

Annual Governance Statement 2017/2018

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ANNUAL GOVERNANCE STATEMENT 2017/2018

1. SCOPE OF RESPONSIBILITY

As Accounting Officer, the Managing Director has responsibility for maintaining a sound system of internal control that supports the achievement of the NHS Wales Shared Services Partnership's (NWSSP), and the host's (Velindre NHS Trust) policies, aims and objectives. The Managing Director also safeguards the public funds and departmental assets for which he is personally responsible, in accordance with the responsibilities assigned to him. The Managing Director is responsible for ensuring that NWSSP is administered prudently and economically and that resources are applied efficiently and effectively.

Governance comprises the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved. Effective governance is paramount to the successful and safe operation of NWSSP's services. This is achieved through a combination of "hard" systems and processes including standing orders, policies, protocols and processes; and "soft" characteristics of effective leadership and high standards of behaviour (Nolan principles).

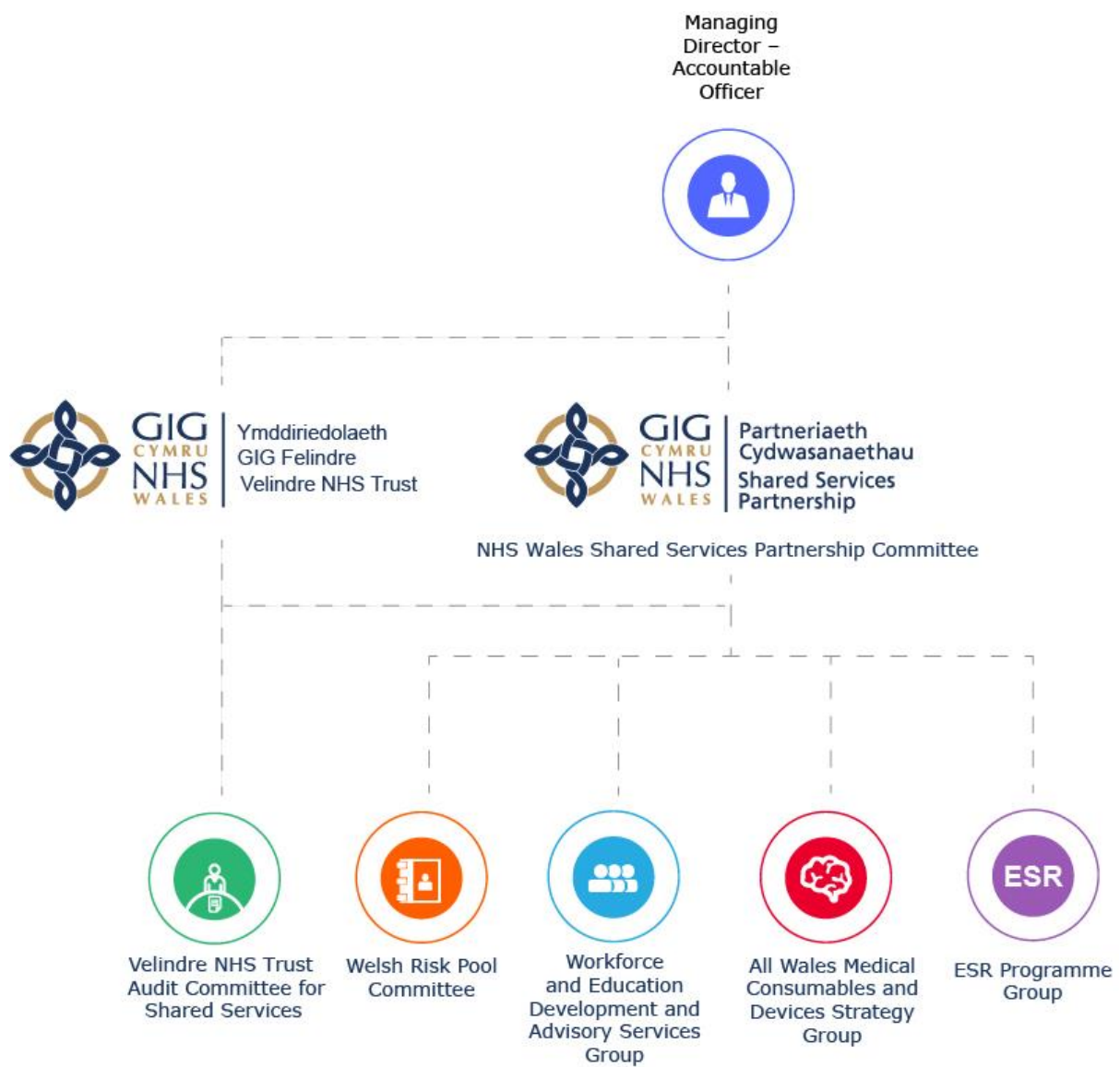
The Managing Director of Shared Services is accountable to the Shared Services Partnership Committee (Partnership Committee) in relation to those functions delegated to it. The Managing Director is also accountable to the Chief Executive of Velindre NHS Trust in respect of the hosting arrangements supporting the operation of Shared Services.

The Chief Executive of Velindre NHS Trust is responsible for the overall performance of the executive functions of the Trust and is the designated Accountable Officer for the Trust. As the host organisation, the Chief Executive (and the Velindre Board) has a legitimate interest in the activities of the Shared Services Partnership and has certain statutory responsibilities as the legal entity hosting Shared Services.

The Managing Director of Shared Services (as the Accountable Officer for Shared Services) and the Chief Executive of Velindre NHS Trust (as the Accountable Officer for the Trust) shall be responsible for meeting all the responsibilities of their roles, as set out in their respective Accountable Officer Memoranda. Both Accountable Officers co-operate with each other to ensure that full accountability for the activities of the Shared Services and Velindre NHS Trust is afforded to the Welsh Government Ministers/Cabinet Secretary whilst minimising duplication.

The Governance Structure for NWSSP is presented in Figure 1 below:

Figure 1 –NWSSP’s Governance Structure



Underpinned through the overarching Velindre NHS Trust legal and assurance framework

2. GOVERNANCE FRAMEWORK

NWSSP has two main Committees that have key roles in relation to the Governance and Assurance Framework. Both Committees are chaired by Independent Members and undertake scrutiny, development discussions, and assess current risks and monitor performance in relation to the diverse number of services provided by NWSSP to NHS Wales.

2.1 Shared Services Partnership Committee

The Shared Services Partnership Committee (Partnership Committee) was established in accordance with the Velindre National Health Service Trust Shared Services Committee (Wales) Regulations 2012 No. 1261(W.156) and the functions of managing and providing shared services (professional, technical and administrative services) to the health service in Wales is included within the Velindre National Health Service Trust (Establishment) (Amendment) Order 2012.

The composition of the Partnership Committee includes an Independent Chair, the Managing Director of Shared Services, and either the Chief Executive of each partner organisation in NHS Wales or a nominated representative who acts on behalf of the respective Health Board or Trust.

At a local level, Health Boards and NHS Trusts in Wales must agree Standing Orders for the regulation of proceedings and business. They are designed to translate the statutory requirements set out within the Local Health Boards (Constitution, Membership and Procedures) (Wales) Regulations 2009, into day to day operating practice, and, together with the adoption of a scheme of matters reserved to the Board; a scheme of delegations to officers and others; and Standing Financial Instructions, they provide the regulatory framework for the business conduct of NWSSP and define its "way of working". These documents, accompanied by relevant Velindre NHS Trust policies and NWSSP's corporate protocols, approved by the SMT, provide NWSSP's Governance Framework.

Health Boards and NHS Trusts in Wales have collaborated over the operational arrangements for the provision of shared services and have an agreed Memorandum of Co-operation to ensure that the arrangements operate effectively through collective decision making in accordance with the policy and strategy set out above, determined by the Partnership Committee.

Whilst the Partnership Committee acts on behalf of the Health Boards and NHS Trusts in undertaking its functions, the responsibility for the exercise of Shared Services functions is a shared responsibility of all NHS bodies in Wales.

The Partnership Committee is supported by the Director of Corporate Governance/Board Secretary of Cwm Taf University Health Board, who acts as the guardian of good governance within the Committee.

NWSSP's governance arrangements are summarised below.

Figure 2: Summary of Governance Arrangements



The Partnership Committee has in place a robust Governance and Accountability Framework for NWSSP including:

- Standing Orders;
- Hosting Agreement;
- Interface Agreement between the Chief Executive Velindre NHS Trust and Managing Director of NWSSP; and
- Accountability Agreement between the Partnership Committee and the Managing Director of NWSSP.

These documents, together with the Memorandum of Co-operation form the basis upon which the Partnership Committee's Governance and Accountability Framework is developed. Together with the Velindre Values and Standards of Behaviour framework, this is designed to ensure the achievement of the standards of good governance set for the NHS in Wales.

The Membership of the Committee during the year ended 31 March 2018 is outlined in Figure 3 below. All meetings were quorate and attended by the Chair, and the attendance of the Committee is outlined in Figure 4.

Figure 3: Table of Members of the NHS Wales Shared Services Partnership Committee during 2017/2018

Name	Position	Organisation	From – To
Margaret Foster (Chair)	<i>Independent Member</i>	<i>NHS Wales Shared Services Partnership</i>	<i>Full Year</i>
Neil Frow	<i>Managing Director of NWSSP</i>	<i>NHS Wales Shared Services Partnership</i>	<i>Full Year</i>
Paul Gilchrist	<i>Deputy Director of Finance</i>	<i>Abertawe Bro Morgannwg UHB</i>	<i>Full Year</i>
Geraint Evans	<i>Director of Workforce and OD</i>	<i>Aneurin Bevan UHB</i>	<i>Full Year</i>
Huw Thomas (Vice Chair)	<i>Director of Operational Finance</i>	<i>Betsi Cadwaladr UHB</i>	<i>Full Year</i>
Christopher Lewis	<i>Deputy Director of Finance</i>	<i>Cardiff and Vale UHB</i>	<i>Full Year</i>
Joanna Davies	<i>Director of Workforce & OD</i>	<i>Cwm Taf UHB</i>	<i>Full Year</i>
Nia Williams	<i>Executive Project Manager</i>	<i>Hywel Dda UHB</i>	<i>Full Year</i>
Eifion Williams	<i>Director of Finance</i>	<i>Powys THB</i>	<i>Full Year</i>
Melanie Westlake	<i>Head of Corporate Governance/Board Secretary</i>	<i>Public Health Wales NHS Trust</i>	<i>Full Year</i>
Steve Ham	<i>Chief Executive</i>	<i>Velindre NHS Trust</i>	<i>Full Year</i>
Chris Turley	<i>Acting Director of Finance</i>	<i>Welsh Ambulance Services NHS Trust</i>	<i>Full Year</i>

The composition of the Committee also requires the attendance of the following: Director of Finance, Welsh Government, Director of Finance & Corporate Services, NWSSP, Director of Workforce & Organisational Development, Boards Secretary/Director of Governance, Cwm Taf UHB as governance support.

Figure 4 – Attendance at the Meetings of the NHS Wales Shared Services Partnership Committee during 2017/2018

Organisation	18/05/2017	07/06/2017	19/09/2017	16/11/2017	18/01/2018	27/03/2018
<i>Abertawe Bro Morgannwg UHB</i>	<i>x</i>	<i>x</i>	<i>x</i>	<i>✓*</i>	<i>x</i>	<i>x</i>
<i>Aneurin Bevan UHB</i>	<i>x</i>	<i>✓</i>	<i>✓</i>	<i>✓</i>	<i>✓</i>	<i>✓</i>
<i>Betsi Cadwaladr UHB</i>	<i>✓</i>	<i>✓</i>	<i>x</i>	<i>✓</i>	<i>✓</i>	<i>✓</i>

<i>Cardiff and Vale UHB</i>	✓	✓*	✓*	✓	✓	✓
<i>Cwm Taf UHB</i>	✓✓	✗	✓✓	✓✓	✓	✓
<i>Hywel Dda LHB</i>	✓	✓	✓*	✓	✓	✓
<i>Powys Teaching Health Board</i>	✗	✗	✓	✗	✗	✗
<i>Public Health Wales Trust</i>	✗	✓	✓	✓	✗	✗
<i>Welsh Ambulance Service Trust</i>	✓	✗	✓	✓	✓	✗
<i>Welsh Government</i>	✗	✓	✗	✓	✓	✗
<i>Velindre NHS Trust</i>	✗	✓	✗	✓✓	✓	✓

✓ Denotes the nominated member was present

✓* Denotes the nominated member was not present and that a suitable officer attended on their behalf

✗ Denotes Health Body not represented

** Denotes the Director of Corporate Governance/Board Secretary, Governance Support role deputised for the Cwm Taf UHB representative

The purpose of the Partnership Committee is set out below:

- To set the policy and strategy for Shared Services;
- To monitor the delivery of Shared Services through the Managing Director of Shared Services;
- To seek to improve the approach to delivering shared services which are effective, efficient and provide value for money for NHS Wales and Welsh Government;
- To ensure the efficient and effective leadership, direction, and control of Shared Services; and
- To ensure a strong focus on delivering savings that can be re-invested in direct patient care.

The Partnership Committee monitors performance monthly against key performance indicators. For any indicators assessed as being below target, reasons for current performance are identified and included in the report along with any remedial actions to improve performance. These are presented to the Partnership Committee by the relevant Director. *Deep Dive* sessions are a standing item on the agenda to learn more about the risks and issues of directorates within NWSSP.

The Partnership Committee ensures that NWSSP consistently followed the principles of good governance applicable to NHS organisations, including the oversight and development of systems and processes for financial

control, organisational control, governance and risk management. The Partnership Committee assesses strategic and corporate risks through the Corporate Risk Register.

2.2 Partnership Committee Performance

During 2017/2018, the Partnership Committee approved an annual forward plan of business, including:

A “Horizon Scanning” Workshop – following on from the SMT Horizon Scanning workshop held on 13 September 2017. A specific workshop was held with the Partnership Committee which provided an opportunity for members to:

- Review performance;
 - Review NWSSP achievements over the preceding 12 months;
 - Review how NWSSP is performing against its Integrated Medium Term Plan (IMTP);
 - Consider the future macro challenges to service delivery; and
 - Consider what additional support NWSSP could provide to NHS Wales.
- A workshop to discuss the potential expansion of NWSSP services to further support NHS Wales; and
 - *Deep Dive* sessions to explore in detail individual service areas and to collectively discuss areas of success and potential weakness with a view to collectively agreeing a potential solution.

2.3 Velindre Audit Committee for NWSSP

The primary role of the Velindre NHS Trust Audit Committee for Shared Services (Audit Committee) has been to review and report upon the adequacy and effective operation of NWSSP’s overall governance and internal control system. This includes risk management, operational and compliance controls, together with the related assurances that underpin the delivery of NWSSP’s objectives. This role is set out clearly in the Audit Committee’s terms of reference which were revised in 2017/2018 to ensure these key functions were embedded within the standing orders and governance arrangements.

The Audit Committee reviews the effective local operation of internal and external audit, as well as the Counter Fraud Service. In addition, it ensures that a professional relationship is maintained between the external and internal auditors so that assurance resource is effectively used.

The Audit Committee supports the Partnership Committee in its decision-making and in discharging its accountabilities for securing the achievement of NWSSP’s objectives in accordance with the standards of good governance determined for the NHS in Wales.

The Committee attendees during 2017/2018 comprised of three Independent Members of Velindre NHS Trust supported by representatives

of both Internal and External Audit and Senior Officers of NWSSP and Velindre NHS Trust.

Figure 5 - Composition of the Velindre NHS Trust Audit Committee for NWSSP during 2017/18

In Attendance	April 2017	June 2017	July 2017	Nov 2017	Feb 2018	Total Out of 5
Committee Members						
Martin Veale, Chair & Independent Member	✓	✓	✓	✓	✓	5
Ray Singh, Independent Member	✓		✓	✓		3
Professor Jane Hopkinson, Independent Member	✓	✓	✓	✓	✓	5
Wales Audit Office						
Audit Team Representative	✓✓	✓	✓		✓	4
NWSSP Audit Service						
Director of Audit & Assurance	✓	✓	✓	✓	✓	5
Head of Internal Audit	✓	✓	✓	✓	✓	5
Audit Manager	✓	✓	✓	✓	✓	5
Counter Fraud Services						
Local Counter Fraud Specialist	✓	✓	✓	✓	✓	5
NWSSP						
Margaret Foster, Chair NWSSP	✓		✓	✓	✓	4
Neil Frow, Managing Director	✓	✓	✓		✓	4
Andy Butler, Director of Finance & Corporate Services	✓	✓	✓	✓	✓	5
Jacqui Maunder, Head of Corporate Services	✓	✓	✓	✓	✓	5
Roxann Davies, Compliance Officer	✓	✓	✓	✓	✓	5
NWSSP Secretariat	✓	✓		✓		3
Other Staff		✓✓	✓✓	✓	✓✓	4
Velindre NHS Trust						
Steve Ham, Chief Executive		✓				1
Mark Osland, Director of Finance	✓	✓	✓		✓	4

The Audit Committee met formally on five occasions during the year with the majority of members attending regularly and all meetings were quorate. An Audit Committee "Highlight Report" and Minutes of the meeting have been reported back to the Partnership Committee.

2.4 Reviewing Effectiveness of Audit Committee

The Audit Committee completes an annual committee effectiveness survey evaluating the performance and effectiveness of:

- the Audit Committee members and Chair;
- the quality of the reports presented to Committee; and
- the effectiveness of the Committee secretariat.

The survey questionnaire comprises self-assessment questions intended to assist the Committee in assessing their effectiveness with a view to identifying potential areas for development going forward. The survey for 2017/18, undertaken during May 2018, had an 80% response rate (8 responses received) and identified the following:

- 88% of all responses were positive;
- 100% of respondents felt that the Committee had been provided with sufficient authority and resource to perform its role effectively;
- 100% of respondents also considered that the Committee meets sufficiently frequently to deal with planned matters and that sufficient time is made available for questions and discussion;
- All respondents agreed that the atmosphere at Committee meetings is conducive to open and productive debate;
- All agreed that the behaviour of members and attendees was courteous and professional; and
- All agreed that the reports received by the Committee were timely and included the right format and content to enable the Committee to discharge its internal control and risk management responsibilities.

Areas for further consideration included the use of the Welsh Language in meetings, and in promoting greater use of technology for Committee papers.

2.5 Sub Groups and Advisory Groups

The Partnership Committee is supported by four advisory groups:

- **Workforce Education and Development Services Advisory Group (WEDSAG)**
 - Advisory group to the Shared Services Partnership Committee; and
 - Reviews progress with Workforce Development and Education activity on behalf of NHS Wales.
- **Welsh Risk Pool Committee**
 - Reimburse losses over £25,000 incurred by Welsh NHS bodies arising out of negligence;
 - Funded through the NHS Wales Healthcare budget;
 - Oversees the work and expenditure of the Welsh Risk Pool; and
 - Helps promote best clinical practice and lessons learnt from clinical incidents.
- **Evidence-Based Procurement Board**
 - Advisory group to promote wider liaison across NHS Wales;

- Includes representatives of various disciplines across NHS Wales and relevant research bodies;
 - Helps inform and develop a value and evidence based procurement process for medical consumables and devices for NHS Wales.
- **Local Partnership Forum (LPF)**
 - Formal mechanism for consultation and engagement between NWSSP and the relevant Trade Unions. The LPF facilitates an open forum in which parties can engage with each other to inform debate and seek to agree local priorities on workforce and health service issues.

2.6 Senior Management Team (SMT)

The Managing Director leads the SMT and reports to the Chair of the Partnership Committee on the overall performance of NWSSP. The Managing Director is the designated Accountable Officer for Shared Services and is accountable, through the leadership of the Senior Management Team, for:

- The performance and delivery of NWSSP through the preparation of the annually updated Integrated Medium Term Plan (IMTP) based on the policies and strategy set by the Committee and the preparation of Service Improvement plans;
- Leading the SMT to deliver the IMTP and Service Improvement Plans;
- Establishing an appropriate Scheme of Delegation for the SMT; and
- Ensuring that adequate internal controls and procedures are in place to ensure that delegated functions are exercised properly and prudently.

The SMT are responsible for determining NWSSP policy, setting the strategic direction and aims to ensure that there is effective internal control, and ensuring high standards of governance and behaviour. In addition, the SMT is responsible for ensuring that NWSSP is responsive to the needs of Health Boards and Trusts.

The SMT comprises:

Figure 7 – Composition of the SMT at NWSSP during 2017/2018

Name	Designation
Mr Neil Frow	Managing Director
Mr Andy Butler	Director of Finance and Corporate Services
Mrs Hazel Robinson	Director of Workforce and Organisational Development
Mr Mark Roscrow	Director of Procurement Services
Mr Paul Thomas	Director of Employment Services
Mr Simon Cookson	Director of Audit and Assurance
Mrs Anne-Louise Ferguson	Director of Legal and Risk

Mr Dave Hopkins	Director of Primary Care Services
Mr Neil Davies	Director of Specialist Estates
Mr Stephen Griffiths	Director of Workforce Education and Development Services (WEDS)

3. THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to the achievement of the policies, aims and objectives of NWSSP. Therefore, it can only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks, evaluate the likelihood of those risks being realised and the impact they would have, and to manage them efficiently, effectively and economically. The system of internal control has been in place in NWSSP for the year ending 31 March 2018.

3.1 External Audit

During 2017/2018, NWSSP's external auditors were the Wales Audit Office (WAO). The Audit Committee has worked constructively with the WAO and the areas examined included:

- NWSSP Nationally Hosted NHS IT Systems Assurance Report 2016-17;
- WAO Proposed Work 2016-2017;
- Capital Expenditure Scheme Update;
- Internal Audit Visit Update;
- WAO Report of NWSSP 2016-17; and
- WAO Assurance Arrangements 2018.

The work of external audit is monitored by the Audit Committee through regular progress reports. Their work is considered timely and professional. The recommendations made are relevant and helpful in our overall assurance and governance arrangements and in minimising risk. There are clear and open relationships with officers and the reports produced are comprehensive and well presented.

In addition to internal NWSSP issues, the Audit Committee has been kept apprised by our external auditors of developments across NHS Wales and elsewhere in the public sector. These discussions have been helpful in extending the Audit Committee's awareness of the wider context of our work.

3.2 Internal Audit

The Audit Committee regularly reviewed and considered the work and findings of the internal audit team. The Director of Audit and Assurance and the relevant Heads of Internal Audit have attended each meeting to discuss their work and present their findings. The Audit Committee are satisfied with the liaison and coordination between the external and internal auditors.

Quarterly returns providing assurance on any audit areas assessed as having “no assurance” or “limited assurance” were issued to Welsh Government in accordance with the instruction received from Dr Andrew Goodall, Chief Executive NHS Wales/Director General in July 2016. During 2017/18 no internal audit reports were rated as limited or no assurance.

For both internal and external audit, the Audit Committee have ensured that management actions agreed in response to reported weaknesses were implemented in a timely manner. Any planned revisions to agreed timescales for implementation of action plans requires Audit Committee approval.

Reports were timely and enabled the Audit Committee to understand operational and financial risks. In addition, our internal auditors have provided valuable benchmarking information relating to best practice across NHS Wales.

3.3 Counter Fraud Specialists

The work of the Local Counter Fraud Services is undertaken to help reduce and maintain the incidence of fraud (and/or corruption) within NWSSP to an absolute minimum.

Regular reports were received by the Committee to monitor progress against the agreed Counter Fraud Plan; including the following reports:

- Progress Update at each meeting
- Quality Assessment Final Report
- Velindre NHS Trust Annual Report 2016-17
- Counter Fraud Work Plan 2017-18
- Counter Fraud Self Review Tool Submission 2016-17
- Counter Fraud Press Release
- Counter Fraud Quarterly Newsletter

During 2017/18, four new investigations into possible fraudulent or corrupt activity were instigated together with the five cases that were brought forward from 2016/17. Out of the four new cases, three involved alleged false claims submitted to the NHS Student Awards Service and which are still under investigation.

As part of its work, the Counter Fraud Department has a regular annual programme of raising fraud awareness within the Health Body for which a number of days are then allocated and included as part of an agreed Counter Fraud Work-Plan which is signed off, by the Health Body’s Finance Director, on an annual basis.

As part of that planned area of work, regular fraud awareness sessions are arranged and then held with various staff groups at which details on how and to who fraud can be reported are outlined.

In addition to this and in an attempt to promote an Anti-Fraud Culture within the Health Body, a quarterly newsletter is produced which is then available to all staff on the Health Body's Intranet website and all successful prosecutions' cases are also publicised in order to obtain the maximum deterrent effect.

3.4 Integrated Governance

The Audit Committee is responsible for the maintenance and effective system of integrated governance. It has maintained oversight of the whole process by seeking specific reports on assurance, which include:

- The Quality Assurance and Improvement Plan arising from the 2015-16 year end self-assessment;
- Tracking of Audit Recommendations;
- Corporate Risk Register;
- Directorate Assurance Maps; and
- Governance Matters report on single tender actions, declarations of interest, gifts and hospitality received and declined.

During 2017/2018, the Audit Committee reported any areas of concern to the Partnership Committee and played a proactive role in communicating suggested amendments to governance procedures and the corporate risk register.

3.5 Quality

During 2017/2018, the Partnership Committee has given attention to assuring the quality of services by including a section on "Quality, Safety and Patient Experience" as one of the core considerations on the committee report template when drafting reports for Partnership Committee meetings.

In addition, quality of service provision is a core feature of the discussions undertaken between NWSSP and the Health Boards and Trusts during quarterly review meetings with the relevant Directors.

NWSSP is also committed to continuously reviewing its services and has made a commitment for all of its services to undergo the rigorous Wales Quality Award (WQA) Assessment, based on the European Foundation for Quality Management (EFQM) system, through the Wales Quality Centre. Following on from the initial follow up assessment in February 2016, the feedback indicated that NWSSP had matured as an organisation over the following 12 months and that significant progress has been made in developing IT strategies and Programme Management.

3.6 Looking Ahead

As a result of its work during the year the Audit Committee is satisfied that NWSSP has appropriate and robust internal controls in place and that the systems of governance incorporated in the Standing Orders are fully embedded within the Organisation.

Looking forward to 2018-2019 the Audit Committee will continue to explore the financial, management, governance and quality issues that are an essential component of the success of NWSSP.

Specifically, the Audit Committee will:

- Continue to examine the governance and internal controls of NWSSP;
- Monitor closely risks faced by NWSSP and also by its major providers;
- Work closely with the "Chairs of Audit Committee group" on issues arising from financial governance matters affecting NHS Wales and the broader public sector community;
- Work closely with external and internal auditors on issues arising from both the current and future agenda for NWSSP;
- Ensure the Partnership Committee is kept aware of its work including both positive and adverse developments; and
- Request and review a number of "deep dives" into specific areas to ensure that it provides adequate assurance to both the Audit Committee and the Partnership Committee.

4. CAPACITY TO HANDLE RISK

The Shared Services Partnership Committee has overall responsibility and authority for NWSSP's Risk Management programme through the receipt and evaluation of reports indicating the status and progress of risk management activities.

The lead director for risk is the Director of Finance and Corporate Services who is responsible for establishing the policy framework and systems and processes needed for the management of risks within the organisation.

Velindre NHS Trust has an approved strategy for risk management and NWSSP has a risk management protocol in line with our host's strategy providing a clear systematic approach to the management of risk within NWSSP.

NWSSP seeks to integrate risk management processes so that it is not seen as a separate function but rather an integral part of the day-to-day management activities of the organisation including financial, health and safety and environmental functions.

The Corporate Risk Register is reviewed monthly by the SMT who ensure that key risks are aligned to delivery and are considered and scrutinised by the SMT as a whole. It is the responsibility of each Director and Head of Service to ensure that risk is addressed within each of the locations relevant to their Directorates. It is also important that an effective feedback mechanism operates across NWSSP so that frontline risks are escalated to the attention of Directors.

Each Director is required to provide a regular update on the status of their directorate specific risk registers during quarterly review meetings with the Managing Director. All risks categorised as being red within individual directorate registers trigger an automatic referral for review by the SMT, and if deemed appropriate the risk is added to the NWSSP Corporate Risk Register.

During 2017/18 the risk management framework and approach was subject to a detailed review building on the recommendations of an internal audit report issued in March 2017. The report contained findings that highlighted the need to make risk management more effective and dynamic within NWSSP and two workshops were held in the spring of 2017 to share the findings with directors and senior management.

Changes have since been made to the format of the corporate and directorate risk registers to ensure that they are both consistent and that they provide a more concise picture of the current position with each risk. The recently appointed Head of Finance and Business Development, supported by the Compliance Officer, is working with Directors and their Senior Management Teams to ensure that the risks recorded within each register remains current and that there is focus on achievement of planned actions to mitigate the risk. This is reinforced through the quarterly review process of each directorate where review of the directorate risk register is a standing agenda item.

In 2017/18 assurance maps were produced for each of the directorates to provide a view on how the key operational, or business-as-usual risks were being mitigated. These were presented to the Audit Committee in November 2017 and they will be updated and reviewed by the Audit Committee annually.

The NWSSP Risk Protocol has been updated accordingly and now includes a greater focus on the risk appetite of the organisation. The operationalisation of the risk appetite is through the target score applied to each risk, and this has led to a re-structuring of the Corporate Risk Register into two sections as follows:

- Risks for Action – this includes all risks where further action is required to achieve the target score. The focus of attention for these risks should be on ensuring timely completion of required actions; and
- Risks for Monitoring – this is for risks that have achieved their target score but which need to remain on the Corporate Risk Register due to their potential impact on the organisation as a whole. For these risks the focus is on monitoring both any changes in the nature of the risk (e.g. due to external environmental changes) and on ensuring that existing controls and actions remain effective (e.g. through assurance mapping).

NWSSP's approach to risk management therefore ensures that:

- Leadership is given to the risk management process;
- Staff are trained on how to identify and manage risk;
- Risks are identified, assessed, and prioritised ensuring that appropriate mitigating actions are outlined on the risk register; and
- The effectiveness of key controls is regularly assured.

An internal audit of the progress made with implementing the findings of the 2016/17 audit into risk management was finalised in May 2018 and concluded that the level of assurance given as to the effectiveness of the system of internal control in place to manage the risk associated with Risk Management was **Substantial Assurance**.

5. THE RISK AND CONTROL FRAMEWORK

NWSSP's commitment to the principle that risk is managed effectively means that we will continue to work to ensure that:

- There is compliance with legislative requirements where non-compliance would pose a serious risk;
- All sources and consequences of risk are identified and risks are assessed and either eliminated or minimised; information concerning risk is shared with staff across NWSSP and with Partner organisations through the Partnership Committee and the Audit Committee;
- Damage and injuries are minimised, and people health and wellbeing is optimised; and
- Lessons are learnt from compliments, incidents, and claims in order to share best practice and reduce the likelihood of reoccurrence.

5.1 Corporate Risk Framework

The detailed procedures for the management of corporate risk have been outlined above. As at 31 March 2018, there is one corporate risk categorised as having a "red" risk rating. This relates to issues surrounding the outsourcing of a number of primary care services in England which have an impact on NHS Wales. There are a number of options for NWSSP in managing this particular risk and these are being evaluated at present.

Generally to mitigate against potential risks concerning governance, NWSSP is proactive in reviewing its governance procedures and ensuring that risk management is embedded throughout its activities, including:

- NWSSP is governed by Standing Orders and Standing Financial Instructions which are reviewed on an annual basis;
- The Partnership Committee and Audit Committee both have forward work plans for committee business which provide an assurance framework for compliance with legislative and regulatory requirements;

- The effectiveness of governance structures is regularly reviewed including through Committee self-effectiveness surveys;
- The front cover pro-forma for reports for Committees includes a summary impact analysis section to be completed prior to submission. This provides a summary of potential implications relating to equality and diversity, legal implications, quality, safety and patient experience, risks and assurance, Wellbeing of Future Generations, Health and Care Standards and workforce;
- The Service Level Agreements in place with the Health Boards and NHS Trusts set out the operational arrangements for NWSSP's services to them and are reviewed on an annual basis;
- NWSSP are proactive in completing the Welsh Government's Health and Care Standards framework and ensure that Theme 2 Safe Care provided a clear picture of NWSSP's approach to health, safety and risk management; and
- The responsibilities of Directors are reviewed at annual Performance and Development Reviews (PADRs).

5.2 Policies and Procedures

NWSSP follows the policies and procedures of Velindre NHS Trust as the host organisation. In addition, a number of workforce policies have been developed and promulgated on a consistent all-Wales basis through the Welsh Partnership Forum and these apply to all staff within NWSSP.

All staff are aware of and have access to the internal Intranet where the policies and procedures are available. In a number of instances supplementary guidance has been provided. Velindre NHS Trust ensures that NWSSP have access to all of the Trust's policies and procedures and that any amendments to the policies are made known to the Managing Director and the Corporate Governance Manager and other designated staff as they are agreed. NWSSP participate in the development and revision of workforce policies and procedures with the host organisation and has established procedures for staff consultation.

The Partnership Committee will where appropriate develop its own protocols or amend policies if applicable to the business functions of NWSSP. The Managing Director and other designated officers of NWSSP are included on the Velindre NHS Trust Scheme of Delegation.

5.3 Information Governance

NWSSP has established arrangements for Information Governance to ensure that information is managed in line with the relevant ethical law and legislation, applicable regulations and takes guidance, when required from the Information Commissioner's Office (ICO). This includes established laws including Data Protection Legislation, Common Law Duty of Confidentiality, the Human Rights Act, the Caldicott Report and specific Records Management Principles. These cover the data that the organisation collects and the processing of this to ensure that NWSSP only uses it for compatible purposes and it remains secure and confidential whilst in our custody.

The Director of Finance and Corporate Services is the designated Senior Information Risk Owner (SIRO) in relation to Information Governance for NWSSP and, due to NWSSP's hosted status, the Caldicott Guardian for decisions of a clinical nature is Mr Rhydian Hurle, Medical Director, who is employed by the NHS Wales Informatics Service (NWIS).

NWSSP has an Information Governance Manager who has the objective of facilitating the effective use of controls and mechanisms to ensure that staff comply with Information Governance fundamental principles and procedures. This work includes awareness by delivery of an online core skills training framework eLearning module on Information Governance, classroom based training for identified "high risk" staff groups, developing and reviewing policies and protocols to safeguard information, and advising on and investigating Information Governance breaches reported on the Datix incident reporting system.

The Information Governance Manager is responsible for the continuing delivery of an enhanced culture of confidentiality. This includes the presence of a relevant section on the intranet and a dedicated contact point (via ActionPoint) for any requests for advice, training or work.

NWSSP has an "Information Governance Steering Group" (IGSG) that comprises representatives from each directorate who undertake the role of "Information Asset Administrators" for NWSSP. This is to ensure that all information assets are accounted for as they are realised. This is an area that forms part of the recommendations of the General Data Protection Regulation (GDPR) that is due to be implemented by 25 May 2018 and which will be an increasing area of focus.

The IGSG discusses quarterly issues such as Data Protection Legislation, the Freedom of Information Act, Information Asset Ownership, Information Governance Breaches, Records Management, Training compliance, new guidance documentation and training materials, areas of concern and latest new information and law including the implementation of GDPR.

All members of the IGSG have the opportunity during a defined consultation period to review any work that requires comment before being approved by the NWSSP Senior Management Team. The Information Governance Manager provides information in relation to any areas that require input and determines the agenda for each meeting based on their own requirements and also from those members who have items for discussion. There is also an IT or "Informatics" section on the agenda for discussion of technological issues such as Cyber Security.

NWSSP has a suite of protocols and guidance documents used in training and awareness for all staff on the importance of confidentiality and to ensure that all areas are accounted for. These include email and password good practice guides, summarised protocols and general guidance for staff. There is also a documented Privacy Impact Assessment (or "Privacy by Design") process in place to ensure consideration of Information Governance principles during the early stages of new projects, processes or workstreams proposing to use identifiable information in some form. This

poses questions on the Who, What, Why, Where, When and How of the project to get official Information Governance sign off and ensure that the work will not breach any confidentiality of patients, service users, clients or staff and that the integrity of the data is secure.

NWSSP has developed an Integrated Impact Assessment process to include broader legislative and regulatory assurance requirements, and the pro-forma includes the need to consider the impact of the protected characteristics (including race, gender and religion) on the various types of Information Governance protocols.

The Information Governance Manager attends various meetings including the Velindre NHS Trust IG and IM&T Committee and the NHS Wales Information Governance Management Advisory Group (IGMAG) hosted by NHS Wales Informatics, attended by all NHS Wales Health Boards. This allows discussion of issues on an All Wales basis. The Information Governance Manager is also Chair of the Freedom of Information Community of Practice, and Chair and Author for the review of the "Your Information, Your Rights" public document in readiness for the new legislation on an All Wales basis. This document will inform patients of their rights and promotes openness and transparency within the NHS.

General Data Protection Regulations (GDPR)

Work has been ongoing during 2017/18 to prepare for the new General Data Protection Regulations (GDPR) which came into effect on 25 May 2018. The GDPR builds on and strengthens the previous Data Protection Act 1998. The key work undertaken in the year included:

- *Updates to Information Governance internal protocols and training materials;*
- *Development of Privacy Notices (fair processing notices) for staff and service users due to the enhancement of individuals' rights;*
- *Information mapping to include all data known, held and processed by the NWSSP*
- *Establishment of Information Asset Owners and Administrators;*
- *A thorough review of all internal activities, including specific areas such as Procurement and Recruitment Services;*
- *Attendance at National and Local Task and Finish Groups;*
- *Appointment of a Data Protection Officer (currently the Head of Information Governance, NHS Wales Informatics Service (NWIS))*

Plans are in place to ensure that NWSSP is fully compliant with GDPR and progress is being monitored by the SIRO and the Senior Management Team.

5.4 Counter Fraud

Counter Fraud support is incorporated within the hosting agreement with Velindre NHS Trust. Under this agreement, local Counter Fraud Services are provided to NWSSP by Cardiff and Vale UHB.

In addition, NWSSP lead the NHS Wales Counter Fraud Steering Group, facilitated by Welsh Government, which works in collaboration with the NHS Counter Fraud Authority in NHS England to develop and strengthen counter fraud services across NHS Wales. The Director of Finance and Corporate Services chairs the group.

5.5 Internal Audit

The NWSSP hosting agreement provides in Section 14 that the Partnership Committee will establish an effective internal audit as a key source of its internal assurance arrangements, in accordance with the Public Internal Auditing Standards.

Accordingly for NWSSP, an internal audit strategy has been approved by the Audit Committee which provides coverage across NWSSP functions and processes sufficient to assure the Managing Director of Shared Services and in turn the Partnership Committee and Velindre NHS Trust as host organisation, on the framework of internal control operating within NWSSP.

The delivery of the audit plan for NWSSP culminates in the provision of a Head of Internal Audit opinion on the governance, risk and control processes operating within NWSSP. The opinion forms a key source of assurance for the Managing Director when reporting to the Partnership Committee and partner organisations.

In March 2018, the internal audit team was subject to a formal external quality assessment undertaken by the Chartered Institute of Internal Auditors. The opinion from this review has recently been received and states that:

*The Institute of Internal Audit's (IIA's) International Professional Practice Framework (IPPF) includes the Definition of Internal Auditing, Code of Ethics, Core Principles and International Standards. The Public Sector Internal Audit Standards are wholly aligned with these standards. There are 64 fundamental principles to achieve with 118 points of recommended practice. It is our view that NWSSP Audit and Assurance Services conforms to all of these principles, and it is therefore appropriate for NWSSP Audit and Assurance Services to say in reports and other literature that it **"conforms to the IIA's professional standards and to PSIAS"**.*

5.6 Integrated Medium Term Plan (IMTP)

The basis for NWSSP planning has been the Business Case approved by the Minister for Health and Social Services in October 2010.

Further to the National Health Service Finance (Wales) Act 2014 becoming law in Wales from January 2014, new duties with regard to operational planning were placed upon Health Boards and Trusts. The legislative changes were effected to section 175 of the NHS Wales Act 2006 and placed a duty to produce three year Integrated Medium Term Plans.

NWSSP has continued with the medium term approach to planning and has undertaken a significant amount of work which continues to ensure it maintains progress to develop its three year IMTP. The IMTP is approved by the Partnership Committee and performance against the plan is monitored throughout the year.

The IMTP is formally reviewed and amended annually and approved by the Partnership Committee in March each year prior to submission to Welsh Government. The 2018-2020 IMTP was submitted to Welsh Government on 31 March 2018.

5.7 Health and Care Standards for NHS Wales

The Standards for Health Service in Wales provide a framework for consistent standards of practice and delivery across the NHS in Wales, and for continuous improvement. In accordance with the programme of Internal Audits, the process is tested and is an integral part of the organisation's assurance framework process.

The Health and Care Standards Framework comprises seven main themes and sub criteria against which NHS bodies need to demonstrate compliance. A summary of the themes is outlined below:



The process for undertaking the annual self-assessments is:

- The Head of Corporate Services and Corporate Governance Manager undertake an initial evaluation;
- A draft self-assessment is then presented to the SMT for discussion and further consultation is undertaken at Directorate level;
- Feedback from each Directorate is reviewed and incorporated into the self-assessment pro-forma and is then re-presented to SMT for final approval
- Once approved, it is presented to the Partnership Committee, Audit Committee and the Velindre NHS Trust Quality and Safety Committee.

Each theme is assessed and given an overall self-assessment rating of between 1 and 5. As a largely non-clinical service provider, not all of the sub-criteria are applicable.

A summary of the self-assessment ratings is outlined below:

Figure 9 – Self- Assessments Rating Against the Health and Care Standards 2017/2018

Theme	Executive Lead	2017/2018 Self-Assessment Rating	2016/2017 Self-Assessment Rating
Governance, Leadership and Accountability	Senior Management Team	4	4
Staying Healthy	Director of Workforce and Organisational Development	3	3
Safe Care	Director of Finance and Corporate Services Director of Specialist Estates	4	4
Effective Care	Senior Management Team	3	3
Dignified Care	Not applicable	Not applicable	
Timely Care	Not applicable	Not applicable	
Individual Care	Senior Management Team	3	3
Staff and Resources	Director of Workforce and Organisational Development	4	4

The overall rating against the mandatory Governance, Leadership and accountability module and the seven themes within the Health and Care Standards reflects NWSSP's overall compliance against the standards and has been rated as a 3 as outlined below:

Figure 10 – NWSSP's Overall Self-Assessment Score Health and Care Standards 2017/2018

Assessment Level	1 We do not yet have a clear, agreed understanding of where we are (or how we are doing) and what / where we need to improve	2 We are aware of the improvements that need to be made and have prioritised them, but are not yet able to demonstrate meaningful action	3 We are developing plans and processes and can demonstrate progress with some of our key areas for improvement	4 We have well developed plans and processes can demonstrate sustainable improvement throughout the organisation / business	5 We can demonstrate sustained good practice and innovation that is shared throughout the organisations / business, and which others can learn from
Rating			✓		

6. MANDATORY DISCLOSURES

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

6.1 Equality, Diversity and Human Rights

We are committed to eliminating discrimination, valuing diversity and promoting inclusion and equality of opportunity in everything we do. Our priority is to develop a culture that values each person for the contribution they can make to our services for NHS Wales.

As a non-statutory hosted organisation under Velindre NHS Trust, we are required to adhere to Velindre NHS Trust's Equality and Diversity Policy, Strategic Equality Plan 2016-2020 and Equality Objectives, which set out the Trust's commitment and legislative requirements to promoting inclusion: <http://www.nwssp.wales.nhs.uk/governance-and-assurance-arrangements>

We work together with colleagues across NHS Wales to collaborate on events, facilitate workshops, deliver and undertake training sessions, issue communications and articles relating to equality, diversity and inclusion, together with the promotion of dignity and respect.

We also benefit from the proactive work undertaken by our host organisation to strengthen compliance with equality and diversity legislation; the Trust has received the Positive About Disabled People "Double Tick" symbol which demonstrates the encouragement of applications from people who identify as having a disability. In addition, the Trust has attained "The Rainbow Mark" which is an equality mark sponsored by the Welsh Assembly Government and supported by the Welsh Local

Government Association and Tai Pawb. The Mark is a signifier of good practice, commitment, and knowledge of the specific needs, issues and barriers facing those who identify as lesbian, gay, bisexual, and transgender (LGBT+) in Wales.

We have worked with the NHS Wales Centre for Equality & Human Rights (CEHR) to introduce our own process for undertaking Equality Integrated Impact Assessments (EQIIA), which we are integrating into our Project Management System software. The EQIIA will consider the needs of the protected characteristics identified under the Equality Act 2010 (including the Welsh specific duties), the Human Rights Act 1998, Well-being of Future Generations (Wales) Act 2015 incorporating Environmental Sustainability, Modern Slavery Act 2015 incorporating Ethical Employment in Supply Chains Code of Practice (2017), and Welsh Language, Information Governance and Health and Safety aspects.

We have provided key managers with training on the EQIIA process and introduced an "Equality Integrated Impact Assessment Panel" to review completed assessments to ensure that our policies, projects and events do not discriminate against vulnerable or disadvantaged people. Further training sessions to strengthen awareness are planned for 2018/19. We also ensure compliance with the engagement provisions of the "Gunning Principles" and the duty to have "due regard" laid out in the "Brown Principles" when reviewing existing policies, or assessing new policies for impact on protected characteristics.

Our Assistant Director of Workforce and Organisational Development is a member of the Equality Group within Velindre NHS Trust and any NWSSP specific issues are integrated into this process. Our Head of Corporate Services is a member of the NHS Wales Centre for Equality and Human Rights (CEHR) Business Planning Group and the NHS Wales Equality Leadership Group, together with our Compliance Officer, who also sits on the All Wales Senior Offices Group for Equality. We adhere to the CEHR "Governance and Scrutiny: A Guide for Boards" in respect of EQIIAs.

Personal data in relation to equality and diversity is captured on the Electronic Staff Record (ESR) system and staff are responsible for updating their own personal records using the Electronic Staff Record Self-Service. This includes: Ethnic Origin; Nationality; Country of Birth; Religious Belief, Sexual Orientation and Welsh language competencies.

NWSSP has a statutory and mandatory induction training programme for all new recruits which includes the NHS Wales "Treat Me Fairly" e-learning module focusing on equality and diversity. The module is a national training package and the statistical information pertinent to NWSSP completion contributes to the overall figure for NHS Wales. NWSSP provides a "Core Skills for Managers" Training Programme and the "Managing Conflict" module includes an awareness session on the Dignity at Work Policy and Procedure. A corporate induction package on equality, diversity and inclusion has been included within the 2018 programme for new starters in the organisation.

The “NHS Jobs” all Wales recruitment service, run by NWSSP adheres to all of the practices and principles in accordance with the Equality Act and quality checks the adverts and supporting information to ensure no discriminatory elements.

6.2 Welsh Language

NWSSP is committed to ensuring that the Welsh and English languages are treated equally in the services we provide to the public and NHS partner organisations in Wales. This is in accordance with the current Velindre NHS Trust Welsh Language Scheme, Welsh Language Act 1993 and the Welsh Language Measure (Wales) 2011. In addition the Welsh Language Standards [No7.] Regulations 2018 will come into force in June 2018.

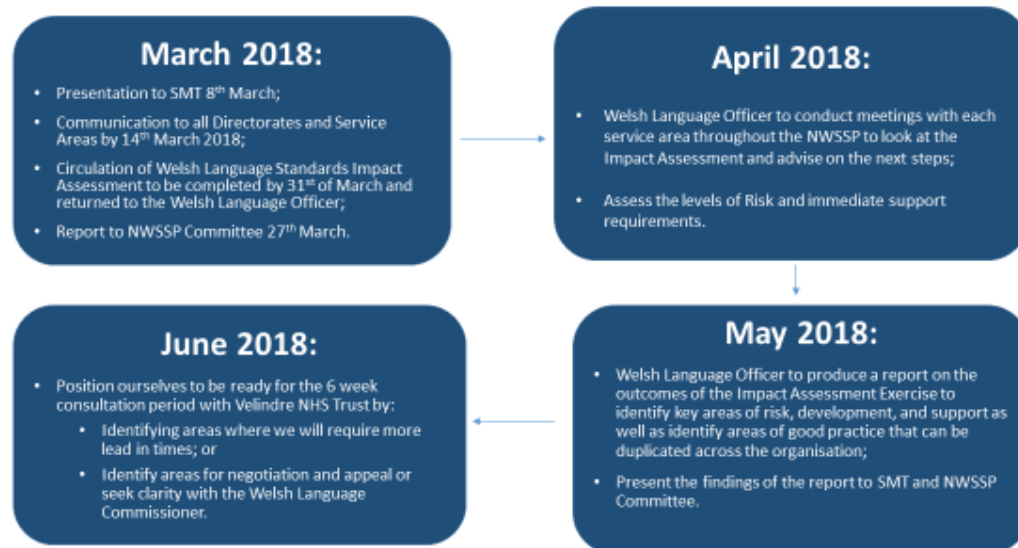
The work of NWSSP in relation to Welsh language delivery and performance is reported to the Welsh Government, National Assembly and the Welsh Language Commissioner within the Annual Performance Report. This work is largely undertaken by the Welsh Language Officer and a Welsh Language Translator. In March 2018 we advertised another full time Welsh Language Translator post for a fixed-term period of 12 months in the first instance.

These posts enable us to comply with our current obligations under the current Welsh Language Scheme and in the planning and preparations to meet the requirements of the Welsh Language Standards. This will increase the demand for translation services in the following areas:

- Service Delivery Standards;
- Policy Making Standards;
- Operational Standards;
- Record Keeping Standards; and
- Supplementary Standards.

The plans already in place to meet the requirements of the Welsh Language Standards are as follows:

The next steps:



NWSSP has made significant progress in developing and growing its Welsh language services by successfully offering all staff the opportunity to learn Welsh at work. The NWSSP website is bilingual and we have invested in the development of a candidate interface on the TRAC recruitment system.

The Impact Assessment Exercise referred to above will enable NWSSP to further develop our services. The findings from the impact assessment will be compiled into a report informing the Welsh Language Strategy and Welsh Language Implementation Plan. Our achievements from the implementation plan will enable us to report on our performance against the Welsh Language Standards within our Annual Performance Report, which is bilingually to the Welsh Language Commissioner in June each year.

6.3 Handling Complaints and Concerns

NWSSP is committed to the delivery of high quality services to its customers; the NWSSP mission is 'to enable the delivery of world class Public Services in Wales through customer focus, collaboration and innovation'. In addition, one of NWSSP's corporate objectives is to 'develop customer insight and a customer focused culture'.

NWSSP's Issues and Complaints Protocol is reviewed annually. The Protocol aligns with the Velindre NHS Trust Handling Concerns Policy, the Concerns, Complaints and Redress Arrangements (Wales) Regulations 2011 and Putting Things Right Guidance. In addition the protocol was recently amended to include specific guidance on identifying if a complaint is vexatious and how to manage such complaints within NWSSP.

During 2017-18, 14 complaints were received. **71%** of the complaints received were responded to within the 30 working day target, which is consistent with the performance for the prior year. Four responses were issued outside of the target, being responded to at 31, 34, 37 and 39 working days respectively. However, in all instances holding letters were

issued to the complainants detailing that NWSSP were still in the process of investigating the matters raised and that they would be provided with a substantive response as soon as the investigation had been concluded.

6.4 Freedom of Information Requests

The Freedom of Information Act (FOIA) 2000 gives the wider UK public the right of access to a variety of information held by public bodies and provides commitment to greater openness and transparency in the public sector, especially for those who are accountable for decisions made on behalf of patients and service users.

In the financial year 2017/2018, NWSSP responded to 65 requests for information:

Figure 12 – Freedom of Information Requests Apr 2017- March 2018

FOI Breakdown
63 answered within the 20 day target
0 transferred out to another NHS body
0 responded to outside of the deadline
2 withdrawn

6.5 Data Security

In 2017/2018, 38 information governance breaches were reported within NWSSP, these included issues with misdirection of email and records management.

All breaches are recorded in the Datix risk management software, and investigated in accordance with the Information Governance and Confidentiality Breach Reporting protocols. The protocols encourage staff to report those breaches that originate outside the organisation for recording purposes.

From this, the Information Governance Manager writes a report including relevant recommendations and any areas for improvement to minimise the possibility of further breaches.

Any gaps identified during incident investigation provide an opportunity for changes to practice and development of new protocols. Staff are also requested to provide feedback to any recommendations made by the Information Governance Manager where action is required to further improve the service and demonstrate prevention of any further breaches.

Members of the IGSG are required to report to the Steering Group meetings on any incidents in their areas to include lessons learned and any changes that have been made since an incident was reported.

There was one Information Governance breach reported in 2017/18 that was assessed as being of a category serious enough to report to the

Information Commissioner's Office (ICO) for further investigation. However, this was done as a matter of course as the mitigations in place and the circumstances of the breach were handled in such a way that the data in question was not released into the public domain and was controlled and secured to a point where there were no risks to the data subject's information. The ICO were satisfied with the processes involved and the recommendations made and did not consider it to be an issue that required enforcement action.

It is important to note that following implementation of the new Data Protection Legislation, all breaches, regardless of perceived severity, will have to be reported to the ICO within 72 hours.

6.6 ISO14001 – Sustainability and Carbon Reduction Delivery Plan

NWSSP is committed to managing its environmental impact, lowering the organisation's carbon footprint and adhering to the sustainable development principle. As part of this organisational commitment, NWSSP was successful in attaining the ISO14001:2004 Environmental Management System certification in December 2014, in accordance with the Welsh Government mandate for all NHS Wales organisations to attain the Standard. NWSSP successfully achieved re-certification to the Standard in August 2017. One minor non-conformity (which will be closed off at the next audit) and four opportunities for improvement were identified, which have since been investigated. These are detailed below:

- **Minor Non Conformity** - The Control of Contractors Policy states that a *"record of inductions is to be kept for future auditing signed and dated by the contractors upon completion."* However, the procedure, Contractor Management (ENV008), does not state the above. No records of signed contractor inductions were able to be retrieved at Cwmbran Stores, as the procedure was being used rather than the policy.
- **Opportunities for Improvement**
 - Consideration to be given as to separating waste providers on the electronic system to aid retrieval (Cwmbran House);
 - Consideration to investigate as to why version control on the Contract Planning Form was removed (Companies House);
 - Expand on the environmental training available through e-learning; and
 - Consideration to be given as to adding an environmental incident coding type onto DATIX, which is currently under the heading of "Health and Safety" (Cwmbran Stores).
- **Observations (highlighting good practice)**
 - Positive comments on initiatives (Cwmbran House); and
 - Excellent record keeping and retrieval of documentation (Companies House).

Carbon Footprint

As part of our commitment to reduce our contribution to climate change, a target of 3% carbon reduction year on year from a baseline of our carbon footprint, taken from 2014-2015, has been agreed and this is reflected within our Environmental Objectives.

During 2017/18, we committed to reducing our carbon reduction by implementing various environmental initiatives at our sites within the scope. NWSSP's Sustainability Report for 2017/18 explores this area in further detail:

<http://www.nwssp.wales.nhs.uk/governance-and-assurance-arrangements>

The main highlights from 2017/18 were as follows:



6.7 Business Continuity Planning/Emergency Preparedness

NWSSP is proactive in reviewing the capability of the organisation to continue to deliver products or services at acceptable predefined levels following a disruptive incident. We recognise our contribution in supporting NHS Wales to be able to plan for and respond to a wide range of incidents and emergencies that could affect health or patient care, in accordance with requirement for NHS bodies to be classed as a Category 1 responders deemed as being at the core of the response to most emergencies under the Civil Contingencies Act (2004).

As a hosted organisation under Velindre NHS Trust we are required to take note of their Business Continuity Management Policy and ensure that NWSSP has effective strategies in place for:

- People – the loss of personnel due to sickness or pandemic;
- Premises – denial of access to normal places of work;
- Information Management and Technology and communications/ICT equipment issues; and
- Suppliers internal and external to the organisation.

NWSSP is committed to ensuring that it meets all legal and regulatory requirements and has processes in place to identify, assess, and implement applicable legislation and regulation requirements related to the continuity of operations and the interests of key stakeholders. At present there are local directorate plans in place for ensuring business continuity arrangements are effective for key services and buildings, and work is progressing in developing an overarching Business Continuity Plan which outlines our response to incidents and outbreaks, including the mobilisation of additional resource.

In addition, we complete the Caldicott Principles Into Practice (CPIP) annual self-assessment which assesses if organisations have current and tested business continuity plans in place for all of their critical infrastructure components and core information systems.

NWSSP are working towards implementing the Cyber Security Framework in order to address the specific needs of the service. This is an ongoing plan covering the areas of Identify, Protect, Detect, Respond and Recover. NWSSP have already started a number of work streams including Information Workflows and Governance, Awareness and Training, Procurement of Professional Incident Response Capability, Protective Technology through the SIEM Procurement Project and Business Continuity Planning workshops across the whole of the whole of Shared Services. NWSSP have also recently implemented a robust new virtualised infrastructure based on the tenets of the framework in order to provide a safe and secure environment for NWSSP business systems.

6.8 UK Corporate Governance Code

NWSSP operates within the scope of the Velindre NHS Trust governance arrangements. Velindre NHS Trust has undertaken an assessment against the main principles of the UK Corporate Governance Code as they relate to an NHS public sector organisation in Wales. This assessment was informed by the Trust's assessment against the "Governance, Leadership and Accountability" theme of the Health and Care Standards undertaken by the Board. The Trust is clear that it is complying with the main principles of the Code, is following the spirit of the Code to good effect and is conducting its business openly and in line with the Code. The Board recognises that not all reporting elements of the Code are outlined in this Governance Statement but are reported more fully in the Trust's wider Annual Report. NWSSP have also completed the self-assessment on the "Governance, Leadership and Accountability" theme of the Health and Care Standards with a positive maturity rating of 4.

6.9 NHS Pension Scheme

As an employer under Velindre NHS Trust and as the Payroll function for NHS Wales, within NWSSP's remit there are robust control measures in place to ensure that all employer obligations contained within the Scheme regulations for staff entitled to membership of the NHS Pension Scheme are complied with. This includes ensuring that deductions from salary, employer's contributions and payments into the Scheme are in accordance with the Scheme rules, and that member Pension Scheme records are accurately updated in accordance with the timescales detailed in the Regulations.

7. MANAGING DIRECTOR'S OVERALL REVIEW OF EFFECTIVENESS

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the system of internal control is informed by the work of the internal auditors, and the Directors and Heads of Service within NWSSP who have responsibility for the development and maintenance of the internal control framework, and comments made by external auditors in their audit letter and other reports.

As Accountable Officer I have overall responsibility for risk management and report to the NHS Wales Shared Services Partnership Committee regarding the effectiveness of risk management across NWSSP. My advice to the Partnership Committee is informed by reports on internal controls received from all its committees and in particular the Audit Committee.

Each of the Committees have considered a range of reports relating to their areas of business during the last year, which have included a comprehensive range of internal audit and external audit reports and reports on professional standards from other regulatory bodies. The Committees have also considered and advised on areas for local and national strategic developments and a potential expansion of the services provided by NWSSP. Each Committee develops an annual report of its

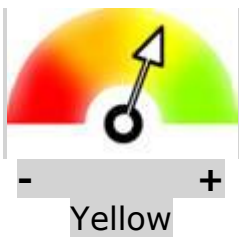
business and the areas that it has covered during the last year and these are reported in public to the Velindre NHS Trust and the local Health Boards.

Internal Audit Opinion

Internal audit provide me and the Partnership Committee through the Audit Committee with a flow of assurance on the system of internal control. I have commissioned a programme of audit work which has been delivered in accordance with Public Sector Internal Audit Standards by the Audit and Assurance function within NWSSP.

The scope of this work is agreed with the Audit Committee and is focussed on significant risk areas and local improvement priorities. The overall opinion of the Head of Internal Audit on governance, risk management and control is a function of this risk based audit programme and contributes to the picture of assurance available to the Board in reviewing effectiveness and supporting our drive for continuous improvement.

The Head of Internal Audit opinion for 2017/2018 was that the Partnership Committee can take **Reasonable Assurance** that arrangements to secure governance, risk management and internal control, within those areas under review, were suitably designed and applied effectively:

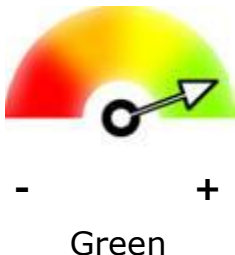
RATING	INDICATOR	DEFINITION
Reasonable assurance		The Committee can take reasonable assurance that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Some matters require management attention in control design or compliance with low to moderate impact on residual risk exposure until resolved.

In reaching this overarching opinion the Head of Internal Audit has identified that the assurance domains relevant to NWSSP have all been assessed as providing reasonable assurance.

Internal Audit review of Corporate Governance

Internal Audit undertook a review of Corporate Governance in 2017/2018 to assess the control environment including review of this Annual Governance Statement and of the progress made in implementing the findings from the 2016/17 review of Risk Management. This audit provides assurance to the Audit Committee that risks material to the achievement of system objectives are managed appropriately.

Internal Audit concluded that the level of assurance given as to the effectiveness of the system of internal control in place to manage the risk associated with Corporate Governance was **Substantial Assurance**. This report was taken into account when completing the theme on the

<p>Substantial assurance</p>		<p>The Committee can take substantial assurance that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Few matters require attention and are compliance or advisory in nature with low impact on residual risk exposure.</p>
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A separate review of the process for tracking Audit Recommendations (both internal and external audit) was undertaken by the Internal Auditors who concluded that the level of assurance given as to the effectiveness of the system of internal control in place to manage the risk associated with the Audit Recommendation Tracker was **Substantial Assurance**.

Financial Control

NWSSP was established by Welsh Government to provide a range of support services to the NHS in Wales. As Managing Director and Accountable Officer I retain overall accountability in relation to the financial management of NWSSP and report to the Chair of the Partnership Committee.

NWSSP Financial Control Overview

There are four key elements to the Financial Control environment for NWSSP as follows:

- **Governance Procedures** – As a hosted organisation NWSSP operates under the Governance Framework of Velindre NHS Trust. These procedures include the Standing Orders for the regulation of their proceedings and business. The statutory requirements have been translated into day-to-day operating practice, and, together with the Scheme of Reservation and Delegation of Powers and Standing Financial Instructions (SFIs), they provide the regulatory framework for the business conduct of the Trust. These arrangements are supported by detailed financial operating procedures covering the whole of Velindre and also local procedures specific to NWSSP.
- **Budgets and Plan Objectives** – Clarity is provided to operational functions through approved objectives and annual budgets. Performance is measured against these during the year.

- **Service Level Agreements (SLAs)** – NWSSP has SLAs in place with all customer organisations and with certain key suppliers. This ensures clarity of expectations in terms of service delivery, mutual obligations and an understanding of the key performance indicators. The SLAs are reviewed annually to ensure that they remain current and take account of service developments.
- **Reporting** – NWSSP has a broad range of financial and performance reports in place to ensure that the effectiveness of service provision and associated controls can be monitored and remedial action taken as and when required.

Through this structure NWSSP has maintained effective financial control which has been reviewed and accepted as appropriate by both the Internal and External Auditors.

CONCLUSION

This Governance Statement indicates that NWSSP has continued to make progress and mature as an organisation during 2017/2018 and that we are further developing and embedding good governance and appropriate controls throughout the organisation. No significant control weaknesses have been identified during the year. NWSSP has received positive feedback from Internal Audit on the assurance framework and this, in conjunction with other sources of assurance, leads me to conclude that it has a robust system of control.

Looking forward – for the period 2018-19:

I confirm that I am aware of my on-going responsibilities and accountability to you, to ensure compliance in all areas as outlined in the above statements continues to be discharged for the financial year 2018-2019.

Signed by:



Managing Director – NHS Wales Shared Services Partnership

Date: 2018