



GIG
CYMRU
NHS
WALES

Bwrdd Iechyd Prifysgol
Cwm Taf Morgannwg
University Health Board

Accountability Report 2019-2020



SCOPE OF THE ACCOUNTABILITY REPORT

In line with Welsh Government and Her Majesty's Treasury Guidance, the Cwm Taf Morgannwg University Health Board (CTMUHB) has produced an Accountability Report for the financial reporting period 2019-2020.

The purpose of the Accountability Report, which sits within the suite of Annual Report documents, is to report to the National Assembly for Wales in respect of the key accountability requirements.

The Accountability Report will be signed and dated by CTMUHB's Accountable Officer (Chief Executive (Interim)) and is made up of the following sections:

- **Corporate Governance Report**
- **Financial Accountability Report**
- **Remuneration & Staff Report**
- **National Assembly For Wales Accountability & Audit Report**

The Accountability Report forms part of the suite of Annual Report documents that will be presented at the Annual General Meeting (AGM) in September 2020.

The Annual Quality Statement (AQS) is made available separately from the Annual Report and Accounts, however it will be published alongside the Annual Report on the Health Board's website.

CORPORATE GOVERNANCE REPORT

The purpose of the Corporate Governance Report is to explain the composition of the organisation and its governance structures and how these support the achievement of CTMUHB's objectives. The Corporate Governance Report includes the following sections:

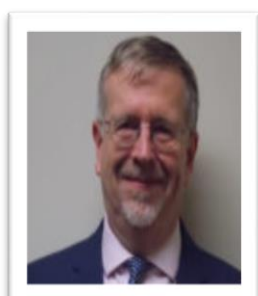
- **Directors' Report**
- **Statement Of Accountable Officers Responsibilities**
- **Statement Of Directors Responsibilities in respect of the Accounts**
- **Annual Governance Statement.**

DIRECTOR'S REPORT

As a result of changes made to responsibilities for the provision of healthcare for the Bridgend area (details of which are set out on page 35 from 1 April 2020 the former Cwm Taf University Health Board became known as Cwm Taf Morgannwg University Health Board (CTMUHB) in light of it becoming responsible for these additional services. The following Directors' report brings together information about this new organisation in terms of its Independent Members and Executive Directors, the composition of the Board and other elements of its governance and risk management structure. It also includes the disclosures and reporting required by the CTMUHB relating to the day to day execution of the Health Board's business.

The Board is made up of Independent Members who are appointed by the Minister for Health & Social Services and Executive Directors who are employees. Details are set out below.

INDEPENDENT MEMBERS (BOARD MEMBERS) AS AT 31 MARCH 2020



Health Board Chair

Marcus Longley was appointed Chair in October 2017. Professor Longley is supported by 10 other Independent Members who are set out below.



Health Board Vice-Chair

Maria Thomas was appointed Vice Chair in January 2018 having been an Independent Member since 2012.

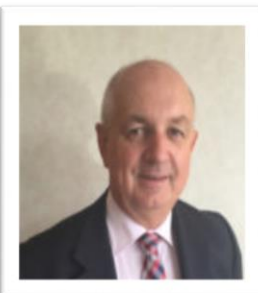
Chair - Quality & Safety Committee

Chair - Primary, Community, Population Health & Partnerships Committee

Chair - Mental Health Act Monitoring Committee.

Member - Audit & Risk Committee

Member - Remuneration & Terms of Service Committee



Paul Griffiths was appointed an Independent Member of the Health Board in October 2017.

Chair - Audit & Risk Committee

Member - Finance, Performance and Workforce Committee

Member - Digital & Data Committee

Member - Charitable Funds Committee

Member - Remuneration & Terms of Service Committee.



Mel Jehu was appointed an Independent Member of the Health Board in April 2016.

Chair - Finance, Performance and Workforce Committee
Member - Digital & Data Committee
Member - Mental Health Monitoring Act Committee,
Member - Charitable Funds Committee,
Member - Remuneration & Terms of Service Committee.



Jayne Sadgrove was appointed an Independent Member of the Health Board in April 2016.

Member - Quality & Safety Committee,
Member - Audit & Risk Committee,
Member - Digital & Data Committee
Member - Remuneration & Terms of Service Committee.



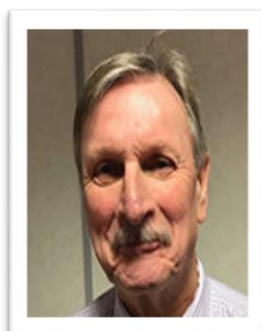
James Hehir was appointed an Independent Member of the Health Board in October 2017.

Member - Quality & Safety Committee,
Member - Digital & Data Committee
Member - Mental Health Monitoring Act Committee
Member - Charitable Funds Committee
Member - Remuneration & Terms of Service Committee.



Dilys Jouvenat was appointed an Independent Member of the Health Board in August 2018.

Member - Quality & Safety Committee
Member - Finance Performance & Workforce Committee,
Member - Audit & Risk Committee
Member - Remuneration & Terms of Service Committee.



Phillip White was appointed in November 2019 having previously been an Associate Board Member for this organisation.

Member - Finance, Performance & Workforce Committee
Member - Primary, Community, Population Health & Partnerships Committee
Member - Mental Health Act Monitoring Committee,
Member - Remuneration & Terms of Service Committee.



Nicola Milligan was appointed an Independent Member of the Health Board in August 2018.

Member - Quality & Safety Committee
Member - Primary, Community, Population Health & Partnerships Committee.
Member - Charitable Funds Committee
Member - Remuneration & Terms of Service Committee.



Kieron Montague was appointed an Independent Member of the Health Board in October 2017 having previously been an Associate Board Member in 2017 and an Independent Member between April 2016 and April 2017.

Chair – Charitable Funds Committee
Member – Quality & Safety Committee.
Member – Primary, Community, Population Health & Partnerships Committee
Member – Remuneration & Terms of Service Committee.



Ian Wells was appointed an Independent Member of the Health Board in May 2019.

Chair – Digital & Data Committee
Member - Finance, Performance & Workforce Committee
Member – Audit & Risk Committee
Member - Remuneration & Terms of Service Committee.

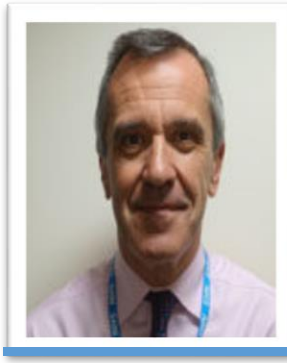
EXECUTIVE DIRECTORS (BOARD MEMBERS) AS AT 31 MARCH 2020



Sharon Hopkins,
Interim Chief
Executive (Interim)
(From June 2019)



Ruth Treharne,
Director of Planning
& Performance (to
March 2020)



Nick Lyons,
Medical Director
(From October 2019)



Steve Webster,
Director of Finance



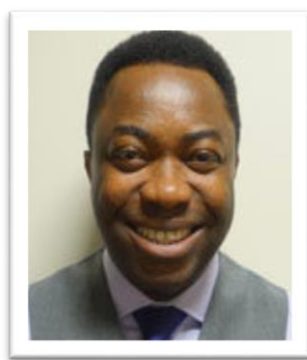
Greg Dix,
Director of Nursing,
Midwifery & Patient
Care



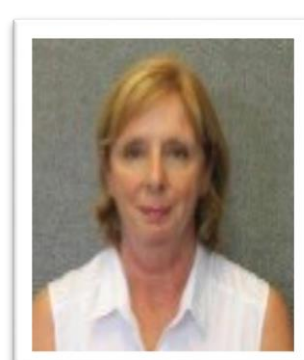
Alan Lawrie,
Director, Primary,
Community & Mental
Health
(Director, Clinical Service
Operations from April 2020)



Hywel Daniel,
Director, Workforce
& Organisational
Development
(Interim)
(From March 2020)



Kelechi Nnoaham,
Director of Public
Health



Liz Wilkinson,
Director of Therapies
& Health Science
(From Nov 2019)

ASSOCIATE BOARD MEMBERS



Giovanni Isingrini
Associate Board
Member
Group Director,
Children &
Community Services,
Rhondda Cynon Taf
County Borough
Council



Sharon Richards
Associate Board
Member (From February
2020)
Health & Wellbeing
Manager, Voluntary
Action Merthyr Tydfil
Chair of CTMUHB
Stakeholder
Reference Group



Suzanne Scott-
Thomas
Associate Board
Member (From July 2019)
Clinical Director /
Head of Medicines
Management CTMUHB
Chair of CTMUHB
Healthcare
Professionals Forum

OTHER BOARD DIRECTORS



Georgina Galletly,
Interim Director of
Corporate
Governance/Board
Secretary (From July
2019).



John Palmer,
Chief Operating
Officer

The above appointments represent the position as at 31 March 2020. Between May 2019 – March 2020, Anne Phillimore was the Interim Director of Workforce & OD, Joanna Davies having been in post prior to that. Robert Williams was in post as Director of Corporate Services /Board Secretary prior to Georgina Galletly taking up post in an interim capacity.

PUBLIC APPOINTMENTS

On the 25th March 2020, the Minister for Health and Social Services confirmed the reappointment of Mel Jehu and Jayne Sadgrove as Independent Members to CTMUHB from 1 April 2020 to the 31 March 2024.

PUBLIC INTEREST DECLARATION

Each CTMUHB Board Member has stated in writing that they have taken all the steps that they ought to have taken as a Director in order to make auditors aware of any relevant audit information. All Board Members and Senior Managers and their close family members (including Directors of all Hosted Organisations) have declared any pecuniary interests and positions of authority which may result in a conflict with their responsibilities. **No material interests have been declared** during 2019-20, a full register of interests for 2019-20 is available upon request from the Director of Corporate Governance.

DISCLOSURE STATEMENTS

We wish to make the following disclosure statements for 2019-2020:-

- Whilst there is no requirement to comply with all elements of the Corporate Governance Code for Central Government Departments, the Health Board considers that it is **complying with the main principles** of the Code where applicable, and follows the spirit of the Code to good effect and is **conducting its business openly** and in line with the Code. This has been informed by the Deloitte review undertaken during the period.

There have been **no reported/identified departures** from the Corporate Governance Code during the year. A detailed assessment will be undertaken against the code, however, this has been **delayed due to the impact of the COVID-19 response**. A full assessment against the Code utilising the framework developed by the Deputy Board Secretary Peer Group will be undertaken by December 2020.

- Welsh Government have an ambition for the public sector to be carbon neutral by 2030. This ambition sits alongside the Environment (Wales) Act 2016 and Wellbeing of Future Generations (Wales) Act 2015 as legislative drivers for decarbonisation of the Public Sector in Wales. We have 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.

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

STATEMENT OF THE CHIEF EXECUTIVE (INTERIM)'S RESPONSIBILITIES AS ACCOUNTABLE OFFICER

The Welsh ministers have directed that the Chief Executive should be the accountable officer to the health board.

The relevant responsibilities of accountable officers, including their responsibility for the propriety and regularity of the public finances for which they are answerable, and for the keeping of proper records, are set out in the accountable officer's memorandum issues by Welsh Government.

The accountable officer is required to confirm that, as far as she is aware, there is no relevant audit information of which the entity's auditors are unaware, and the accountable officer has taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the entity's auditors are aware of that information.

The accountable officer is required to confirm that that the annual report and accounts as a whole is fair, balanced and understandable and that they take personal responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced and understandable.

To the best of my knowledge and belief, I have properly discharged the responsibilities set out in my letter of appointment as an accountable officer.

.....
Sharon Hopkins
Chief Executive (Interim)

Dated: 29 June 2020

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

The directors are required under the National Health Service Act (Wales) 2006 to prepare accounts for each financial year. The Welsh ministers, with the approval of the Treasury, direct that these accounts give a true and fair view of the state of affairs of the health board and of the income and expenditure of the health board for that period.

In preparing those accounts, the directors are required to:

- apply on a consistent basis accounting principles laid down by the Welsh ministers with the approval of the Treasury.
- make judgements and estimates which are responsible and prudent.
- state whether accounting standards have been followed, subject to any material departures disclosed and explained in the account.

The directors confirm that they have complied with the above requirements in preparing the accounts.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the authority and to enable them to ensure that the accounts comply with the requirements outlined in the above mentioned direction by Welsh ministers.

By order of the Board, signed:

.....
Marcus Longley
Chair

Dated: 29 June 2020

.....
Sharon Hopkins
Chief Executive (Interim)

Dated: 29 June 2020

.....
Steve Webster
Director of Finance

Dated: 29 June 2020

ANNUAL GOVERNANCE STATEMENT

The Chief Executive as accountable officer is personally responsible for the **Annual Governance Statement**, which outlines how they discharge their responsibility to manage and control the organisation's resources during the course of the year.

It is important to note at the outset of the Governance Statement the current escalation status of the organisation which is outlined below and in more detail on page 24.

CTMUHB's predecessor organisation (Cwm Taf University Health Board) was escalated to '**enhanced monitoring**' by the Minister for Health & Social Services in January 2019 after concerns in relation to an Ionising Radiation inspection, a review of mortuary services and serious untoward incidents within its maternity services. Then in April 2019, following the publication of a joint review commissioned by the Minister from the [Royal College of Obstetricians and Gynaecologists and the Royal College of Midwives](#), maternity services were further escalated into '**special measures**' (**SM**) with the remainder of the organisation being placed in and '**targeted intervention**' (**TI**) for quality and governance issues. There is more detail around this on pages 24-27.

In the **review of effectiveness** (page 45 onwards) it notes how the Health Board has ensured that has been a notable shift to embed quality at the centre of all **decision-making and service improvement initiatives**. It has welcomed support offered to it by its inspectors, including Health Inspectorate Wales (HIW), Wales Audit Office, Delivery Unit, Independent Maternity Services Oversight Panel (IMSOP) and our Community Health Council (CHC) to inform the development and improvement work across the Health Board. It is hoped that the information provided in this report is evident of the steps that have been taken by the Health Board over the last 12 months.

SCOPE OF RESPONSIBILITY

The Board is **accountable for Governance, Risk Management and Internal Control**. The Chief Executive (Interim) has responsibility for **maintaining appropriate governance structures and procedures** as well as a **sound system of internal control** that supports the achievement of the organisation's policies, aims and objectives, whilst safeguarding the public funds and the organisation's assets for which they are responsible. These are carried out in accordance with the responsibilities assigned by the Accountable Officer of NHS Wales.

The Board has responsibility for ensuring **delivery of its three-year Integrated Medium Term Plan (IMTP)** in accordance with the Welsh Government NHS Planning Framework, and the related organisational objectives aligned with the four themes of the Quadruple Aim outlined in 'Healthier Wales – Our Plan for the Future'.

CTMUHB has updated our **organisational objectives** during the latter part of 2019/2020 as part of the refresh of our IMTP. These are as follows:

- Person-centred Outcomes
- Prudent Services
- A Learning & Growth Culture
- Resource Sustainability.

At the time of writing this report the strategic objectives have been further revised and have been developed in such a way that they can also be considered the Health Board's well-being objectives. Further detail is captured in the Annual Performance Report.

CTMUHB has integrated our **well-being statement and delivery of well-being objectives** into our IMTP to ensure that the Wellbeing & Future Generations Act is at the core of decisions the Board makes about the delivery of its services. Most importantly, the main focus is to effect long-term change which **improves the health, well-being and resilience** of the communities we serve.

The first of many milestones within the IMTP 2020 – 23 is to establish our Operating Model such that it becomes **truly clinically-led** and **community focused**. On the 1 April 2020, CTMUHB began delivering services through three Integrated Locality Groups: Bridgend; Rhondda and Taf Ely; and Merthyr and Cynon. These new structures bring decision-making closer to those who use our services, empowering staff and providing an easier opportunity for **community leadership** and involvement in developing and delivering quality services, with a focus on **population health**. An aligned Quality and Patient Safety Governance Framework will ensure that the Health Board is better

positioned to identify, respond and learn from quality concerns in a timely way – putting the **patient at the centre** of all that we do.

Impact of COVID-19

At the time of signing this Annual Governance Statement (29 June 2020), the Health Board and the NHS in Wales is facing **unprecedented and increasing pressure** in planning and providing services to meet the needs of those who are affected by **COVID-19**.

From the middle of March 2020, the required response has meant the whole organisation has had to work very differently both internally and with our staff, partners and stakeholders and it has been necessary to **revise the way the governance and operational framework is discharged**. In recognition of this, Dr Andrew Goodall, Director General Health and Social Services/NHS Wales Chief Executive wrote to all NHS Chief Executives in Wales on 30 March 2020, with regard to “Covid-19 Decision Making and Financial Guidance”.

The letter recognised that organisations would be likely to make potentially **difficult decisions at pace** and without a firm evidence base or the support of key individuals which under normal operating circumstances would be available.

To support the Health Board in this unprecedented time, a COVID-19 Decision-Making Framework was developed to support the pace required whilst also **maintaining good governance practice**. The fundamental basis of the decision making framework is to ensure a quality impact assessment that considers Quality, Safety, and Patient Experience Implications, is undertaken prior to any decision (non-financial and financial) being made by the Health Board.

The organisation will be required to evidence that decision-making has been **quality focussed, efficient** and will stand the **test of scrutiny** with respect to compliance with managing Welsh public money and value for money after the COVID-19 crisis has abated and the organisation returns to more normal operating conditions during 2020-2021. With a view to demonstrating this, CTMUHB is recording how the effects of COVID-19 have **impacted on any changes to normal decision-making processes**, and **logging all issues, risks and decisions** through the COVID-19 pandemic incident management structure (Gold/Silver/Bronze) and other actions explained within this Governance Statement.

HOSTED BODIES

CTMUHB acts as host to the NHS National Imaging Academy which is training Wales’s next generation of radiologists, radiographers, sonographers and

imaging professionals as well as the following two all-Wales Joint Statutory Committees:

- **Welsh Health Specialised Services Committee (WHSSC)**, is a statutory joint committee of the seven Local Health Boards and is responsible for the joint planning and commissioning of specialised and tertiary health care services across Wales.
- **Emergency Ambulance Services Committee (EASC)**, is a statutory joint committee of the seven local health boards, with three Welsh NHS Trusts as Associate Members. EASC is responsible for the joint planning and commissioning of emergency ambulance services across Wales, including Emergency Medical Retrieval & Transfer Service (otherwise known as the air ambulance) and the commissioning non-emergency patient transport.

Hosted Organisations provide an Annual Governance Statement to support the Chief Executive in signing the CTMUHB Annual Governance Statement.

These are available upon request from the Director of Corporate Governance/Board Secretary (Interim).

BOARD COMPOSITION

The Board has been constituted to comply with the Local Health Boards (LHBs) Constitution, Membership and Procedures (Wales) Regulations 2009. In addition to responsibilities and accountabilities set out in the terms and conditions of appointment, Board members also fulfil a number of **champion roles** where they act as **ambassadors** for these matters.

The Board is made up of a Chair, Vice Chair, nine other Independent Members, Associate Board Members, the Chief Executive (Interim), nine Executive Directors and two other Directors. Independent and Associate Board Members are appointed for fixed-term periods by the Minister for Health & Social Services, Welsh Government.

The Board is **accountable for Governance, Risk Management and Internal Control** and focuses on strategy, performance and behaviour. Board Members have responsibility for the **strategic direction** and to provide **leadership** and **direction** to the organisation, ensuring sound governance arrangements are in place. The Board is also responsible for **encouraging an open culture** with a view to ensuring high standards. Board members share corporate responsibility for all decisions and play a key role in **monitoring the performance** of the organisation and for making sure that the organisation is responsive to the needs of its communities.

Independent Members will often have a designated area of interest or focus and may also be allocated to 'champion' a particular issue. Independent Members are supported by an annual development appraisal discussion with the Chair.

As accountable officer, the Chief Executive (Interim) has **responsibility for maintaining** a sound system of **internal control** that supports the achievement of the organisation's policies, aims and objectives, whilst **safeguarding public funds** and assets for which they are personally responsible in accordance with the responsibilities assigned by the Accounting Officer of NHS Wales. The Chief Executive (Interim) is accountable to the Board for ensuring that the organisation's **health and wellbeing care services are effective** and that the work of the Board is **managed in an efficient manner**. They are the principle advisor on the discharge of Board functions and provide **operational leadership**, and ensuring the Board's aims and objectives are met along with its functions and targets.

The Executive Team assist the Chief Executive (Interim) in discharging their accountabilities and meet weekly for **formative discussion** and **support and decision-making**. The Executive meets more formally with the wider leadership management group via the monthly Management Board meetings which is an executive discussion, development, performance management and decision-making forum. It has strong links to all relevant governance forums inside and outside the organisation.

The **Chair's Performance** is assessed by the Minister for Health & Social Services whilst the **Chief Executive (Interim)'s performance** is assessed by the Chair with input from the Director General Health & Social Services/Chief Executive NHS Wales, Welsh Government.

Monitoring quality and performance information occurs at all levels of the organisation to provide 'Community/Ward to Board' reporting. Performance, risk and incident reports are received at each Management Board providing oversight that the organisation is meeting both internal and external targets for quality and performance.

CTMUHB continues to **work closely with local authority partners**, and the **third sector** which has strengthened further during the collaborative response to COVID-19 in early 2020-2021. We have 'University Health Board' status which continues to help the ongoing drive to provide high quality, responsive care and services for the communities in strengthened collaboration with our academic partners.

BOARD & COMMITTEE MEETINGS

In the spirit of openness and transparency the Board **met in public on nine occasions** in 2019/20 which included extraordinary meetings. Board meeting papers are available [here](#).

Private (in-committee) Board meetings are only convened by exception. Such circumstances relate to those issues that can be justified under the Health Board's Freedom of Information Publication Scheme following advice from the Director of Corporate Governance. A change was made in-year to ensure that when **Board meetings are held in private** these **take place after the meeting held in public**. The minutes of the private meeting are reported to the subsequent public meeting, rather than kept for approval on the subsequent private meeting.

All the meetings of the Board during 2019/2020 were **appropriately constituted and quorate**.

Although quorate, in responding to the impact and risk associated with the COVID-19 pandemic all Board meetings between March 2020 and the May 2020 were closed to the public thereby ensuring compliance with social distancing guidance and non-essential travel. With a view to ensuring **transparency of proceedings**, other ways of communicating what happened at our meetings have been used such 'Board News' publications via our media channels which are available within hours of the meeting followed by a prompt turnaround of meeting minutes.

During 2019/2020 we have made various changes to strengthen our governance arrangements which began following a review undertaken by the **Interim Director of Corporate Governance/Board Secretary in the second half of 2019** culminating in a report to the Board in January 2020 which is available [here](#). These included changing the remit of some of the Committees, changes to membership and the establishment of new Committees. Further details are set out on later in this section.

Board Committees have a key role in undertaking **scrutiny and assurance** in relation to the delivery of the Board's strategic priorities, compliance with legislation, providing safe and effective services, learning lessons, sharing good practice and delivering other key targets identified within this IMTP.

These Committees are:

- **Audit & Risk** - the remit for 'risk' was transferred from the Quality & Safety Committee to the Audit Committee in November 2019) – the frequency of this meeting is quarterly.
- **Quality & Safety** – this committee was meeting quarterly at the beginning of 2019 which changed to monthly in August 2019 until

February 2020 (with the exception of November 2019 & January 2020) after which it became bi-monthly)

- **Finance, Performance & Workforce** – changes which took effect in May 2020 were made to this committee when it became known as the Planning, Performance & Finance Committee (PPF) which will meet bi-monthly. In January 2020, the Board approved the establishment of a People & Organisational Development Committee resulting in workforce matters previously considered at the Finance, Performance & Workforce Committee now to be considered via this new separate committee. The first meeting will be held in 2020-2021 and these will be quarterly.
- **Mental Health Act Monitoring** – the frequency of this meeting is quarterly.
- **Charitable Funds** – the frequency of the meetings was due to increase from November 2019, however this has been impacted by the response to COVID-19.
- **Digital & Data** – this committee held its inaugural meeting in February 2020 and is due to meet quarterly, however the frequency has been impacted by the response to COVID-19.
- **Primary & Community Services** – this meeting changed in November 2019 to become known as Primary, Community, Population Health & Partnerships Committee. The frequency of the meeting is quarterly however this has been impacted by the response to COVID-19.
- **Remuneration & Terms of Service** – this Committee meets at least once per year or as often as required.

Details of the remit, authority and responsibility delegated to each of these Committees through their terms of reference as part of our Standing Orders.

[Standing Orders](#) are agreed by NHS organisations in Wales for the regulation of proceedings and business and are designed to translate the statutory requirements into **day-to-day operating practice**, and, together with the adoption of a scheme of matters reserved to the Board, a scheme of delegation and Standing Financial Instructions provide the **regulatory framework** for **business conduct**. These together with the range of corporate policies make-up the organisation's Governance Framework. Our existing Standing Orders were approved by the Board in November 2019.

Board Committees are **chaired by Independent Members** and meet regularly with cross-representation between Board Committees to support the connection of the business of committees and also to seek to integrate assurance reporting. Details of membership and levels of attendance at both the Board and these Committees is set out at Appendix 1 & 2 (on pages 61 & 65 respectfully).

The Board receives a **highlight report** from each Committee after each of its public meetings. Such reports provide an **effective structure** with defined information flows for **monitoring performance**, receiving **assurance** and

identifying any under-performance and concerns which require escalation. Each Committee Chair is also responsible for providing the Board with an annual report of its activities, undertaking a self-assessment to review how it might improve its operation and also to review its terms of reference once every 12 months. Links to these annual reports are set out in Appendix 1 on page 61.

As well as reporting to the Board, Committees work together on behalf of the Board to ensure, where required, that cross-reporting and consideration takes place and **assurance and advice** is provided to the Board and the wider organisation.

Each Board Committee has an Executive Director lead who works closely with the Chair of each Committee in **agenda setting, business cycle planning** and to support good quality, timely information being relayed to the Committee.

Whilst all the Board Committees provide important sources of assurance for the Board our **Audit & Risk Committee** has a specific role in relation to reviewing the effectiveness of our Risk Management systems and the Board Assurance Framework which provides assurance to the Board on the delivery of its objectives as outlined within its three-year IMTP.

The Audit & Risk Committee is a **key source of assurance** to the Board that the organisation has effective controls in place to manage the significant risks to achieving its strategic objective. During 2019-2020, key aspects of Health Board business activity delegated to the Audit & Risk Committee included:

- Overseeing systems of internal control
- Review and endorsement for Board Approval the Annual Accounts and Accountability Report for onward submission to Welsh Government
- 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
- Monitoring the implementation of agreed audit recommendations
- Receiving and noting the Head of Internal Audit Opinion and Annual Report 2018/19
- Agreeing the Annual Counter Fraud Plan and monitoring counter fraud activities
- Monitoring the development and draft content of the Health Board's Accountability Report
- Monitoring of Governance Arrangements across the organisation, including hosted bodies
- Provided oversight and scrutiny to hosted bodies, namely Welsh Health Specialised Services Committee (WHSSC) and the Emergency Ambulance Services Committee (EASC)
- Endorsed Approval of the Board Assurance Framework (BAF)

- Endorsed approval of any revisions made in relation to the Standing Orders and Scheme of Financial Delegations.

Board Committee meetings papers classified as 'public' are published on the CTMUHB website in advance of each meeting in the spirit of openness and transparency.

Our governance arrangements have been subject to significant improvements over the latter half of 2019-2020 which will continue into 2020/2021. These are designed to strengthen the effectiveness of **Board business and assurance**. This has included changing the frequency and remit of some of the Board Committees as set out on pages 17-18.

With regard to the review of the scope of Board Committees, the Finance Performance and Workforce (FPW) Committee was felt to have a significantly broad remit. Given that CTMUHB is facing major change involving workforce and organisational development related issues which are central to many of the major programmes being taken forward, there was an agreement to establish a '**People and Organisational Development (POD) Committee (POD)**' to consider the workforce and organisational development activity. We had planned for this to hold its inaugural meeting in April 2020 however this needed to be paused along with various other meetings due to the response to COVID-19. There is more about this on pages 35-36. The Director of Corporate Governance/Board Secretary will review the position in June 2020.

The POD Committee will scrutinise and gain assurance across a range of issues including:

- Strategic Workforce Plans to support Health Board objectives
- Workforce sustainability
- Staff Survey learning
- Recruitment, Retention and Absence Management Strategies
- Culture, including Values and Behaviors
- Operating Model
- Statutory & Mandatory Training Compliance
- Management/Leadership Capacity Programmes
- Equality, Diversity & Welsh Language
- Staff Engagement and Involvement Strategies

As a result the remaining remit of the FPW Committee has been refocused and in recognising this its name has been **revised to the 'Planning, Performance and Finance (PPF) Committee'** scrutinising and gaining assurance on a range of issues including:

- Major Service Change developments
- Major Capital Projects/Programmes
- Scrutiny of Major Business Cases (in line with Scheme of Delegation)

- Detailed oversight and involvement on behalf of the Board on the development of the Integrated Medium Term Plan (IMTP)
- Development of Service Strategy, including the Integrated Health & Care Strategy
- Performance against IMTP, National Targets et al.
- Finance Performance
- Efficiency, Productivity and Value

CTMUHB's Scheme of Delegation is being reviewed to re-align the flow of capital business, and result in the abolition of the Capital Programme Board where the PPF Committee would hold the delegated responsibility, allowing greater independent scrutiny.

The former FPW Committee saw a significant number of 'Deep-Dive' reviews to provide additional assurance on particular issues. If done effectively, these are significant pieces of work for Officers and we are therefore developing **clear guidance** on the thresholds required to trigger a Deep-Dive along with what elements of assurance can be expected as a result.

During 2019, Welsh Government commissioned the development and delivery of a bespoke **Board Development Programme** for Board Members. The contract for this was let to Deloitte who have been working to inform the development and content of the subsequent programme to be delivered in 2020. There is more about this work on pages 30-31.

Welsh Government have recently launched the new Independent Member Induction sessions, material from which will be used in on-going Board Development. These links and our work with Deloitte will ensure that support is given to all Board Members so that they can be clear on the various different **sources of assurance** they can access without seeking additional information from Officers.

Board Development sessions have until recently been utilised for a variety of developments and briefings, and discussion of risks as opposed to focusing on the development of Board Members. It has been agreed that from 2020-2021 the Board will allocate **four sessions per year** (minimum) to Board Development located in venues across CTMUHB promoting Board engagement and increasing the opportunity for Board members, to 'buddy' with an Executive Director to meet staff and gain a greater understanding of the services, environments and staff experience. It is also providing an opportunity to **engage** with staff as part of the wider 'Let's Talk' programme, supporting the development of the new culture for the new CTMUHB.

As it is also beneficial for the Board to receive briefings on specific issues to bring members up to speed on specific topics, we intend scheduling **four Board Briefings** a year at appropriate intervals.

The main route of assurance to the Board is the Committee structure that sits beneath. We have strengthening this process by the introduction of **Committee Highlight Reports** (drafted at the direction of the Committee

Chair at the close of each Committee meeting to agree with members what issues should be included in the Highlight Report to Board, and finalised by the Executive Lead for the Committee) and have **reformatted Board meeting agendas** which will allow the Committee Chair to:

- Highlight any issues of significance to the full Board (concerns or good practice)
- Advise the Board, including making recommendations to approve items that a Committee has considered in advance of seeking Board approval
- Provide Assurance on issues that have been scrutinised at Committee and
- Inform the Board of relevant issues of interest.

By reporting this way, there will be **stronger awareness** across the full Board of Committee activity and assurance, reduce the Committee referrals (reducing duplication) and strengthen integrated governance. This approach will also help prevent silo-working in the committee subject areas by bringing the key issues to the attention of the full Board.

A new template has also been introduced for the submission of reports to the Board and its Committees along with training in report writing with a view to **enhancing the content and quality** of information presented in reports.

In November 2019, the Board revised how it received assurance on risk and agreed to transfer delegated **scrutiny and assurance** on risk management arrangements from the Quality & Safety Committee to the Audit Committee after which the latter became known as the Audit & Risk Committee.

Principal clinical and corporate risks are assigned to the Board or as appropriate to a Board Committee, which has responsibility on behalf of the Board to seek assurance and provide scrutiny so that those **risks are being managed** in accordance with the agreed risk appetite¹, approved plans and the organisations values. **Each risk has a lead director** allocated so that the mitigation actions are owned and acted upon and regularly reviewed and updated. Further detail as to our systems for managing risk are set out on pages 38-44.

In November 2019, the Board approved the **establishment of the Digital & Data Committee**, and **broadened the remit** of the Primary and Community Services Committee to include Population and Partnerships. The Board also agreed to increase the regularity of meetings of the Charitable Funds Committee from annually to quarterly.

The Quality and Patient Safety Governance Framework was endorsed by the Quality Safety and Risk Committee in March 2019. The introduction of the Quality Governance Framework, as well as the arrangements to underpin the work of the Quality & Safety Committee has seen an early **improvement in**

¹ Please note further information around the CTMUHB's Risk Appetite Statement on page 42 onwards

assurance on quality and safety matters, including scrutiny on the progress of delivering against the Maternity Improvement Project. Other changes made during 2019/2020 to our Board and Committee arrangements arose from issues highlighted by the 2019 WAO Structured Assessment which are detailed on page 31 onwards.

The January 2020 Board Meeting contained an agenda item that related to outstanding recommendations of the South Wales Programme (SWP). The background is available [here](#) and essentially relates to the sustainability of a **24 hour consultant-led Accident & Emergency Service** at one of our three acute sites - the Royal Glamorgan Hospital, Llantrisant. This issue attracted a large number of community and patient representatives, and, as the public gallery space was limited, the venue for the next update on this issue was switched to a more accessible community based venue - Rhondda Fach Sports Centre in Tylorstown, Rhondda. That meeting held in February 2020 facilitated the majority of the 250 observers.

Plans were therefore also put into place to hold the March 2020 Board meeting at a similar sized venue, however these plans were subsequently changed in response to COVID19, respecting social distancing measures. Nevertheless the Board maintained the ethos of holding the meeting in public, by continuing to **publish meeting papers on the CTMUHB website seven days prior to the meeting**, noting comments made/submitted in advance of the meeting. A Board briefing was then produced immediately following the meeting to convey the discussions, decisions and outcomes which was also published on our website and shared with key stakeholders.

Solutions to continue the commitment to hold meetings in public are being worked through to enable '**live streaming**' of Board meetings during 2020/2021.

BOARD & COMMITTEE ACTIVITY

In line with Standing Orders, each **Committee formally reports annually** to the Board on its work during the year detailing the business, activities, attendance and main issues dealt with by the Committee in the reporting year. Copies of the Committee Annual Reports are available via our Board meeting [papers](#).

In addition, from 2020 each Board meeting receives a highlight report outlining the issues and activity considered and addressed by each Committee at its previous meeting. Committees schedule a pause at the end of each meeting to discuss the **key issues they want to raise with the Board** through the highlight report process under the headings of Escalate/Alert; Advise; Assure and Inform. The **highlight reports** are agreed presented by the Committee Chair.

Key highlights from meetings held in 2019-20 are included at Appendix 1 on page 61 onwards

JOINT ESCALATION & INTERVENTION STATUS CHANGES - 2019

The Welsh Government have in place Joint Escalation & Intervention Arrangements which are informed by tripartite meetings with Wales Audit Office (WAO are now known as Audit Wales) and Healthcare Inspectorate (HIW). The following section provides context to the changes that took effect and the **management actions** put in place to address the issues and how these are being monitored.

CTMUHB's predecessor organisation (Cwm Taf University Health Board) was escalated to '**enhanced monitoring**' in January 2019 after concerns were raised in relation to an Ionising Radiation inspection, a review of mortuary services and serious untoward incidents within its maternity services. Then in April 2019, following the publication of a joint review conducted by the **Royal College of Obstetricians and Gynaecologists and the Royal College of Midwives** commissioned by the Minister for Health & Social Services due to significant concerns, the **maternity services** of the former Cwm Taf University Health Board were escalated into special measures (SM).

As part of a package of measures designed to support the Minister's intervention, an independent panel was appointed by the Minister to provide the **oversight of the work to address the findings which** reports progress to the Minister on a quarterly basis as part of the intervention measures. The Health Board offered a **formal public apology for the maternity failings**, accepted all the recommendations and gave a **commitment to take the necessary action to address the various issues**. Reports summarising maternity service improvements have been presented to each of our Board meetings in 2019-2020. The update provided in March 2020 is available [here](#).

The independent panel's reports available [here](#) confirm significant progress has been made during 2019-2020 in delivering the necessary changes. There is still more to do and the Health Board is committed to build on the shift it has made over the past year to **embed quality at the centre of all decision-making and service improvement initiatives**.

The issues within maternity services also highlighted the need for an independent review into the **handling of a report** commissioned from a secondee Consultant Midwife in 2018. The findings of this review were considered by the Board at its meeting in December 2019 and, at its January 2020 Board meeting, agreement was reached around various changes required

to **strengthen governance arrangements** alongside ongoing work around **culture, values and behaviours**. A summary of the actions is available [here](#).

Following the Royal College joint review, work was undertaken by the NHS Wales Delivery Unit (DU) within CTMUHB to ensure that effective arrangements for the reporting, management and review of patient safety incidents and concerns (This followed on from the earlier DU report in March 2019). The DU review whilst identifying some areas of good practice found deficiencies in a number of areas including the investigation, triangulation of information and organisational learning and risk. An improvement plan was therefore developed which is subject to monthly review. Regular reports will continue to be provided to the Quality & Safety Committee regarding progress, the most recent of which was to the May 2020 meeting which is available [here](#).

Another intervention put in place to support CTMUHB to make the required improvements was the commissioning of David Jenkins (the former Chair of Aneurin Bevan University Health Board) by the Minister for Health & Social Services to work with CTMUHB's Chair in a leadership role. David Jenkins has therefore attended a significant number of our Board and Committee meetings to offer advice and support which has been welcomed.

In the summer of 2019, HIW and WAO undertook an **urgent joint examination of our quality governance arrangements**. Their [report](#) in November 2019, highlighted the need to:

- Place a greater focus on the quality of our services, developing and delivering stronger systems of quality governance
- Strengthen leadership and how we identify and manage risk.
- Develop a culture that supports the delivery of high quality, compassionate and continually improving care.

In recognising the serious nature of the findings and with a determination to ensure greater focus on the quality of our services we are strengthening our **quality governance** and **leadership** arrangements. We are also in the process of improving our management of **risk** implementing in parallel with a new **Operational Model** with a view to developing a **culture** that supports the delivery of **high quality, compassionate** and continually improving **patient-centred care**.

An **extensive cultural conversation** has already begun with our local population with over 4,000 interactions, through staff and patient listening workshops and surveys. Following analysis, the insight from this and other reviews has informed the co-creation of a shared set of values and behaviors.

Improvements have already been seen in terms of the way we engage with staff, patients, families and stakeholders to learn from them, identify **opportunities** and develop a culture that **supports and empowers** staff and

those who use our services to improve their experiences. As part of this, we are strengthening how CTMUHB scrutinises and gains assurance on behalf of all stakeholders, linking work underway on implementing the new operating model and management and accountability structures supporting the delivery of operational services.

Targeted Intervention (TI):

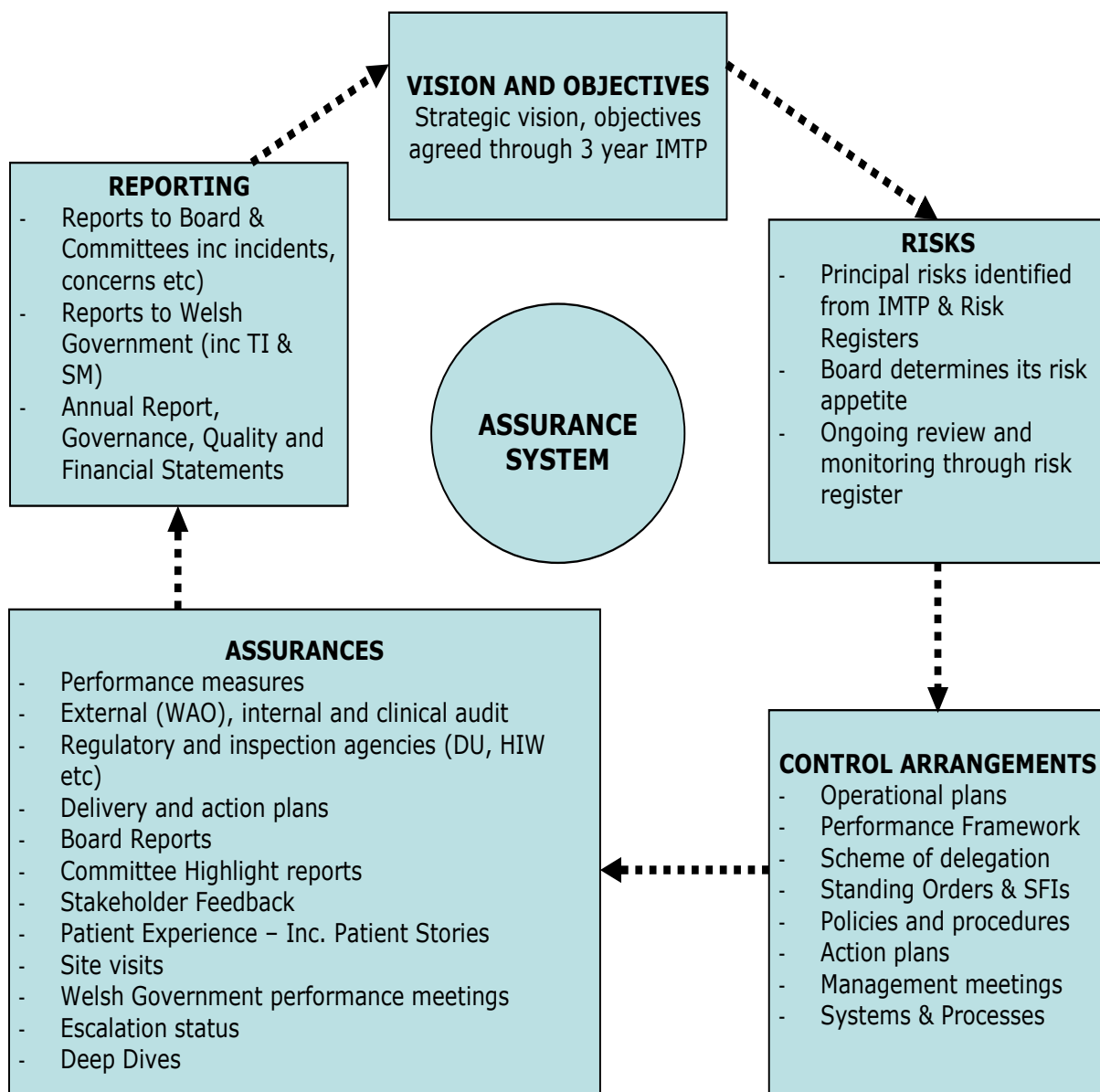
It was agreed that a maturity matrix underpinning continuous service improvement be developed and used to structure the work in response to TI in line with the approach taken in maternity. A report seeking approval of the **matrix was presented to the Board in March 2020** with the self-assessment scores and evidence having been presented at the to the Welsh Government Escalation meeting in February 2020.

Although deeply disappointed with the shortcomings that have resulted in the organisation's **escalation status being increased**, Board Members fully accept the issues identified and welcome the learning that can be taken from the interventions. The Board also recognises its responsibility to provide assurance to our local population and stakeholders, which it aims to do through **open and transparent reporting**, ongoing **engagement** and **co-production**.

Further details as to progress made in terms of delivering this will be included in our 2020-2021 Governance Statement. In the meantime progress will be **monitored** by the relevant Board Committees, the Board and by Welsh Government in bi-monthly TI meetings chaired by the NHS Wales Chief Executive (Interim). Reassurance on progress is provided to our population and stakeholders through **regular reports to Board**.

A summary of the management actions being taken to address the report's findings was approved by the Board at its meeting in January 2020 and is available [here](#).

As part of the **review of CTMUHB's governance arrangements** changes were made to our assurance framework summarised in the following diagram which **maps the business of the Board** and its Committees against its Strategic Wellbeing Objectives aligned with our IMTP. The new Board Assurance Framework (BAF) was approved by the Board in January 2020 reflecting all sources of assurance in light of the suite of independent reviews conducted during 2019/2020.



The framework informs the Board on the **principal clinical** and **corporate risks** to the delivery of our objectives, its risk appetite and assurances on controls alongside each objective.

The system of internal control is informed by the work of internal auditors, clinical audit and directors who have responsibility for the development and maintenance of risk assurance and internal control frameworks. A Clinical Audit Forward Plan 2019-2020 is in place along with the associated Clinical Audit Operational Plan to ensure that **robust evidence of the monitoring and escalation of audit compliance is in place**, and that audit outcomes are an integral part of our **continuous improvement programme of work**. The Clinical Audit Forward Plan was received by the Quality & Safety Committee at its meeting in August 2019 and is available [here](#).

Feedback is received from WAO, as the external auditors, in their Annual Audit Report and other reports including the Structured Assessment - there is more about the findings of the 2019 Structured Assessment on page 31.

Due to COVID-19 and the advent of UK lockdown there has been an **impact to the internal and external audit arrangements and audit plans** that is being monitored via the Audit & Risk Committee.

The work of HIW has an important and significant impact in the Health Board too which arises from their planned and unplanned inspections and reports. Inspections and reports provided by other regulators also contribute significantly to **improving the quality of services** provided producing themed reports which are available via its here. Each year HIW also produces an annual report summarising these themes. These reports are reported through relevant Board Committees

As a newly formed organisation, CTMUHB has the opportunity to ensure that **learning** from all areas of the organisation is encouraged in an **open and transparent manner**, as well as from and with the wider NHS in Wales. We recognise that further work is required to progress this and to be able to demonstrate delivery. The Board is considering how the '**duty of candour**' is also a more integral part of the everyday work of the Board, with changes being made to the approach of the Board and structure of the Committees to strengthen assurance and promote openness and transparency.

We also have a very active Community Health Council (CHC) who undertake a **comprehensive visiting programme** and their feedback and engagement with the Health Board is a **key assurance tool** utilised by the organisation. Representatives attend Health Board meetings and have speaking rights at meetings. They also attend other Board Committees and sub-groups as appropriate where they are invited to proactively participate.

The Board takes its accountability for clinical governance, corporate governance, risk management, serious incident reporting and matters of internal control seriously. A review of '**Community/Ward to Board**' **risk management** is underway and will be linked to the planned refresh of the BAF during 2020.

The Board is committed to its responsibility to provide assurance to our local population and stakeholders, which it aims to do through **open and transparent reporting**, ongoing **engagement** and **co-production**.

The Board has three Advisory Groups which report their meetings to the Board who report any issues of significance to the Board:

Stakeholder Reference Group (SRG)

The Group is formed from a range of partner organisations from across the Health Board's area and engages with and has involvement in the Health Board's strategic direction, advises on service improvement proposals and provides feedback to the Board on the impact of its operations on the communities it serves.

Working in Partnership Forum (WIPF)

The Board recognises the importance of engaging with staff organisations on key issues facing the organisation. WIPF is the forum where key stakeholders engage with each other to inform debate and seek to agree local priorities on workforce and health service issues.

Healthcare Professionals' Forum (HPF) The Forum comprises representatives from a range of clinical and healthcare professions both in our hospitals and across primary care and provides advice to the Board on all professional and clinical issues it considers appropriate.

BOARD GOVERNANCE, ACCOUNTABILITY & LEADERSHIP

In response to the escalation status of the Health Board being placed into SM and TI, Deloitte have been working with us to develop and deliver a bespoke Board Development Programme. The programme will ensure that Board members will be able to:

- Know what it takes to **lead improvement** in an organisation where quality improvement is a core enabler to delivering the quadruple aim.
- Understand the **values and behaviors** that must be demonstrated to ensure they can lead a high performing organisation with the right values and culture, where listening to staff and stakeholders and learning from patient safety concerns is the norm.
- Understand their **role** as a member of a unitary board.
- Understand, identify and develop their skills to ensure the **highest standards** of organisational governance.
- Understand the difference between measurement for improvement and measurement for judgment, and how to develop a more robust approach to **measuring data** and learning from **staff and user feedback**.
- Understand the importance of identifying risks, including patient safety, the **risk appetite** of the Board and the need for, and the role of an effective BAF.
- Understand the **role of scrutiny**, the difference between reassurance and assurance, and the need to seek, receive and give assurance.
- Recognise what constitutes **effective and robust reporting**.

In reporting on the strengths of the Board, in December 2019 at a Board Development Session, Deloitte stated overall Board Development was underway with significant potential to realise further tangible benefits relatively quickly. More specific strengths were noted as follows:

- A Board consisting of a number of **talented individuals** who have not yet realised their full potential as either Directors or Independent Members.
- A remarkably **resilient Board** that has emerged from a difficult period with greater stability than we typically see – helped by a calming influence from a number of key senior leaders.
- A board that follows **good practice** across a number of areas including agendas, committee structures, chairing styles and some good content in papers.
- A positive, friendly, enthusiastic and **committed attitude** from Board members who really want to make a difference for staff, patients and the community they live in.
- Good levels of awareness amongst Board members regarding the potential for **ongoing improvements** – this is particularly evident from the Board survey results.
- Growing momentum in a number of areas to improve team dynamics and **strengthen governance** arrangements – executive team development/independent member informal meetings/committee proposal paper.

Deloitte supported the proposals to strengthen Board governance and assurance that was approved by the Board at its meeting in February 2020 and acknowledged the contribution these changes would make to address;

- Pre-Board Executive Scrutiny
- Focus of papers for Board and Committees
- Board and Committee Agendas
- Executive Presentations
- Integrated Executive Approach
- Role of Committees and their relationship with the Board.
- Independent Member Scrutiny
- Building Board Cohesion.

Based on the learning from the Deloitte review the Health Board agreed a **new Board Development Programme** to be delivered by Deloitte, noting that the timing for delivery of the programme has been impacted due to the response to COVID-19.

- An additional Board seminar based around a pertinent topic, aimed at Board **engagement, team building and direction** setting. Potential areas include cultural transformation or strategy formulation.
- Extended feedback/individual **coaching sessions** for each Board Member.

- A Board seminar aimed at team building and understanding **styles and preferences**. Using the Deloitte Business Chemistry tool which provides insights about individuals and teams based on observable traits and preferences.
- A Board seminar covering good practice in board governance, including: operating as a unitary board; **effective scrutiny**; relationship between the board and committees; and effective **risk management**.

Dates for all sessions had been set prior to the end of the year and will be kept under review and adjusted if required as a result of COVID-19.

WALES AUDIT OFFICE² STRUCTURED ASSESSMENT – 2019

The [Structured Assessment](#) carried out in 2019 concluded that the Health Board finds itself in a very challenging position and that we needed to urgently address **significant weaknesses in governance and risk management** arrangements. It also highlighted **on-going workforce challenges** and its **organisational culture** which needed to be tackled. It acknowledged that new leadership in key executive roles, coupled with an acknowledgement and understanding of current challenges, and a good track record of financial management and strategic planning provide optimism that these improvements can be achieved.

Further detail as to its recommendations and CTMUHB's response to each of these are set out below:

1. Board Committees needed to ensure that there was adequate support to enable sufficient scrutiny of important areas of business and service delivery including strategy, planning, workforce and mental health.
Response: We have addressed this in a number of ways set out on pages 17-22
2. Improvements could be made around the information received by the Board and its committees in terms of the performance dashboard to enable a better overview thus enabling effective scrutiny and greater transparency.
Response: We are implementing a new Performance Management Framework and a review of the PPF committee work programme will focus attention on specific areas where performance is of concern. We are also in the process of developing a quality dashboard with a view to this being used in parallel to bring the greatest value.

² Wales Audit Office changed their name to Audit Wales with effect from April 2020

3. There is a need to evaluate the capacity within the Programme Management Office to effectively support service transformation projects.
Response: Our Organisational Improvement Plan sets out that and full establishment of 'Improvement CTM' will enhance change management capacity alongside further recruitment to project management to ensure more rounded programme management capacity in the organisation. Together with on-going recruitment of project managers and staff with who IQT training, this will strengthen the capacity across the organisation to align our Bevan Fellowships and Exemplars with organisational transformation objectives.
4. There needs to be increased clarity on actions, deliverables and milestones regarding the IMTP to provide sufficient information on the delivery of the IMTP together with performance against overall objectives, and the annual priorities and greater focus on outcomes and impact.
Response: We are seeking to be more specific wherever possible, incorporating more delivery information including milestone dates and anticipated performance outcomes. This should therefore allow us to further improve our submissions.

Wales Audit Office also produce an Annual Report each year summarising the findings of audit work undertaken at CTMUHB during 2019. This was considered by the Audit & Risk Committee in February 2020 and is available [here](#).

Wales Audit Office (WAO) and Healthcare Inspectorate Wales (HIW) Joint Review

As highlighted above during 2019, HIW and WAO undertook a Joint Review into Quality Governance within CTMUHB which is available [here](#). Whilst the report makes for challenging reading, we **welcomed and accepted its findings** and recommendations. They largely reflect issues we already recognise but they also give additional helpful perspective on these.

We immediately took to make improvements in these areas, including implementing a new Operating Model for our organisation, developing our values and behaviours to shape our culture, introducing active staff engagement and involvement, and strengthening the structures and processes underpinning quality governance and risk management in the organisation. While some things can be done quickly, others will take longer to address but we are **fully committed to working with HIW/WAO and other partners to make improvements**. The management response setting out details of the actions was received by the Board at its meeting in January 2020 and is available [here](#).

There are two important aspects of our current organisational context relevant to this report. Firstly, we are subject to **enhanced performance arrangements** with Welsh Government – **SM** for Maternity Services, and **TI** for quality and governance, leadership and culture, rebuilding trust and confidence. Secondly, we have had reports highlighting limitations in our systems and processes for quality governance. To address these, we have been working closely with our Regulators, the Delivery Unit, staff, patients, partners and the Welsh Government, **taking the learning and recommendations** from relevant other reports to formulate a **coherent forward plan**. We have made some progress on some of these issues and therefore welcome the fact that this report recognises those early shoots of recovery which, although very much in their infancy, offer sense of a right direction of travel.

Ongoing developments in CTMUHB

A different approach is being actively developed in the new CTMUHB to ensure a culture, mind-set and behaviours that reflect its emerging ambition as a **patient/community centred and quality driven organisation**. An organisational development plan is being developed with ten separate but inter-related work-streams, and the information and recommendations from this Joint Review report will help **inform the future actions and requirements** of these work-streams, which include:

- Developing and embedding CTMUHB Values and Behaviours
- Developing the CTMUHB Vision and Mission
- Taking the Vision a step further developing the CTMUHB's long term strategy – Integrated Health and Care Strategy
- Establishing a clear Operating Model to enable CTMUHB to achieve its core purpose, based on agreed design principles
- Establishing a Quality Governance Framework and supporting systems (including workforce skills and support) and embedding these throughout the organisation.
- Reviewing, renewing and embedding the corporate governance framework, processes and systems
- Designing and implementing an involvement and engagement strategy and framework to ensure ongoing two way engagement and involvement with patients, communities, staff and partners
- Developing CTMUHB staff capability and capacity for improvement, transformation and making best use of health intelligence
- Designing and securing leadership and management skills development and continual learning for all staff, and as an organisation
- Establishing a clear delivery programme to secure sustainability for CTM's fragile services.

This plan is intended to create a cohesive CTMUHB, **clear on its vision for the future, underpinned by shared values and behaviours**, and a **strong quality governance framework**. The plan will take time to deliver and embed, some elements can be delivered quickly whilst other elements will take time, particularly where changing culture, building capacity and capability is required.

Bridgend Boundary Change – 12 months on

CTMUHB's predecessor (Cwm Taf University Health Board - CTUHB) **changed its name** on 1 April 2019 to include 'Morgannwg' in its title following a decision in June 2018 by the Minister for Health & Social Services to transfer responsibility for the **commissioning of health care for the people in the Bridgend** County Borough Council (BCBC). Prior to this, these particular services were managed by Abertawe Bro Morgannwg University Health Board - ABMUHB (now known as 'Swansea Bay University Health Board'). The resultant impact was that the organisation became responsible for the commissioning of healthcare for around 450,000 residents (Stats Wales 2016) in Bridgend, Rhondda Cynon Taff and Merthyr with around **12,000 staff**.

There was a **significant degree of planning** during 2018/19 to make this possible which was overseen by a Joint Transition Board (JTB) established as a sub-committee of both CTMUHB and ABMUHB. The JTB met for a final time on 23 April 2019 when it received a final Governance Handover Statement and a Quality & Safety Legacy Document. Overall the implementation of the boundary change was successful with a number of Long Term Agreement (LTA) or Service Level Agreement (SLA) for particular services for defined periods. **Quality and delivery of patient care drove decision-making and joint-working arrangements** across the two Health Boards and Bridgend County Borough Council to deliver seamless local services during the Joint Transition Programme.

The Quality & Safety Legacy Statement set out a comprehensive summary of work from the Quality and Patient Safety work stream, identifying known quality and patient safety issues, actions in train or recommended and areas of good practice. At its final meeting on 23 April 2019 the JTB agreed the areas of outstanding and ongoing work in the context of the boundary change and agreed to take forward these via Joint Executive Team meetings, meeting initially on a monthly basis.

A residual work programme was put into place where work was still required to safely disaggregate the small number of clinical SLAs awaiting finalisation at the time boundary change occurred. Discussions on the post-boundary change financial framework continued into 2019/20 and the outcome of the **arbitration process** was received on 13 August 2019 confirming a £7.1m non-recurring allocation for 2019/20 to enable the Board to develop the

required financial plan and mitigating actions to be put in place for future years.

INTERIM CHANGES TO OUR GOVERNANCE FRAMEWORK DUE TO CORONAVIRUS – MARCH 2020

On 11 March 2020, the World Health Organisation declared the Coronavirus as a pandemic. At the time of preparing this Annual Governance Statement the Health Board and the NHS in Wales is facing **unprecedented and increasing pressure** in planning and providing services to meet the needs of those who are affected by **COVID-19**. The required response has meant the whole organisation has had to work very differently both internally and with our staff, partners and stakeholders and it has been necessary to **revise the way the governance and operational framework is discharged**.

In accordance with the Public Bodies (Admissions to Meetings) Act 1960 the organisation is required to meet in public. However, as a result of the public health risk linked to the pandemic, on 23 March 2020, the UK and Welsh Government stopped public gatherings of more than two people. It was therefore not possible to allow the public to physically attend our Board meetings after that date but to ensure **business was conducted in as open and transparent manner** as possible during this time the following actions were taken:

Chairs Urgent Action was taken on 19 March 2020 to support the management of Board business during COVID-19, which was consistent with other NHS organisations across Wales to enact the following:

- Hold all Board meetings in **'Private'** as described in the Board Meetings section on page 17.
- Whilst social distancing requirements remain in place, **use video-conferencing to support meetings** usually attended in person by Board Members enabling maximum continuity and stronger governance. Where necessary 'Quorate' meetings would be used requiring a fewer number of Independent Members participating as well as a reduced number of executives attending. Such arrangements are designed to support efforts to minimise non-essential travel and social distancing and allows us to conduct the required business efficiently and effectively.
- Agreement that any requirement to take urgent Chair's Action would only be in **exceptional circumstances**.
- Agendas would be planned on the basis of **essential business** with a view to reducing the burden on Executives and operational staff.
- Board meetings to use **'Consent' Agenda** which operates on the basis that some items will not require discussion or debate either as they are routine items or have already been unanimously agreed and can therefore be

approved as a group of reports making more time for those agenda items requiring more substantial discussion.

- 3rd and 4th delegate Chairs identified to **support contingency plans** for the Chair and Vice Chair, and similarly with the CEO.

Stand down all Committee meetings with the exception of Audit & Risk Committee and Quality & Safety Committee which have critical roles during public health emergencies by scrutinising decisions to ensure actions are quality and risk assessed and organisations act in the best interest of the public and staff for a three-month period initially with reviews each month.

These interim changes represent a change to our usual operating arrangements and required a **variation in our Standing Orders**. Therefore, details of the proposals were conveyed to Board members by email and, it was therefore necessary to request the changes be retrospectively approved by the Audit Committee. This approval was subsequently provided on the 6th April 2020.

Our Scheme of Delegation was revised and agreed to support decision-making during COVID19 to allow appropriate decision-making at the Bronze/Silver Gold Command levels. This was approved by the Board at its meeting in March 2020 and is summarised below:

NON FINANCIAL DECISIONS (i.e. clinical/workforce etc)		CAPITAL £ DECISIONS	REVENUE £ DECISIONS
Impact beyond CTMUHB boundary and/or Outside Policy and/or RED QIA (NB Urgent approval of Red QIA delegated to Medical Director and Nurse Director to be noted at Gold)	GOLD	£250k ≤ £1m Short justification with capital team support Gold meeting approval required (HB Chair's action also needed if over £1m)	> £250k Short justification with capital team support Gold meeting approval required
Impact across CTMUHB within policy and/or AMBER QIA	SILVER	£100k ≤ £250k Short justification with capital team support. Approval by → Director of Finance & 2 x Execs (normally Silver and Gold Executive Leads)	£100k ≤ £250k Short justification with finance business partner support. Approval by → Director of Finance & 2 x Execs (normally Silver and Gold Executive Leads)
Impact in Locality within policy and/or GREEN & YELLOW QIA	BRONZE	≤ £100k Service Group Manager level decision. Rapid email clearance by Head of Capital & Director of Finance	≤ £100k ILG Director or Director of Clinical Services Operations & cc £ Business Partner

CTMUHB's decision to establish 'Gold/Silver/Bronze' command structure in March 2020 was in response to the immediate crisis of the COVID19 pandemic. As time progressed, it became clear that COVID19 would remain an ongoing issue and would be factored into the operational management of services

across the CTMUHB. The CTMUHB therefore developed an **Operating Framework 'Resetting CTMUHB'** to account for these longer term challenges and stood the 'Gold/Silver/Bronze' structure down on 21 May 2020.

PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control (Assurance Framework) 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 2020 and up to the date of approval of the 2019-2020 annual report and accounts.

The Welsh Government requires that CTMUHB operates within the **wider governance framework set for the NHS in Wales** and incorporating the standards of good governance set for the NHS in Wales (as defined within the Citizen Centred Governance principles and Standards for Health Services in Wales), together with its planning and performance management frameworks.

CAPACITY TO HANDLE RISK

As previously highlighted, the need to plan and respond to the COVID-19 pandemic presented a number of challenges and a number of new and emerging risks were identified. Whilst the organisation already had a major incident and business continuity plan in place, as required by the Civil Contingencies Act 2004, the scale and impact of the pandemic has been unprecedented.

Significant action has been taken at a national and local level to prepare and respond to the likely impact on the organisation and population.



There does remain a level of uncertainty about the overall impact this will have on the immediate and longer term delivery of services by the organisation, although the Health Board is confident that all appropriate action has been taken.

The organisation continues to **work closely** with a wide range of partners, including the Welsh Government as it continues with its response, and planning into the recovery phase. It will be necessary to ensure this is underpinned by robust risk management arrangements and the ability to identify, assess and mitigate risks which may impact on the ability of the organisation to achieve their strategic objectives.

In addition to the **risks arising as a result of the COVID-19** pandemic there are other risks facing the organisation. Some of these risks will have been exacerbated as a result of the COVID-19 response.

Risk Register

Prior to September 2019, the Board received the Corporate Risk Register bi-annually. On advice from the new Interim Director of Governance, at the Board meeting in September 2019, the Board agreed to receive the **Risk Register at every meeting**, noting the progress that would need to be made to improve the whole system approach to risk across the CTMUHB. Work continues to ensure the processes that underpin the timely escalation of risks is effective and will be linked to the refresh of the BAF, taking learning from the WAO/HIW Joint Review conducted during 2019.

Each Committee with an allocated risk, reviews them on a quarterly basis. The Executive team ensure key risks aligned to delivery are considered and scrutinised by the relevant Committee of the Board which is then approved by the Board when it receives the report for scrutiny. The Corporate Risk Register is received and **updated at each monthly Management Board** to ensure risks identified are accurately reflected.

In reviewing the robustness of a developing organisational risk register, Board Members consider whether the **top recorded risks** are those that they can relate to and indeed evidence that they are informing the work of the Board and its Committees in delivering its related Strategy.

A review was undertaken of our risk management arrangements taking into account the recommendations from the HIW/WAO joint review into Quality and Governance, which specifically asked that CTMUHB strengthen how we identify and manage risk. The review required that the Board took a strategic and planned approach to **improve risk management** across the breadth of its services ensuring that all key strategies and frameworks were reviewed, updated and aligned to reflect the latest governance arrangements. The review also enabled us to ensure processes would work effectively under the new Operating Model which came into effect from 1st April 2020.

The impact of Coronavirus will inevitably impact upon some of the work flowing from this in terms of training programmes, risk appetite and principle risks, controls, assurance and any remaining gaps. Details of **risks identified relating to COVID-19** are set out on page 43.

Overall Risk Analysis as at March 2020:

For a more **complete picture of the risk profile**, please refer to the Corporate Risk Register presented to the Health Board Meeting in March 2020. This is available [here](#).

Quality Impact Assessment (QIA)

In March 2020, the Management Board approved a Procedure for QIA. The procedure outlines how QIAs should be undertaken across the Health Board on new plans, service change, programmes, projects or savings schemes. All such activity should be reviewed to assess their potential impact on quality (safety, experience and effectiveness).

Using the QIA process has **enabled effective decision making** and provides a baseline assessment against which schemes can be monitored. The three domains of quality – safety, effectiveness and experience are considered.

The risk assessment tool (5x5 Matrix) is the same tool applied for risk registers across the Health Board. This ensures that the QIA process is aligned with other risk management and governance processes.

During March 2020, the **QIA process formed a bedrock for decision-making** during the Health Board's response to COVID-19.

Risk Management Strategy

The Health Board has a revised strategy for Risk Management which was approved at the Board meeting in March 2020, which is available [here](#) and a related action plan that clearly **outlines the organisation's risk appetite** and process for ensuring the Board's plans are built on a foundation of risk assessment that informs mitigating actions.

The revised strategy supports the Health Board's commitment to developing and implementing a Risk Management Strategy (and Board Assurance Framework) that will identify, analyse, evaluate and control the risks that threaten the delivery of its **strategic objectives** and delivering against its Integrated Medium Term Plan (IMTP).

The BAF will be used by the Board to **identify, monitor and evaluate risks which impact upon strategic objectives**. It will be considered alongside other key management tools, such as workforce, performance, quality dashboards and financial reports, to give the Board a comprehensive picture of the organisational risk profile.

The objectives of CTMUHB's Risk Management Strategy (and Board Assurance Framework) are to:

- minimise impact of risks, adverse incidents, and complaints by effective risk identification, prioritisation, treatment and management;
- ensure that risk management is an integral part of the Health Board's culture;
- maintain a risk management framework, which provides assurance to the Board
- that strategic and operational risks are being managed effectively;
- maintain a cohesive approach to corporate governance and effectively manage risk management resources;
- minimise avoidable financial loss;
- ensure that the Health Board meets its obligations in respect of Health and Safety and Quality and Safety
- Manage all potential risks the Health Board are exposed to.

Learning has been identified as a result of the products of intervention where risk management can be strengthened across the organisation. A comprehensive review is being undertaken to identify opportunities to strengthen risk identification, assessment, mitigation and escalation from community/ward to Board. This work will assess the Board's **risk appetite** in relation to the achievement of strategic objectives set by the Board, and support officers in managing risks locally, enabling effective decision-making.

Staff awareness of the need to manage risks is encouraged through regular communication and the Health Board's Risk Management System 'DATIX'. Included in this system are the incident reporting system and the risk register. The [risk register](#) continues to be rolled-out to **better capture assessed risks** and the actions being taken to mitigate and/or escalate them.

The scrutiny and assurance in relation to Risk transferred from the Quality & Safety Committee to the Audit Committee in November 2019 which is now known as the Audit and Risk Committee. The committee has a specific role in relation to reviewing the effectiveness of the Risk Management Strategy and the Board Assurance Framework. In relation to risk management, the Audit and Risk Committee reviews the establishment and maintenance of an effective system of internal control and risk management.

All **Committees of the Board** receive and scrutinise risks and provide onwards assurance to the Board in relation to risks assigned to them to provide oversight and scrutiny. Committees also receive updates in terms of actions taken to mitigate risk.

The **Management Board** undertake the following duties in relation to risk management:

- Promotes a culture within the Health Board which encourages open and honest reporting of risk with local responsibility and accountability.
- Provides a forum for the discussion of key risk management issues within the Health Board.

- Ensures appropriate actions are applied to both clinical and non-clinical risks across the organisation.
- Enables risks which cannot be dealt with locally to be escalated, discussed and prioritised.
- Ensure Locality, Directorate, and Corporate Department Risk Registers are appropriately rated and action plans agreed to control them. In preparation for this activity work was undertaken during 2019-2020 for the introduction of Integrated Locality Groups and how they will be used moving into 2020-2021 in managing and escalating risk to the Management Board.
- Review the risks on the Corporate Risk Register (risks 15-25 from Locality, Directorate, and Corporate Departments) to determine whether any of them will impact on the Health Boards Strategic Objectives, and if so, the risk will be added to the BAF.
- Review the Board Assurance Framework prior to its presentation to the Board.
- Advises the Board of exceptional risks to the Health Board and any financial implications of these risks.
- Reviews and monitor the implementation of the Risk Management and BAF.
- Ensures that all appropriate and relevant requirements are met to enable the Chief Executive (Interim) to sign the Annual Governance Statement
- Approve documentation relevant to the implementation of the Risk Management and BAF.
- Provides assurance to the Board that there is an effective system of risk management across the organisation.

During 2019-2020, arrangements at a directorate level were in place to ensure that health and safety issues are properly considered and managed in line with the Board's Risk Management Strategy and Policy. In addition to reporting risks via the meeting arrangements within the organisation, operational managers and directors are able to notify a significant risk to the appropriate Executive Director for consideration and where necessary, notification to the Board.

Regular audits are undertaken on prioritised areas and this information is then used to ensure necessary improvements are introduced and implemented. A **training programme is in place** and to ensure improved compliance and uptake of statutory and mandatory training. Staff awareness of the need to manage risks continues to be reinforced as part of **routine communication and briefing** and specific senior management discussions around risk reporting and the 'DATIX' risk module continues to be rolled-out to better capture assessed risks and the actions being taken in mitigation.

From the 1st April 2020, the **Localities, Systems Groups, Directorates and Corporate Departments** are responsible for risks within their areas of operation and providing assurance to the Management Board on the operational management and any support required in relation to the

management of risk. They review and update existing risks, consider new risks for inclusion and escalate any extreme risks. These are presented to the Management Board by the relevant Locality, Directorate, and Corporate Representative.

Risk Reporting Structure and Risk Identification, Assessment and Management

To support this section further the reader is directed to the Risk Management Strategy and in particular the following appendices:

- Appendix 2 - Risk reporting structure
- Appendix 4 – Approach to identifying, assessing and managing risks

Significant progress is being made to further strengthen risk management with identified risk management milestones developed to address the recommendations from the joint review undertaken by HIW and WAO that will be progressed during 2020-2021. These **milestones** were presented to the Health Board meeting on the 26 March 2020.

Risk Appetite

Due to the impact of the COVID-19 pandemic the Board Development Session scheduled for April 2020 to review and agree the Board risk appetite will need to be rescheduled. This is a priority for the Board during 2020-2021 and is now planned for August 2020.

The Board will assess its risk appetite using the **Good Governance Institute Matrix for NHS Organisations**. This matrix has six risk levels as follows:

- **Avoid:** Avoidance of risk and uncertainty is a Key Organisational objective.
- **Minimal:** Preference for ultra-safe delivery options that have a low degree of inherent risk and only for limited reward potential
- **Cautious:** Preference for safe delivery options that have a low degree of inherent risk and may only have limited potential for reward
- **Open:** Willing to consider all potential delivery options and choose while also providing an acceptable level of reward
- **Seek:** Eager to be innovative and to choose options offering potentially higher business rewards (despite greater inherent risk)
- **Mature:** Confident in setting high levels of risk appetite because controls, forward scanning and responsive systems are robust.

Risk Management and COVID-19

Significant action has been taken at a national and local level from the end of March 2020, moving into the new period 2020-2021, to prepare and respond to the likely impact on the organisation and population. This has also involved **working in partnership on the multi-agency response** as a key member of the Strategic Co-ordination Group. Whilst there remains a level of

uncertainty about the overall impact this will have on the immediate and longer term delivery of services by the organisation, the Chief Executive (Interim) is confident that all appropriate action is being taken.

The Health Board's response to managing COVID-19 has resulted in the requirement to reassess the tolerance levels of risk being managed in delivering services. To address and minimise risks directly resulting from COVID-19 has required the Health Board to look at and **adjust the levels of risk afforded to other areas of service delivery** whilst remaining focussed on quality and safety of our communities and staff.

The organisation continues to work closely with a wide range of partners, including the Welsh Government as it continues with its response, and planning into recover phase. It will be necessary to ensure this is underpinned by **robust risk management arrangements** and the ability to identify, assess and mitigate risks which may impact on the organisation to achieve their strategic objectives.

Newly identified risks in response to COVID-19 were received at the Health Board Meeting in March 2020, these were:

- **Risk 054** – COVID-19 – There is a risk that the contingency and business continuity plans do not manage the outbreak of COVID-19 as well as they could, failing to manage the pandemic appropriately.
- **Risk 055** – COVID-19 – Impact on business as usual – there is a risk to the Health Board that the resources and focus going on managing the response to the outbreak of COVID-19 will lead to patient harm as a result of reduced service provision and capacity to respond to other areas of Health Board Operations.

Detail of these risks are available in our [Corporate Risk Register](#).

It should also be noted that in addition to the COVID-19 risks outlined above, there has been a Gold Command COVID-19 risk register maintained and updated each week, reviewed via the Command and Control structure. This register will cease when the Command structure is formally closed and any open risks will be reviewed to consider if they require transfer to the Corporate Risk Register.

In March 2020 it was reported to the Quality & Safety Committee that CTMUHB had three fire enforcement notices from South Wales Fire & Rescue (SWFR) which relate to Prince Charles, the Royal Glamorgan and the Princess of Wales Hospitals. The Health Board is undertaking management action to address these in co-operation with SWFR.

HEALTH AND CARE STANDARDS FOR WALES

The Health and Care Standards (previously the Standards for Health Services in Wales) were reviewed and published in April 2015. The Health and Care Standards set out the **requirements for the delivery of health care** in Wales at every level and in every setting. The onus is on all NHS organisations to demonstrate that the standards are being used and are met on a continuous basis.

Following the launch of the Health and Care Standards we established framework arrangements through which self-assessments can be undertaken and action taken to implement improvements and changes required to enable the organisation to deliver the highest quality of services to the people of Wales. The Health Board uses and **electronic system called the Health and Care Monitoring System (HCMS)**, to capture and assess its compliance against the standards.

As in previous years, during 2019/2020 there was a timetable of key dates in place for the preparation and completion of the self-assessments and training is provided where necessary. **Self-assessments** are completed in line with the Health Board's prescribed timescales and are subject to formal sign off at a ward level and central review for ensuring consistency.

Appropriate narrative, evidence and scoring is in place to support the self-assessments. **Action plans are developed at a ward / department level** following identification of issues with a central review of action plans to identify common issues across CTMUHB.

At the time this report was being prepared, the Internal Audit review and Annual Health & Care Standard report had not been completed. COVID-19 has inevitably had an impact on the ability to complete the activity within the original timeframe.

In relation to the Governance, Accountability and Leadership Standard, the Health Board considers that a self-assessment against the criteria has been undertaken through the various reviews and audits during 2019/2020, including the HIW and WAO Joint Review referred to earlier in this governance statement and the work with Deloitte in relation to Board Development.

REVIEW OF EFFECTIVENESS

As Accountable Officer and Chief Executive (Interim) I have responsibility for reviewing the **effectiveness of the system of internal control**. My review of the effectiveness of the system of internal control is informed by the work of Internal and External Auditors, the Executive Directors and other assessment and assurance reports including the work of Healthcare Inspectorate Wales. I have listened to the Board on their views of the **strengths and opportunities in the system of internal control** and been advised by the work of the Audit Committee and other Committees established by the Board.

My performance as Chief Executive (Interim) in the discharge of these personal responsibilities is assessed by the Chair, with input from the Director General of the Department of Health & Social Services/Chief Executive of NHS Wales.

The escalation status of the CTMUHB moved into TI for 'Leadership & Culture', 'Quality Governance' and 'Trust and Confidence' and SM for Maternity. This shone a spot light on areas that required **urgent attention and improvement**.

The past year has seen a **notable shift to embed quality at the centre of all decision-making and service improvement initiatives**. We have welcomed support offered to us by our inspectors, including HIW, WAO, Delivery Unit, Independent Maternity Services Oversight Panel (IMSOP) and our CHC to inform the development and improvement work across the CTMUHB.

Although not in post from the start of the financial year, my **advice to the Board is informed by reports on internal controls** received from all its Committees and in particular the Audit & Risk Committee, Quality & Safety Committee and the Finance, Performance & Workforce Committee. The Quality & Safety Committee also provides assurance relating to issues of quality governance, **clinical governance, patient safety and patient experience**. In addition, reports submitted to the Board by the Executive Team identify risk issues for consideration.

Each of the Health Board's Committees have considered a range of reports relating to their areas of activity during the last year, which have included a comprehensive range of **internal and external audit reports** and **reports on professional standards** and from other **regulatory bodies**. The Committees have also considered and advised on areas for local and national strategic developments and new policy areas.

One key report received during 2019/2020 was the WAO/HIW Joint Review on Quality Governance. The subsequent **management response** was developed

with involvement from HIW and WAO, and focussed on ensuring alignment with the Programme for Improvement in response to TI and SM. The CTMUHB Management response was **scrutinised by the Quality & safety Committee and the Board** and continues to be monitored through the Committees of the Board and will be commented on in the 2020 Audit Wales Structured Assessment.

Each Committee develops an annual report of its business and the areas that it has covered during the last year and these are reported in public to the Board.

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:

- Children's Commissioner
- Community Health Councils
- Health & Safety Executive
- Healthcare Inspectorate Wales
- Welsh Language Commissioner
- Older People's Commissioner
- Wales Audit Office
- Welsh Government
- Internal Audit (NHS Wales Shared Services)
- Welsh Risk Pool Services
- Other accredited bodies

INTERNAL AUDIT OPINION FOR 2019-2020

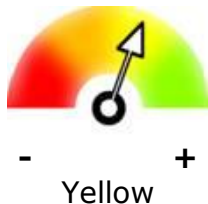
Internal audit provides the Chief Executive (Interim) and the Board through the Audit & Risk Committee with a flow of assurance on the system of internal control. The Chief Executive (Interim) and Internal Audit **agreed a programme of audit work** which was approved by the Audit & Risk Committee, and delivered in accordance with public sector internal audit standards by the NHS Wales Internal Audit Service, part of the NHS Wales Shared Services Partnership. The programme of audit work is designed to focus on significant risks and local improvement priorities.

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

The programme has been impacted by the need to respond to the COVID-19 pandemic. The Head of Internal Audit has considered this when arriving at his Internal Audit opinion as outlined in the section that follows.

THE HEAD OF INTERNAL AUDIT OPINION

The scope of the HIA 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 & Risk 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.

	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.
---	--

In reaching the opinion the Head of Internal Audit has applied both **professional judgement** and the Audit & Assurance '*Supporting criteria for the overall opinion*' guidance produced by the Director of Audit & Assurance and shared with key stakeholders.

The Head of Internal Audit has concluded *reasonable assurance* can be reported for the eight assurance domains.

The evidence base upon which the overall opinion is formed is as follows:

- An assessment of the range of individual opinions arising from risk-based audit assignments contained within the Internal Audit plan that have been reported to the Audit & Risk Committee throughout the year. This assessment has taken account of the relative materiality of these areas and the results of any follow-up audits in progressing control improvements.
- The result of audit assignments that have been issued in draft to the organisation before the issue of this opinion, but have yet to be reported to the Audit & Risk Committee.
- The results of any audit work related to the Health & Care Standards including, if appropriate, the evidence available by which the Board has arrived at its declaration in respect of the self-assessment for the Governance, Leadership and Accountability module.
- Other assurance reviews, which impact on the Head of Internal Audit opinion including audit work performed at other organisations.

As stated above, these detailed results have been aggregated to build a **picture of assurance** across the eight assurance domains around which the risk-based Internal Audit plan is framed. In addition, the Head of Internal Audit

has **considered residual risk exposure** across those assignments where limited assurance was reported.

At the time of issuing the annual report there is work in progress for eight reviews that have stopped due to COVID-19. These reviews are: risk management; efficiency savings; financial management of the Bridgend clinic; Medical agency usage; mental health directorate management arrangements and compliance reviews; and medicine and care of the elderly directorate at Princess of Wales management arrangements and compliance reviews. The Head of Internal Audit has considered the work completed to date in these areas, and **does not consider there to be any matters identified that would affect the annual opinion**. The outcome of these reviews will be included in the Head of Internal Audit opinion for 2020/2021 if it is assessed that it is appropriate to continue with these reviews.

COVID-19 has had a further impact on the audit work in 2020 and meant that the Acute and A&E directorate review did not fully cover compliance, and Internal Audit were unable to start two reviews relating to: data quality, and health & care standards.

During the year, for one review, relating to medical staffing in Bridgend, the audit resource was reallocated to a review of medical agency usage.

2019/2020 has been a year of **significant change** and **challenge** for the Health Board. The transfer of services relating to the Bridgend area, and closer monitoring by Welsh Government and other assurance providers has meant that the Internal Audit plan has been flexible throughout the year. As such, internal audit agreed to **defer a number of reviews to future years**. The planned reviews of committee governance arrangements, culture, and incident reporting have been deferred as other assurance providers undertook work in these areas. The planned work for the transformation fund, outpatients, continuous improvement review, and the Sunnyside capital review will be revisited in future planning. Finally, the focus of the planned review of three directorates within the Bridgend area will be reconsidered when the new Operating Model has been implemented and is embedded.

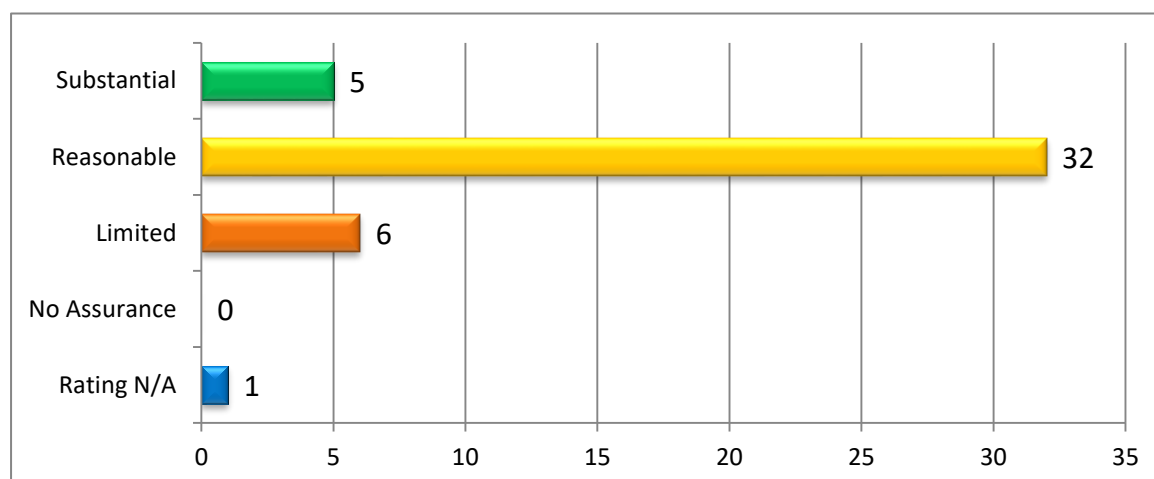
Internal Audit undertook two reviews that were not in the original plan for 2019/2020. One was a cyber-security follow up review, which followed up on a limited assurance review in 2018/2019. The second review was for medical equipment within the Princess of Wales Hospital in Bridgend.

Where changes were made to the audit plan, the reasons were presented to the Audit Committee for consideration and approval. Notwithstanding that the opinion is restricted to those areas which were subject to audit review; the Head of Internal Audit has considered the **impact of changes made to the plan when forming their overall opinion**.

Overall Summary

In total 44 audits were reported to the Health Board's Audit & Risk Committee during the year. Figure 1 below presents the assurance ratings and the number of audits derived for each.

Figure 1 – Summary of Audit Findings



The following table identifies the reviews where the Board can take only **limited assurance** that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. More significant matters require management attention with moderate impact on residual risk exposure until resolved.

Limited Assurance Reports in the 2019-2020 Programme:

Review Title	Objective
Patient pathway appointment management process. Final Report issued October 2019.	Internal Audit looked to ensure that the procedure in place aligned to Welsh Government guidance. Internal Audit considered training needs, and that directorates are following the pathway guidance, and recording information in good time.
Retention of nursing staff – Follow up. Final report issued in August 2019.	This review sought to determine the status of progress made against recommendations raised in October 2018. The original report determined Limited Assurance.
Consultant job planning Final Report issued in October 2019.	The overall objective of the audit was to evaluate and determine the adequacy of the systems and controls in place for the management of the Consultant Job Planning process. We focused on compliance against the guidance and procedures that are in place. We also considered job planning monitoring and reporting.

Review Title	Objective
Fire Safety - Princess of Wales Hospital - Follow Up. Final Report issued May 2020.	This review sought to determine the status of recommendations raised at the November 2018 Fire Safety audit as relating to the Princess of Wales site (the audit was completed for the former Abertawe Bro Morgannwg University Health Board in 2018/19). The original report determined Limited Assurance.
Medical and Dental Rostering (Draft)	This review considered two elements of rostering. We looked at the project management for the implementation of the single electronic rostering system, and the use of existing rostering systems.
Head and neck Directorate review – management arrangements – Governance and risk (Draft) <i>Note: the governance and risk, workforce, and planning and performance opinions were issued as a combined report.</i>	The overall objective of our review was to assess the adequacy of management arrangements with a particular focus on governance and risk. We considered governance structures, including the reporting lines through committees and groups. We also looked at risk management arrangements, with a focus on recording, assessing, monitoring and reporting risk.

As indicated in the above table at the time of writing this report there were two audits at draft stage (Medical and Dental Rostering and Head and Neck Directorate review – Management Arrangements - Governance & Risk).

Where a limited assurance report is received, the Health Board will ensure the detailed findings are considered by the lead officer for the function and the report received by the Audit & Risk Committee, where the lead officer will be in attendance.

A follow up audit will also be commissioned by the Audit & Risk Committee for inclusion in the 2020/2021 audit programme as appropriate.

The management response to all assurance reports will be reviewed by the Audit & Risk Committee via the Audit Tracker process, and progress against management actions will be monitored at each meeting until all actions have been appropriately implemented.

The Internal Audit Reports which outline the management responses and detailed actions which have been agreed to address the weaknesses identified are published within the Audit & Risk Committee papers which are available [here](#).

INFORMATION GOVERNANCE

We have **strict responsibilities to ensure personal data and information is held securely**. All information governance related incidents are investigated and reviewed by the Information Governance Group. During the period April 2019 – March 2020 **there were 14 personal data security incidents reported to the Information Commissioner's Office (ICO)**. 13 required no further action; we are currently awaiting confirmation of the ICO's position on the final matter.

With regard to the above breaches the following recommendations were received and acted upon by the relevant departments and service areas:

- Continue to **review the procedures and security arrangements**. Any new processes that are implemented should be reflected in any on-going training.
- Continue to **investigate the causes of such incidents** with the aim to discover how and why it occurred, and what steps need to be taken to prevent it from happening again.
- Issuing **reminders to all staff of their obligations** under the General Data Protection Regulations (GDPR).
- Review the content and delivery of **data protection training**. Refresher training on data protection should be provided annually or at least every two years.
- **Spot checks** carried out to ensure the accuracy and security of the information the health board processes.
- Implementing a lessons learned approach for staff to be vigilant.
- Reviewing the process for transferring records to the medical storage hub to see if any improvements can be identified and implemented.

We have continued work to **raise awareness** across the organisation and **communicated with staff**, developing and implementing a **new** internal system for the organisation's **Information Asset Register** and ensured **good information governance practices** by increasing the awareness and requirements for completion of mandatory training via an e-learning package. Staff training numbers have also steadily increased with the **compliance at the end of March 2020 reaching 75.31%** which is an increase of 4.85% over the past 12 months.

There has been a focus on keys areas that have the most impact in terms of compliance with the following being taken forward:

- Establishment of a **Digital & Data Committee** which met for the first time in February 2020 which will **scrutinise reports around data quality**.
- **Alerts, briefings, compliance and recommendations issued regularly** to managers and staff to monitor performance and address areas of concern

- On-going **population of our Information Asset Register**
- Introduced a **Personal Data Breaches Procedure** (to meet the requirement to report data breaches within 72 hours) and a **Data Protection Impact Assessment** (DPIA) to meet the requirement to ensure a “privacy by design” approach and accountability requirements
- Development of **privacy notices**

In addition, **advice and support** has also been made available to GPs, pharmacists, opticians and dentists who, as independent contractors, retain legal responsibility for the personal identifiable data that they hold.

GDPR builds upon the previous Data Protection Act, strengthening individual’s rights and the requirements for the appropriate and secure processing of personal data. During the 2019-2020 we have **continued to raise awareness** across the organisation and **communicated with staff** and ensured **good information governance practices** by increasing the awareness and requirements for completion of mandatory training via an e-learning package. Staff **training numbers have steadily increased** with the compliance at the end of March 2020 reaching 75.31% which is an increase of 4.85% over the past 12 months.

Freedom of Information Act / Data Protection Act

The Freedom of Information Act (FOIA) is part of the **Government’s commitment to greater openness in the public sector**, and its underlying principle is that all non-personal information held by a public body should be freely available unless an exemption applies. The Act requires responses to be processed within 20-working days unless there is need to consider the wider public interest in disclosing a piece of information or further clarity is required as to the information being sought. An internal audit review during the first quarter of 2019/20 which examined the arrangements in place for the management of Freedom of Information within CTMUHB produced a **‘substantial assurance’** rating.

Between April 2019 and March 2020, 471 Freedom of Information requests were received. Of these requests, 346 responses had no exemptions applied and **441 were responded to within the 20-working day timeframe** which equates to compliance of around 93%. An appeals process is also in place where those receiving a response remain dissatisfied and two requests were received for this during the period. If a requestor remains dissatisfied with the way in which their request has been handled they have the right to refer the matter to the Information Commissioner’s Office (ICO). We received no requests for review from the ICO during this period. Responses to FOIA requests are available at: <http://cwmtaf.wales/foi/disclosure-log/>

BUSINESS CONTINUITY & EMERGENCY PREPAREDNESS

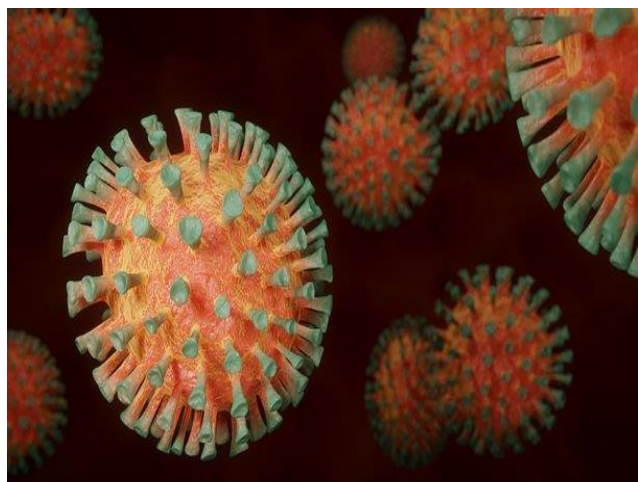
The Civil Contingencies Act requires organisations to **maintain emergency plans** to ensure that should such a situation arise, the organisation can respond in conjunction with its partner agencies, whether this is in the form of action to **prevent or reduce the risk of an emergency** or its effects. The Chief Executive (Interim) has responsibility for discharging the Health Board's obligations under the Civil Contingencies Act, however on a day-to-day basis, lead managers ensure existing plans are updated in line with legislative changes and national guidance.

Our Major Incident Plans (MIPs) are designed to operate in acute hospitals. We have continued to **maintain our duties as a Category 1 responder** and strengthen our level of compliance by **further development of our Silver Commander Training package** delivered to senior managers and executives attending Wales Gold training.

We have an **all-Wales Mass Casualty Response plan** designed to coordinate NHS resources and communication across Wales to manage a major incident involving a large number of casualties. This work has involved Welsh Government, Health Boards, Welsh Ambulance and specialist resources and is incorporated in our MIP.

The Health Board has fully participated in NHS planning preparations around Brexit and is **compliant with the reporting requirements** of Welsh Government and the South Wales Local Resilience Forum.

The latter part of 2019/2020 was characterised by the declaration of the **COVID-19** Pandemic which led an **unprecedented change in the way in which the NHS operated**, nationally as well as locally. In response to the COVID-19 Pandemic, the Health Board followed a recognised framework for delivering a strategic, tactical and operational response.



This was organised into a Gold, Silver and Bronze command structure with the responsibilities and accountabilities of each command clearly set out.

A **Pandemic Framework** formed the **initial response to the COVID-19** and was built upon as the crisis developed.



Early in its emergency planning response the Health Board established a Gold, Silver and Bronze Scheme of Delegation to support the flexibility and rapid decision making required, this ensured that there was an agile approach to effective decision making whilst maintaining good governance. This process utilised the QIA approach as outlined above.

INTEGRATED MEDIUM TERM PLAN (IMTP)

Progress against the 2019-2020 IMTP:

Assessing the progress in relation to the 2019-2020 key priorities in the IMTP, was provided by regular quarterly updates presented to the Finance, Performance & Workforce Committee during 2019-2020. The Health Board publishes its committee papers on its website and therefore the **progress updates** are readily available to the public via the following [link](#).

In order to monitor progress against the Health Boards IMTP 2019-2022, the Welsh Government also monitors progress against CTMUHB's IMTP for 2019-2020, via a **standard reporting proforma**, updated on a quarterly basis, to be submitted one week after the end of the relevant quarter. These returns are also received at the Finance, Performance and Workforce Committee available via the above link.

The IMTP for 2020-2023:

Whilst a considerable amount of work has been undertaken between January and March 2020 to finalise the IMTP for 2020-2023, the current and ongoing challenges presented by the global **COVID-19** pandemic must be taken into account with respect to how the plan prepared pre COVID-19 can be implemented.

The IMTP 2020-2023 sets out our **ambition** prior to this **enormous challenge**, allowing us to record a baseline position particularly in areas of performance and finance. It therefore takes no account of the inevitable and significant impact of COVID-19 on the ability of the organisation to implement the plan for 2020-2021. In the coming weeks and months the test will be how we flex and adapt this Plan while remaining true to our values and vision.

Given the current and ongoing COVID-19 challenges, Welsh Government notified the Health Board on 18 March 2020, that it is **pausing** the routine **IMTP process**. This means that WG are unable to consider the Health Board's IMTP for 2020-2023 which was submitted in accordance with the NHS Planning Framework, as the assessment process cannot be concluded at this point. It is important to note that the Health Board has an approved plan for 2019-2022 and this **approval is extant**.

The Health Board objectives, including its improvement journey, are only to be achieved by working closely with our people, our partners and our local communities; in line with our **quality and performance standards**; and within a financial envelope which provides value for money and is affordable. This would be challenging enough in a 'typical NHS year' however, as we enter a period of huge uncertainty and action related to the global COVID-19 pandemic, our staff, partners and population will be tested in ways not seen for generations.

In May 2020, the Welsh Government set a **new Operating Framework** for NHS Wales in response to the on-going challenges facing all Health bodies relating to COVID-19. In turn, CTMUHB developed a '*Resetting CTMUHB*' Operating Framework, approved by the Board in May 2020. The Framework outlines how the CTMUHB will ensure the balance of risk of providing services to our communities and protecting our staff, focussing on minimising harm. It is anticipated that close monitoring of progress against delivering the aims within the '*Resetting CTMUHB*' Operating Framework will be the key focus of the Board and Welsh Government throughout 2020.

The financial performance position of the Health Board at the 31 March 2020, is shown in the accounts section of the Annual Report.

MINISTERIAL DIRECTIONS & CIRCULARS

There was a single [Ministerial Direction](#) issued by the Welsh Government during 2019/2020 as follows:

- Ministerial Decision received in December 2019 in relation to the **tax implications for the pension schemes for clinicians**. CTMUHB implemented the Ministerial Direction in relation to implications for the pension

schemes for clinicians, which was taken forward by the Health Board's Medical Workforce Team and NWSSP Payroll. No significant issues arose following its implementation.

The Welsh Health Circulars (WHCs) published by Welsh Government during 2019/2020 are **centrally logged** with a lead Executive Director being assigned to oversee implementation of any required actions. Where appropriate, the Board or one of its Committees is also sighted on the contents of WHCs.

The **Safety Alert Broadcast System Procedure** has been developed and implemented to ensure that each WHC is followed-up until all actions are completed. All WHCs have been fully considered and implemented as appropriate.

EQUALITY, DIVERSITY & HUMAN RIGHTS

The aim to continually raise awareness of Equality and our duties under the Equality Act 2010 and to mainstream it everyday business. One of the main ways we do this is through the Equality Impact Assessment process which is well established but we have also undertaken various initiatives which meet 'specific duties' under the Public Sector Equality Duty whilst also making improvements in accordance with the 'general duty'.

Strategic Equality Plan



We have developed and agreed our **new Strategic Equality Plan** for 2020-24 which was published in March 2020 in accordance with the Public Sector Equality Duty. This followed extensive engagement throughout our own communities, our staff and with national organisations. Our objectives take account of the Equality and Human Rights Commission's report *Is Wales Fairer?* national standards and developments and build on previous good work.

Lesbian Gay Bisexual Trans* (LGBT) Network

We have a well-established LGBT network of 145 LGBT staff, allies and external members and have developed a wide range of resources for LGBT staff. We supported Bridgend staff in an Aged With Pride event in Angelton Clinic, Glanrhyd Hospital in November 2019 (Transgender Day of Remembrance) aimed at raising awareness of older people's LGBT issues. We also provided Trans* awareness training sessions in secondary and primary care to support staff implementing the new gender identity pathway.

Disability Confident

Last year we were proud to achieve accreditation as a Disability Confident Leader which is the highest level of a government scheme aimed at improving

the recruitment and retention of disabled staff. We now have a newly established Disability Reference Group which is developing a prioritised work programme and is contributing to the Equality Impact Assessment process.

On-Line Interpretation

This is widely used throughout primary and secondary care for British Sign Language (BSL) and all other languages including Welsh providing instant access to interpreters 24/7. It has enabled easier access to primary care appointments for deaf service users which results in them being able to input into their care plans. We have also rolled-out hearing equipment to wards and departments and delivered training sessions on the all-Wales Standards.

Access to Mental Health Services

We launched a new Mental Health Sensory Loss toolkit in January 2020 which aims to improve access to services for Deaf service users and includes information on sight and/or hearing loss too. It was developed and launched in co-production with deaf service users and the British Deaf Association.

WELSH LANGUAGE

The Health Board is committed to ensuring that the **Welsh language is treated no less favourably to the English language**. This is in accordance with the Health Board's Welsh Language Scheme, Welsh Language Act 1993, the Welsh Language Measure (Wales) 2011 and the Welsh Language Standards (No. 7) Regulations which were issued on 30 November 2018. The Standards are based on the principle that the Welsh language should not be treated less favourably than English.

The Standards also provide a legal structure that **strengthens the rights** of individuals working within the NHS to use the Welsh language as part of their daily communication needs. The Health Board is committed to meeting the Welsh language needs and preferences of service users and has made **good progress** to date in implementing the statutory Welsh Language Standards. The first report on compliance will be submitted to the Welsh Language Commissioner in September 2020.

Key documents have been created to support staff with compliance including a **Bilingual Skills Strategy** to assess the Welsh language skills requirements of jobs before advertisement. We have made good progress with the 'Active Offer' highlighted in Welsh Government's **More Than Just Words Strategy**. This has been achieved through ongoing Welsh language awareness training as part of the Corporate Induction process. Work with primary care has included support with auditing, training and voicemail recording. Further work with primary care will include the implementation of a new policy to ensure **patient's language needs** are taken into consideration.

The uptake of staff Welsh language training has exceeded expectations with all classes at the general hospitals well attended. New reception skills courses are equally popular. Our collaborative work with schools, colleges, Coleg Cymraeg Cenedlaethol and Careers Wales continues to provide opportunities to promote careers in the NHS and attract Welsh speakers to the Health Board. Recent work with Menter Bro Ogwr resulted in a very **successful Eisteddfod** for the elderly in care homes in Bridgend. This work was also part of a research project to evaluate the effect of Welsh language and cultural provision on the wellbeing of **patients with dementia**.

CONCLUSION

2019-2020 has been a **challenging year** for the CTMUHB. 1st April 2019 set the new 'Cwm Taf Morgannwg University Health Board' following the boundary change.

Our staff have been engaging in the development of new Values and Behaviours to improve the culture of the CTMUHB and **promote openness and transparency** in our daily activities. We are grateful for the engagement from families who are working with us to **share their experiences** that we take learning from to **inform our improvement programmes**, and to our **communities who are working with us** to explore all opportunities to **improve the quality and safety** of our fragile services.

There is still much to be achieved and the Health Board is committed to ensuring the **improvement measures** and activity undertaken to further improve its services in 2019-2020 continues in the same trajectory in 2020-2021 and beyond.

In response to the change in its escalation status and TI measures, CTMUHB has have worked hard to **embed quality** at the centre of all decision-making and service improvement initiatives and are **committed to continue to do so** as we go forward into 2020-2021.

The COVID-19 pandemic has also posed challenges to us all, and **our response has had a significant impact on the organisation, our staff and wider NHS, our communities and society as a whole**. It has required a new, dynamic and agile response which has presented a number of opportunities and challenges. The need to respond and recover from the pandemic will be with the organisation and our communities throughout 2020/2021 and beyond. I will ensure our **Governance Framework supports and responds** to this need.

The system of internal control has been in place for the year ended 31st March 2020 and up to the date of approval of the 2019/2020 annual report and accounts.

There have been **no significant governance issues** identified during this period other than those already referenced in this document.

Signed by:
Chief Executive (Interim)

Date: 29 June 2020

APPENDIX 1

CWM TAF MORGANNWG UNIVERSITY HEALTH BOARD COMMITTEE ACTIVITY (2019/2020)

Links to Board Committee annual reports are set out in the appendix on page 61.

Each year our Board Committees compile Annual Reports setting out the issues they have considered. This is combined with an annual self-assessment and review of the Committee's terms of reference to make sure these remain accurate and relevant. The Committee relays its Annual Report to the Board once it is agreed.

Board Meetings	Date of Meeting	Key Agenda Items 2019-2020
CTMUHB Board meeting held in public: Meeting Agendas, Papers are available here	30.4.19 30.5.19 31.7.19 26.9.19 28.11.19 19.12.19 30.1.20 27.2.20 26.3.20	<ul style="list-style-type: none"> - Maternity Services – Royal College Joint Report / Maternity Improvement Programme Updates/ Independent Review on Handling of Consultant Midwife Report - Board Committee Highlight Reports - Risk Management Strategy / Corporate Risk Register / Assurance Proposals/ Board Assurance Framework - Targeted Intervention – Programme for Continuous Improvement - Quality Dashboard/Patient Experience Report / Patient Stories / Welsh Language Standards Update - Strategic Equality Plan & Equality Annual Report - Integrated Performance Dashboard/Performance Management Framework - Updates on Integrated Medium Term Plan (IMTP) - Major Trauma Network/ Regional Transformation/ Adult Thoracic Surgery - Annual Accounts & Annual Governance Statement/ Annual Report / Standing Orders - Values & Behaviors - Nurse Staffing Act / Funded Nursing Care Update - Workforce Metrics / Employee Relations - IMTP Updates - Finance Report / Capital Update / Estates Update - Carer's Strategy & Annual Report - Partnership Agreement - Winter Planning - Information Governance - Public Service Ombudsman Report /Annual Letter - Integrated Health & Care Strategy - HIW Annual Report / HIW/WAO Joint Report on Quality Governance - South Wales Programme – Accident & Emergency Services - Shared Services Partnership Committee/ Emergency Ambulance Services Committee Update - Coronavirus Update
Board Development Sessions	25.4.19 27.6.19 29.8.19 31.10.19 19.12.19 27.2.20	<ul style="list-style-type: none"> - Maternity Services Update - Tackling Bullying & Harassment - IMTP Development - Updates from Welsh Ambulance Services Trust & Welsh Health Specialised Services Committee - Financial Implications of Bridgend Boundary Change - Quality Governance Arrangements

Board Development Sessions (continued)		<ul style="list-style-type: none"> - Review of Serious Incidents - Update on Quality & Engagement Bill - Training on Corporate Manslaughter - Training on Safeguarding /Risk Management - Values & Behaviors - New Operating Model - Major Trauma Network - Update on TI / SM status - Update on Major Trauma Network - Site Visits
Board Committee Meetings 2019-2020		
Committee	Date Met	Key Issues Considered
Audit & Risk Meeting Agendas, and Papers are available here	1.4.19 13.5.19 15.7.19 3.9.17 28.10.19 20.1.20 25.2.20	The Committee's Annual Report which outlines the activity of the Committee for the year ending 31 March 2019 is published on our website and is available here .
Quality & Safety Meeting Agendas and Papers are available here	6.6.19 9.7.19 5.8.19 5.9.19 3.10.19 5.11.19 10.12.19 14.1.20 4.3.20	The Committee's Annual Report which outlines the activity of the Committee for the year ending 31 March 2019 is published on our website and is available here .
Digital & Data Meeting Agendas and Papers are available here	6.2.20	As this Committee only held it inaugural meeting on 6 February it has yet to produce an Annual Report.

Primary, Community, Population Health & Partnerships Meeting Agendas and Papers are available here	3.4.19 24.7.19 30.10.19 10.2.20	The Committee's Annual Report which outlines the activity of the Committee for the year ending 31 March 2019 is published on our website and is available here .
Mental Health Act Monitoring Meeting Agendas and Papers are available here	2.4.19 6.8.19 21.11.19 21.3.20	The Committee's Annual Report which outlines the activity of the Committee for the year ending 31 March 2019 is published on our website and is available here .
Finance, Performance & Workforce Meeting Agendas and Papers are available here	18.4.19 23.5.19 20.6.19 25.7.19 19.9.19 24.10.19 21.11.19 21.1.20 20.2.20	The Committee's Annual Report which outlines the activity of the Committee for the year ending 31 March 2019 is published on our website and is available here .
Charitable Funds Committee Meeting Agendas and Papers are available here	28.11.19	This Committee only met once with Board Trustees to consider the former Cwm Taf NHS General Charitable Fund Accounts and Annual Report for the year ended 31 March 2019.
Remuneration & Terms of Service Committee	30.5.19 3.6.19 17.6.19 27.6.19 8.7.19 31.7.19	During 2019-20 the Committee considered a range of issues including: <ul style="list-style-type: none"> - Appointment of Director of Workforce & Organisational Development - Appointment of Director of Planning, Performance & Partnerships - Appointment of Director of Therapies & Health Sciences - Appointment of Director of Clinical Service Operations

	6.8.19 28.11.19 19.12.19 10.1.20 30.1.20 18.3.20 26.3.20	<ul style="list-style-type: none"> - Recruitment of a Chief Executive (Interim) - Salary arrangements for of Executive Team and other Board Directors - Reports on Senior Leadership Support - Reports on actions arising from the Handling of Consultant Midwife Report
--	--	--

APPENDIX 2

CWM TAF MORGANNWG UNIVERSITY HEALTH BOARD

BOARD MEMBER ATTENDANCE - BOARD MEETINGS (2019/2020G)

Details of our Board meetings and levels of Board Member attendance are set out on page 61 onwards

BOARD MEMBER	POSITION (AREA OF EXPERTISE)	BOARD/ BOARD COMMITTEE	BOARD / BOARD COMMITTEE ATTENDANCE 2019/2020	CHAMPION ROLE
Marcus Longley	Chair	Board Remuneration and Terms of Service Committee (Chair) Charitable Funds Committee	8/9 11/11	
Maria Thomas	Vice-Chair	Board Remuneration & Terms of Service Committee Charitable Funds Committee Audit & Risk Committee Quality & Safety Committee Mental Health Act Monitoring Committee (Chair) Primary, Community, Population Health & Partnerships Committee (Chair)	8/9 11/11 1/1 6/7 9/9 4/4 4/4	Safeguarding Volunteers Mental Health
Paul Griffiths	Independent Member (Finance)	Board Remuneration & Terms of Service Committee Charitable Funds Committee Audit & Risk Committee (Chair) Finance, Performance & Workforce Committee Digital & Data Committee	8/9 6/11 1/1 7/7 9/9 0/1	Capital (Design) Capital (Environment) Energy Management
James Hehir	Independent Member (Legal)	Board Remuneration & Terms of Service Committee Charitable Funds Committee Quality & Safety Committee Digital & Data Committee	9/9 1/1 8/9 1/1	Equality and Diversity Violence & Aggression Welsh Language

BOARD MEMBER	POSITION (AREA OF EXPERTISE)	BOARD/ BOARD COMMITTEE	BOARD / BOARD COMMITTEE ATTENDANCE 2019/2020	CHAMPION ROLE
Jayne Sadgrove	Independent Member (University)	Board Remuneration & Terms of Service Committee Charitable Funds Committee Audit & Risk Committee Digital & Data Committee	9/9 8/11 1/1 6/7 1/1	
Mel Jehu	Independent Member (Community)	Board Remuneration & Terms of Service Committee Charitable Funds Committee Finance, Performance & Workforce Committee (Chair) Mental Health Act Monitoring Committee Digital & Data Committee	6/9 9/11 1/1 9/9 3/4 0/1	Veterans Health Armed Forces
Keiron Montague	Independent Member (Community)	Board Remuneration & Terms of Service Committee Charitable Funds Committee Finance, Performance & Workforce Committee Quality & Safety Committee Primary, Community, Population Health & Partnerships Committee	6/9 4/11 1/1 2/5 5/8 0/3	Cleanliness, Hygiene & Infection Control Corporate Health Standards
Robert Smith (until May 2019)	Independent Member (Local Authority)	Board Remuneration & Terms of Service Committee; Charitable Funds Committee; Finance, Performance & Workforce Committee; Primary, Community, Population Health & Partnerships Committee	0/1 Not Applicable Not Applicable 1/1 1/1	Organ Donation
Phil White (from November 2019)	Independent Member	Board Remuneration & Terms of Service Committee Finance, Performance & Workforce Committee Primary, Community, Population Health & Partnerships Committee Mental Health Act Monitoring Committee	3/3 1/5 0/2 2/2 0/1	
Nicola Milligan	Independent Member (Trade Union)	Board; Remunerations & Terms of Service Committee Charitable Funds Committee Quality & Safety Committee Primary, Community, Population Health & Partnerships Committee	8/9 10/11 1/1 8/9 4/4	Workforce Issues

BOARD MEMBER	POSITION (AREA OF EXPERTISE)	BOARD/ BOARD COMMITTEE	BOARD / BOARD COMMITTEE ATTENDANCE 2019/2020	CHAMPION ROLE
Dilys Jouvenat	Independent Member (Third Sector)	Board; Remunerations & Terms of Service Committee Charitable Funds Committee Audit & Risk Committee Finance, Performance & Workforce Committee Quality & Safety Committee	8/9 10/11 1/1 6/7 8/9 9/9	Raising Concerns Carers Vulnerable Adults Older People Whistleblowing
Ian Wells (from May 2019)	Independent Member (ICT & Governance)	Board; Remuneration & Terms of Service Committee Digital & Data Committee (Chair) Finance, Performance & Workforce Committee Audit Committee	8/9 6/11 1/1 4/5 1/2	Freedom of Information, Information Governance, Digitisation
Gio Iningrini (Associate)	Local Authority	Board	6/9	Not Applicable
Phil White (Associate Board Member until November 2019)	Local Authority	Board	5/6	Not Applicable
Sharon Richards (Associate Board Member from February 2020)	Chair - Stakeholder Reference Group	Board	Not applicable	Not applicable
Suzanne Scott- Thomas (Associate Board Member from July 2019)	Chair, Health Professionals Forum	Board	4/9	Not applicable
Allison Williams (Chief Executive (Interim) until June 2019) Sharon Hopkins	Chief Executive (Interim)	Board; Charitable Funds Committee; Emergency Ambulance Services Committee Welsh Health Specialised Services Committee.	AW-2/2 SH-7/7 AW-NA SH-1/1 AW 1/1 SH 4/5 SH 3/4	Not applicable

BOARD MEMBER	POSITION (AREA OF EXPERTISE)	BOARD/ BOARD COMMITTEE	BOARD / BOARD COMMITTEE ATTENDANCE 2019/2020	CHAMPION ROLE
(Appointed Interim Chief Executive (Interim) from June 2019)	Interim Chief Executive (Interim)			
Steve Webster	Director of Finance & Procurement	Board; Charitable Funds Committee; Audit & Risk Committee (IA); Finance, Performance & Workforce Committee (IA);	8/9 0/1 7/7 8/9	Not applicable
Kelechi Nnoaham	Director of Public Health	Board Charitable Funds Committee Quality & Safety Committee (IA) Primary, Community, Population Health & Partnerships Committee (IA)	6/9 1/1 7/9 3/4	Not applicable
Alan Lawrie	Director of Primary, Community & Mental Health	Board; Charitable Funds Committee; Finance, Performance & Workforce Committee (IA); Quality & Safety Committee (IA); Mental Health Act Monitoring Committee (IA); Primary, Community, Population Health & Partnerships Committee (IA)	9/9 0/1 4/9 6/9 1/4 4/4	Not applicable
Ruth Treharne (until March 2020)	Director of Planning and Performance And Deputy Chief Executive (Interim) (until July 2019)	Board; Charitable Funds Committee; Finance, Performance & Workforce Committee; Primary, Community, Population Health & Partnerships Committee (IA)	6/9 1/1 7/9 4/4	Not applicable
Joanna Davies (until May 2019) Anne Phillimore (from May 2019 – March 2019) Hywel Daniel (from March 2019)	Director of Workforce & OD	Board; Charitable Funds Committee; Finance, Performance & Workforce Committee (IA); Quality & Safety Committee (IA); Primary, Community, Population Health & Partnerships Committee (IA)	JD-1/1 AP-7/8 AP-1/1 JD-1/1 AP-6/8 JD-1/1 AP-5/9 JD-1/1 AP-1/2	Not applicable

BOARD MEMBER	POSITION (AREA OF EXPERTISE)	BOARD/ BOARD COMMITTEE	BOARD / BOARD COMMITTEE ATTENDANCE 2019/2020	CHAMPION ROLE
Kamal Asaad (until Sept 2019) Nick Lyons from September 2019)	Medical Director	Board Charitable Funds Committee Quality & Safety Committee (IA) Primary, Community, Population Health & Partnerships Committee (IA)	KA-5/6 NL-5/5 KA-0/1 NL-1/1 KA-3/4 NL-3/5 KA-0/2 NL-0/1	Not applicable

Explanatory Notes

Due to Coronavirus the Board meeting scheduled for 26 March 2020 could not be held in public. Also, order to comply with the need for social distancing and avoiding all unnecessary travel the meeting was held as a quorate meeting whereby Standing Orders requires that three Independent Members and Executive Members be present. This was achieved partly by some attendees and others participating via teleconferencing. In the circumstances the submission of apologies from those not in attendance was unnecessary and this meeting is therefore not reflected in the total number of Board meetings held. It was necessary for the Remuneration Committee for the same date to meet under the same circumstances. Therefore that meeting is also not reflected in the above figures. The Performance Finance & Workforce Committee was due to have met in March 2020 however this meeting was cancelled due to Coronavirus. IA stands for 'in attendance'. Where the appointment of a Board Member is made part way through a financial year they would only have been able to attend a proportion of the full number of meetings held - in such cases the level of meeting attendances has been reduced accordingly. Lower attendance figures may also reflect changes to the membership arrangements in-year.

REMUNERATION & STAFF REPORT

Reporting bodies are required to disclose the relationship between the remuneration of their highest-paid director and the median remuneration of the organisation's workforce.

The banded remuneration of the highest paid Director in CTMUHB in the financial year 2019-2020 was £185,000 - £190,000. This was 6.6 times the median remuneration of the workforce which was £28,481. The figure for 2018-19 was £180,000-£185,000 and was 6.4 times the median remuneration of the work, which was £28,442.

The banded remuneration of the Accountable Officer in the financial year 2019-2020 was £175,000 - £180,000 (2018-19, £180,000 - £185,000). This was 6.2 times the median remuneration of the workforce, which was £28,481. The figure for 2018-2019 was 6.4 times the median remuneration of £28,442.

In 2019-20, 22 UHB workers received remuneration in excess of the highest-paid director. Remuneration ranged from £185,001 to £500,000. The range for 2018-19 was £180,001 to £290,000 which related to 10 individuals. The upper limit of this range increased in 2019-20 as a direct consequence of the UHB boundary change in April 2019 and continuing to secure the services of individuals* engaged prior to the boundary change in areas of shortage specialties.

* For data protection purposes, the exact number of number of individuals affecting the increase in range for 2019-20 cannot be confirmed, but is less than 5.

Total remuneration includes salary, non-consolidated performance-related pay, and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

In establishing the highest paid Director (Chief Executive), account has been taken of the remuneration received by Directors with clinical and director responsibilities.

The pay and terms and conditions of employment for the Executive Team and Very Senior Managers (VSM) who are paid on the VSM pay scale is determined by the Welsh Government and CTMUHB pays in accordance with regulations. For clarity, these are posts which operate at Board level and hold either statutory or non-statutory positions.

In accordance with the regulations, the organisation is able to aware incremental uplift within the pay scale and should an increase be considered outside the range, a job description is submitted to Welsh Government for job evaluation. There are clear guidelines in place with regard to the awarding of additional increments and, during the year there have not been any additional increments agreed.

The Remuneration & Terms of Service Committee also considers and approves applications relating to the Voluntary Early Release Scheme. The Committee's membership are all Independent Members of the Board including its Chair who is also the Chair of the Health Board. Membership details are set out on pages 3-7 of the Directors' Report.

Existing public sector pay arrangements apply to all other staff including members of the Executive Team. The performance of members of the Executive Team is assessed against personal objectives and against the

overall performance of the Health Board. All Executive Directors have the option to have a lease car, under the terms of our lease car agreement.

The Chief Executive and Executive Directors are employed on permanent contracts, which can be terminated by giving due notice unless for reasons of misconduct.

The CTMUHB senior management team consists of the Chair, the Chief Executive, the Executive Directors and the Independent Members, the Chief Operating Officer and the Director of Corporate Governance / Board Secretary. Full details of senior managers' remuneration are shown later in the table on pages 76 onwards.

The totals in some of the following tables may differ from those in the Annual Accounts as they represent staff in post at 31 March 2020, whilst the Annual Accounts shows the average number of employees during the year.

STAFF COMPOSITION BY GENDER

A breakdown of the workforce by gender is set out in the following table. This figure represents the composition as at 31 March 2020.

*FTE – Full-time Equivalent

Employee Gender	Headcount	FTE	% of Headcount
Female	9986	8371.55	78.51
Male	2733	2259.55	21.49
Total	12,719	10,631.10	100

Board Member Gender	Female	Male
Independent Members	4	7
Associate Board Members	2 (2 part year)	2 (1 part year)
Executive Directors/ Directors	8 (6 part year)	9 (3 part year)

STAFF COMPOSITION BY STAFF GROUP

During 2019/2020 the average whole-time equivalent (FTE) number of staff permanently employed was 10,420.05. The average number of employees is calculated as the full time equivalent number of employees in each week of the financial year divided by the number of weeks in the financial year.

As at 31 March 2020	Female		Male		Totals	
	FTE	Head count	FTE	Head count	FTE	Head count
Admin, Clerical & Board Members	1724.89	2022	333.94	345	2058.5	2367
Medical & Dental	433.79	659	557.33	947	991.12	1606
Nursing & Midwifery Registered	3031.36	3397	305.72	321	3337.08	3718
Professional, Scientific & Technical Staff	246.10	294	115.25	127	361.34	421
Additional Clinical Services	1638.54	1925	318.14	333	1956.68	2258
Allied Health Professionals	482.78	543	118.91	121	601.68	664
Healthcare Scientists	121.10	135	75.91	77	197.00	212
Estates & Ancillary	675.37	994	433.37	461	1108.74	1455
Students	17.63	17	1.00	1	18.63	18
Total	8371.55	9986	2259.55	2733	10631.10	12719

SICKNESS ABSENCE DATA 2019-2020

CTMUHB's 2019/2020 sickness absence rate was 6.22% which means we did not achieve the Welsh Government's target of 5% or less.

Anxiety/stress/other psychiatric illnesses and musculoskeletal issues remain the top reasons and account for 44.30% of all sickness absence. A comprehensive programme of work is in place, work with staff side partners to address sickness absences which are managed in line with the all-Wales Sickness Absence Policy.

	2019/2020	2018/2019
Total Days Lost (Long Term):	179,886.46	119,240.85
Total Days Lost (Short Term):	56,657.47	35,456.34
Total Days Lost:	236,543.93	154,697.19
Total Staff Years Lost: (Average Staff Employed in the Period – Full Time Equivalent)	10,420.05	7,310.85
Average Working Days Lost:	14.18	13.24
Total Staff Employed in Period (Headcount):	12,719	8353
Total Staff Employed in Period with No Absence (Headcount):	4307	2775
Percentage Staff with No Sick Leave:	37%	38%

STAFF POLICIES

During 2019/2020, a number of policies and procedures were reviewed and reapproved or approved as new documents. All policies and procedures are equality impact assessed against the nine protected characteristics, to ensure that they do not discriminate against people who apply to work with us or are employed by us. All policies and procedures are available via our website [here](#).

SALARY AND PENSION DISCLOSURE TABLES (AUDITED) – SINGLE TOTAL FIGURE OF REMUNERATION

This Remuneration Report includes a single total figure of remuneration. The amount of pension benefits for the year which contributes to the single total figure is calculated based on guidance provided by the NHS Business Services Authority Pensions Agency.

The amount included in the table for pension benefit is based on the increase in accrued pension adjusted for inflation. This will generally take into account an additional year of service together with any changes in pensionable pay. This is not an amount which has been paid to an individual during the year; it is a calculation which uses information from the pension benefit table. These figures can be influenced by many factors e.g. changes in a person's salary, whether or not they choose to make additional contributions to the pension scheme from their pay, and other valuation factors affecting the pension scheme as a whole.

The salary and pension disclosures reflect the senior managers' information. The senior management team consists of the Chief Executive, the Executive Directors and the Independent Members (Non-Executive Directors), the Chief Operating Officer, and the Director of Corporate Governance / Board Secretary.

SALARY AND PENSION DISCLOSURE TABLES (AUDITED) – SINGLE TOTAL FIGURE OF REMUNERATION (CONTINUED)

Single Total Figure of Remuneration 2019-20	Salary	Benefits in kind(taxable)	Pension benefits	Pension benefits	Pension benefits	Total
	(bands of £5,000)	to nearest £100	1995 scheme to nearest £1000	2008 scheme to nearest £1000	2015 scheme to nearest £1000	(bands of £5,000)
<u>Executive Directors</u>	£000	£00	£000	£000	£000	£000
Mrs A J Williams <i>Chief Executive to 20th August 2019</i>	195-200	0	1	n/a	21	215-220
Dr. S Hopkins <i>Interim Chief Executive from 24th June 2019 (Note 1)</i>	145-150	0	n/a	n/a	n/a	145-150
Mr S J Webster <i>Director of Finance(Note 1)</i>	165-170	0	n/a	n/a	n/a	165-170
Mr A Lawrie <i>Director of Primary, Community & Mental Health Services</i>	115-120	72	0	n/a	28	150-155
Mr K Asaad <i>Medical Director to 30th September 2019</i>	75-80	2	0	n/a	n/a	75-80
Mr N Lyons <i>Medical Director from 1st October 2019 (Note 1)</i>	90-95	0	n/a	n/a	n/a	90-95
Mr G Dix <i>Director of Nursing, Midwifery and Patient Care from 1st April 2019 (Note 1)</i>	130-135	0	n/a	n/a	n/a	130-135
Ms R Treharne <i>Director of Planning and Performance</i> <i>Deputy Chief Executive to 18th June 2019</i>	125-130	0	0	n/a	30	155-160
Mrs J M Davies <i>Director of Workforce and Organisational Development to 31st May 2019.</i>	20-25	0	0	n/a	n/a	20-25
Mrs A Phillimore <i>Interim Director of Workforce and Organisational Development from 7th May 2019 to 6th March 2020.(Note 1)</i>	100-105	0	n/a	n/a	n/a	100-105
Mr H Daniel <i>Interim Director of Workforce and Organisational Development from 1st March 2020.</i>	10-15	0	132	n/a	23	160-165
Dr K Nnoaham <i>Director of Public Health</i>	130-135	0	n/a	0	32	160-165
Miss E Wilkinson <i>Director of Therapies and Health Sciences from 1st November 2019</i>	45-50	0	164	n/a	n/a	210-215
<u>Directors</u>						
Mr J Palmer <i>Chief Operating Officer</i>	125-130	0	n/a	0	32	155-160
Mr R Williams <i>Director of Corporate Services & Governance/ Board Secretary to 30th November 2019</i>	80-85	0	0	n/a	9	90-95
Miss G Roberts <i>Acting Director of Corporate Services & Governance/ Board Secretary to 1st May 2019</i>	5-10	0	0	n/a	19	25-30
Mrs G Galletly <i>Interim Director of Corporate Services & Governance/ Board Secretary from 28th July 2019.</i>	65-70	0	66	0	25	155-160

<u>Independent Members</u>									
Prof M Longley <i>Chairman</i>	55-60	0				55-60			
Mrs M Thomas <i>Vice Chair</i>	45-50	0				45-50			
Mr P Griffiths <i>Independent Member (Finance)</i>	10-15	0				10-15			
Mr J Hehir <i>Independent Member (Legal)</i>	10-15	0				10-15			
Mr I Wells <i>Independent Member (ICT) from 8th May 2019</i>	10-15	0				10-15			
Mr K Montague <i>Independent Member (Community)</i>	10-15	0				10-15			
Cllr R Smith <i>Independent Member (Elected Representative) to 8th May 2019</i>	0-5	0				0-5			
Cllr P White <i>Independent Member (Elected Representative) from 15th November 2019</i>	5-10	0				5-10			
Mr M Jehu <i>Independent Member</i>	10-15	0				10-15			
Mrs J Sadgrove <i>Independent Member (University)</i>	10-15	0				10-15			
Mrs N D Milligan <i>Independent Member (Staff) (Note 2)</i>	0	0				0			
D Jouvenat <i>Independent Member (Third Sector)</i>	10-15	0				10-15			
Mr G Isingrini, Cllr P White (to 14/11/2019) and Ms S Scott-Thomas(from 18/07/19) received no remuneration for their role as Associate Members									
Independent Members do not receive pensionable remuneration for their Board membership.									
Salary figures relate to remuneration for the period as Senior Manager only.									
Pension benefits relate to benefits accrued during the year, not just the period relating to their senior management service.									
Benefits in kind relates to lease car (figures given in hundreds).									
<u>Notes</u>									
1.- Dr S Hopkins, Mr S Webster, Mr N Lyons, Mr G Dix and Mrs A Phillimore chose not to be covered by the NHS pension arrangements during 2019-20									
2. - Mrs ND Milligan is a paid, full time employee of the organisation and receives no additional remuneration as an Independent Member.									

Single Total Figure of Remuneration 2018-19	Salary	Benefits in kind(taxable)	Pension benefits	Pension benefits	Pension benefits	Total
			1995 scheme	2008 scheme	2015 scheme	
	(bands of £5,000)	to nearest £100	to nearest £1000	to nearest £1000	to nearest £1000	(bands of £5,000)
	£000	£00	£000	£000	£000	£000
<u>Executive Directors</u>						
Mrs A J Williams <i>Chief Executive</i>	180-185	0	6	n/a	43	225-230
Mr S J Webster <i>Director of Finance from 11th April 2018 (Note 1)</i>	160-165	0	n/a	n/a	n/a	160-165
Mr M Thomas <i>Interim Director of Finance to 10th April 2018 (Note 2)</i>	0-5	0	25	n/a	n/a	25-30
Mr A Lawrie <i>Director of Primary, Community & Mental Health Services (Note 3)</i>	110 - 115	95	655	n/a	28	800-805
Mr K Asaad <i>Medical Director</i>	155-160	0	8	n/a	n/a	165-170
Mrs L Williams <i>Director of Nursing, Midwifery and Patient Care to 10th August 2018</i>	40-45	0	0	0	0	40-45
Mrs A Hopkins <i>Interim Director of Nursing, Midwifery and Patient Care from 3rd September 2018</i>	70-75	0	0	0	0	70-75
Ms R Treharne <i>Director of Planning and Performance</i> <i>Deputy Chief Executive</i>	130-135	0	0	n/a	30	160-165
Mrs J M Davies <i>Director of Workforce and Organisational Development</i>	125-130	0	0	n/a	n/a	125-130
Dr K Nnoaham <i>Director of Public Health</i>	125-130	0	n/a	6	31	165-170
<u>Directors</u>						
Mr J Palmer <i>Chief Operating Officer (Note 4)</i>	125-130	0	n/a	1	30	155-160
Mr R Williams <i>Director of Corporate Services & Governance/ Board Secretary (Note 5)</i>	95-100	0	0	n/a	24	120-125
Miss G Roberts <i>Acting Director of Corporate Services & Governance/ Board Secretary from 1st September 2018</i>	45-50	0	64	n/a	20	130-135
<u>Independent Members</u>						
Prof M Longley <i>Chairman</i>	55-60	0				55-60
Mrs M Thomas <i>Vice Chair</i>	45-50	0				45-50
Mr P Griffiths	10-15	0				10-15

<i>Independent Member (Finance)</i>						
Mr J Hehir	10-15	0				10-15
<i>Independent Member (Legal)</i>						
Dr. C B Turner	10-15	0				10-15
<i>Independent Member (ICT Information/Governance) to 31 December 2018</i>						
Mr K Montague	10-15	0				10-15
<i>Independent Member (Community)</i>						
Cllr R Smith	10-15	0				10-15
<i>Independent Member (Elected Representative)</i>						
Mr M Jehu	10-15	0				10-15
<i>Independent Member</i>						
Mrs J Sadgrove (nee Dowden)	0	0				0
<i>Independent Member (University) (Note 6)</i>						
Mrs G Jones	0	0				0
<i>Independent Member (Staff) to 11th April 2018 (Note 7)</i>						
Mrs N D Milligan	0	0				0
<i>Independent Member (Staff) from 19th August 2018 (Note 8)</i>						
D Jouvenat	5-10	0				5-10
<i>Independent Member (Third Sector) from 30th August 2018</i>						
Mr G Isingrini, Mrs C Llewellyn (01/04/2018-21/02/2019), Mrs C Kiernan (01/04/2018- 07/05/2018) and Cllr P White (01/12/2018-31/03/2019) received no remuneration for their role as Associate Members						
Independent Members do not receive pensionable remuneration for their Board membership.						
Salary figures relate to remuneration for the period as Senior Manager only.						
Pension benefits relate to benefits accrued during the year, not just the period relating to their senior management service.						
Benefits in kind relates to lease car (figures given in hundreds).						
<u>Notes</u>						
1 - Mr S Webster chose not to be covered by the NHS pension arrangements during the reporting year.						
2 - Mr M Thomas received additional remuneration which relates to payments received for other duties.						
3 - Mr A Lawrie appointed to this role substantively on 21st December 2018 after holding the position on an interim basis since 21st January 2018						
4 - Mr J Palmer was appointed to this role substantively on 21st December 2018 after holding the position on an interim basis since 1st February 2018						
5 - Mr R Williams was absent from 24th September 2018 to 26th March 2019						
6 - Mrs J Sadgrove (nee Dowden) receives no remuneration from Cwm Taf UHB for her role as Independent Member.						
7 - Ms G Jones was a paid, full time employee of the organisation and received no additional remuneration as an Independent Member.						
8 - Mrs ND Milligan is a paid, full time employee of the organisation and receives no additional remuneration as an Independent Member.						

SALARY AND PENSION DISCLOSURE TABLES (AUDITED) – BOARD MEMBER AND VERY SENIOR MANAGER PENSIONS

Pension Benefits 2019-20	Real increase in pension at pensionable age	Real increase in pension lump sum at pensionable age	Total accrued pension at pensionable age at 31 March 2020	Lump sum at pensionable age accrued pension at 31 March 2020	Equivalent Transfer Value at 31 March 2020	Equivalent Transfer Value at 31 March 2019	Real Increase in Cash Equivalent Transfer Value	Employer's contribution to stakeholder pension
Name and title	(bands of £2,500) £000	(bands of £2,500) £000	(bands of £5,000) £000	(bands of £5,000) £000	£000	£000	£000	£000
<u>Cwm Taf Morgannwg University Local Health Board</u>								
<u>Executive Directors</u>								
Mrs A J Williams 1995 Pension Scheme	0-2.5	0-2.5	50-55	160-165	1198	1143	11	0
Mrs A J Williams 2015 Pension Scheme	0-2.5	0	10-15	0	170	142	5	0
<i>Chief Executive to 20th August 2019 (Note 1)</i>								
Dr. S Hopkins	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<i>Interim Chief Executive from 24th June 2019 (Note 2)</i>								
Mr S J Webster	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<i>Director of Finance (Note 2)</i>								
Mr A Lawrie 1995 Pension Scheme	0	0	40-45	130-135	967	924	21	0
Mr A Lawrie 2015 Pension Scheme	0-2.5	0	10-15	0	141	106	16	0
<i>Director of Primary, Community & Mental Health Services</i>								
Mr K Asaad	5-7.5	57.5-60	55-60	320-325	n/a	n/a	n/a	0
<i>Medical Director to 30th September 2019 (Note 3)</i>								
Mr N Lyons	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<i>Medical Director (from 1st October 2019 Note 2)</i>								
Mr G Dix	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<i>Director of Nursing, Midwifery and Patient Care from 1st April 2019 (Note 2)</i>								
Ms R Treharne 1995 Scheme	0	0	45-50	145-150	1,117	1095	0	0
Ms R Treharne 2015 Scheme	0-2.5	0	5-10	0	85	49	16	0
<i>Director of Planning and Performance</i>								
<i>Deputy Chief Executive to 18th June 2019 (Note 4)</i>								
Mrs J M Davies	0	7.5-10	35-40	190-195	n/a	1058	n/a	0
<i>Director of Workforce and Organisational Development to 31st May 2019. (Note 5)</i>								
Mrs A Phillimore	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<i>Interim Director of Workforce and Organisational Development from 7th May 2019 to 6th March 2020. (Note 2)</i>								
Mr H Daniel 1995 Pension Scheme	0-2.5	0-2.5	15-20	45-50	227	134	8	0
Mr H Daniel 2015 Pension Scheme	0-2.5	0	5-10	0	64	46	0	0
<i>Interim Director of Workforce and Organisational Development from 1st March 2020 (Note 6)</i>								
Dr K Nnoaham 2008 Pension Scheme	0	0	10-15	0	149	144	2	0
Dr K Nnoaham 2015 Pension Scheme	2.5-5	0	10-15	0	139	104	13	0
<i>Director of Public Health</i>								
Miss E Wilkinson 1995 Pension Scheme	2.5-5	7.5-10	30-35	95-100	750	549	75	0
<i>Director of Therapies and Health Sciences from 1st November 2019</i>								

<u>Directors</u>								
Mr J Palmer 2008 Pension Scheme	0	0	0-5	0	18	17	0	0
Mr J Palmer 2015 Pension Scheme	2.5-5	0	10-15	0	132	99	12	0
<i>Chief Operating Officer (Note 7)</i>								
Mr R Williams 1995 Pension Scheme	0	65-67.5	30-35	230-235	n/a	945	n/a	0
Mr R Williams 2015 Pension Scheme	0	12.5-15	0-5	15-20	n/a	38	n/a	0
<i>Director of Corporate Services & Governance/ Board Secretary to 30th November 2019 (Note 8 & Note 9).</i>								
Miss G Roberts 1995 Pension Scheme	0	0	25-30	85-90	638	664	0	0
Miss G Roberts 2015 Pension Scheme	0-2.5	0	5-10	0	93	70	1	0
<i>Acting Director of Corporate Services & Governance/ Board Secretary to 1st May 2019</i>								
Mrs G Galletly 1995 Pension Scheme	0-2.5	5-7.5	15-20	55-60	354	289	40	0
Mrs G Galletly 2015 Pension Scheme	0-2.5	0	5-10	0	78	54	6	0
<i>Interim Director of Corporate Services & Governance/ Board Secretary from 28th July 2019 (Note 10)</i>								
Notes:								
1.- Mrs A J Williams transferred from the 1995 pension scheme to the 2015 pension scheme on 1 February 2016								
2.- Dr S Hopkins, Mr S Webster, Mr N Lyons, Mr G Dix and Mrs A Phillimore chose not to be covered by the NHS Pension arrangements during 2019-20								
3.- Mr K Asaad retired during 2019-20, and was over the normal retirement age for 1995 Section members in 2018-19. Therefore CETVs are not applicable								
4.- Ms R Treharne transferred from the 1995 pension scheme to the 2015 pension scheme on 1 October 2017								
5.- Mrs JM Davies retired during 2019-20, therefore a CETV is not applicable								
6.- Mr H Daniel transferred from the 1995 pension scheme to the 2015 pension scheme on the 1st April 2015.								
7.- Mr J Palmer transferred from the 2008 pension scheme to the 2015 pension scheme on 1 April 2015								
8.- Mr R Williams transferred from the 1995 pension scheme to the 2015 pension scheme on 1 October 2017.								
9.- Mr R Williams retired during 2019-20, therefore a CETV is not applicable								
10.Mrs G Galletly transferred from the 1995 pension scheme to the 2015 pension scheme on 1st April 2015.								
The NHS Pension scheme which is open to all NHS employees requires all members to contribute on a tiered scale from 5% up to 14.5% of their pensionable pay depending on total earnings, with the employers contributing 20.68%. Pensionable pay is determined by the number of year's pensionable service and is related to the level of earnings/final salary at the time of retirement. Pension contributions of Executive Directors are entirely consistent with the standard NHS Pension Scheme. Pension benefits are calculated on the same basis for all members.								
As Independent members do not receive pensionable remuneration for Board duties, there will be no entries in respect of pensions for Independent members.								
Cash Equivalent Transfer Values								
A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures and the other pension details include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.								
Real Increase in CETV								
This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another scheme or arrangement) and uses common market valuation factors for the start and end of the period. In August 2019 the method used to calculate CETVs changed, to remove the adjustment for Guaranteed Minimum Pension (GMP). The calculation of the real increase in CETV, for individuals entitled to GMP, would have an effect on the values disclosed (mainly 1995 & 2008 schemes).								

Pension Benefits 2018-2019	Real increase in pension at pensionable age	Real increase in pension lump sum at pensionable age	Total accrued pension at pensionable age at 31 March 2019	Lump sum at pensionable age accrued pension at 31 March 2020	Equivalent Transfer Value at 31 March 2019	Equivalent Transfer Value at 31 March 2018	Real Increase in Cash Equivalent Transfer Value	Employer's contribution to stakeholder pension
Name and title	(bands of £2,500) £000	(bands of £2,500) £000	(bands of £5,000) £000	(bands of £5,000) £000	£000	£000	£000	£000
<u>Cwm Taf Morgannwg University Local Health Board</u>								
<u>Executive Directors</u>								
Mrs A J Williams 1995 Pension Scheme	0-2.5	0-2.5	50-55	160-165	1143	992	121	0
Mrs A J Williams 2015 Pension Scheme	2.5-5	0	10-15	0	142	83	30	0
<i>Chief Executive (Note 1)</i>								
Mr S J Webster	n/a	n/a	n/a	n/a	n/a	1484	n/a	n/a
<i>Director of Finance from the 11th April 2018 (Note 2)</i>								
Mr M Thomas	0-2.5	0-2.5	20-25	60-65	476	385	2	0
<i>Interim Director of Finance to 10th April 2018</i>								
Mr A Lawrie 1995 Pension Scheme	30-32.5	2.5-5	40-45	125-130	924	776	125	0
Mr A Lawrie 2015 Pension Scheme	0-2.5	0	5-10	0	106	67	22	0
<i>Director of Primary, Community & Mental Health Services</i>								
Mr K Asaad	0-2.5	2.5-5	65-70	200-205	n/a	n/a	n/a	0
<i>Medical Director (Note 3)</i>								
Mrs L Williams	0	0	40-45	160-165	n/a	1,254	n/a	0
<i>Director of Nursing, Midwifery and Patient Care to 10th August 2018 (Note 4)</i>								
Mrs A Hopkins	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
<i>Interim Director of Nursing, Midwifery and Patient Care from 3rd September 2018 (Note 5)</i>								
Ms R Treharne 1995 Scheme	0	0	50-55	150-155	1,095	961	105	0
Ms R Treharne 2015 Scheme	0-2.5	0	0-5	0	49	14	16	0
<i>Director of Planning and Performance</i>								
<i>Deputy Chief Executive (Note 6)</i>								
Mrs J M Davies	0-2.5	0-2.5	45-50	135-140	1,058	923	89	0
<i>Director of Workforce & Organisational Development</i>								
Dr K Nnoaham 2008 Pension Scheme	0-2.5	0	10-15	0	144	116	24	0
Dr K Nnoaham 2015 Pension Scheme	0-2.5	0	5-10	0	104	62	22	0
<i>Director of Public Health</i>								
<u>Directors</u>								
Mr J Palmer 2008 Pension Scheme	0-2.5	0	0-5	0	17	14	3	0
Mr J Palmer 2015 Pension Scheme	0-2.5	0	5-10	0	99	62	17	0
<i>Chief Operating Officer (Note 7)</i>								
Mr R Williams 1995 Pension Scheme	0	0	40-45	125-130	945	855	64	0
Mr R Williams 2015 Pension Scheme	0-2.5	0	0-5	0	38	11	13	0
<i>Director of Corporate Services & Governance/ Board Secretary (Note 8) (Note 9)</i>								
Miss G Roberts 1995 Pension Scheme	0-2.5	2.5-5	30-35	90-95	664	527	71	0
Miss G Roberts 2015 Pension Scheme	0-2.5	0	5-10	0	70	43	9	0
<i>Acting Director of Corporate Services & Governance/ Board Secretary from 1st September 2018</i>								

Notes:
1.- Mrs A J Williams transferred from the 1995 pension scheme to the 2015 pension scheme on 1 February 2016
2.- Mr S Webster chose not to be covered by the NHS pension arrangements during 2018-19
3.- Mr K Asaad is over the normal retirement age for 1995 Section members, therefore a CETV is not applicable
4.- Ms L Williams retired on 12th August 2018, therefore a CETV is not applicable
5. - Mrs A Hopkins is a member of the NEST (National Employment Savings Trust). The UHB is contributing to the NEST scheme in respect of this member. The UHB was unable to obtain pension benefit information from NEST in time for publication, however as the UHB has only paid £403 Employers Pension Contributions to this scheme in regard to Mrs A Hopkins it does not expect the pension benefit to be material.
6.- Ms R Treharne transferred from the 1995 pension scheme to the 2015 pension scheme on 1 October 2017 7
7.- Mr J Palmer transferred from the 2008 pension scheme to the 2015 pension scheme on 1 April 2015
8.- Mr R Williams transferred from the 1995 pension scheme to the 2015 pension scheme on 1 October 2017 9.- Mr R Williams was absent from 24th September 2018 to 26th March 2019
The NHS Pension scheme which is open to all NHS employees requires all members to contribute on a tiered scale from 5% up to 14.5% of their pensionable pay depending on total earnings, with the employers contributing 14.3%. Pensionable pay is determined by the number of year's pensionable service and is related to the level of earnings/final salary at the time of retirement. Pension contributions of Executive Directors are entirely consistent with the standard NHS Pension Scheme. Pension benefits are calculated on the same basis for all members.
As Independent members do not receive pensionable remuneration for Board duties, there will be no entries in respect of pensions for Independent members.
Cash Equivalent Transfer Values
A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures and the other pension details include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.
Real Increase in CETV
This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another scheme or arrangement) and uses common market valuation factors for the start and end of the period. In October 2018 the factors used to calculate the CETV increased which will have affected the values disclosed.

REPORTING OF OTHER COMPENSATION SCHEMES – EXIT PACKAGES

Redundancy and other departure costs have been paid in accordance with the provisions of the NHS Voluntary Early Release Scheme (VERS). Where the Health Board has agreed early retirements, the additional costs are met by the organisation and not by the NHS Pensions Scheme. Ill-health retirement costs are met by the NHS Pensions Scheme and are not included in the tables provided. £131,449 exit costs were paid in 2019-2020, the year of departure. The exit packages include a payment to the former Chief Executive as detailed below.

Allison Williams, Chief Executive for Cwm Taf Morgannwg University Health Board, stepped down on 20th August 2019. In line with the agreement for her departure, her final salary received included a payment of £8,190 for accrued but untaken annual leave, an ex-gratia payment for the termination of employment of £75,119, a payment of £45,071 in respect of the contractual entitlement to payment in lieu of notice and a contribution towards her legal fees of £3,600. The terms of the exit package were agreed by the Remuneration and Terms of Service Committee, and where necessary approved by the Welsh Government.

EXPENDITURE ON CONSULTANCY

Consultancy services are the provision to management of advice and assistance relating to strategy, structure, management or operations of an organisation in pursuant of its objectives. During 2019/2020 CTMUHB spent £335,000 on external consultancy fees compared with £233,000 in 2018/19.

TAX ASSURANCE FOR OFF-PAYROLL ENGAGEMENTS

Following the Review of Tax Arrangements of Public Sector Appointees published by the Chief Secretary to the Treasury on 23 May 2012, departments must publish information on their highly paid and/or senior off-payroll engagements. The information, contained in the three tables below, includes all off-payroll engagements as at 31 March 2020 for those earning more than £245 per day and that last longer than six months for the core department, its executive agencies and its arm's length bodies.

Table 1: Off-payroll engagements as at 31 March 2020, for more than £245 per day and lasted longer than six months

Number of existing engagements as of 31 March 2020	17
Of which, the number that have existed:	
for less than one year at time of reporting.	4
for between one and two years at time of reporting.	4
for between two and three years at time of reporting.	5
for between three and four years at time of reporting.	4
for four or more years at time of reporting.	0

Table 2: For all new off-payroll engagements, or those that reached six months in duration, between 1 April 2019 and 31 March 2020, for more than £245 per day and that lasted longer than six months

Number of new engagements, or those that reached six months in duration, between 1 April 2019 and 31 March 2020	3
Of which...	
Number assessed as caught by IR35	3
Number assessed as not caught by IR35	0
Number engaged directly (via PSC contracted to department) and are on the departmental payroll.	0
Number of engagements reassessed for consistency/assurance purposes during the year.	0
Number of engagements that saw a change to IR35 status following the consistency review.	0

Table 3; For any off-payroll engagements of board members, and/or senior officials with significant financial responsibility, between 1 April 2019 and 31 March 2020

No. of off-payroll engagements of board members, and /or, senior officials with significant financial responsibility, during the financial year.	0
No. of individuals that have been deemed "board members, and/or senior officials with significant financial responsibility", during the financial year. This figure should include both off-payroll and on-payroll engagements.	17

REPORTING OF OTHER COMPENSATION SCHEMES – EXIT PACKAGES

	2019-20	2019-20	2019-20	2019-20	2018-19
Exit packages cost band (including any special payment element)	Number of compulsory redundancies	Number of other departures	Total number of exit packages	Number of departures where special payments have been made	Total number of exit packages
	Whole numbers only	Whole numbers only	Whole numbers only	Whole numbers only	Whole numbers only
less than £10,000	0	0	0	0	0
£10,000 to £25,000	0	1	1	0	0
£25,000 to £50,000	0	1	1	0	0
£50,000 to £100,000	0	1	1	0	0
£100,000 to £150,000	0	0	0	0	0
£150,000 to £200,000	0	0	0	0	0
more than £200,000	0	0	0	0	0
Total	0	3	3	0	0

REPORTING OF OTHER COMPENSATION SCHEMES – EXIT PACKAGES (CONTD)

		2019-20		2019-20		2019-20		2019-20		2018-19
Exit packages cost band (including any special payment element)		Cost of compulsory redundancies		Cost of other departures		Total cost of exit packages		Cost of special element included in exit packages		Total cost of exit packages
		£'s		£'s		£'s		£'s		£'s
less than £10,000		0		0		0		0		0
£10,000 to £25,000		0		10,000		10,000		0		0
£25,000 to £50,000		0		40,152		40,152		0		0
£50,000 to £100,000		0		81,297		81,297		0		0
£100,000 to £150,000		0		0		0		0		0
£150,000 to £200,000		0		0		0		0		0
more than £200,000		0		0		0		0		0
Total		0		131,449		131,449		0		0

NATIONAL ASSEMBLY FOR WALES ACCOUNTABILITY AND AUDIT REPORT

Where the Health Board undertakes an activity which is not funded directly by the Welsh Government CTMUHB receives and income to cover its costs. Further detail of income received is published our annual accounts. The Health Board confirms that it has complied with cost allocation and the charging requirements set out in HM Treasury guidance during the year.

Regularity of expenditure

It is expected that public funds will be used in a way that gives reasonable assurance that public resources will be used to deliver the intended objectives. Expenditure must be compliant with relevant legislation including EU legislation, delegated authorities and following guidance in Managing Welsh Public Money.

Fees and charges

Charges for services provided by public sector organisations normally pass on the full cost of providing those services. There is scope for charging more or less than this provided that the relevant Ministerial approval is given and there is full disclosure. Public sector organisations may also supply commercial services on commercial terms designed to work in fair competition with private sector providers. The Welsh Government expects proper controls over how, when and at what level charges may be levied.

This report contains a range of disclosures on the regularity of expenditure, fees and charges, compliance with the cost allocation and charging requirements set out in Her Majesty's Treasury Guidance, material remote contingent liabilities, long-term expenditure trends, and the audit certificate and report.

Remote contingent liabilities

These are liabilities which due to the unlikelihood of a resultant charge against the Health Board are therefore not recognised as an expense nor as a contingent liability. Detailed below are the remote contingent liabilities as at 31 March 2020:

	2019 - 20 £000	2018 - 19 £000
Guarantees	-	-
Indemnities	275	1,025
Letter of Comfort	-	-
Total	275	1,025

Miscellaneous Income	2015-16	2016-17	2017-18	2018-19	2019-20
	£000	£000	£000	£000	£000
	79,386	80,188	82,852	91,573	144,961

THE CERTIFICATE AND INDEPENDENT AUDITOR'S REPORT OF THE AUDITOR GENERAL FOR WALES TO THE SENDEDD

Report on the audit of the financial statements

I certify that I have audited the financial statements of Cwm Taf Morgannwg University Local Health Board for the year ended 31 March 2020 under Section 61 of the Public Audit (Wales) Act 2004. These comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Cash Flow Statement and Statement of Changes in Tax Payers Equity and related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and HM Treasury's Financial Reporting Manual based on International Financial Reporting Standards (IFRSs).

Opinion

In my opinion the financial statements:

- give a true and fair view of the state of affairs of Cwm Taf Morgannwg University Local Health Board as at 31 March 2020 and of its net operating costs for the year then ended; and
- have been properly prepared in accordance with the National Health Service (Wales) Act 2006 and directions made there under by Welsh Ministers.

Basis for opinion

Emphasis of Matter – clinicians' pension tax liabilities

I draw attention to Note 21 of the financial statements, which describes the impact of a Ministerial Direction issued on 18 December 2019 to the Permanent Secretary of the Welsh Government, instructing her to fund NHS Clinicians' pension tax liabilities incurred by NHS Wales bodies in respect of the 2019-20 financial year. The Health Board has disclosed the existence of a contingent liability at 31 March 2020, and my opinion is not modified in respect of this matter.

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)). My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the board in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting

Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Chief Executive has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Health Board's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Chief Executive is responsible for the other information in the annual report and accounts. The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies, I consider the implications for my report.

Opinion on regularity

In my opinion, in all material respects, the expenditure and income in the financial statements have been applied to the purposes intended by the Senedd and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Report on other requirements

Opinion on other matters

In my opinion, the part of the remuneration report to be audited has been properly prepared in accordance with the National Health Service (Wales) Act 2006 and directions made there under by Welsh Ministers.

In my opinion, based on the work undertaken in the course of my audit:

- the information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and the Governance Statement has been prepared in accordance with Welsh Ministers' guidance; and
- the information given in the Foreword and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements and the Foreword and Accountability Report has been prepared in accordance with Welsh Ministers' guidance.

Matters on which I report by exception

In the light of the knowledge and understanding of the board and its environment obtained in the course of the audit, I have not identified material misstatements in the Foreword and Accountability Report.

I have nothing to report in respect of the following matters, which I report to you, if, in my opinion:

- proper accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns;
- information specified by HM Treasury or Welsh Ministers regarding remuneration and other transactions is not disclosed; or
- I have not received all the information and explanations I require for my audit.

Report

I have no observations to make on these financial statements.

Responsibilities

Responsibilities of Directors and the Chief Executive for the financial statements

As explained more fully in the Statements of Directors' and Chief Executive's Responsibilities, the Directors and the Chief Executive are responsible for the preparation of financial statements which give a true and fair view and for such internal control as the Directors and Chief Executive determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors and Chief Executive are responsible for assessing the board's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Responsibilities for regularity

The Chief Executive is responsible for ensuring the regularity of financial transactions.

I am required to obtain sufficient evidence to give reasonable assurance that the expenditure and income have been applied to the purposes intended by the Senedd and the financial transactions conform to the authorities which govern them.

Adrian Crompton

Auditor General for Wales

2 July 2020

24 Cathedral Road

Cardiff

CF11 9LJ