

GOVERNANCE STATEMENT 2011-12

1. SCOPE OF RESPONSIBILITY

Local Health Boards are statutory bodies established by and accountable to the Welsh Government. Cwm Taf Health Board (the Health Board) was established on 1 October 2009 and provides a full range of hospital and community based services to the residents of Rhondda Cynon Taff and Merthyr Tydfil.

The Health Board is responsible for providing, planning and where appropriate commissioning health services to its local population of approximately 289,000 people. Services are provided also to the people of South Powys, North Rhymney, North Cardiff and other adjacent Health Board areas and in addition some specialist services are provided to the wider catchment area of South Wales.

The Health Board hosts the Welsh Health Specialised Services Committee (WHSSC), a joint committee of the 7 Local Health Boards which was established in April 2010. WHSSC is responsible for the joint planning and commissioning of over £500m of specialised and tertiary health care services on an all Wales basis. Their Governance Statement is attached.

The Health Board is led by a Chairman, Chief Executive and a Board of Executive Directors, Independent Members and Associate Members. The Chairman, Vice Chairman, Independent Members and Associate Members are appointed for fixed term periods by the Welsh Government. Each Independent Member has a specific area of responsibility as set out in the table below: -

Dr C D V Jones Chairman	<ul style="list-style-type: none"> • Chairs the Health Board, Integrated Governance Committee and Remuneration & Terms of Service Committee. • Champion for the Welsh Language
Professor V Harpwood Vice Chair	<ul style="list-style-type: none"> • Expertise in Primary Care, Community and Mental Health services • Chairs the Mental Health Act Monitoring Committee and the IPFR Panel • Member of the Clinical Governance Committee

	<ul style="list-style-type: none"> • Champion for Organ Donation • Mental Health Act Manager
Cllr R Roberts Independent Member	<ul style="list-style-type: none"> • Expertise in Local Authority matters • Chairs the Corporate Risk Committee • Champion for the Rhondda Locality and Capital (Environment) • Mental Health Act Manager
Mr J Hill-Tout Independent Member	<ul style="list-style-type: none"> • Expertise in Finance • Chairs the Finance & Performance Committee and Major Capital Programme Board • Member of the WHSSC Audit Committee • Member of the Audit Committee • Champion for Capital (Design) • Mental Health Act Manager
Mr A Seculer Independent Member	<ul style="list-style-type: none"> • Expertise in Legal issues • Member of the Corporate Risk Committee, Finance & Performance Committee, Local Authority Scrutiny Panel on Domestic Abuse, Primary Care Reference Panel • Chair of the Concerns (Claims) Panel • Member of the Concerns (Complaints) Panel • Champion for Children, Equality & Diversity and Violence & Aggression • Mental Health Act Manager
Mr G Bell Independent Member	<ul style="list-style-type: none"> • Expertise in community issues • Chair of the Audit Committee • Member of the Clinical Governance Committee • Champion for Patient Public Involvement, the Taff Ely Locality and the RCT Compact • Mental Health Act Manager
Cllr C Jones Independent Member	<ul style="list-style-type: none"> • Expertise in community issues • Chair of the Clinical Governance Committee • Member of the Audit Committee and Finance & Performance Committee • Champion for Cleanliness, Hygiene and Infection Control, the Corporate Health Standard and the Merthyr Tydfil Locality • Mental Health Act Manager
Mrs J Ludlow Independent Member	<ul style="list-style-type: none"> • Expertise in the Third Sector • Member of the Corporate Risk Committee and the Concerns (Claims) Panel • Chairs the Concerns (Complaints) Panel and the Primary Care Screening Panel • Champion for Vulnerable Adults, Carers, the Cynon Valley Locality and the Merthyr Tydfil Compact

	<ul style="list-style-type: none"> • Mental Health Act Manager
Mrs G Jones Independent Member	<ul style="list-style-type: none"> • Trade Union representative • Member of the Audit Committee and the Corporate Risk Committee
Professor D Mead Independent Member	<ul style="list-style-type: none"> • Expertise in community issues • Member of the Clinical Governance Committee and the Concerns (Complaints) Panel • Champion for Information Governance, Freedom of Information and the Armed Forces / Veterans Health • Mental Health Act Manager
Vacancy Independent Member	<ul style="list-style-type: none"> • University representative • Member of the Corporate Risk Committee

Associate Members, appointed by the Minister for Health and Social Services attend Board meetings on an ex-officio basis but have no voting rights and these are as follows: -

- A Director of Social Services nominated by the Local Authorities in the Health Board area – Mr E Williams, Director of Social Services, Rhondda Cynon Taf Local Authority.
- The Chair of the Stakeholder Reference Group – Cllr G Jones
- The Chair of the Healthcare Professionals’ Forum – Mr S Jones

The Executive Directors as set out below are full time NHS Professionals appointed by the Board and they hold full permanent contracts of employment: -

- Mrs A Williams, Chief Executive
- Mr D H Lewis, Director of Finance & Procurement
- Mrs B Rees, Director of Primary Care, Community & Mental Health / Deputy Chief Executive
- Mrs A Lagier, Director of Planning & Partnerships
- Mr I Stead, Director of Workforce & Organisational Development
- Mr K Asaad, Medical Director
- Mrs A Hopkins, Nurse Director
- Mr C White, Director of Therapies & Health Sciences / Chief Operating Officer
- Mrs N John, Public Health Director

Two additional Directors have been appointed but they have no voting rights at the Board and these are as follows: -

- Mr S M Harrhy, Board Secretary / Corporate Director
- Mr J Palmer, Turnaround Director

The Board determines policy and sets the strategic direction, aims to ensure there is effective internal control and aims to ensure that high standards of governance and behaviour are maintained. Additionally the Board has responsibility for making sure that the Health Board is responsive to the needs of its communities.

The Chief Executive is accountable to the Health Board for ensuring that its health care services are effective and that the Health Board activities are managed in an efficient manner. Health care services were until October 2011 managed by a number of clinically led divisions each of which was accountable to an Executive Director. In June 2011 a Chief Operating Officer was appointed and this led to a stream lining of operational arrangements and a strengthening of the clinically led tripartite Directorate and Locality structures. Cwm Taf Health Board has continued to strengthen its working arrangements with its two Local Authority Partners, the third Sector and Local Universities.

2. GOVERNING CWM TAF HEALTH BOARD

The Board is accountable for internal control. As an Accountable Officer and Chief Executive, I have the responsibility for maintaining a sound system of internal control that supports the achievement of the organisations policies, aims and objectives, whilst safeguarding public funds and this organisation's assets for which I am personally responsible in accordance with the responsibilities assigned by the Accounting Officer of NHS Wales.

My performance in the discharge of these personal responsibilities is assessed by the Head of the Department for Health & Social Services / Chief Executive NHS Wales. In addition, the Health Board's performance across a range of associated areas including the management of risk, governance, financial and non financial control is monitored by the Welsh Government.

My review of the effectiveness of the system of internal control is informed by the work of the Internal Auditors and the Executive Directors within the organisation who have responsibility for the development and maintenance of the Risk Assurance and Internal Control Framework and comments made by the External Auditors in the Annual Audit Report and other reports. In addition, the work of Healthcare Inspectorate Wales, both investigations and reviews, informs my opinion.

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board and the work of the Integrated Governance Committee, Audit Committee, Clinical Governance Committee, Corporate Risk Committee, Remuneration & Terms of Service Committee, Mental Health Act Monitoring Committee and the Finance & Performance Committee. A plan to address weaknesses

and ensure continuous improvement of the system is in place and it is my intention to develop this into an even more robust governance framework for the organisation.

The scrutiny of these arrangements is in part informed through the internal mechanisms already referred to but also through the independent and impartial views expressed by a range of bodies external to the Health Board. These include:

- Welsh Government
- Wales Audit Office
- Internal Audit (Price Waterhouse Coopers)
- Healthcare Inspectorate Wales
- Welsh Risk Pool
- Community Health Councils
- Health & Safety Executive
- South Wales Fire & Rescue Service
- Post Graduate Medical & Training Board, Post Graduate & Undergraduate Deanery's, Royal Colleges and other Academic bodies
- Other Accredited Bodies

The Health Board is required to have the following advisory groups:

- Stakeholder Reference Group
- Healthcare Professionals Forum and
- Working in Partnership Forum

I can confirm that these groups are fully established and working in accordance with the Standing Orders.

The Purpose of the System of Internal Control

The system of internal control is designed to ensure that risks are managed to a reasonable level rather than to eliminate all risks within the organisation. It therefore provides reasonable and not absolute assurance of effectiveness. The system of control in place within the Health Board is based wherever possible on best practice and is an ongoing process designed to identify and prioritise risks to the achievement of the organisations policies, aims and objectives and to evaluate the likelihood of those risks being realised. The impact of these risks is then assessed in order that they can be managed efficiently effectively and economically. The system in place across the Health Board accords with Welsh Government Guidance.

Capacity to Handle Risk

The Board has overall responsibility and authority for the Risk Management programme through the receipt and valuation of reports indicating the status and progress of Health Board wide risk management activities. The Integrated Governance, Audit, Quality Patient Safety & Public Health, Finance & Performance and Corporate Risk Committees comprising of a variety of independent members and Executive Directors plus representatives from the Community Health Council oversee the Health Boards risk management arrangements making recommendations for change as appropriate.

The Health Board has established integrated governance groups at Divisional and Directorate level and the workplace Safety & Health Committee which includes membership from Executive Directors, Directorate and Locality Managers specialist risk management personnel and staff safety representatives. These groups ensure that the operational delivery of services is consistent with the aims and objectives within the Boards Risk Management Strategy and Policy.

The Risk Management Policy has been reviewed and updated to reinforce the principle that effective risk management practice is dependent upon ownership of the management of risks throughout the whole of the organisation. Staff are encouraged to take a pro active role in the identification and reporting of risks with an emphasis on not apportioning blame but rather to promote a learning culture within and across the Health Board. The policy clearly defines the respective roles and responsibilities of the Health Board, Sub Committees, Managers and Staff.

Staff awareness of the need to manage risks has been encouraged through the provision of regular and ongoing information via the web site and ongoing training programmes. Case studies and patient stories are presented to the organisations committees in order that lessons can be disseminated and shared. By linking together issues arising from complaints claims and concerns it has also been possible to identify important points of learning and areas of best practice. In addition to generic training such as the managing safety courses, specific training is provided in, for example, medical device usage and safeguarding, on an ongoing basis.

The Risk and Assurance Framework

The organisations commitment to the principle that risk must be managed means that we will continue to work to ensure that:

- There is compliance with legislative requirements where non compliance would pose a serious risk;

- Evidence based guidance and best practice is utilised in order to support the highest standard of clinical practice;
- All sources and consequences of risk are identified and risks are assessed and either eliminated or minimised; information concerning risk is shared with staff across the Health Board and, where appropriate, partner organisations;
- Damage and injuries are minimised, and people's health and wellbeing is optimised;
- Resources diverted away from patient care to fund risk reduction are minimised;
- Lessons are learnt from compliments, incidents, and claims in order to share best practice and reduce the likelihood of reoccurrence

Patients and the public have an important part to play by proactively participating in their care and the organisation addresses this requirement within its Risk Management and other strategies.

GPs, Pharmacists, Dental Practitioners and Optometrist, Nursing Care Homes, Voluntary organisations and those where we have partnership relationships for service delivery, e.g. Local Authorities and other Health Boards, are responsible for identifying and managing their own risk through the contractual processes in place. Clinical governance processes are intended to provide assurance to the Board that services are safe and meet organisational, external and professional standards. Work is progressing well to embed the Standards for Health Services in Wales into the every day working of the organisation and to ensure appropriate linkages to other key strategies such as the Public Health Strategy and the 1000 Lives Plus Campaign.

3. BOARD LEVEL COMMITTEES

The Board and its sub committees are fully established and operating in line with the Standing Orders. The role summary for each Committee and an attendance record for the Independent Board Members during the last year is set out below. Please note that:-

A = apologies received

N/A = not applicable at that time

Audit Committee

Scrutinises and monitors issues relating to internal control, risk management, internal & external audit, financial reporting and the Charitable Funds.

Meeting Attendance	11/4	7/6	11/7	10/10	9/1	19/3
Mr Geoff Bell	✓	✓	✓	✓	✓	✓
Mr John Hill Tout	✓	✓	✓	A	✓	✓
Cllr Clive Jones	✓	✓	✓	✓	✓	✓
Mrs Gaynor Jones	A	✓	✓	✓	✓	A

Clinical Governance Committee

Scrutinises and monitors issues relating to clinical governance, the patient experience, complaints & claims, clinical audit & effectiveness, clinical risk and research & development.

Meeting Attendance	14/4	21/7	2/12	26/1
Prof V Harpwood	✓	A	✓	✓
Mr G Bell	✓	✓	✓	✓
Cllr C Jones	✓	✓	✓	✓
Prof D Mead	A	A	A	✓

Corporate Risk Committee

Scrutinises and monitors issues relating to internal control, HIW Standards, WRMS, internal audit, compliance with legislation, information governance, health & safety and personal injury claims.

Meeting Attendance	7/6	5/9	5/12	5/3
Cllr R Roberts	✓	✓	✓	✓
Mrs J Ludlow	✓	✓	✓	✓
Mrs G Jones	✓	✓	✓	A
Vacancy	X	X	X	X

Finance & Performance Committee

Scrutinises and monitors issues relating to financial planning & monitoring, delivery of savings programmes, activity & productivity, workforce and data integrity issues.

Meeting Attendance	25/5	29/6	28/7	29/9	3/11	1/12	26/1	2/3	29/3
Mr J Hill-Tout	✓	✓	✓	✓	✓	✓	✓	✓	✓
Cllr C Jones	✓	A	✓	✓	✓	✓	✓	✓	✓
Mr A Secular	✓	✓	✓	✓	A	✓	✓	✓	A

Integrated Governance Committee

Maintains an oversight of the other Sub Committees, reviews the top organizational risks, scrutinise delivery and performance of policy objectives and provides assurance that cross cutting issues are appropriately managed.

Meeting Attendance	3/5	15/11	14/2	10/4
Dr C D V Jones	✓	A	✓	✓
Prof V Harpwood	✓	A	✓	✓
Mr J Hill-Tout	✓	✓	✓	✓
Mr G Bell	✓	✓	✓	✓
Cllr C Jones	N/A	✓	A	✓
Mr A Seculer	N/A	N/A	✓	A
Cllr R Roberts	N/A	N/A	✓	A

Mental Health Act Monitoring Committee

Scrutinises and monitors issues relating to compliance with the Mental Health Act, cross agency audit & training and multi agency protocols.

Meeting Attendance	15/3
Prof V Harpwood	✓
Mrs J Ludlow	✓
Mr A Seculer	✓

Remuneration & Terms of Service Committee

Scrutinises and monitors issues relating to the remuneration & terms of service for Senior Managers, objectives and performance management systems, additional payments to consultants and proposals regarding termination arrangements.

Remuneration & Terms of Service	6/4	4/5	8/6	6/7	26/9	5/10	2/11	18/1	8/2
Dr C D V Jones	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr G Bell	✓	✓	✓	✓	A	✓	A	✓	✓
Prof V Harpwood	✓	✓	✓	✓	A	✓	✓	✓	✓
Mr J Hill Tout	✓	✓	✓	A	✓	✓	✓	✓	✓
Cllr C Jones	✓	✓	✓	A	✓	✓	✓	✓	✓
Mrs G Jones	✓	✓	✓	✓	✓	✓	✓	✓	A

Remuneration & Terms of Service	6/4	4/5	8/6	6/7	26/9	5/10	2/11	18/1	8/2
Mrs J Ludlow	✓	✓	✓	✓	✓	✓	✓	✓	✓
Prof D Mead	✓	A	✓	✓	A	✓	✓	✓	✓
Cllr R Roberts	A	A	✓	✓	A	✓	✓	✓	✓
Mr A Seculer	✓	✓	✓	✓	✓	✓	✓	✓	✓

Health Board

The Board has set a number of Strategic Goals relating to Clinical Service Sustainability; Financial Viability; Sustainable and Flexible Workforce; Partnership Working; Information and Knowledge Exchange; Compliance; Public Health and Deprivation; Quality and Safety; Commissioning and Teaching and Research.

Attendance of all Board members during the year is set out below: -

Health Board	6/4	8/6	7/9	5/10	2/11	18/1	7/3
Dr C D V Jones	✓	✓	✓	✓	✓	✓	✓
Mr Kamal Asaad	✓	✓	A	✓	✓	✓	A
Mr Geoff Bell	✓	✓	✓	✓	A	✓	✓
Prof Vivienne Harpwood	✓	✓	✓	✓	✓	✓	✓
Mr Stephen Harray	✓	✓	✓	✓	✓	✓	✓
Mr John Hill-Tout	✓	✓	✓	✓	✓	✓	✓
Mrs Angela Hopkins	✓	✓	✓	✓	✓	✓	✓
Mrs Nicola John	✓	✓	✓	✓	✓	✓	✓
Cllr Clive Jones	✓	✓	A	✓	✓	✓	✓
Cllr Gareth Jones	A	A	A	A	A	✓	A
Mrs Gaynor Jones	✓	✓	✓	✓	✓	✓	✓
Mr Selwyn Jones	n/a	n/a	n/a	n/a	n/a	n/a	✓
Mrs Alison Lagier	✓	✓	✓	✓	✓	✓	✓
Mr David Lewis	✓	✓	✓	✓	✓	✓	✓
Mrs Jenny Ludlow	✓	✓	✓	✓	✓	✓	✓
Prof Donna Mead	✓	A	✓	✓	✓	✓	✓
Mr John Palmer	n/a	✓	✓	✓	✓	✓	✓
Mrs Bernie Rees	n/a	✓	✓	A	✓	✓	✓
Cllr Russell Roberts	A	✓	✓	✓	✓	✓	✓
Mr Anthony Seculer	✓	✓	A	✓	✓	✓	✓
Mr Ian Stead	✓	✓	✓	A	✓	✓	✓

Health Board	6/4	8/6	7/9	5/10	2/11	18/1	7/3
Mr Chris White	✓	✓	✓	✓	✓	✓	✓
Mrs Allison Williams	✓	✓	✓	✓	✓	✓	✓
Mr Ellis Williams	✓	✓	✓	✓	A	✓	A

4. HEALTH INSPECTORATE WALES REVIEW OF GOVERNANCE ARRANGEMENT

In March 2012 Healthcare Inspectorate Wales published its Review of Governance Arrangements at Cwm Taf Health Board. The report set out the findings of a jointly initiated independent review of the Health Board's governance and accountability arrangements.

The challenges facing Cwm Taf Health Board, and all health services in Wales, over the next few years are great. The landscape within which health services are planned and delivered continues to change, with an increasing shift towards community and primary care services, a longer term ambition of developing an integrated care system working across health and social care; key Welsh Government policy and practice developments (e.g. the Rural Health Plan, the Mental Health Measure and Carers Measure); and a clear focus on delivery of high quality sustainable services within the significant financial constraints of the current economic climate.

There is no doubt that the Health Board has a staff of enthusiastic and capable people who are loyal and committed to the organisation, and an Executive team that has a clear focus on Cwm Taf Health Board being a public health-focused organisation which considers the needs of its population and delivers safe and quality services. However, it is fully acknowledged that its future success will depend on how well it responds to the changes and challenges ahead.

In such a time of change there is a need for strong governance arrangements which will enable the Health Board to have the necessary agility and innovation, while maintaining a focus on ensuring high quality, safe services for patients through robust systems of performance management, assurance, and risk management.

The review sought to build up a picture of the governance challenges facing the Health Board, and identify ways in which we might build on the progress already made to develop the governance arrangements.

While the review focused on Cwm Taf Health Board, the level of direct scrutiny of an NHS organisation in Wales afforded by the review has raised a number of points of learning which are relevant to NHS organisations across Wales and it is important that these findings are shared and acted

upon. Therefore those findings that have implications for other health boards, NHS Wales, the Welsh Government or Welsh public services more generally were highlighted in the recommendations.

Throughout the review process, the Health Board undertook its own programme of continuous improvement initiated following my appointment as Chief Executive in early 2011. The main body of this report sets out the evidence as presented to the Review Team, and an Addendum by the Health Board provides a commentary on the progress of its ongoing development work. Taken together they enable the Health Board to progress the governance agenda and provide other Health Boards with suitable bench marks to assess fitness for purpose. Progress has been made already in ensuring that all Independent Members are better informed through regular briefings, a realignment of the Board Development Programmes and enhanced Personal Development Plans. Further work will be necessary to ensure robust scrutiny and governance as regional plans that cross LHB boundaries emerge.

Overall, those who engaged with the review saw it as a positive tool to drive change alongside the Board's renewed commitment to improving its governance arrangements. The Board has requested that the Review Team revisit the organisation in a year's time to evaluate progress. An action plan has been developed and it will be monitored by the Integrated Governance Committee during 2012-13.

5. STANDARDS FOR HEALTH SERVICES

Doing Well, Doing Better: Standards for Health Services in Wales ('the standards') came into force on 1 April 2010 and there are 26 standards in total covering all aspects of governance, service delivery, quality and safety which help services to focus on continuous improvement and ensure that they are "doing the right thing, at the right time, for the right patient, in the right place, with the right staff who have the right skills".

Alongside embedding the standards into the operations of the organisation, the Health Board must complete an annual self assessment known as the Governance and Accountability module.

The Integrated Governance Committee completed a self assessment against the Governance and Accountability Module at meetings held on 14 February and 10 April 2012. The approach adopted was in line with the templates and guidance issued by the Welsh Government and Healthcare Inspectorate Wales and the outcome of the organisational wide assessment is summarised below: -

	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 areas 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				4	
Enabling delivery			3		
Delivering results achieving excellence				4	
OVERALL MATURITY LEVEL				4	

This indicates an increased level of maturity since 2010 & 2011 against the theme of delivering results and achieving excellence and a change in the overall maturity rating from 3 to 4. We have mapped delivery of the priorities in each area to the Board level Committees so that progress can be monitored throughout the next year with regular progress reports provided to each meeting of the Integrated Governance Committee.

In April 2012, the Internal Auditors published a report following consideration of the systems and controls over the above self assessment process and the process for embedding the standards. It concluded that the Health Board had improved the scrutiny process around the G&A module and identified 18 findings - two were assessed as medium risk and nine as low risk with the remaining seven findings as advisory points. This led to an overall **medium risk** classification for the 2011/12 report with the key area for development being the need for the Health Board to determine a realistic and achievable approach to reviewing performance against standards 1-26.

6. WELSH RISK POOL ASSESSMENTS

2011/12				2010/11		
Standard /Clinical Area No	Title	Raw Score	WRP Weighting	Title	Raw Score	WRP Weighting
S5	Concerns/ Claims Management (new)	78*	*	Claims Management	70	50
CA1	Maternity	94	300	Maternity	94	300
CA2	Operating Services Department	97	100	Operating Services Department	95	100
CA3	Accident & Emergency	95	100	Accident & Emergency	98	100
	Total score for documentation	95	50	Total score for documentation	93	50
	Total score for Staff Interviews	80	50	Total score for Staff Interviews	75.5	50
	Total 'current' 'DRAFT' Overall Combined Score	87%		Total overall Combined Score	84%	

7. ANNUAL ASSURANCE STATEMENT

In accordance with NHS Internal Audit Standards, the Head of Internal Audit provided an annual opinion, based upon and limited to the work performed, on the overall adequacy and effectiveness of the organisation's risk management, control and governance processes (i.e. the organisation's system of internal control).

The overall opinion was that there is a generally sound system of internal control, designed to meet the organisation's objectives, and that controls are generally being applied consistently. However, some weaknesses in the design and inconsistent application of controls, puts the achievement of particular objectives at risk.

Using the terminology set out in the Department of Health Guidance to Heads of Internal Audit, this opinion would equate to "Significant Assurance" with the exception of the following areas:-

- Payroll
- European Working Time Directive

Payroll

The Internal Auditors concluded that the system was high risk based on the identification of four medium risk findings and fifteen low risk findings. The medium risk findings are summarised below:

- There continues to be an issue relating to departments not notifying payroll of staff terminations on a timely basis. Consequently, 107 overpayments overpayment of over £8k.
- Medical staff pay cards are currently approved by officers who are not in day to day contact with the medical staff, the pay cards are being authorised based on inadequate supporting information. The A sample of 20 medical staff pay cards also indicated that these were not dated when approved, it is not possible therefore to confirm that these are approved on a timely basis.
- Staff changes forms could not be provided and six of the forms reviewed did not contain the required signatures.
- Testing of a sample of 60 individuals removed from the payroll system identified that a termination form could not be provided for one out of the 60 terminations tested; and the termination date, the delay ranged from one to 26 days.

An action plan has been developed to address the areas of concern and progress will be monitored during 2012-13 by the Internal Auditors and the Audit Committee.

European Working Time Directive

The Internal Auditors concluded that: -

- Limited progress has been made in relation to monitoring actual hours worked. Currently, the base contracted hours of medical staff can be monitored, as can additional hours. However, the functionality is not in place to report on both together.
- There is no process in place to ensure that all consultant and Staff & Associate Specialist (SAS) work plans are EWTD compliant with respect to rest periods and rest breaks.
- Work to ensure that the rotas of radiographers are EWTD compliant is ongoing and is not yet complete.
- Staff details have been entered on to the e-Rostering system, however the information has not yet been checked for accuracy. Once this is completed the Health Board will ensure the rotas are EWTD compliant

An action plan has been developed to address the areas of concern and progress will be monitored during 2012-13 by the Internal Auditors and the Audit Committee.

8. ANNUAL AUDIT REPORT

In April 2012, the Wales Audit Office published its Annual Audit Report and issued an unqualified opinion on the 2010-11 financial statements of the Health Board. Although in doing several issues were brought to the attention of officers and the Audit Committee as set out below: -

- Arrangements for achieving efficiencies have been strengthened and the direction of travel is generally positive, but there remains a real risk that the Health Board will not meet its 2011-12 cost-saving targets and hence fail to stay within its allocated resource limit;
- During a period of fresh organisational change, the Health Board has made progress in addressing other areas for development identified in the 2010 Structured Assessment work, but some significant challenges remain;
- The Health Board is taking action to address areas of comparatively poor performance identified in the work on operating theatres and day surgery, with progress being scrutinised by the Finance and Performance Committee;
- While departments have identified ways in which they would maintain clinical services in the event of ICT failure, ICT business continuity and disaster recovery plans are not being adequately documented, tested or scrutinised;
- The Health Board has addressed some of the issues identified by the previous work on maternity services and unscheduled care but still faces some significant challenges in terms of planning for and ensuring safe, good quality and sustainable services.

Progress against the risks identified above will be monitored via the Board and its sub committees during 2012-13.

9. WAITING LIST MANAGEMENT

During the year work was undertaken by the Welsh Government Delivery Support Unit to determine the reason for the apparent large surge in the waiting lists during 2011 and a number of inconsistencies in the waiting list management processes and accountabilities. These raised questions about the governance arrangements in place at the time.

An action plan was developed in response to the Root Cause Analysis report and this discussed and agreed with the Director of Operations at the Welsh Government. By adopting this approach it has been possible to provide the necessary internal and external assurance that all issues had been identified and were acted upon.

The action plan included a further piece of audit work to be undertaken by the DSU to review the outcomes for the 1900 patients reviewed as part of the March 2011 validation process to provide assurance that these individuals have / are appropriately receiving treatment.

This further audit review has now been undertaken by the DSU and has indicated that there is evidence that waiting lists may have been deliberately manipulated. It has therefore been necessary to commence a further investigation under the Health Board's Disciplinary Policy and further externally led investigation.

10. OTHER RISK AREAS

During the course of the year, the Internal Auditors identified a number of other areas that were considered as high risk as follows: -

Discretionary Capital

Funding for discretionary capital projects sometimes becomes available at short notice during the year. Due to a lack of forward planning, time pressures in developing business justification cases ("BJC") for use of last minute funding can lead to BJCs failing to include all relevant costs.

Sickness Absence

In seven of 25 absences tested in 2011/12 we identified errors in the electronic sickness records on ESR (Electronic Staff Record, the Health Board's Payroll and HR System). This represents an improvement on the prior year, where errors identified in 50% of our sample. However, the error rate remains high. The accuracy of electronic records will be a key priority for the Sickness Management Team, who will monitor accuracy of the electronic records via their compliance audits and the monthly meetings with line managers.

GP CPD Endowment Fund

At the time of the audit the Health Board did not have a sound understanding of the account, its purpose, its legal status or the governance arrangements in place.

There was also no formal service level agreement in place between the Health Board and the Account. Consequently, it was unclear what the

Health Board's obligations were in providing administrative services for the account.

Since the audit was performed the Health Board has ceased to provide any services to this account,

Car Leasing

The Health Board has implemented a revised Car Leasing Policy. However, work is still required to incorporate the requirement for the approval of the lease schedules and base cars into the car leasing policy and to ensure such approval is evidenced.

Out of Hours ("OOH") Directorate

There are now formal budget monitoring processes in place, in the form of monthly 'Holding to Account' meetings. An exercise is currently being undertaken to separately identify the individual elements of the OOH spend, in order to provide more meaningful information to budget holders and allow enhanced budget monitoring. This exercise has not yet been completed.

Acute Directorate

Action has been taken to address the recruitment issues in the A&E Department, however, this continues to be an ongoing concern.

The lack of 24/7 staffing of the A&E Reception at RGH is being addressed as part of the Live Bed Management System Project. This will allow current Medical Records staff to work from the central office, and to provide reception cover when required, as all records will be computerised. This system has not yet been fully implemented.

Continuing Healthcare

The key area for development is a review of the CHC resourcing requirements. A number of findings in the report had arisen due to resourcing constraints within the CHC team. These findings included: -

- Inaccuracies in the CHC patient database
- Delays in processing and payment of invoices
- A backlog in out of area patient reviews

The other medium risk finding related to contract documentation for CHC patients and providers not always being kept on file. Other low risk findings included Improving the controls over case management of CHC patients given the intention to devolve this responsibility to the Health Board's directorates; improving the communication process with CSSIW;

documenting and ensuring a timely response to changes in patient circumstances; ensuring the accuracy of invoice rates; ensuring documentation is retained to evidence value for money considerations; and documented procedure notes for the CHC process.

An action plan has been developed to address the areas of concern in all of the above areas and progress will be monitored during 2012-13 by the Internal Auditors and the Audit Committee.

11. GOOD PRACTICE

During the year, Internal Audit identified a number of areas where few weaknesses were identified and the conclusion of the audits was that the areas were low risk. These include: -

- Core financial systems
- Risk Management
- Directorate reviews (excluding Payroll element)
- Civil Contingencies

12. OTHER STANDARDS AND REGULATORY REQUIREMENTS

In addition to the need to report against the delivery against Standards for Health Services, the Health Board is also required to report that arrangements are in place to manage and respond to the following governance issues:

Emergency Preparedness / Civil Contingencies and Carbon Reduction Delivery Plans

The organisation has undertaken environmental impact / risk assessments and an energy reduction plan together with a green travel plan which supports carbon reduction delivery has been developed. These will be reviewed 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 met.

NHS Pension Scheme

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 Scheme is managed on our behalf by Shared Services.

Health & Safety Executive

The Health Board worked with the Health and Safety Executive to put measures in place to ensure that the Improvement Notices issued in respect to the management of asbestos and the risk assessment relating to the contraction of skin conditions as a result of "wet work" were lifted.

Fire

The Health Board continues to work in partnership with the South Wales Fire and Rescue Services in managing the fire risks within its premises. In June 2011, a Fire Enforcement Notice was rescinded by the Fire Service following successful completion of remedial works to the centre core of Prince Charles Hospital. The Health Board currently has in place one remaining Enforcement Notice in relation to the Ground and First Floors in the Merthyr Block in Prince Charles Hospital. This notice is due to expire in December 2012 and the Health Board is at risk to achieve compliance as it will require substantial capital allocation from the Welsh Government. The Health Board has been party to ongoing discussions with the Welsh Government to formally approve the Business Case for this enforcement area.

Equality and Diversity

The Health Board's policy on equal opportunities and in relation to disabled employees is made equally accessible to staff and the public.

13. CONCLUSION

As the Accountable Officer I will ensure that through robust management and accountability frameworks, significant internal control problems do not occur in the future. However, if such situations do arise, swift and robust action will be taken, to manage the event and to ensure that learning is spread throughout the Health Board.

**MRS ALLISON WILLIAMS
CHIEF EXECUTIVE**



GIG
CYMRU
NHS
WALES

Pwyllgor Gwasanaethau Iechyd
Arbenigol Cymru (PGIAC)
Welsh Health Specialised
Services Committee (WHSSC)

**To : Mrs Allison Williams, Chief Executive,
Cwm Taf Local Health Board**

cc : Joint Committee Members

WELSH HEALTH SPECIALISED SERVICES COMMITTEE ANNUAL GOVERNANCE STATEMENT 2011/12

1. SCOPE OF RESPONSIBILITY

In accordance with the Welsh Health Specialised Services Committee (Wales) Directions 2009 (2009 No.35), the Local Health Boards (LHBs) established a Joint Committee, which commenced on 1st April 2010, for the purpose of jointly exercising its Delegated Functions and providing the Relevant Services.

This followed a consultation on specialised services for Wales in 2009, which recommended improvements in how the NHS plans and secures specialised services. In establishing WHSSC and the Joint Committee to work on their behalf, the seven Local Health Boards (LHBs) recognised that the most efficient and effective way of planning these services was to work together to reduce duplication and ensure consistency.

Our Aim is to ensure that there is :

equitable access to safe, effective and sustainable specialist services for the people of Wales, as close to patients' homes as possible, within available resources

The Welsh Health Specialised Services Committee (WHSSC) (Wales) Regulations 2009 (SI 2009 No 3097) make provision for the constitution of the "Joint Committee" including its procedures and administrative arrangements.

The Joint Committee is a statutory committee established under sections 12 (1)(b) and (3), 13(2)(c), (3)(c) and (4)(c) and 203(9) and (10) of the Act. The LHBs are required to jointly exercise the Relevant Services.

Cwm Taf LHB as identified host LHB. It provides administrative support for the running of WHSSC and has established the Welsh Health Specialised Services Team (WHSST) as per Direction 3(4), Regulation 3(1) (d) and the interpretation sections of both the Directions and the Regulations and the Joint Committee Standing Orders: Statutory Framework and Joint Committee Framework.

1.1 The Joint Committee

The Joint Committee has been established in accordance with the Directions and Regulations to enable the seven LHBs in NHS Wales to make collective decisions on the review, planning, procurement and performance monitoring of agreed specialised and tertiary services (Relevant Services) and in accordance with their defined Delegated Functions. The Joint Committee therefore comprises, and is established by, all the LHBs.

Whilst the Joint Committee acts on behalf of the seven LHBs in undertaking its functions, the responsibility of individual LHBs for their residents remains and they are therefore accountable to citizens and other stakeholders for the provision of specialised and tertiary services.

The Joint Committee is accountable for internal control. As Director of Specialised and Tertiary Services for the Joint Committee, I have the responsibility for maintaining a sound system of internal control that supports achievement of the Joint Committee’s policies, aims and objectives and to report the adequacy of these arrangements to the Chief Executive of Cwm Taf Local Health Board. Under the terms of the establishment arrangements, Cwm Taf Health Board are deemed to be held harmless and have no additional financial liabilities beyond their own population.

The Joint Committee is supported by the Committee Secretary, who acts as acts as the guardian of good governance within the Joint Committee.

The Joint Committee members in post during the financial year 2011/12 are:

Name	Role	Organisation
Professor Mike Harmer	Chair	Welsh Health Specialised Services
Dr Cerilan Rogers	Officer Member	Director of Specialised and Tertiary Services, Welsh Health Specialised Services

Name	Role	Organisation
Dr Geoffrey Carroll	Officer Member	Medical Director, Welsh Health Specialised Services
Mr Stuart Davies	Officer Member	Director of Finance, Welsh Health Specialised Services
Mr David Jenkins	Independent Member	
Dr Andrew Goodall	Member	Chief Executive, Aneurin Bevan LHB
Mr Andrew Cottom	Member	Chief Executive, Powys Teaching LHB
Mr Elwyn-Price Morris	Associate Member	Chief Executive, Welsh Ambulance NHS Trust
Mrs Mary Burrows	Member	Chief Executive, Betsi Cadwaladr UHB
Mr Geoff Lang	Member (from March 2012)	Acting Chief Executive, Betsi Cadwaladr UHB
Mrs Allison Williams	Member	Cwm Taf LHB
Mrs Jan Williams	Member (until March 2012)	Chief Executive, Cardiff and Vale UHB
Mr Paul Hollard	Member (from March 2012)	Interim Chief Executive, Cardiff and Vale UHB
Mr Bob Hudson	Associate Member	Chief Executive, Public Health Wales
Mr Trevor Purt	Member	Chief Executive, Hywel Dda LHB
Mr Simon Dean	Associate Member	Chief Executive, Velindre NHS Trust
Mrs Alex Howells	Member (until September 2011)	Interim Chief Executive, Abertawe Bro Morgannwg UHB
Mr Paul Roberts	Member (from September 2011)	Chief Executive, Abertawe Bro Morgannwg UHB
Mr John Hill-Tout	Independent Member	Chair of the Audit Committee
Professor Simon Smail	Associate Member	Chair of the Quality and Patient Safety Committee
Dr Lyndon Miles	Independent Member	
Professor John Williams	Associate Member	Chair of the Welsh Clinical Renal Network

In accordance with WHSSC Standing Order 3, the Joint Committee may and, where directed by the LHBs jointly or the Welsh Ministers must, appoint joint sub-Committees of the Joint Committee either to undertake specific functions on the Joint Committee's behalf or to provide advice and assurance to others (whether directly to the Joint Committee, or on behalf of the Joint Committee to each LHB Board and/or its other committees).

1.2 Sub Committees and Advisory Groups

The Joint Committee has established 4 sub-Committees and 4 advisory groups in the discharge of functions:

- Integrated Governance Committee
- Audit Committee
- Quality and Safety Committee
- Welsh Clinical Renal Network
- Wales Neonatal Network Steering Group
- All Wales Posture and Mobility Service Partnership Board
- All Wales Individual Patient Funding Panel
- Wales Secure Services Delivery Assurance Group

The **Integrated Governance Committee** provides assurance to the Joint Committee that effective governance and scrutiny arrangements are in place across WHSSC activities.

The **Audit Committee** advises and assure the Joint Committee on whether effective arrangements are in place – through the design and operation of the Joint Committee’s assurance framework – to support them in their decision taking and in discharging their accountabilities for securing the achievement of the Joint Committee’s Delegated Functions,

The **Quality and Patient Safety Committee** provides assurance to the Joint Committee in relation to the arrangements for safeguarding and improving the quality and safety of specialised healthcare services within the remit of the Joint Committee.

The **Welsh Renal Clinical Network** is a vehicle through which specialised renal services is planned and developed on an all Wales basis in an efficient, economical and integrated manner and will provide a single decision-making framework with clear remit, responsibility and accountability.

2. GOVERNANCE AND ACCOUNTABILITY FRAMEWORK

In November 2011 the Joint Committee approved the revised Governance and Accountability Framework.

In accordance with regulation 12 of the Welsh Health Specialised Services Committee (Wales) Regulations 2009 (‘the Regulations’), each Local Health Board (‘LHB’) in Wales must agree Standing Orders (SOs) for the regulation of the Welsh Health Specialised Services Committee’s (‘Joint Committee’) proceedings and business. These Joint Committee Standing Orders (Joint Committee SOs) form a schedule to each LHB’s own Standing Orders, and have effect as if incorporated within them. Together with the adoption of a scheme of decisions reserved to the Joint Committee; a scheme of delegations to officers and others; and Standing Financial Instructions (SFIs), they provide the regulatory framework for the business conduct of the Joint Committee.

These documents, together with a Memorandum of Agreement setting out the governance arrangements for the seven LHB and a hosting agreement between the Joint Committee and Cwm Taf LHB ("the Host LHB"), form the basis upon which the Joint Committee's governance and accountability framework is developed. Together with the adoption of a Values and Standards of Behaviour framework this is designed to ensure the achievement of the standards of good governance set for the NHS in Wales.

3. THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

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.

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 2012 and up to the date of approval of the annual report and accounts.

4. CAPACITY TO HANDLE RISK

I have responsibility for maintaining a sound system of internal control that supports the achievement of the organisation's policies, aim and objectives and need to be satisfied that appropriate policies and strategies are in place and that systems are functioning effectively. The Joint Committee's sub committees have assisted me in providing these assurances and I am supported by the Head of Internal Audit's annual work, report and opinion on the effectiveness of our system of internal control.

An Independent Member of the Joint Committee chairs the Audit Committee and three other Independent Members from NHS Wales Boards are Members of the Audit Committee. The Director of Finance, Committee Secretary and other members of WHSST (as required) attend the meetings. The links with sub committees have been established by setting up an Integrated Governance Committee which is chaired by the Chair of the Joint Committee and the Members include the Chairs of the sub committees. The minutes of the Joint Committee are circulated to all LHBs and Trusts for reporting to their Boards and the Joint Committee and Integrated Governance Committee receives a copy of all the minutes to ensure that an integrated and efficient approach to risk management is maintained in the organisation.

4.1 The risk and assurance framework

Under the hosting agreement with Cwm Taf LHB, WHSSC complies with their Risk Management Strategy and Risk Assurance Framework, Risk Management Policy and Risk Assessment Procedure. The objective of the Risk Management Strategy and Risk Assurance Framework is to define a strategic direction for risk management, which provides a clear path on which all future risk management initiatives are based. The aim of the Risk Management Policy is to:

- ensure that the culture of risk management is effectively promoted to staff ensuring that they understand that the 'risk taker is the risk manager' and that risks are owned and managed appropriately;
- utilise the agreed approach to risk when developing and reviewing the Resource and Operational Plan;
- embed both the principles and mechanisms of risk management into the organisation;
- involve staff at all levels in the process;
- revitalise its approach to risk management, including health and safety.

Risk Management is embedded in the activities of WHSSC through a number of processes. The Corporate Risk Register is informed by risks identified at a Programme Team, Corporate and Executive level. Each risk is allocated to an appropriate committee for assurance and monitoring purposes, i.e. Joint Committee, Audit Committee, Quality and Patient Safety Committee, Wales Clinical Renal Network and the Cwm Taf Corporate Risk Committee. The risk register is received by the sub-committees as a standing agenda item. Key risk issues are highlighted to the Joint Committee through the sub-committee chairs report. The Corporate Governance Manager is also a member of the Cwm Taf Corporate Risk Committee.

During 2011/12 an audit of the risk management systems and processes has taken place. The Head of Internal Audit has identified the risk management system of controls and procedures in place as low risk and therefore giving significant assurance.

4.2 Equality and Diversity

WHSSC follows the policies and procedures of the Cwm Taf Local Health Board, as the Host LHB. All staff have access to the Intranet where these are available. The Hosting Agreement includes provision for specific support around Equality and Diversity and the WHSSC has been working with the Equality Officer in the LHB and the NHS Wales Equality Unit to look at ways of integrating equality and diversity issues into our work. The Corporate Governance Manager is a member of the Equality Group within Cwm Taf and therefore any issues are integrated into this process.

4.3 Public and Patient Engagement

The Joint Committee is committed to effective involvement of stakeholders in the way that services are planned and secured. Each of the Programme Teams has mechanisms in place to engage with stakeholders, a representative of the Community Health Council is a Member of the Quality and Patient Safety Committee.

The Committee Secretary is the lead for Public and Patient Engagement. A Patient and Public Engagement Strategy has been developed and this is currently going through consultation and ratification processes.

4.4 Information Governance

The Committee Secretary is the Lead Officer in relation to Information Governance for the WHSSC and the Director of Specialised and Tertiary Services is the Caldicott Guardian. Both officers are members of the Cwm Taf Local Health Board Information Governance Group.

4.5 Counter Fraud

Counter Fraud support is incorporated within the hosting agreement with Cwm Taf Local Health Board. Under this agreement WHSSC has access to an appropriately accredited Local Counter Fraud Specialist who reports to the WHSSC Audit Committee.

At the end of each financial year NHS organisations are required to make a declaration of the anti fraud work they have completed. Using the information captured on the Qualitative Assessment declaration an assessment of counter fraud arrangements is made by NHS Protect.

From the information and supporting evidence provided, the Cwm Taf Local Counter Fraud Service received a final assessment as a rating 2, which indicates strong proactive work and that adequate investment is given to be effective in undertaking counter fraud activities.

Counter Fraud training sessions have been provided for WHSSC staff and an internal fraud risk assessment of commissioning activities was prepared and presented to the WHSSC Audit Committee.

Under the terms of the National Fraud Initiative WHSSC payment and payroll data has been submitted for cross matching against other UK public sector agencies. No relevant matches were reported for investigation.

5. REVIEW OF EFFECTIVENESS

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 WHSSC who have responsibility for the development and maintenance of the internal control framework, and comments made by external auditors in their audit letter and other reports.

The internal audit service in undertaking an independent review concluded in their annual report that:

“There is a generally sound system of internal control, designed to meet the organisation’s objectives, and that controls are generally being applied consistently. However, some weaknesses in the design and inconsistent application of controls, puts the achievement of particular objectives at risk.

Using the terminology set out in the Department of Health guidance to Heads of Internal Audit, this opinion would equate to “**Significant Assurance**”.

5.1 Standards for Health Services in Wales: Doing Well, Doing Better

The annual self assessment of performance against the 26 Standards for Health Services has assisted with the review of effectiveness.

The self-assessment of maturity against each standard is provided in Figure 1. For information regarding the maturity score see <http://www.nhswalesgovernance.com/display/Home.aspx?a=483&s=2&m=130&d=0&p=404>

Figure 1

Standard	2010/2011 Maturity Scores	2011/2012 Maturity Scores
1. Governance and Accountability	3	3
2 Equality, diversity and human rights	Not individually assessed – development year	3
3. Health Promotion, Protection and Improvement	Not individually assessed – development year	N/A
4. Civil Contingency and Emergency Planning Arrangements	Not individually assessed – development year	N/A
5. Citizen Engagement and Feedback	Not individually assessed – development year	3
6. Participating in Quality Improvement Activities	Not individually assessed – development year	3

Standard	2010/2011 Maturity Scores	2011/2012 Maturity Scores
7. Safe and Clinically Effective Care	Not individually assessed – development year	3
8. Care Planning and Provision	Not individually assessed – development year	3
9. Patient Information and Consent	Not individually assessed – development year	3
10. Dignity and respect	Not individually assessed – development year	See Cwm Taf LHB Assessment (WHSSC draft score 2)
11. Safeguarding Children and Safeguarding Vulnerable Adults	Not individually assessed – development year	See Cwm Taf LHB Assessment (WHSSC draft score 3)
12. Environment	Not individually assessed – development year	3
13. Infection Prevention and Control (IPC) and Decontamination	Not individually assessed – development year	N/A
14. Nutrition	Not individually assessed – development year	N/A
15. Medicines Management	Not individually assessed – development year	N/A
16. Medical Devices, Equipment and Diagnostic Systems	Not individually assessed – development year	N/A
17. Blood Management	Not individually assessed – development year	N/A
18. Communicating Effectively	Not individually assessed – development year	3
19. Information Management and Communications Technology	Not individually assessed – development year	3
20. Records Management	Not individually assessed – development year	See Cwm Taf LHB Assessment (WHSSC draft score 3)
21. Research, Development and Innovation	Not individually assessed – development year	N/A
22. Managing Risk and Health and Safety	Not individually assessed – development year	3
23. Dealing with concerns and managing incidents	Not individually assessed – development year	3
24. Workforce Planning	Not individually assessed – development year	See Cwm Taf LHB Assessment (WHSSC draft score 3)
25. Workforce Recruitment and Employment Practices	Not individually assessed – development year	See Cwm Taf LHB Assessment (WHSSC draft score 3)
26. Workforce Training and Organisational Development	Not individually assessed – development year	See Cwm Taf LHB Assessment (WHSSC draft score 2)

The assessment of the Governance and Accountability Module (see figure 2 for overview) has been independently scrutinised by the Integrated Governance Committee. The full self assessment was also available to the members of the Integrated Governance Committee. Whilst the maturity scores appear to suggest that there have been no improvements since last year, the members of the Integrated Governance Committee concurred that improvements have been achieved in many areas. However, this cannot be evidenced yet as being fully sustainable and embedded across the whole organisation.

Figure 2

Welsh Health Specialised Services Committee					
Governance and Accountability Module	do not yet have a clear, agreed understanding of where they are (or how they are doing) and what / where they need to improve.	are aware of the improvements that need to be made and have prioritised them, but are not yet able to demonstrate meaningful action.	are developing plans and processes and can demonstrate progress with some of their key areas for improvement.	have well developed plans and processes and can demonstrate sustainable improvement throughout the organisation / business.	can demonstrate sustained good practice and innovation that is shared throughout the organisation / business, and which others can learn from.
Setting the Direction			x		
Enabling Delivery			x		
Delivering results achieving excellence			x		
Overall Maturity Level			x		

The internal audit service in undertaking an independent review concluded that:

“In 2011/12, the WHSSC has improved the scrutiny process around the G&A module. The self assessment was considered initially at the March 2012 Integrated Governance Committee meeting, where required updates were identified. The revised document will be approved by the Joint Committee prior to June 2012.

At the time of our fieldwork, WHSSC were in the process of finalising their assessment of performance against standards 2-26. This represents an improvement on the prior year, where this performance was not assessed. For future years, WHSSC are developing a process to involve staff throughout the organisation in the assessment of performance to help embed the standards into the organisation.

Monitoring of performance against the identified improvement priorities will be undertaken through the existing structures for monitoring progress against the corporate and operational work plans. Whilst this process was not fully operational during 2011/12, the design of the process is considered to be good practice. "

6. SIGNIFICANT GOVERNANCE ISSUES

I wish to highlight following matters that are considered significant and have presented challenges in 2011/12.

Counter Fraud

WHSSC continues to work with Cwm Taf Local Health Board to ensure that robust governance and Counter Fraud arrangements are in place for all hosted services in order to provide adequate assurance that all appropriate and necessary controls are in place and are working effectively.

In particular pressure on Local Counter Fraud services has been felt most keenly during 2011-2012, reducing the time available for WHSSC specific prevention and fraud proofing activities.

WHSSC has attempted to mitigate this risk by requesting further assistance from NHS Protect in preparing a Counter Fraud risk assessment and ongoing Counter Fraud plan.

While NHS Protect has been unable to provide direct assistance to the Cwm Taf Local Counter Fraud service, further advice and guidance regarding ongoing Counter Fraud planning was provided.

While advice was being sought from NHS Protect, WHSSC undertook its own internal Counter Fraud risk assessment of commissioning activities and the results of this assessment were provided to the WHSSC Audit Committee.

Audit Committee Structure

The Audit Committee has had concerns over the last 18 months regarding the existing structural arrangements which have been in place since the introduction of WHSSC in 2010. A number of areas have been highlighted for improvement and these are part of the ongoing discussions that have taken place at Audit Committee and following a workshop held in February 2012. A report to the Chair of the Joint Committee has been submitted which proposes a change in the model from 2012/13.

The Terms of Reference of the Audit Committee are based on the NHS Wales Model Terms of Reference and designed for statutory organisations.

The learning from the first two years of operation has made it clear that the Audit Committee is unable to fully undertake this role and therefore some changes will need to be made.

The fact that there is an intention to review the Terms of Reference of WHSSC in this coming September, when the organisation will have been in existence for two years, makes this an appropriate time for the Committee to bring forward these recommendations for a change in the model.

I will ensure that, through robust management and accountability frameworks, significant internal control problems do not occur in the future. However, if such situations do arise, swift and robust action will be taken, to manage the event and to ensure that learning is spread throughout the WHSSC.

Signed Cerilan Rogers

Date 6 June 2012

Director of Specialised and Tertiary Services

Governance Statement - Disclosures

To enable the Welsh Government to prepare a consolidated Governance Statement all organisations should as a minimum include the disclosures for the following mandatory items:

1. The organisation uses the Doing Well, Doing Better: Standards for Health Services in Wales as its framework for gaining assurance on its ability to fulfil its aims and objectives for the delivery of safe, high quality health services. This involves self assessment of performance against the standards across all activities and at all levels throughout the organisation,

As part of this process, WHSSC has completed the Governance & Accountability assessment module and has;

- o openly assessed its performance using the maturity matrix
- o plans in place to achieve the improvement actions identified within clearly defined timescales proportionate to the risk

This process has been subject to independent internal assurance by the organisation's Head of Internal Audit.

	Welsh Health Specialised Services Committee				
Governance and Accountability Module	do not yet have a clear, agreed understanding of where they are (or how they are doing) and what / where they need to improve.	are aware of the improvements that need to be made and have prioritised them, but are not yet able to demonstrate meaningful action.	are developing plans and processes and can demonstrate progress with some of their key areas for improvement.	have well developed plans and processes and can demonstrate sustainable improvement throughout the organisation / business.	can demonstrate sustained good practice and innovation that is shared throughout the organisation/ business, and which others can learn from.
Setting the Direction			x		
Enabling Delivery			x		
Delivering results achieving excellence			x		
Overall Maturity Level			x		

2. Control measures are in place to ensure that all the organisation's obligations under equality, diversity and human rights legislation are complied with.
3. As an employer with staff entitled to membership of the NHS Pension Scheme, control measures are in place, through the hosting agreement with Cwm Taf LHB, 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.
4. Cwm Taf LHB as host to WHSSC 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.