local residents and those from further afield in Wales who use our specialist services.

We are also a teaching Health Board with close links to Cardiff University which has a high profile teaching, research and development role within the UK and abroad, and enjoy strong links with other educational establishments. Together, we are training the next generation of clinical professionals.

The Health Board has responsibility for every part of the local health system and has defined its mission as:

“Caring for people, keeping people well”

This Annual Governance Statement details the arrangements in place for discharging the Chief Executive's responsibilities to manage and control the Health Board's resources during the financial year 2015/2016. This responsibility is monitored and managed through a robust Corporate Risk and Assurance Framework (CRAF).

2. THE HEALTH BOARD'S GOVERNANCE/ASSURANCE FRAMEWORK

The Health Board has been constituted to comply with the Local Health Board (Constitution, Membership and Procedures) (Wales) Regulations 2009. It comprises of the Chair, Vice Chair, Chief Executive, nine Independent Members and seven Executive Directors. There are also three Associate Members.

The Board functions as a corporate decision-making body with Executive Directors and Independent Members being equal members sharing corporate responsibility by the Board. The Board is supported by the Board Secretary who provides advice on Corporate Governance.

The principal role of the Board is to exercise effective leadership, direction and control, including:

- Setting the overall strategic direction of the Health Board within Welsh Government policies and priorities.
- Establishing and maintaining high levels of corporate governance and accountability including risk management and internal control.
- Ensuring delivery of the Health Board's aims and objectives through effective challenge and scrutiny of performance across all areas of responsibility.
- Ensuring delivery of high quality and safe patient care.
- Building capacity and capability within the workforce to build on the values of the Health Board and creating a strong culture of learning and development.
- Enacting effective financial stewardship by ensuring the Health Board is administered prudently and economically with resources applied appropriately and efficiently.
- Instigating effective communication between Health Board and its community to ensure its services are planned and responsive to identified needs.
- Appointing, appraising and remunerating Executives.

The Board has approved Standing Orders for the regulation of proceedings and business. They are designed to translate the statutory requirements set out in the Local Health Board (Constitution, Membership and Procedures) (Wales) Regulations 2009 into day to day operating practice. Together with the adoption of a scheme of matters reserved for the Board, a detailed scheme of delegation to officers and earned autonomy framework and Standing Financial Instructions, they provide the regulatory framework for the business conduct of the Health Board and define "its ways of working".

The Standing Orders and Standing Financial Instructions were updated and approved by the Board in March 2014. Further amendments were approved by the Audit Committee in April and the Board in May 2015, reflecting the establishment of the All-Wales Ambulance Services Committee and the Shared Services Committee.

These documents are supported by a suite of corporate policies and, together with the Values and Standards of Behaviour Framework, make up the Health Board's Governance Framework. In January 2015 a review of these arrangements commenced to support the further development of the UHB's 10 year Strategy 'Shaping our Future Wellbeing'.

2.1 The Board and its committees

The Board provides leadership and direction to the organisation and has a key role in ensuring governance arrangements are in place. The Board has an open culture with its meetings held in public – meeting papers are available on the Health Board's website. Together, Board Members share corporate responsibility for all decisions and play a key role in monitoring performance against objectives and plans.

In addition to responsibilities and accountabilities set out in terms and conditions of appointment, Board members also fulfil a number of Champion roles where they act as ambassadors for these matters. These are summarised in Appendix 1.

The Board is supported by a number of committees, each chaired by an independent member. All committees are constituted to comply with The Welsh Government Good Practice Guide – Effective Board Committees. The committees, which meet in public, provide regular reports to the Board that contribute to its assessment of assurance and provide scrutiny against the delivery of objectives. The Board receives a full copy of the minutes which detail the business, activities, attendance and main issues dealt with by the committee. Copies of the papers and minutes are available from the Board Secretary and also the Board's website. A summary of the committees' responsibilities and Terms of Reference are also on the Cardiff and Vale University Health Board's website.

The Board agreed work plans for each of the committees in early 2015. All committees reviewed their Terms of Reference during 2015/16 and prepared a Work Plan for 2016/17 to support the Board's business for this period.

Critical to this assurance is the work of the Audit Committee – its Annual Report provides a summary of matters considered during the year and is available in full on the following link.

<http://www.cardiffandvaleuhb.wales.nhs.uk/audit-committee>

The Annual Quality Statement for 2015/16 will be published in September 2016 and will include a summary of the work undertaken during the year by Quality, Safety and Experience Committee.

Committees also work together on behalf of the Board to ensure that work is planned cohesively and focussed on matters of greatest risk that would prevent us from meeting our mission and objectives. To ensure consistency and links between committees, the Health Board has Governance Co-ordinating Group, chaired by the Chair of the Health Board.

The following table sets out the dates of Board and committee meetings held during 2015/2016

Board/ Committee	Dates of Meetings in 2015/2016											
Board		05.05.15	02.06.15 special board	07.07.15		24.09.15		26.11.15		28.01.16		31.03.16
Audit	14.04.15	26.05.15 workshop	02.06.15			22.09.15			08.12.15		09.02.16	
Charitable Funds			23.06.15			29.09.15			22.12.15			08.03.16
Health and Safety	28.04.15			28.07.15			06.10.15			26.01.16		
Mental Health Act Monitoring		19.05.15				08.09.15		03.11.15			02.02.16	
People, Planning and Performance Committee		12.05.15		21.07.15		15.09.15		10.11.15		19.01.16		15.03.16
Quality, Safety and Experience	21.04.15		16.06.15			01.09.15	20.10.15		15.12.15		23.02.16	
Remuneration and Terms of Service	07.04.15	20.05.15			06.08.15	10.09.15 & 30.09.15		03.11.15	16.12.15		03.02.16	

All meetings were quorate except for the Charitable Funds meeting on 08.03.16 and the Quality, Safety and Experience meeting on 01.09.15. All decisions at those meetings were ratified at the subsequent Charitable Funds Committee meeting and the Quality, Safety and Experience meeting. In addition escalation arrangements are in place to ensure that any matters of significant concern that could not be brought to the attention of the quorate committee could be raised with the Health Board Chair.

In support of the Board, the UHB is also required to have three Advisory Groups. These are:

- Stakeholder Reference Group
- Local Partnership Forum
- Healthcare Professionals' Forum

The three advisory groups have all met during the year and minutes are available on the Health Board's website. They have provided a valuable sounding board in developing our Integrated Medium Term plan and service change proposals across South Wales.

Key business and risk matters considered by the Health Board and its committees during 2015/2016 included:

- Overseeing the implementation of the 2014-2017, three year Integrated Medium Term Plan (IMTP) and actively involved in the development of the 2015-2018 three year plan submitted to Welsh Government on 1 April 2015;
- Receiving update on the South Wales collaborative e.g. neonatal services.
- Receiving regular reports on Patient Experience and feedback ensuring that where concerns are raised, these are escalated to the Board and, where necessary, result in the Board proactively activating agreed multiagency procedures in co-operation with partners.
- Routinely considering the Board's performance in relation to key national and local targets and agreeing mitigating actions in response to improve performance where appropriate. This included actions to address cancer target performance, stroke services, cardiac surgery, ophthalmology and unscheduled care.
- Approval and sign off of the Annual Accounts for the Health Board.
- Regular monitoring of Welsh Government performance targets and agreed actions to improve performance where appropriate.
- Financial performance monitored at each Board meeting.
- Outcome of the Wales Audit Office Structured Assessment.
- Routinely receiving reports on Service and Capital Performance and Assurance.
- Receipt and consideration of the Wales Audit Office Annual Audit Letter.
- Fundamentals of Care Audit and monitoring of Action Plan.
- Receiving updates on the Action Plan in response to the Emergency Services Independent Review Update.
- Agreeing our priorities for quality improvement aligned to our Quality Strategy.
- Receiving positive feedback from the Ministerial unannounced spot check visits to our hospitals; the unannounced HIW inspection visits and our own Independent Board Member visits.
- 'Putting Things Right' and introduced revised local arrangements to speed up the engagement and response to concerns.
- Receiving a range of Annual Clinical Reports.
- Routinely receiving assurance reports from the committees of the Board, Stakeholder Reference Group, Healthcare Professionals Forum and Local Partnership Forum.
- Receiving regular update on the Health Board Corporate Risk and Assurance Framework.
- Annual Review of Standing Orders and Standing Financial Instructions.
- Board and committee Work plans for 2015-16 and Review of Board Committee Terms of Reference.
- Dementia three year Plan – End of Year 1 Report.
- Delayed Transfers of Care.
- Winter Plan Review and preparation for 2015/16.
- Results of Patient Satisfaction Survey.
- Shaping Our Future Wellbeing Strategy 2015-2025.
- Staff survey results 2015.
- Annual Health and Care Monitoring audit 2015.
- Child and Adolescent Mental Health Services (CAMHS)
- Prudent Healthcare.

The above key issues were also debated at the appropriate Committees and key issues identified to the Board when the minutes of the Committees were received. This endorses the strong link between the Committees and the Board annual work plans.

During 2015/16, key aspects of Board business and issues delegated to the Audit Committee for consideration and advice, including action taken included:

- Agreement of the Internal and External Audit Plans for the year.
- Receiving Internal and External Audit Reports and subsequently monitoring progress against Audit Action Plans.
- Agreeing the annual counter fraud plan and monitoring counter fraud activities.
- Regular review of the register of gifts and hospitality.
- Sign off the Health Board Annual Accounts, as delegated by the Board.
- Monitoring of Governance Arrangements across the organisation, included hosted bodies.
- Monitoring overall risk management process by reviewing the UHB Risk Register at each meeting.

Appendix 1 sets out details of Board and committee membership, meetings attended during the tenure of the individual in 2015/2016 and any Champion Roles performed.

All decisions made by the Board and committees are included on an Action Log and at each of the meetings progress is monitored. These Action Logs are also published on the Health Board Internet.

2.2 Organisational management

As Chief Executive and Accountable Officer, I have personal responsibility for the overall organisation, management and staffing of the UHB. I am required to assure myself, and therefore the Board, that the UHB executive level management arrangements are fit for purpose to provide effective leadership and have accountability for professional standards.

During the year, the following changes were made to the Board membership.

Executive Positions	Start Date*	Finish Date
Christopher Lewis, Acting Director of Finance	17 th November 2014	8 th December 2015
Robert Chadwick, Director of Finance	9 th December 2015	
Independent Members		
Saleem Kidwai	1 st April 2012	31 st March 2016
Brendan Sadka	1 st April 2013	31 st March 2016
Christopher Elmore Note: Stood down temporarily between 30th March and 7th May 2015 as standing for Parliament.	Re-joined 8 th May 2015	31 st March 2016
Rose Whittle, Associate Independent Member – Chair of Health Professional Forum Post	11 th February 2014	30 th September 2015
Sian Walker – Associate Independent Member, Local Authority	25 th March 2014	30 th September 2015

Supporting the Chief Operating Officer, new Clinical Boards were established in June 2013 and continue to develop.

The purpose of creating the Clinical Boards is to:

- Liberate the people whose roles are to care for and keep well those we serve. Create a mechanism for integrating what we do around those we serve.
- Fuel staff management.
- Power up clinical leadership and engagement.

- Drive more localised decision making.
- Create manageable sized chunks of our organisation. Provide the basis of good accountability.
- Ensure we have strong and effective leadership and management.
- Drive better use of resources, and greater collaboration to make this happen. Drive pathway improvement and collaborative working.

3. PURPOSE OF SYSTEM OF INTERNAL CONTROL

The system of internal control is based on an on-going process designed to identify the risk profile of the UHB. This includes an assessment and prioritisation of those risks which have the potential to impact on the achievement of our policies, aims and objectives, the evaluation of the likelihood of those risks being realised, the impact should they be realised, and the action required to manage them efficiently, effectively and economically. The system of internal control has been in place for the year ended 31 March 2016 and up to the date of approval of the annual report and accounts.

The 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.

4. CAPACITY TO HANDLE RISK

The Corporate Risk Assurance Framework (CRAF) has been further developed since being introduced in early 2014. In August 2015 the Board participated in an Audit Committee sponsored workshop which allowed members to focus on the extreme risks facing the Health Board. This discussion included the Board's 'Risk Appetite' and acceptance of certain risks and their management and mitigation. This led to a further refining and refocusing on the principal risks that threaten the achievement of goals, the system and controls in place to ensure those risks are managed and how the Board knows whether it is successful or not. This enables the Board to develop action plans to address any matters of concern.

In addition to the Board workshop, a further workshop/training session was held in November 2015 for assistant directors and corporate senior leads.

The Board regularly receives a report on the CRAF and the relevant extracts monitored by respective committees to provide further assurances. In addition the Stakeholder Reference Group (representing a range of public stakeholders) were briefed throughout the year on the management and mitigation of the highest risks.

The Board's appetite for risk is reflected in the Integrated Medium Term Plan which sets out the Board's priorities and focus for the next three years. During the year any new high risks would be particularly brought to the attention of the committees and the Board.

The Board has a Risk Management Policy and supporting Risk Assessment Procedure that explains to staff its approach to risk management. Each Clinical Board and Corporate Department has responsibility for maintaining a comprehensive risk register with the lead Executive Director responsible for highlighting and assessing the most significant risks for inclusion in the Corporate Risk and Assurance Framework. Risk Assessments are undertaken based on a 5 x 5 scoring matrix i.e. the impact of the risk multiplied by the likelihood of it happening.

The UHB regularly publishes its updated Corporate Risk Assurance Framework including an assessment of strategic risks and how these are being managed. The most recently published CRAF can be found via the following link: <http://www.cardiffandvaleuhb.wales.nhs.uk/risk-register>

The following table is an extract from that framework of the highest strategic risks (scoring 20 or more) facing the UHB in March 2016:

Principal Risks	Risk Score	Summary of Controls
COMMISSIONING – Failure to embed a commissioning approach to ensure services are based on evidence and population need	20	Commissioning Framework and priorities
OPERATIONAL AND CLINICAL EXCELLENCE – Failure to recognise deteriorating patients resulting in avoidable harm	20	ALERT training. Implementation of Critical Care Outreach Team (CCOT) in Surgery and Specialist Services at UHW Implementation of National Early Warning System (NEWS)/ RAILS tools and training Introduce staff working in Community Hospitals to NEWS training when they attend Intermediate Life Support (ILS) Training. Learning from mortality review meetings. All Resus/Cardiac Arrests are electronically recorded. Record of all high NEWS scores. Weekly review of Serious Incidents at meeting between Executive Nurse Director, Medical Director and Chief Operating Officer.
OPERATIONAL AND CLINICAL EXCELLENCE - Insufficient critical care capacity and workforce to meet need	20	Occupational therapists and Physiotherapists working together to improve services for Long Term Ventilated Patients. Recruited to most critical care nursing vacancies but retention of staff is a concern. Nursing establishment reviewed on an annual basis. Post Anaesthetic Care Unit opened Jan 2015 to support elective surgery. Rules in place re block booking of temporary staffing to cover shifts. Escalation policy in place. Psychology interventions in place to support staff and the CC recruitment and retention plan e.g. staff 1-1 service. Skills training for staff (communication & conflict resolution, resilience sessions) and staff wellbeing group (culture, value, Organisational Health Reviews). Local Delivery Plan for the Critically ill signed off by HSMB. Active involvement in newly established Theatres & Critical Care Planning Group (first meeting 8.03.16).
OPERATIONAL AND CLINICAL EXCELLENCE - Bone Marrow Transplantation – unacceptable waiting times leading to potential relapse or death	25	Written control documents in place. MDT discussion prior to patient being placed on list. Internal meetings and discussions to monitor waiting list Issue escalated to Clinical Board and Quality and Safety meetings. CNS input. Regular contact with Finance Directorate and WHSSC re: funding for services - business case (Phase 1 & 2) has been submitted and approved. Regular forecasts submitted. Regular SLA meetings set up with WHSSC. JACIE report received. Apheresis Nurse Specialist post in place. Number of beds available for transplant patients increased by 2, but this has led to number of general haematology beds reducing by 2. Pilot of Mobile Chemotherapy Unit underway.
OPERATIONAL AND CLINICAL EXCELLENCE - Identify clinical failures and patterns from information and data sources	20	Clinical Governance arrangements. Mortality Reviews. Electronic reporting of incidents and near misses implemented during 2015.

RESOURCES - Plan, resource and implement safe and adequate estate	25	UHB Strategic Capital Planning Programme 2014/15-2018/19 received by Board - Sept 14 Major and discretionary Capital programmes, estates inspections and audits. Capital prioritisation process. Maintenance requests and prioritisation. Development of robust Business Cases to secure capital investment from WG to support service change programmes inc. CRI, Making a Difference etc. Major Capital Group chaired by Chief Executive in response to facilities for paediatric assessment in the community not meeting the Quality Standards. In Paediatric Audiology clinics are being provided in UHW. Weekly clinics established for those "not able to test" in the community.
RESOURCES - Meet statutory compliance in respect of estates maintenance	25	Estates and statutory compliance. Audit process. Prioritisation of maintenance requests. Establishment of dedicated compliance team. External audit of statutory compliance
RESOURCES - Risks to neonates and high risk mothers as a result of providing on-going care to neonates in a clinically unsuitable environment.	25	Contingency for escalation agreed with Executive Team, Neonatal Network and both Directorates. 1. Maternity Escalation Protocols in place. 2. Joint interface meetings with Maternity & Neonatal services set up to maintain close liaison. 3. Database to record maternal and in-utero transfers in place along with risk assessments. 4. Neonatal Network supporting better working across Welsh Network. 5. Four bedded area made available in Delivery Suite and staffed to receive emergency Neonatal admissions for stabilisation and transfer only. 6. Temporary staffing put in place to support separation of "clean" and "dirty" NICU. 7. Daily SI meetings chaired by END. 8. Liaison with WAST /CHANTs at the earliest possible opportunity. 9. Create new admissions area in ward T1 which will allow the existing NICU to run down and commence the refurbishment work on the new capital build. 10. Welsh Government has approved funding for Phases 1A and 1B. 11. Unit open and accepting neonates up to 16 cots.
RESOURCES - Vehicle congestion and traffic management on the UHW site leading to:- a) patients missing appointments/staff arriving late leading to service disruption b) Emergency service vehicles unable to flow freely on the site c) Potential contact with pedestrians and/or cyclists d) Contact/collision with other vehicles e) Increased environmental impact (new risk added March 2016)	20	Temporary traffic flow management and traffic lights to assist with vehicle flows at the busiest times. Indigo police manage the traffic on site and security staff are also occasionally utilised to manage traffic flows. The UHB has a Sustainable Travel Policy and Procedures to encourage site users to utilise alternative transport arrangements. The site has various cross-hatched road markings and yellow lines to keep traffic moving and to resist blocking key areas. Independent traffic survey completed.
RESOURCES - Deliver financial balance and savings programmes	25	Budgets and savings targets delegated to budget holders. Clinical Board Financial and savings plans peer reviewed and tested by senior finance team and Finance Director. Monthly monitoring on financial performance and savings plans. Focus of attention at HSMB, Management Executive meeting and the Big Room. Performance Management Framework / Clinical Board regular meetings. SBAR reports produced on key operational pressures for review by Management Executive. External support procured from GE Finnermore to drive forward transformational change with efficiency and cash releasing benefits.

RESOURCES - Plan, fund and maintain effective & resilient IM&T systems	20	IM&T implementation programme. IM&T Sub-committee established to oversee progress. Health and Care Standard 3.4 - Information Governance and Communications Technology.
RESOURCES - Laboratory Information Management System (LIMS) - Risk of clinical governance and information governance concerns as LIMS goes live into additional laboratory areas due to the level of robustness of the system.	20	Internally developed risk management strategies. Collaboration with NWIS to develop solutions to national system issues. NWIS Project Management Arrangements. Staff training arrangements. Disaster recovery plan in place. Each laboratory has contingency procedures to ensure urgent or emergency results are communicated by telephone.
GOVERNANCE - Comply with relevant, up to date and accessible policies, procedures and other control documents	20	Policy on Policies and other written control documents revised in July 2014 to make process much simpler. New format approved for all other documents in September 2014. Staff training and awareness. Intranet and internet access arrangements. Re-enforced with all Clinical Boards the need to have arrangements in place to respond to Royal College and other documents. Proforma sent to them all for them to complete or advise of alternative format. Information regarding review of database presented to Lead Executive for their advice and oversight regarding their on-going review and maintenance.

Underpinning the high level strategic risks, are more specific operational risks where additional focus is required.

As demonstrated above actions are being taken to manage all of these risks but it is acknowledged some of them do present a significant challenge to the UHB.

There have been a number of high profile clinical matters during 2015/16 which have also required significant and focussed attention as follows:

- During 2015, the UHB established a multi-agency group to manage a patient safety concern relating to the practice of a dental practitioner, employed by a dental practice within Cardiff and the Vale of Glamorgan area. In October, the UHB undertook a Patient Notification Exercise (PNE) to inform patients (past and present) that the practice of a named dentist from Cardiff and Vale had fallen below acceptable standards for infection, prevention and control. The UHB has also commissioned an external review, the Terms of Reference of which have been jointly agreed with Public Health Wales and Healthcare Inspectorate Wales. We await this report.
- The Neonatal Unit (NNU) at the University Hospital of Wales experienced a number of closures due to infection, prevention and control outbreaks during 2015. In August and November, the NNU closed due to *Acinetobacter baumannii* outbreaks. On both occasions a multi-disciplinary and multi-agency group was established to manage the incident and to ensure that all possible measures were put in place to re-open the NNU, minimise risks to mothers and to babies and also to minimise the risk of re-occurrence. A fully re-furnished interim Neonatal Unit has been developed in a new location and a seven million pound capital investment has been secured from Welsh Government to develop a new, permanent Neonatal Unit at University Hospital Wales. This was discussed at the Quality, Safety and Experience Committee Meeting (oral 15 December 2015 minute UHB 15/210) and Board Meeting (24 September 2015 minute UHB 15/210). The UHB is currently in the process of commissioning an external review to a) review the process that was followed during the incident and b) to determine whether the UHB has put in place every reasonable measure to prevent a re-occurrence.

- There have been a number of announced and unannounced Dignity and Essential Care (DECI Inspections/Healthcare Inspectorate Wales (HIW)) visits throughout the year. These have provided the UHB with independent assurance in relation to the quality of care across the UHB. Immediate assurance issues were identified in some inspections in both acute services and in primary care contractor services. Immediate actions have been taken where required and improvement plans have been developed to address other findings following the inspections.
- A series of unannounced Trusted to Care visits to Older Persons Mental Health services were carried out by Board members and senior nursing staff during December 2015 and January 2016. Overall the inspections revealed areas of noteworthy practice as well as areas for improvement. There were no areas identified requiring immediate assurances from the Clinical Board. The findings were reported to the February 2016, Quality, Safety and Experience Committee. The Community Health Council has also carried out a series of unannounced and announced visits to several of our mental health departments across the UHB during 2015 and confirmed to us that 'while there were some areas identified for improvement, there were no significant, systemic issues identified as were found in North Wales'.
- The UHB also commissioned an independent review of the Emergency Unit after staff raised concerns about the pressure and challenges being faced on a daily basis. The report was published in June 2015. A Steering Group, chaired by the Chief Operating Officer was established to oversee implementation of the recommendations. Report against progress is reported through the Quality, Safety and Experience Committee.
- Healthcare Inspectorate Wales published a Homicide Review in March 2015. Although the UHB had limited involvement with the perpetrator, it has contributed to a detailed multi-agency action plan to address the findings.

The Quality, Safety and Experience Committee received reports and continue to receive progress updates in relation to these matters. These will be detailed in the Annual Quality Statement that will be published in September 2016.

5. THE CONTROL FRAMEWORK

An essential feature of our control framework is ensuring there is a robust system for measuring and reporting on the quality of our services.

This will be described in the Annual Quality Statement to be published in September 2016 and will also be linked to our Annual Report for 2015/16.

During 2015/16 the Health Board has undertaken a considerable amount of work to implement and embed the revised Health and Care Standards Framework.

This has provided us with an opportunity to refresh and revise our approach to self-assessment and we have moved towards alignment with the internal processes for the development and monitoring of the Integrated Medium Term Plan. A pilot self-assessment has been undertaken during March 2016 and a full self-assessment will take place in May/June 2016. More detail on the Standards can be found on the following link: <http://www.wales.nhs.uk/governance-emanual/how-the-health-and-care-standards-are-st>

Internal Audit review of the Health and Care Standards

The level of assurance given as to the effectiveness of the system of internal control in place to manage the risks associated with Standards for Health and Care Standards is Reasonable Assurance.

During the current transition year the Health Board has made good initial progress towards the effective implementation of the new Health and Care Standards together with the piloting of an appropriate assessment process.

However, given that the formal timetable pertaining to the 2015/16 Health and Care Standards assessment extended into the early part of 2016/17 the current Audit review was unable to ascertain or provide comment or assurance relating to the review, approval and sign-off by Executive and Independent Member Leads and that of the UHB Quality and Safety Committee.

There is, however, documented intention that this will take place in addition to the introduction of a 'definition based' assessment scoring outcome to replace the piloted RAG rating when looking at the remaining 17 Standards, as used with the legacy Healthcare Standards for Wales.

Therefore, an additional internal audit review will be undertaken in the summer of 2016/17 to ensure that these outstanding elements are implemented accordingly, thereby providing additional assurance as to the newly introduced 2015/16 Health and Care Standards.

As part of the annual self-assessment process, the Board has completed the Governance and Accountability assessment module and has:

- Openly assessed its performance using the maturity matrix.
- Responded to any feedback provided by Healthcare Inspectorate Wales.
- Reviewed performance against actions identified in the 2014/15 self-assessment.
- Plans in place to achieve the improvement actions as part of our Integrated Medium Term Plan.

The process has been subject to independent internal assurance by the organisation's Head of Internal Audit. As referenced in the Head of Internal Audit Opinion and Annual Report, Audit and Assurance have reviewed the completed module and concluded that the completion and assessment was appropriate.

Governance and accountability	We do not yet have a clear, agreed understanding of where we are (or how we are doing) and what/where we need to improve.	We are aware of the improvements that need to be made and have prioritised them, but are not yet able to demonstrate meaningful action.	We are developing plans and processes and can demonstrate progress with some of our key area for improvement.	We have well developed plans and processes and can demonstrate sustainable improvement throughout the organisation/business.	We can demonstrate sustained good practice and innovation that is shared throughout the organisation/Business and which others can learn from.
Setting the direction				<input type="checkbox"/> ✓	
Enabling delivery			<input type="checkbox"/> ✓		
Delivering results achieving excellence			<input type="checkbox"/> ✓		
Overall Maturity level			<input type="checkbox"/> ✓		

- ☐ 2014/15 Assessment
✓ 2015/16 Assessment

Key improvement themes for 2016/17 include:

5.1 Shaping our Future Wellbeing Strategy

- Implementation and monitoring of BIG (Bold Improvement Goals), focussed work on the development of:
 - 1) Re-stratification of Medical Beds- to ensure we align wards to patient need.
 - 2) Perfect Locality – to develop a specification for a single perfect locality for commissioning from 2017/18.
 - 3) Value Based Outcomes - to dramatically improve outcomes and at the same time eliminate non-value adding or unnecessary activities, processes and costs.
- Progression of detailed Values & Behaviours work to improve patient experience and staff engagement in order to improve patient care quality and safety.

5.2 Patient Experience

- Implementation of concerns performance management mechanisms for Clinical Board's Performance Reviews to drive improvements in their management.
- Increased visibility of the Patient Experience Team across UHB sites through the Information and Support Centres to encourage visitors, patients and carers to provide feedback utilising different methods.
- Implementation of Freedom to Speak Communications Plan to ensure that the new process is communicated effectively to staff and the public are aware of the work to improve their trust and confidence in the UHB.

5.3 Clinical Innovation

- Establishment of the Clinical Innovation Hub at the UHW as the Clinical Innovation Centre for Cardiff and Vale.
- Alignment of the Faculty of Quality Improvement to the Clinical Innovation Programme.

In addition, the Health Board is in the process of completing a self-assessment against the Health and Care Standard on 'Governance, Leadership and Accountability' for presentation to the Quality, Safety and Experience Committee in September 2016.

6. CORPORATE GOVERNANCE CODE.

The Health Board has undertaken an assessment against the main principles of the UK Corporate Governance Code as they relate to an NHS public sector organisation in Wales. The Board is in full compliance with the code with the following non-material exceptions:

Section 3.10 – 3.11 – Board appointments are typically made for a period of three-four years. These are Ministerial appointments which the Board itself is unable to influence apart from the personal encouragement of asking people from diverse backgrounds to apply. On a positive note the Board currently has a gender ratio of 10:13 males to females thereby exceeding Government targets;

Section 4.1 – The Board does not have a dedicated secretariat function. Secretariat support is however provided from an experienced, skilled officer reporting to the Board Secretary.

7. MINISTERIAL DIRECTIONS

A list of Ministerial Directions issued by the Welsh Government during 2015-16 are available at:- <http://gov.wales/legislation/subordinate/nonsi/nhswales/2015/?lang=en>. The Health Board can confirm that all of these Directions have been fully considered and where appropriate implemented.

The Ministerial Directions of significant importance to the UHB are:

- Directions to the Local Health Boards as to the Statement of Financial Entitlements (Amendment) (No5) Directions 2015. (2015 No.30, 2015 No.14, 2015 No.7)
- Directions to Local Health Boards as to the Personal Dental Services Statement of Financial Entitlements (Amendment) 2015 (2015 No.24)
- Directions to Local Health Boards as to the General Dental Services Statement of Financial Entitlements (Amendment) 2015 (2015 No.23)
- Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment) (No.4) 2015 (2015 No.20)
- The Primary Medical Services (directed Enhanced Services) (Wales) (Amendments) Directions 2015 (2015 No.19)
- The National Health Service (Cross-Border Healthcare) (Telemedicine) (Wales) Directions 2015 (No.17)
- NHS Blood and Transplant (Gwaed a thrawsblaniadau'r GIG) (Wales) (amendment) (No.2) Directions 2015
- The National Health Service (General Medical Services – Premises Costs) (Wales) Directions 2015 (2015 No.9)
- The Pharmaceutical Services (Advanced and Enhanced Services) (Wales) (Amendments) Directions 2015

A range of Health Circulars (WHCs) were published by Welsh Government during 2015-2016 and are centrally logged within the Health Board with a lead Executive Director being assigned to oversee implementation of any required action. Where appropriate, the Board or one of its committees is also sighted on the content of the WHC.

8. OTHER ELEMENTS OF CONTROL FRAMEWORK

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. The overarching tracking report is monitored by the Audit Committee twice a year and also the Healthcare System Management Board, the senior operational management group.

Control measures are in place to ensure that all the organisation's obligations under equality, diversity and human rights legislation are complied with.

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 into 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.

The organisation has undertaken risk assessments that are in place in accordance with emergency preparedness and civil contingency requirements.

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. This will ensure that the organisation's obligation under the Climate Change Act and the Adaptation Reporting Requirements are complied with.

The Health Board actively engages with the 1000 lives Plus Programme, and the Board promotes use of methodologies for improvement, and is aware of improvements made and barriers to extend. The Board received two days of Patient Safety training in September 2014.

No material weaknesses or matters of non-compliance have been identified for these elements of the Health Board's control framework.

9. THREE YEAR INTEGRATED MEDIUM TERM PLAN

Further to the National Health Service Finance (Wales) Act 2014 becoming law in Wales from 27 January 2014, new duties with regards to operational planning and finance were placed upon the Local Health Boards. These duties are:

- A duty under section 175 (1) to ensure that its expenditure does not exceed the aggregate of funding allotted to it over a period of three years, and
- A duty under section 175 (2A) to prepare and obtain approval from the Welsh Ministers for a plan which achieves the first duty above, while also improving the health of the people for whom the UHB is responsible and improving the healthcare provided to them.

The first assessment of performance against the three year statutory duty will take place at the end of 2016/17.

The Board has undertaken a significant amount of work and continues to ensure the organisation maintains progress to develop its three year Integrated Medium Term Plan. The Health Board agreed to submit its 2015/16-2017/18 plan to Welsh Government on 31 March 2015 despite it not being financially balanced. The Board noted this did not meet their statutory responsibility but continued to work with the Welsh Government towards achieving financial sustainability. Following further discussions with Welsh Government, the Health Board's final plan obtained Ministerial approval in August 2015.

A copy of the full 2015/16-17/18 Plan is available on the Health Board's website via the following link: www.cardiffandvaleuhb.wales.nhs.uk/sitesplus/documents/1143/CVUHB%20IMTP%202015-16%20final%20draft%20010415%20with%20appendix.pdf

A copy of the summary 2015/16 – 17/18 Plan is available on the Health board's website via the following link: www.cardiffandvaleuhb.wales.nhs.uk/sitesplus/documents/1143/imtp%20summary%202015%20-%202018.pdf

The 2015/16 – 17/18 Plan entitled 'Progressing Our Future', set out to continue to address the challenges of the stark health inequalities in our ageing population, the difficulties with patient flow out of hospital following an unplanned admission, staff shortages in some difficult to recruit to roles and our risks in relation to our estate, and medical and IT equipment.

The improvements delivered in 2014/15 were built on in 2015/16 through the publishing of our 10 year strategy 'Shaping Our Future Wellbeing' and the continued strengthening of our planning, performance and analytical capacity and capability. This has driven the desire to adopt a 'home first' principle in all that we do and has seen progress in delivering our 2015/16 Plan in the following areas:

- Our GP clusters have really developed over the year, and our primary care developments are supporting the shift in the balance of care away from hospitals. More people with a long term condition are being managed in the community (diabetes, INR and heart failure represent examples of transformation in the way we deliver care); our Community Resource Teams are now working seven days a week, helping to support timely discharges from acute hospital care, and preventing unnecessary admissions; we are providing more targeted health improvement interventions to increase immunisation and screening rates, and to improve healthy lifestyle behaviours, focusing on particular at risk communities.

- We have delivered the agreed plan for referral to treatment times, with a significant reduction in the number of people waiting over 52 and 36 weeks for treatment. This has been achieved by tackling the backlog of patients waiting, and putting in sustainable measures where demand outstrips capacity on an ongoing basis.
- We have improved our emergency care pathways resulting in the more timely delivery of unplanned (emergency) care – with key performance indicators showing the improvements made.
- We have introduced a number of actions to improve infection prevention and control, and whilst we did not achieve all of the national targets, considerable improvements have been sustained.
- We have recruited locally, nationally and globally to reduce our nursing vacancies and have reduce our sickness levels to a 4 ½ year low.
- We have delivered a number of significant capital development milestones including the Children's Hospital for Wales and the Adult Mental Health Unit at UHL.
- Despite the ongoing financial challenges and service pressures, we have delivered our financial plan.

Delivery against the Plan for 2015/2016 was monitored throughout the year through the respective Committees and the Board and in general terms progress was made against the key issues. In line with the rest of NHS Wales, 2015/16 presented the UHB with another year of considerable financial challenge. Despite the planned delivery of 3.5% savings and considerable cost avoidance schemes the UHB submitted a plan to Welsh Government with a forecast deficit of £13.2m for 2015/16. The Health Board has worked closely with Welsh Government all year in order to address this shortfall. Additional allocations have been made by Welsh Government and the reported year end outturn financial position is a surplus of £0.068m. The Health Board recognises that the delivery of this is supported by significant non recurrent allocations from Welsh Government and that further ongoing work and discussion with Welsh Government is required to achieve financial sustainability.

The first assessment of performance against the three year statutory duty will take place at the end of 2016/17. Despite delivering a balanced position in 2015/16, given the fact that the UHB ended 2014/15 with a £21.364m deficit, the delivery of a break even position by 31st March 2017 will be extremely challenging and difficult to achieve.

The UHB has produced a draft three year IMTP, which has been considered by the Board and was submitted to Welsh Government at the end of January 2016. This draft plan emphasises the application of our Future Wellbeing strategic principles:

- Empower the Person
- Home First
- Outcomes that matter to people
- Avoid Harm Waste and Variation

The draft plan has been discussed with Welsh Government and is currently being refined. The UHB intends to revise its draft plan and when this is complete it will be submitted to Welsh Government for formal consideration.

The context for the UHB is a very challenging three years. The UHB has to make significant savings to mitigate against the pressures of an underlying deficit, significant cost pressures and service change investments above allocation increase levels. Whilst the plan has yet to be finalised, over the three year period starting 2016/17 the UHB aims to make a minimum financial saving which is equivalent to 9% of the relevant budgets. Despite this ambitious savings plan, the UHB does not however, currently have a Financial Plan that manages to deliver a breakeven position over the three year period 2016/17 to 2018/19 (or delivery of a breakeven position for the current period which is 2014/15 to 2016/17). This will be subject to further consideration at Board level and the options to secure financial sustainability will need to be discussed further with Welsh Government.

10. 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 outcome of Board and Committee scrutiny, the internal auditors, the Executive Directors within the organisation who have responsibility for the development and maintenance of the internal control framework, and comments made by external auditors in their letter and other reports.

Internal Sources	External Sources
Performance management reports. Service change management reports. Workforce information and surveys. Benchmarking. Internal and clinical audit reports. Board and committee reports. Local counter fraud work. Standards for health assessments board. Executive and Independent Member WalkRounds. Results of internal investigations and serious incident reports. Concerns and compliments. Whistleblowing and safety valve. Infection control reports. Information governance toolkit self-assessment. Patient experience surveys and reports. Compliance against legislation (e.g. Mental Health Act/Health & Safety, Data Protection).	Population Health Information. Wales Audit Office. Welsh Risk Pool Assessment reports. Healthcare Inspectorate Wales reports. Community Health Councils visits. Feedback from healthcare and third sector partners. Royal College & Deanery visits. Regulatory, licensing and inspection bodies. External benchmarking and statistics. Accreditation Schemes. National audits. Peer reviews. Feedback from service users. Local networks (e.g. cancer networks). Welsh government reports and feedback.

The effectiveness of the system of Internal Control has been undertaken by the committees of the Board in respect of assurances received. This was also supported by the Corporate Risk Assurance Framework with high risk being closely monitored by the respective committee.

A particular focus during the year has been to improve the performance information provided to the Board so that the Board can be assured on the accuracy and reliability of the information as well as ensuring it is focusing on the most important matters. In particular weaknesses had been identified in the length of time it was taking to code patients and outcomes. This might have caused delay, for example, in identifying areas of unexpected high death rates. This matter has received focussed attention with the Board receiving regular reports. I am now satisfied that the mortality information presented to the Board reflects an accurate position.

11. INTERNAL AUDIT

Internal audit provide me 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.

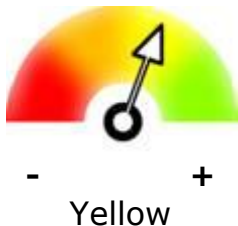
The overall opinion by the Head of Internal Audit (see below) on governance, risk management and control is a function of this risk based audit programme and contributes to the picture of assurance available to the Board in reviewing effectiveness and supporting our drive for continuous improvement.

The Head of Internal Audit's opinion is arrived at having considered whether or not the arrangements in place to secure governance, risk management and internal control are suitably designed and applied effectively in the following with assurance domains:

- Corporate Governance, Risk Management and Regulatory Compliance.
- Strategic Planning, Performance Management and Reporting.
- Financial Governance and Management.
- Clinical Governance, Quality and Safety.
- Information Governance and Security.
- Operational Service and Functional Management.
- Workforce Management.
- Capital and Estates Management.

12. HEAD OF INTERNAL AUDIT OPINION

The scope of this audit opinion is confined to those areas examined in the risk based audit plan which, has been agreed with senior management and approved by the Audit Committee. The Head of Internal Audit assessment should be interpreted in this context when reviewing the effectiveness of the system of internal control and be seen as an internal driver for continuous improvement. The Head of Internal Audit opinion on the overall adequacy and effectiveness of the organisation's framework of governance, risk management, and control is set out below.

<p>Reasonable Assurance</p>		<p>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.</p>
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In reaching this audit opinion, it has been concluded that each of the eight assurance domains, including the three primary domains (Corporate Governance and Risk, Clinical Governance, Quality and Safety and Financial Governance), have been allocated reasonable assurance.

In total, 42 audit reviews were completed during the year, and it was pleasing to note that the number of reports receiving Limited Assurance had reduced from the previous year to six Limited Assurance and two No Assurance during 2015/16. Management action plans have been developed to address the issue raised and progress is regularly monitored.

It should also be noted that the Blood Management report which received Limited Assurance during the year was subsequently followed up and it was identified that good progress had been made in addressing many of the previously reported weaknesses and a revised assurance rating of Reasonable was then assigned.

The following reviews received Limited Assurance:

Review Title	Objective and Action Taken
Blood Management	The overall objective was to ensure that the organisation has put in place systems and procedures that ensure that there is an adequate supply of safe, good quality blood products to treat users of their services. Agreed action was implemented during 2015/16 and this review was subsequently followed up and a revised rating of Reasonable Assurance was given in March 2016.
Medical Locums	The purpose of the review is to establish if the use of medical locums is appropriate and authorised and that the quality of care provided is appropriate. Agreed action included reviewing and updating the procedure and service level agreement, in addition to providing more detail regarding reasons for usage.
Deprivation of Liberty Safeguards (DoLS)	The purpose of the review was to establish if adequate procedures are in place within the Health Board to ensure that DoLS are consistently complied with and authorisations are obtained for all relevant UHB patients. The scope of the current review was limited to establishing the level of compliance with procedures and did not include any clinical review of the DoLS assessments. Agreed actions included enhancing the level of training, disseminating guidance, maintaining documentation and improving compliance with timescales.
Theatre Stock	The purpose of the review was to provide assurance to the Audit Committee that appropriate amounts of stock (including consignment) were held securely, with stock movements appropriately authorised and tracked. Agreed action included implementing an improved stock control system, reviewing and resetting required stock levels, updating the stock policy and improving consignment agreements.
Business Continuity Follow Up	Follow up review to assess progress with the implementation of agreed actions following the previous Limited Assurance Report. Agreed action included formalising continuity arrangements within clinical boards and ensuring adequate resource is in place for business continuity.
Management of staff Leavers – (draft report)	The purpose of the review is to ensure that management are clear on their responsibilities to ensure leavers are properly recorded and removed from all UHB systems and processes. Management action is currently being agreed. It should be noted that this report is still at draft stage.

The following reviews received No Assurance.

Review Title	Objective and Action Taken
Estates Department – Timesheets and Rotas	The overall objective of the review was to ensure that the UHB has appropriate structures in place to adequately manage rotas and time recording within the Estates Department. Agreed action included improving the authorisation process and consistency of timesheets, review current work rotas and improve the retention of documentation.
Llanishen Stores (draft report)	The purpose of the review is to provide assurance to the Audit Committee that an appropriate amount of stock is held securely, with stock movements appropriately authorised and tracked and that patients receive a timely service. Management action is currently being agreed. It should be noted that this report is still at draft stage.

13. WALES AUDIT OFFICE

The Audit Committee agreed the Wales Audit Office (WAO) Annual Plan for 2015/2016 which set out specific areas to be covered in relation to both the audit of the financial statements and performance management audit assignments. The Committee reviewed the progress on both national and local work at each meeting. The following performance reports were/will be presented to the relevant Board Committee who agreed the Health Board's plan to address any issues raised.

Title of Review	Date Issued	Date Considered By/To be Considered by Committee	Assurance Committee
Combined Follow-Up Review of Informatics and Communications Technology Audits	February 2015	June 2015	Information Governance Sub-Committee to People, Planning and Performance Committee
A Comparative Picture of Orthopaedic Services	February 2015	July 2015	People, Planning and Performance Committee
Medicines Management	June 2015	January 2016	People, Planning and Performance Committee
Follow-Up Review of Hospital Cleaning	September 2015	October 2015	Quality, Safety and Experience Committee
Management of Follow-Up Outpatient Appointments	October 2015	November 2015	People, Planning and Performance Committee
Diagnostic Review of ICT Capacity and Resources	November 2015	March 2016	IMT sub-Committee to People, Planning and Performance
Operating Theatres	January 2016	July 2016	People, Planning and Performance Committee
Structured Assessment	January 2016	February 2016	Board

The actions are recorded in a tracking report and the Audit Committee monitors progress in addressing them. A summary of the WAO Structured Assessment for 2015 of the Health Board's governance arrangements is included within the Annual Audit Report published in January 2016. This concluded:

Arrangements which support good governance and the efficient, effective and economical use of resources continue to evolve, but further improvement is needed particularly in relation to managing estate risks and achieving financial balance:

1. The Health Board has an approved Integrated Medium Term Plan (IMTP), but operational pressures and a failure to identify and deliver the required cost reductions mean that it is currently forecasting a deficit of £23.2 million, compared to a planned deficit of £13.2 million at the end of 2015-16.
2. The Board has set a clear vision and promotes an open and transparent culture through generally robust governance arrangements, but further improvements, including the continuing need to strengthen organisational capacity, are necessary.
3. The Health Board has set an ambitious change agenda, demonstrates strong community engagement and partnership working and has made positive progress in relation to workforce planning, but there remain significant risks around estates.

A delivery plan has been developed to respond to the detailed recommendations set out in the Annual Audit Report and progress will be monitored through the Audit Committee during 2016/17.

14. EQUALITY AND DIVERSITY

Control measures are in place to ensure that all the organisation's obligations under equality, diversity and human rights legislation are complied with.

The control measures include:

- Health Board Equality Monitoring Annual Report.
- Equality reports to Quality, Safety and Experience Committee on the Health Board's objectives and actions.
- Reports to the Equality and Human Rights Commissions' enquiries.
- Reports to the Centre for Equality and Human Rights enquiries.
- Report to the Welsh Government Equalities team.
- Provision of evidence to the Health Care Standards Audit, specifically Standard 2.
- Equality Impact Assessments.

15. DISCLOSURE STATEMENTS

- The UHB records reported information governance incidents both through the Patient Safety e-DATIX system and the central Information Governance processes. Both work closely together to ensure consistency and accuracy of reporting. The Caldicott Guardian and through Information Governance sub-Group, monitor these incidents closely and provide an assurance function for the Board.
- The UHB did not report any serious incidents in respect of data breaches to the Information Commissioner's Office (ICO) in 2015/2016. There were a number of cases that were reported in previous years that remained under the scrutiny by the ICO in 2015. All cases were closed down in September 2015. No fines were enforced. In order to effect continuous improvement through learning and audit the UHB invited the ICO to audit its Data Protection Act arrangements in May 2016.

16. CONCLUSION

As Accountable Officer, based on the assurance process outlined above, I have reviewed the relevant evidence and assurances in respect of internal control. I can confirm that the Board and its Executive Directors are alert to their accountabilities in respect of internal control and the Board has had in place during the year a system of providing assurance aligned to corporate objectives to assist with identification and management of risk.

My review confirms that in general the UHB has a sound system of internal control however, there are some areas where improvements are required as described within the report, particularly in relation to Internal Audit reports where Limited or No Assurance has been received.

During 2015/2016 through our Corporate Risk and Assurance Framework, we have proactively identified areas requiring improvement and requested Internal Audit to undertake detailed assessments in order to manage and mitigate associated risks. A number of reports issued by audit concur with our view and have consequently provided the UHB with clear recommendations to ensure that focussed and urgent management actions are in place to address identified shortcomings. These actions are then monitored through the Board and its committees to ensure appropriate assurances can be provided.

The first assessment of performance against the three year statutory duty will take place at the end of 2016/17. Despite delivering a balanced position in 2015/16, given the fact that the UHB ended 2014/15 with a £21.364m deficit, the delivery of a three year break even position by 31st March 2017 will be extremely challenging and difficult to achieve.

We are working very closely with Welsh Government in respect of addressing this and other outstanding issues in order for our IMTP for 2016-19 to be approved.

Robust performance management arrangements are already in place to mitigate and manage performance and control issues during 2016/2017.

The 2015/2016 Annual Governance Statement confirms that the UHB has continued to mature as an organisation and no significant internal control or governance issues have been identified. We are, and will continue to address our key risks and embed good governance and appropriate controls throughout the organisation.

In summary, my review confirms that in general the Board has a sound system of internal control that supports its policies, aims and objectives.

Signed by:

Adam Cairns
Chief Executive

Appendix1 – Board Committee Membership

Name and position	Area of expertise representation role	Board and committee membership 1 April '15 – 31 March '16	Number of meetings attended during tenure	Champion roles
Abigail Harris Director of Planning		Board	6	n/a
Adam Cairns Chief Executive		Board	5	n/a
Alice Casey Chief Operating Officer		Board	4	n/a
Brendan Sadka Independent Member	Capital and Estates	Board People, Performance and Delivery Committee Audit Committee	17	Older People
Christopher Elmore Independent Member	Local Authority	Board Mental Health and Capacity Legislation Committee	3	Children and Young People
Christopher Lewis Acting Director of Finance (17.11.14 – 8.12.15)		Board Charitable Funds Committee	8	n/a
Eileen Brandreth Independent Member	Information Communication Technology	Board People, Performance and Delivery Committee Mental Health and Capacity Legislation Committee	8	Caldicott/Data Protection (Independent Member Contact)
Elizabeth Treasure Independent Member	University	Board (Chair) Quality, Safety and Experience Committee Audit Committee	14	Patient Safety (Cleaning, Hygiene and Infection Management)
Fiona Jenkins Director of Therapies and Health Sciences		Board Charitable Funds Committee	8	n/a
Graham Shortland Medical Director		Board	5	n/a
Ivar Grey Independent Member	Finance	Board (Chair) Audit Committee Quality, Safety and Experience Committee Remuneration and Terms of Service Committee People, Performance and Delivery Committee	26	n/a
Marcus Longley Vice Chair	Primary, Community and Mental Health Services	(Vice Chair) Board (Chair) Mental Health and Capacity Legislation Committee (Chair) People Performance and Delivery Committee Remuneration and Terms of Service Committee	18	Mental Health Primary and Community
Margaret McLaughlin Independent Member	Third Sector	Board Mental Health and Capacity Legislation Committee Quality, Safety and Experience Committee Charitable funds Committee	18	Carers Welsh Language Equality and Human Rights
Maria Battle Chair		(Chair) Board (Chair) Remuneration and Terms of Service Committee	9	Public and Patient Involvement Concerns
Martyn Waygood Independent Member	Legal	Board (Chair) Health and Safety Committee (Chair) Charitable Funds Committee Mental Health and Capacity Legislation Committee Quality, Safety and Experience Committee Remuneration and Terms of Service Committee	22	Health and Safety Violence and Aggression

Name and position	Area of expertise representation role	Board and committee membership 1 April '15 – 31 March '16	Number of meetings attended during tenure	Champion roles
Paula Martyn Associate Member	Stakeholder Reference Group	Board	4	n/a
Robert Chadwick, Director of Finance (from 9.12.15)		Board Charitable Funds Committee	2	
Rosemarie Whittle Associate Independent Member (to 30 September 2015)	Healthcare Professionals Forum	Board	1	n/a
Ruth Walker Director of Nursing		Board	6	n/a
Saleem Kidwai Independent Member	Community	Board Quality, Safety and Experience Committee Mental Health and Capacity Legislation Committee	7	
Sharon Hopkins Director of Public Health		Board	5	n/a
Sian Walker Associate Independent Member (to 30 September 2015)	Local Authority	Board	2	n/a
Stuart Egan Independent Member	Trade Union	Board Charitable Funds Committee Health and Safety Committee Remuneration and Terms of Service Committee Audit Committee People, Performance and Delivery Committee	25	Armed Forces and Veterans

*** Note – Executive directors are not Members of Committees (apart from Charitable Funds) – they are “In attendance”. Directors’ attendance is not shown as they are often invited to attend Committee on ad-hoc basis depending on agenda items. It should also be noted that some extraordinary meetings were arranged during the year which has impacted on some Members attendance.**