

**PWYLLGOR ARCHWILIO A SICRWYDD RISG  
AUDIT AND RISK ASSURANCE COMMITTEE**

<b>DYDDIAD Y CYFARFOD: DATE OF MEETING:</b>	10 December 2024
<b>TEITL YR ADRODDIAD: TITLE OF REPORT:</b>	Risk Assurance Report
<b>CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:</b>	Joanne Wilson, Director of Corporate Governance / Board Secretary
<b>SWYDDOG ADRODD: REPORTING OFFICER:</b>	Charlotte Wilmshurst, Assistant Director of Assurance and Risk Rachel Williams, Head of Assurance and Risk

**Pwrpas yr Adroddiad (dewiswch fel yn addas)**

**Purpose of the Report (select as appropriate)**

Er Sicrwydd/For Assurance

**ADRODDIAD SCAA  
SBAR REPORT**

**Sefyllfa / Situation**

The purpose of this report is to provide assurance to the Audit and Risk Assurance Committee (ARAC) on the effectiveness of the Risk Management Framework, and the implementation of the Risk Management Strategy.

**Cefndir / Background**

The Risk Assurance report was developed to address feedback received during the ARAC Self-Assessment 2021/22 process, where it was identified that the Committee required specific assurance on effectiveness of risk management in the Health Board.

The Risk Assurance report was first presented to ARAC at its meeting in February 2023, and agreed that the report would be presented every 6 months. At its meeting in August 2024, ARAC agreed to amend the frequency of the presentation of this report to every other meeting.

This report notes the developments made regarding risk management since August 2024.

**Asesiad / Assessment**

Revised performance management arrangements were implemented in April 2024 by the Health Board in order to help address the challenges which the organisation is currently facing, and its increased escalation status to Targeted Intervention status with Welsh Government (WG). Detail on these arrangements and underpinning processes are detailed within Appendix 1.

The attached report will aim to provide assurance by outlining the risk management activity that has taken place since the previous report presented to ARAC in August 2024, on the effectiveness of the Risk Management Framework, and the implementation of the Risk Management Strategy.

The Risk Management Framework was approved by the Board in July 2022, and sets out the components that provide the foundation and organisational arrangements for supporting risk management processes in Hywel Dda UHB.

The revised Risk Management Strategy was approved by the Board in March 2024. It provides a supportive framework that ensures the integration of risk management into policy making, planning and decision-making processes, and sets the 3 proposed key risk management objectives for the next 18 months:

- Define the organisation’s risk appetite and tolerance statement;
- Support operational and corporate functions to strengthen their risk management arrangements; and
- Strengthen the assurance that the Board receives on risk management activities.

This report will provide ARAC with a high-level summary of each Directorate’s escalation status in relation to their risk management processes.

### Argymhelliad / Recommendation

The Audit and Risk Assurance Committee is asked to **TAKE ASSURANCE** on the rolling programme to collate updates from services in order to report progress to the Committee, including the revised performance management arrangements.

### Amcanion: (rhaid cwblhau)

#### Objectives: (must be completed)

<p>Committee ToR Reference: Cyfeirnod Cylch Gorchwyl y Pwyllgor:</p>	<p>2.4 The Committee’s principal duties encompass the following: 2.4.1 Review the establishment and maintenance of an effective system of good governance, risk management and internal control across the whole of the organisation’s activities, both clinical and non-clinical. 2.4.3 Work with the Quality, Safety and Experience Committee, the People Organisational Development and Culture Committee, Strategic Development and Operational Delivery Committee and Sustainable Resources Committee to ensure that governance and risks are part of an embedded assurance framework that is ‘fit for purpose’.</p>
<p>Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:</p>	<p>Included within the report</p>
<p>Parthau Ansawdd: Domains of Quality <a href="#">Quality and Engagement Act (sharepoint.com)</a></p>	<p>7. All apply</p>
<p>Galluogwyr Ansawdd: Enablers of Quality: <a href="#">Quality and Engagement Act (sharepoint.com)</a></p>	<p>6. All Apply</p>

Amcanion Strategol y BIP: UHB Strategic Objectives:	All Strategic Objectives are applicable
Amcanion Cynllunio Planning Objectives	All Planning Objectives Apply
Amcanion Llesiant BIP: UHB Well-being Objectives: <a href="#">Hyperlink to HDdUHB Well-being Objectives Annual Report 2021-2022</a>	10. Not Applicable

<b>Gwybodaeth Ychwanegol: Further Information:</b>	
Ar sail tystiolaeth: Evidence Base:	Datix Risk Module
Rhestr Termau: Glossary of Terms:	Included within the report
Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Archwilio a Sicrwydd Risg Parties / Committees consulted prior to Audit and Risk Assurance Committee:	Director of Governance/Board Secretary

<b>Effaith: (rhaid cwblhau) Impact: (must be completed)</b>	
<b>Ariannol / Gwerth am Arian: Financial / Service:</b>	No direct impacts from this report however late or non-reporting of risks could mean that the UHB is not addressing any gaps in control and exploiting opportunities to achieve value for money.
<b>Ansawdd / Gofal Claf: Quality / Patient Care:</b>	No direct impacts from this report however late or non-reporting of risks could mean that the UHB is not addressing any gaps in control in relation to patient quality and care.
<b>Gweithlu: Workforce:</b>	No direct impacts from this report however late or non-reporting of risks could mean that the UHB is not addressing any gaps in control in relation to workforce issues and risks.
<b>Risg: Risk:</b>	Risk implications are inherent within the report.
<b>Cyfreithiol: Legal:</b>	No direct impacts from this report however late or non-reporting of risks could mean that the UHB is less likely to defend itself in a legal challenge which could lead to larger fines/penalties and damage to reputation.
<b>Enw Da: Reputational:</b>	No direct impacts from this report however late or non-reporting of risks could mean that the UHB is less likely to defend itself in a legal challenge which could lead to larger fines/penalties and damage to reputation.

<b>Gyfrinachedd: Privacy:</b>	No direct impacts from this report
<b>Cydraddoldeb: Equality:</b>	No direct impacts from this report

### Purpose of the report

The purpose of the report is to provide assurance to the Audit and Risk Assurance Committee (ARAC) on the effectiveness of the [Risk Management Framework](#), approved by Board in June 2022, and the implementation of the [Risk Management Strategy](#), approved by Board in March 2024.

The overall aim of risk management is to:

- Ensure conformity with applicable rules, regulation and mandatory obligations;
- Provide assurance to the Board and the Audit and Risk Assurance Committee (ARAC) that risk management and internal control activities are proportionate, aligned, comprehensive, embedded and dynamic;
- Support decision-making through risk based information; and
- Provide effective and efficient strategy, operations and compliance activities.

The Health Board's Risk Management Strategy provides a supportive framework that ensures the integration of risk management into policy-making, planning and decision-making processes, and specifically:

- To improve the quality of service and protect patients, carers, staff and others who come in to contact with the Health Board;
- To create awareness through the Health Board about the importance of recognising and managing risk in a timely manner and providing staff with the appropriate knowledge, skills and support;
- To promote positive risk taking in the context of clinical care and in controlled circumstances;
- To provide a robust basis for strategic and operational planning through structured consideration of key risk elements;
- To enhance partnership working with stakeholders in the delivery of services;
- To improve compliance with relevant legislation and national best practice standards; and
- To enhance openness and transparency in decision-making and management.

### Risk Management Framework

The risk management framework is made up of the **risk architecture**, **strategy** and **protocols** (RASP), which wraps round the Health Board's risk management process.



In order to provide the Committee with assurance that these goals are being met and that the risk management framework is effective, this report will outline the risk management activity that has taken place since the previous report as presented to ARAC in August 2024.

The report will also aim to provide assurance to ARAC on the effectiveness of internal escalation framework in respect to risk management, and will include detail on Directorates' escalation status in line with the 3As assessment approach, complementing the Audit Tracker paper. Data will be assessed as at the most recent month-end position to align with the escalation framework.

### Risk Management Process

The Health Board's risk management process is recorded via the Datix Risk Register Module (Datix) and reported via risk register reports to both assurance and management meetings. Datix enables risks to be recorded at either Corporate, Directorate or Service level (definitions of which can be found in the [Risk Management Framework](#)), ensuring that risks are reported to, and scrutinised at, the most suitable forums.

The Health Board has an escalation process in place to ensure that risks which require escalation or de-escalation are done via the appropriate approval process, also detailed within the [Risk Management Framework](#).

### Risk Architecture

Risk architecture is the organisational arrangements for risk management which details the roles, responsibilities and the lines of communication for reporting on risk management.

### Three Lines of Defence for Risk Management

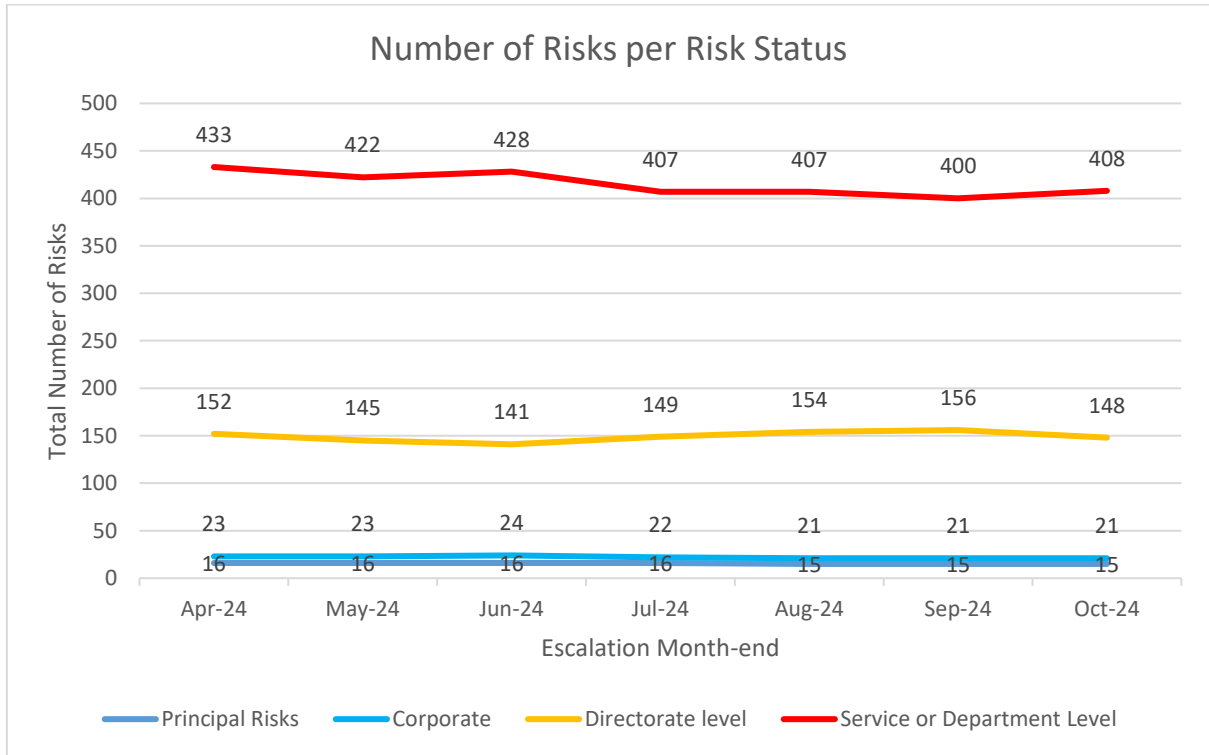
The Health Board operates within the widely accepted "Three Lines of Defence" model, which provides a simple and effective way to delegate and coordinate risk management roles and responsibilities within an organisation, to ensure the appropriate responsibility is allocated for the management, reporting and escalation of risk.



**Risk Management (1<sup>st</sup> line)**

The Health Board has **577 open risks** on the Datix Risk Module as at 31 October 2024 (July 2024: 609), split as follows:

*Risks per Risk Level*



The table overleaf provides a summary of open risks per Directorate, in line with the structure as per internal escalation framework:



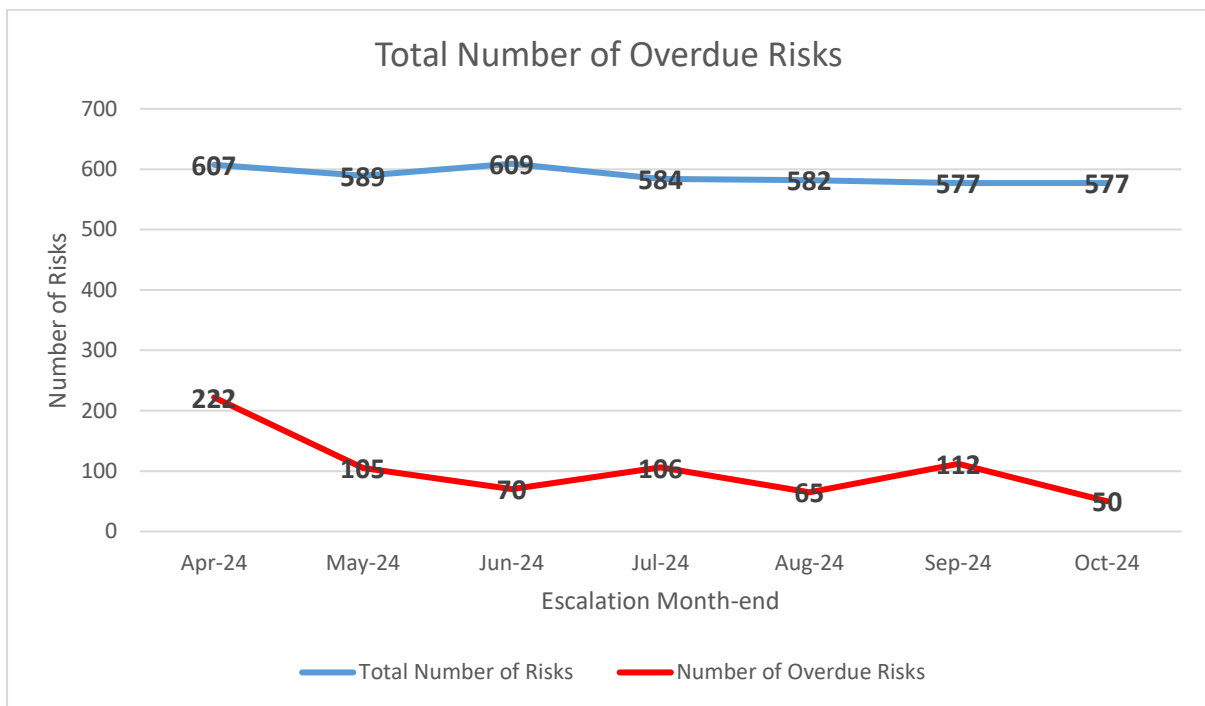
Area	Total number of risks as at 31 Oct 2024	%age of all Health Board risks as at 31 Oct 2024	Number of Overdue risks as at 31 Oct 2024	Total number of overdue risk actions as at 31 Oct 2024	%age of overdue risk actions as at 31 Oct 2024
<b>Director of Operations</b>					
Director of Operations ( <i>including Central Operations, Acute Service, and USC: Health Board wide</i> )	15	3%	2	2	6%
Facilities	144	25%	5	18	10%
Mental Health and Learning Disabilities	36	6%	3	14	18%
Oncology	4	1%	0	4	17%
Pathology	30	5%	3	13	20%
Radiology	14	2%	4	22	42%
Planned Care ( <i>including Audiology &amp; Endoscopy</i> )	65	11%	3	26	25%
Unscheduled Care: Bronglais General Hospital	10	2%	6	3	11%
Unscheduled Care: Worthybush General Hospital ( <i>including Stroke and COTE</i> )	20	3%	0	1	4%
Unscheduled Care: Prince Philip Hospital ( <i>including Diabetes and Respiratory</i> )	16	3%	1	1	4%
Unscheduled Care: Glangwili General Hospital ( <i>including Cardiology, Gastro and Renal</i> )	32	6%	2	10	20%
Women and Children	33	6%	4	18	38%
<b>Director of Primary, Community and Long Term Care</b>					
Ceredigion ( <i>including Palliative Care</i> )	8	1%	0	1	10%
Carmarthenshire	10	2%	1	5	25%
Pembrokeshire	6	1%	0	0	0%
Medicines Management	10	2%	0	5	29%
Primary Care Management ( <i>Long Term Care and Chronic Conditions</i> )	2	0%	2	5	100%
Primary Care ( <i>All other Primary Care services</i> )	18	3%	0	2	7%
<b>Director of Finance</b>					
Finance	2	0%	0	4	33%
Digital	30	3%	5	7	19%
Performance	1	0%	0	0	0%
<b>Director of Nursing</b>					
Nursing	15	3%	3	7	21%
<b>Director of Public Health</b>					
Public Health	10	2%	0	2	12%
<b>Director of Strategy and Planning</b>					
Strategic Planning	3	1%	0	0	0%
<b>Director of Therapies and Health Sciences</b>					
Therapies	32	6%	4	18	28%
<b>Director of Workforce and Organisational Development</b>					
Workforce and Organisational Development	2	0%	1	5	56%
<b>Medical Director</b>					
Medical	8	1%	1	2	33%
<b>Corporate Services</b>					



Area	Total number of risks as at 31 Oct 2024	%age of all Health Board risks as at 31 Oct 2024	Number of Overdue risks as at 31 Oct 2024	Total number of overdue risk actions as at 31 Oct 2024	%age of overdue risk actions as at 31 Oct 2024
Governance	1	0%	0	0	0%
CEO Directorate	0	0%	0	0	0%
<b>Total:</b>	<b>577</b>		<b>50</b>	<b>195</b>	<b>20%</b>

Timeliness of Risk Reviews

Since the introduction of the internal escalation framework, there has been an improvement in the timeliness of risk reviews, with 9% overdue for review as at 31 October 2024, (Jul: 16%). The trend graph below demonstrates an improved position since the last report presented to ARAC.



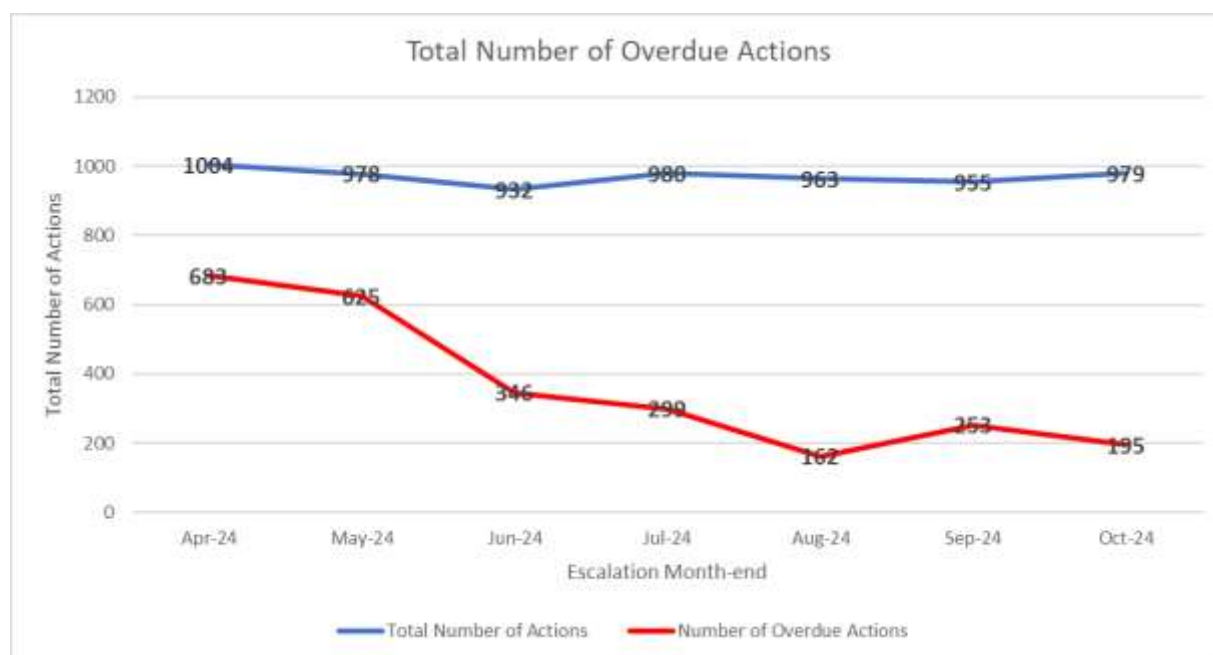
For those 50 risks noted as overdue, 43 have only recently lapsed (i.e., not overdue by more than one month) (July 2024: 90/106), with only 4 being overdue by more than 2 months, demonstrating an improving trend, despite the impact of current operational demands across the Health Board which could affect services’ ability to update risks within required timescales.

Risk Action Plans

Whilst the internal escalation framework has had a positive impact on the timeliness of risk reviews, further improvement is required in relation to the completion, review and quality of risk actions. 195 actions (20%) were noted as being overdue as at 31 October 2024, (July 2024: 299 (30%)). Whilst the trend in reviewing overdue actions has significantly improved since April 2024, there are still actions which may have

either been assigned unrealistic or unachievable timescales, or are not being updated fully during risk reviews.

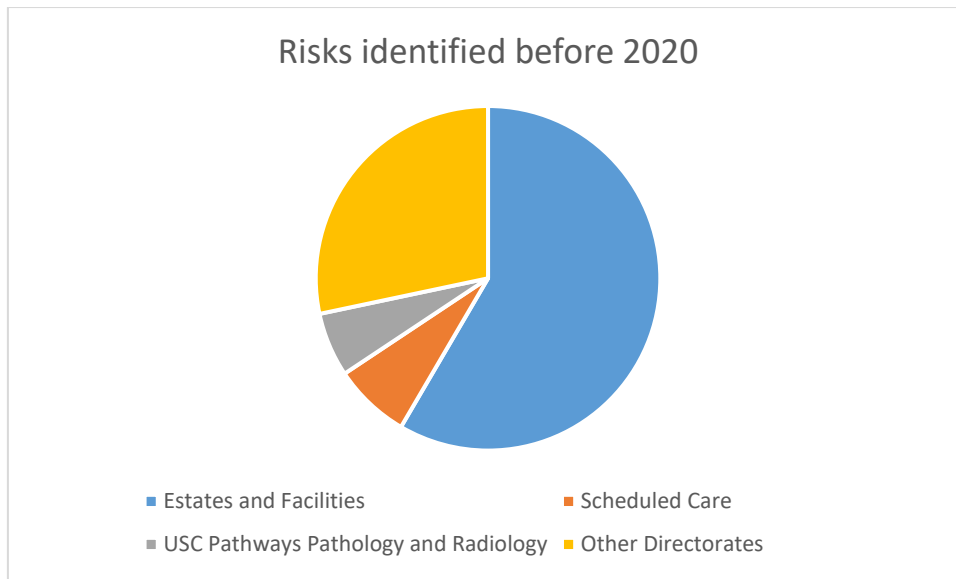
The number of overdue risk actions may also reflect the difficulties currently faced by management including staff absences and workforce challenges, as well as the growing number of action plans that are reliant on additional funding to progress, which as a result means these actions may not be updated either due to lack of time or lack of any notable progress to record. Risk leads are encouraged to provide realistic revised action dates where original dates have lapsed, with sufficient narrative noted in the progress update noting the reasons behind any delays and justification for the new date.



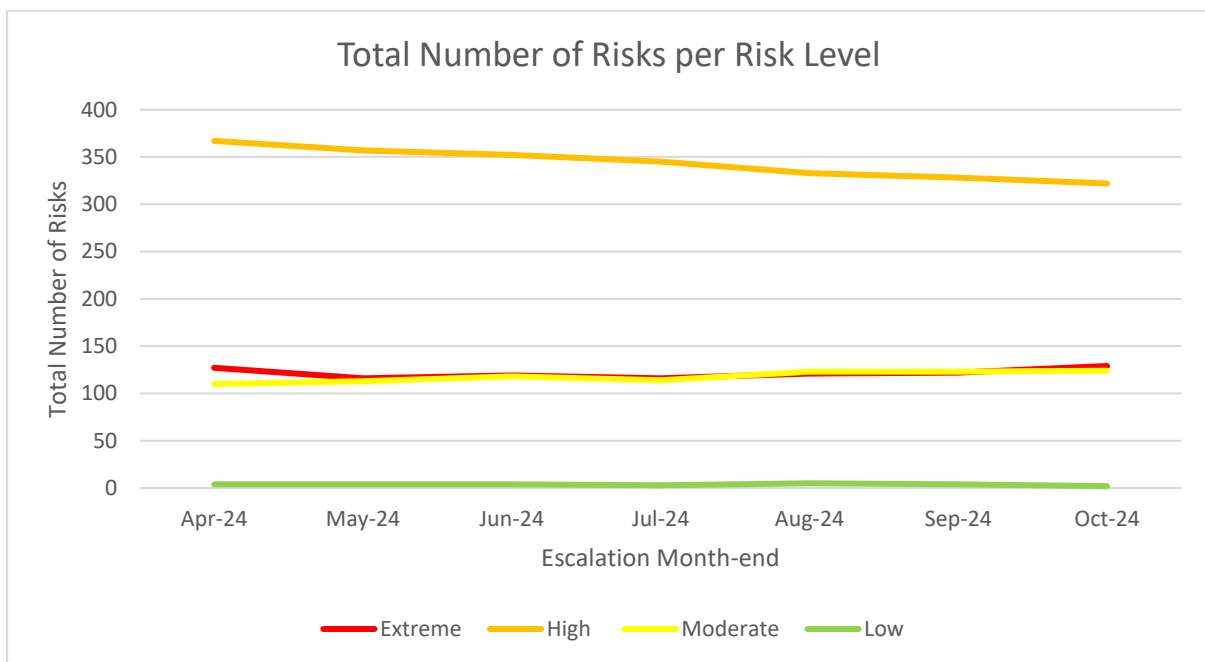
The Assurance and Risk Team continue to remind service leads to ensure that risks are reviewed fully, appropriately and in a timely manner in order to reinforce the importance of reviewing and progressing risk actions. The timeliness of risk reviews, along with the progression of risk actions, are key components in determining the levels awarded under the governance domain of the escalation framework.

### Risk Profile

The average age of a risk as noted on Datix is 3 years and 9 months, with 163 (28%) of risks open as at October 2024 having been identified as a risk pre-Covid. The majority of these risks (60%) are aligned to Estates and Facilities Directorate, and primarily relate to the condition of the Health Board's ageing estate, and the financial climate. Other notable Directorates with open risks identified pre-2020 include Planned Care, Pathology and Radiology.



The graph below shows the trend in the number of Extreme, High, Moderate and Low level risks from the data as collected to support the internal escalation framework process, indicating that the risk register is dynamic in nature with risks being reviewed and re-scored during this period.



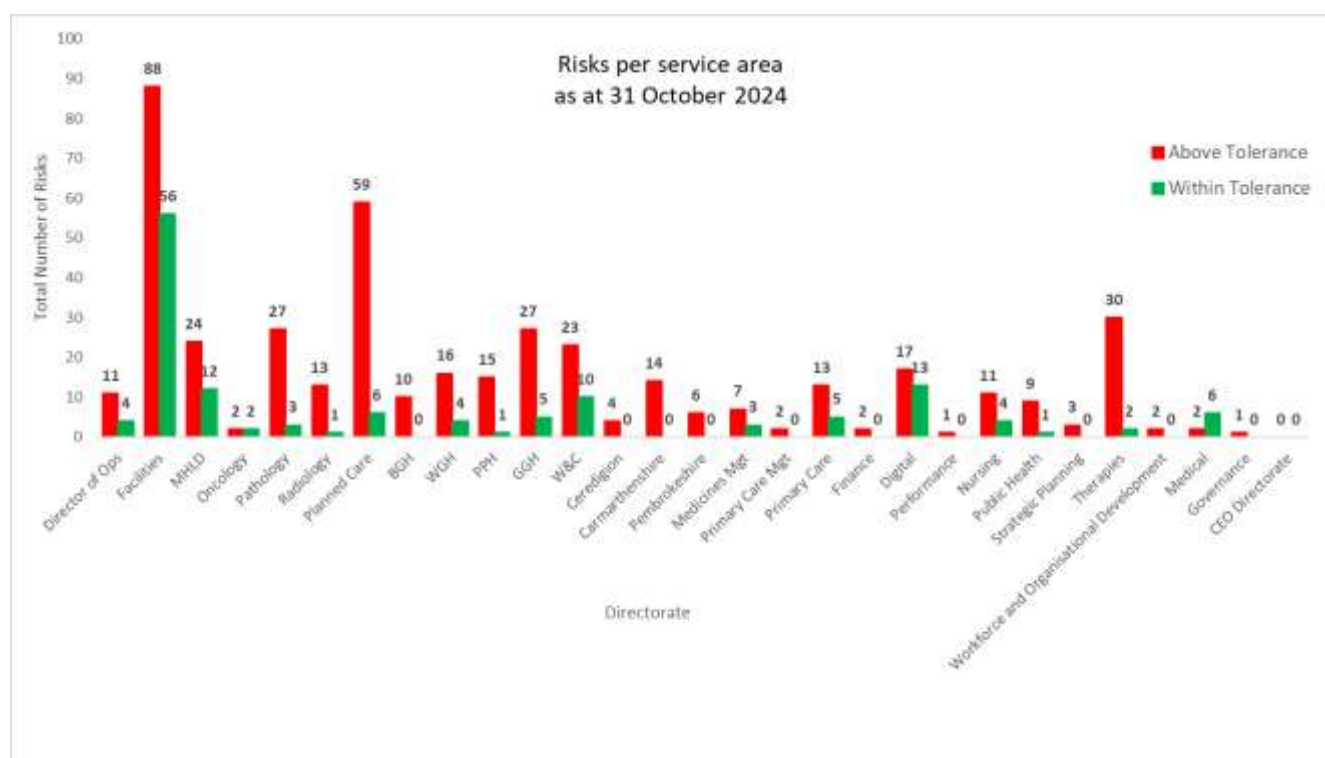
Whilst there is a decrease in the number of High risks during this period, there is a corresponding increase in the number of Extreme risks, indicating that the organisation may be taking risks beyond its capacity (“the maximum level of risk to which the organisation should be exposed, having regard to financial and other resources”).)

The Assurance and Risk Team continue to work closely with service leads via one-to-one meetings and senior team governance reviews to ensure that risks are reviewed fully, appropriately and in a timely manner in order to reinforce the importance of reviewing and progressing risk actions. The timeliness of risk reviews, along with the

progression of risk actions, are key components in determining the levels awarded under the governance domain of the escalation framework.

### Risk Treatment

The graph overleaf illustrates the number of risks assigned per Directorate, and highlights how many are within the current Board-accepted tolerance level (as discussed and agreed by the Board at its meeting on 27 September 2018), and how many are in excess of these thresholds.



439 (76%) risks as at 31 October 2024 **exceed** Board tolerance thresholds (July 2024: 77%), further indicating that the Health Board is carrying risk beyond its capacity. Facilities, Planned Care and Therapies currently carry the highest number of risks above tolerance, with Mental Health & Learning Difficulties (MHL), Pathology, Glangwili General Hospital (GGH) and Women & Childrens also contributing significantly towards the number of risks beyond the Health Board's capacity.

Directorates across the Health Board are responsible for identifying risks that affect their services, with the Assurance and Risk Team providing technical risk management advice to support the consistency in risk scoring across the organisation. Risk management training is provided to managers and service leads to address gaps in knowledge and increase risk awareness across the organisation.

The Assurance and Risk team will continue to remind services to develop robust action plans, which upon their completion should support improved control measures noted within the risks, and reflected where possible in a reduction in the current risk score to a realistic target risk score. Work is underway in reviewing the Health Board's approach to risk tolerance, with further work to be undertaken with services to implement an agreed approach to ensure that the appropriate risk treatment is adopted.

### Oversight of Risk (2nd Line)

The Health Board's internal escalation framework, in place since April 2024, assesses directorates on a monthly basis against the following six domains to drive improvement in performance against several metrics:

- Quality;
- Governance;
- Workforce;
- Finance, Strategy and Planning;
- Fragile Services; and
- Performance and Outcomes.

One key metric under the Governance domain is **how Directorates are managing risks in terms of the scale, significance, timeliness and quality**, with levels awarded ranging between 1-3 to highlight progress being made:

Level	Definition
3	No assurance that the Directorate is managing their risks appropriately in terms of the scale, significance, timeliness and quality of response (less than 80% of risks and risk actions are reviewed within required timescales)
2	Limited assurance that the Directorate is managing their risks appropriately in terms of the scale, significance, timeliness and quality of response (80-89% of risks and risk actions are reviewed within required timescales)
1	Reasonable assurance that there are no significant concerns within the Directorate (90% of risks and risk actions are reviewed within required timescales)

In addition to risk management, consideration within the Governance domain is also given for each Directorate with the management of recommendations, implementation of Welsh Health Circulars and Ministerial Directions, compliance with Freedom of Information requests, and the management and review of policies and procedures.

This, in turn informs the wider escalation framework, where Directorates are assessed via the 3As assessment approach, and awarded an Alert, Advise or Assure status.

Escalation meetings are held for Directorates where an Alert status has been awarded for three or more domains, chaired by the Director of Finance and report to the Targeted Intervention Working group. For those Directorates which are awarded a level 3 for Governance, but are not awarded an overall Alert status, meetings are arranged between the Director of Corporate Governance and relevant service leads to discuss concerns, and determine next steps for de-escalation.

3A Status	Definition
Alert	There is a lack of confidence that any action in place is sufficient to address the issue satisfactorily and/or within the scope of the operational team or executive to resolve. Engagement, action or intervention required.

<b>Advise</b>	There are areas of concern where assurance has been taken on actions in place but requires closed monitoring. An early warning of an emerging and potentially serious concern.
<b>Assure</b>	There is confidence that actions are robust and will be sufficient to address the issue or generally operating effectively. Routine monitoring.

The Assurance and Risk Team, via a business partnering approach, continue to support Directorates in providing technical risk advice, the ongoing monitoring and review of risks, and subsequent reporting of risks via local governance arrangements. The Assurance and Risk Team provide focussed support for those Directorates at level 3 to aid their de-escalation, and to prevent those awarded level 2 status being escalated. A summary of each Directorate's performance for the Governance domain since April 2024 can be found in the following table, noting that none of the services escalated to Level 3 relate to their risk management arrangements and performance:

Service	April 2024	May 2024	June 2024	July 2024	Aug 2024	Sept 2024	Oct 2024
Director of Operations	1	1	3	3	3	2	3*
Facilities	3	3	3	3	2	2	2*
Mental Health & Learning Disabilities	2	2	2	3	3	3	3*
Cancer & Oncology	2	2	2	2	2*	2	2*
Pathology	2	2	1	1	1	2	3*
Radiology	2	2	1	1	1	2	2
Planned Care (incl. Audiology and Endoscopy)	2	2	3	3	3	3	3*
Bronglais Hospital	2	2	2	2	1	1	1
Glangwili Hospital	2	2	1	1	1	1	1
Prince Philip Hospital	2	2	1	1	1	1	1
Withybush Hospital	3	3	2	1	1	1	1
Women & Children	3	3	3	3	3	3	3*
Carmarthenshire County	1	1	1	1	1	1	1
Ceredigion County	2	2	2	2	1	1	1
Pembrokeshire County	1	1	1	1	1	1	1
Primary Care	2	2	1	1	1	1	1
Primary Care Management	N/A	N/A	2	2	1	1	1
Medicines Management	3	3	1	1	1	1	1
Director of Therapies and Health Sciences	2	2	1	1	1	1	1
Director of Finance	2	2	2	2	2*	2	2*
Director of Nursing	2	2	2	2	2*	2	1

Director of Public Health	2	2	1	1	1	1	1
Director of Strategy and Planning	2	2	1	1	1	1	2*
Director of Workforce & OD	1	1	1	1	1	1	1
Medical Directorate	2	2	2	2	1	2	2*
Corporate Services	2	2	1	1	1	1	1

*\*Escalated for Governance due to factors outside the remit of this paper eg implementation of external recommendations /compliance with WHCs / timely review of policies/*

Along with the implementation of external recommendations, risk management arrangements have been the dominant factor in assessing Directorate's escalation level.

## Risk Themes

As part of the second line of defence, risk owners are able to assign multiple 'themes' to their risks, which allows the Health Board to share risk information on specific areas, such as health and safety, information governance and workforce with the relevant subject matter experts within the Health Board, who in turn can offer specific support and guidance to risk owners in the management of risk and identify trends and areas of concern. Each risk theme is aligned to a specific committee or sub-committee, in order to provide assurance that processes are in place to deliver a holistic approach to risk management. This further enables the Health Board to better identify and define its risk appetite, risk capacity and total risk exposure in relation to each risk, and to group similar risks or generic type of risk.

Each risk theme has assigned owners based on their subject matter expertise, who receive notifications when risks are added to the system, and are also provided with the relevant thematic risk register on a quarterly basis. Upon receipt, theme risk owners are required to review risks which have been assigned a theme to ensure that they have been correctly allocated, and review the risk, controls and planned actions from an expert perspective, and provide oversight and guidance to the relevant manager of any further controls that need to be undertaken to manage the risk to an acceptable level.

Theme owners are provided with a thematic risk register in order to identify trends, or risk clusters, and to consider whether there are gaps in controls in the Health Board's control framework, and to determine whether further action is required to prevent risks from materialising. The Assurance and Risk Team are in the process of reviewing and confirming with relevant subject matter experts as to how thematic risk registers are being utilised, which will further inform and provide assurance to relevant committees that risks are being appropriately reviewed.

Since the previous risk assurance report presented to ARAC in August 2024, the themes of following developments have taken place in respect to risk themes of 'Partnerships' and 'Governance' have been added to Datix as new themes to align with existing themes on the AMAT. The new themes have not yet been assigned to a



committee and are pending discussion at the appropriate forum for ownership. Appendix 2 details the reporting and monitoring of themed risks.

### *Independent Assurance (3rd line)*

The third line of defence are those who provide independent assurance over the risk management arrangements in place, and where appropriate can advise on control strategies. Since the previous risk assurance report presented to ARAC, the following reviews or updates relating to governance arrangements, which included a review of risk management processes, have been undertaken by external regulators and inspectorates:

- *Audit Wales – Structured Assessment Management 2024*: As part of the Structured Assessment process, AW considered whether the Board has:
  - An up-to-date and publicly available Board Assurance Framework (BAF) in place, which brings together all the relevant information on the risks to achieving the organisation’s strategic priorities / objectives; and is actively owning, reviewing, updating, and using the BAF to oversee, scrutinise, and address strategic risks.
  - An appropriate and up-to-date risk management framework in place, which is underpinned by clear policies, procedures, and roles and responsibilities; and is providing effective oversight and scrutiny of the effectiveness of the risk management system and corporate risks.

The report presented to ARAC in December 2024 found that the Health Board continues to have a mature approach to overseeing strategic and corporate risks and risk management arrangements.

### *Committee and Reporting Structures*

Effective risk management requires a reporting and review structure to ensure that risks are effectively identified and assessed, and that appropriate controls and responses are in place. The Health Board’s risk reporting structure is outlined in Appendix 2 of the [Risk Management Strategy](#).

#### *1. The Board*

The Board is responsible for oversight of the Health Board’s principal risks, which are those that affect its ability to achieve its strategic objectives. The 6 strategic objectives are included within the Board Assurance Framework (BAF):

1. Putting people at the heart of everything we do	4. The best health and wellbeing for our communities
2. Working together to be the best we can be	5. Safe, sustainable, accessible, and kind care
3. Striving to deliver and develop excellent services	6. Sustainable use of resources

Principal risks are reported to the Board 3 times a year, with the last report provided in [November 2024](#) as part of the BAF Dashboard. The 15 principal risks were reviewed and updated in November 2024.

The table below summarises the changes to the Principal Risk Register (PRR) since the previous report presented to ARAC in August 2024:

Risk ref	Risk Title	Risk Score Oct-24	Status of risk	Date of change on PRR
1196	Insufficient investment in facilities / equipment / digital infrastructure	5x4=20	Risk score increased from 16 to 20	06/11/24
1185	Consistent and meaningful engagement through our workforce	4x4=16	Risk score increased from 12 to 16	07/10/24
1200	Maximising social value	2x3= 6	Risk score reduced from 12 to 6	05/11/24

The Board is also responsible for oversight of corporate risks, which are defined as significant risks that affect the Health Board's ability to deliver the healthcare services in the 'here and now'. Corporate risks are reported to the Board 3 times a year, with the last report provided in [September 2024](#). The Health Board has 21 corporate risks as at November 2024.

Risk is included as a standing agenda item on the formal Executive Team agenda on a monthly basis, which includes a review of the corporate and principal risk registers. The Executive Team is able to:

- Approve or escalate new risks for addition to corporate level;
- Approve the closure or de-escalation of corporate risks to directorate level.

The table below summarises the changes to the Corporate Risk Register (CRR) since the previous report presented to ARAC in August 2024:

Risk ref	Risk Title	Risk Score Oct-24	Status of risk	Date of change on CRR
1335	Risk to the ability to access paper patient records in a timely manner due to existing records management infrastructure	6	De-escalated	07/08/24
1350	Risk of not meeting the 75% SCP waiting times target for 2022 - 2026 due to diagnostics capacity and delays at tertiary centre	16	Increase in risk score from 12 to 16	16/08/24
1548	Risk to the Health Board maintaining service provision due to industrial action	N/A	Risk closed	26/07/24
1812	Risk of non-compliance with Medical Examiners (Wales) regulations to the failure to fully resource internal processes	8	Reduction in risk score from 16 to 8	01/10/24

1821	Risk to the welfare of Health Board staff due to current demands	12	Increase in risk score from 9 to 12	25/10/24
1843	Risk that the cash consequences of the Health Board deficit cannot be covered due to significant deficit position	25	Increase in risk score from 20 to 25	12/08/24

All changes are included in risk reports to the Board and Committees.

### *2. Board Committees and Sub-Committees*

Terms of References (TORs) are in place for each committee at the Health Board, which outline their responsibility to review and to seek assurance that risks aligned to Committees are being effectively managed across the Health Board and report any areas of significant concern. Committees receive corporate risk reports 3 times a year, which include the risks that are aligned to it, prior to them being reported to Board. Operational risks on Datix that are at Directorate level and above tolerance are also reported to the Board Committees 3 times a year. Risks are also reported to sub-committees, each of whom have delegated authorities from the parent committee, who received update reports at each meeting. Appendix 3 details recent risk reporting activity since August 2024.

### *3. Service and Directorate Level Monitoring Arrangements*

Risks are discussed by services and directorates at quality governance meetings for operational areas, or senior management meetings. These forums allow for the discussion of existing risks in detail by service leads and relevant Directors, and the identification of any new or emerging risks, with the frequency of these meetings varying dependant on the service either monthly or bi-monthly. Local governance arrangements are considered when awarding the escalation status for Governance. For operational services, corporate risks are also reported to the Director of Operations' monthly Operational Performance, Governance and Planning (OPGP) meetings. These meetings are attended by the Assurance and Risk team to present and support discussions on risk management.

Where there are no formal governance arrangement in place, or meetings stood down, the Assurance and Risk team send formal governance papers to risk leads and management within those Directorates via e-mail for information and action where appropriate. Structures are continually reviewed to ensure all risk leads are appropriately informed.

### **Risk Management Strategy**

The [Risk Management Strategy](#) (the Strategy), approved by Board in March 2024, sets out the Health Board's risk management policy statement and objectives in respect of strengthening risk management for the next 18 months.

The Strategy aims to support a dynamic and systematic approach to risk management, and to ensure prompt and comprehensive identification, assessment and management of risks that threaten the delivery of its strategic objectives and day-to-day operations.

The Strategy contains the following three objectives for 2024, with progress against each objective detailed below:

*1. Implement and embed the UHB's refreshed risk appetite statements Appetite and Tolerance Statement*

*We will further develop the Health Board's risk appetite by:*

- *Developing an implementation strategy to embed revised risk appetite statement across the UHB;*
- *Reviewing our approach to risk tolerance and how it aligns to the refreshed risk appetite statements (approved by Board in January 2024);*
- *Providing practical support to services in the utilisation of refreshed risk appetite statement; and*
- *Reviewing the risk appetite statement after 6 months with the Executive Risk Group (ERG) to ensure it remains fit for purpose and support effective decision making.*

The current risk appetite statements, as approved by Board at its meeting in [January 2024](#), is due to be reviewed by the Executive Team in December 2024 as part of the required annual review, ahead of approval by Board at its meeting in January 2025.

Risk tolerance is the *organisation's readiness to bear the risk after risk treatment in order to achieve its objectives*. Work is ongoing to review and develop the Health Boards' approach to risk tolerance in line with the organisations' risk appetite statement, with proposals due to be presented to Executive Team in December 2024.

Work has started to develop an integrated impact assessment (IIA) process for the Health Board. This will incorporate an assessment of risk appetite and ensure that the Board are cognisant of making decisions that are within or even above their risk appetite.

*2. Support the strengthening of operational risk management arrangements*

*We will do this by:*

- *Ensuring risk management arrangements and systems are realigned to the new Operations Directorate structure (when approved), and systems used to capture this process are appropriately updated;*
- *Supporting corporate and operational directorates via quality and business meetings and Directorate Improving Together sessions to identify, assess and manage risks and improve outcomes;*
- *Reviewing current partnership risk management arrangements with key partners and to utilise learning to develop a plan for all partnerships to strengthen these arrangements which will support the UHB to achieve its objectives;*
- *Reviewing the training needs analysis and provision of risk management training to implement the operationalisation of revised risk appetite statements across the UHB;*
- *Implement the new Once for Wales Concerns Management system when it has been developed and is ready to be rolled out; and*

- *Providing practical support to services with operational risk management arrangements via business partnering arrangements to ensure risk management outcomes inform and prioritise organisational decision making.*

The Assurance and Risk team is currently comprised of:

- Assistant Director of Assurance and Risk (ADAR);
- Head of Assurance and Risk (HAR);
- 3 x Assurance and Risk Officers (ARO); and
- 1 x Assurance and Risk Administrator (ARA).

The team operates within a business-partnering approach to support operational and corporate teams meet their obligations in respect of risk management, with each Directorate assigned a dedicated Assurance and Risk Officer (ARO). The ADAR, HAR and 2 AROs are accredited members of the Institute of Risk Management (IRM), having successfully completed the IRM Certificate in Enterprise Risk Management. 1 ARO is currently studying towards accreditation with the IRM, supported by the Annex 21 framework adopted by the Health Board.

AROs support the Health Board by preparing risk reports and risk registers for the relevant directorate or service governance meetings, and attend meetings in order to facilitate and support discussions on risk identification, assessment and treatment in order to improve outcomes. These forums are also utilised to confirm if risks as noted on the risk registers are at the correct level, and to support the escalation or de-escalation of risks in line with Health Board guidance where required. AROs provide training to operational managers and risk leads across the Health Board on using the Datix Risk Management System, and technical risk assessment and risk management training where appropriate.

In undertaking their role, AROs provide general support to services in the regular risk management and review process, continually embedding the principles of the Risk Management Framework, ensuring a consistent approach is adopted across the Health Board to risk management, and risk language. Risk Management training is also included within the Manager's Passport Programme.

The new structure within the Operations Directorate has been confirmed, and work is underway to realign underpinning systems to the new structure.

The Assurance and Risk team regularly review and update the content of its Sharepoint site, which is accessible to all staff across the Health Board, in order to further support the enhancement of knowledge of risk management and ensure consistency in the use of risk terminology. Staff can access the site via the [following link](#), and are able to access a suite of risk management documents such as policies, procedures and templates, and book risk management training sessions.

Performance dashboards allow staff across the organisation to view a summary of all risks, thus increasing the visibility and awareness of risks facing the Health Board, with links to the Datix Risk Module included. The [risk-specific dashboard](#) is updated twice a month, and risk data in the [Health Board wide dashboard](#) is refreshed on a monthly basis, providing a snapshot of the risk landscape, highlighting risks which are overdue



for review, and risks with overdue actions which underpin the newly implemented internal escalation framework.

The Health Board has completed a Readiness Report for the new Once for Wales Concerns Management system in which it stated it would not be migrating to the new system, and would continue to use the current Datix Web system which has been extended to 30 November 2027. This allows the Health Board to continue using the existing Datix Risk Module system, whilst it considers alternative options.

*Understand how established risk management processes currently contribute to the overall health of the UHB (i.e achievement of objectives, delivery of plans and performance), and how this can be strengthened.*

*We will do this by:*

- *Engaging with relevant teams across the UHB to establish how risk information is currently utilised within their areas to support the achievement of the delivery of our objectives and performance targets to inform our risk maturity assessment, and how this could be strengthened; and*
- *Engaging with service leads across the UHB to assess the risk culture within the organisation to identify areas of improvement to support individuals in undertaking risks in an informed manner to support the achievement of our objectives and performance targets.*

A risk maturity self-assessment was undertaken during quarter 3 of 2023/24, in accordance with the Orange Book (a recognised risk management standard for the public sector) and will be undertaken on an annual basis. The outcomes of the assessment undertaken in 2023 was presented to ARAC in February 2024, subsequently informing the Risk Management Strategy as approved by Board in [March 2024](#).

Work has commenced on the self-assessment for 2024/25, with the Head of Assurance and Risk scheduling a series of focus groups with corporate and operational colleagues across the organisation to inform the completion of the self-assessment relating to risk culture and risk training. These are currently being scheduled for quarter 4 2024/25, and will allow the Assurance and Risk team to obtain a holistic response from the organisation to determine how risk information is currently being utilised, how these processes can be strengthened, and to assess the risk culture within the organisation. The outcomes of the self-assessment will be presented to ARAC via the Risk Assurance Report in April 2025.

### Next steps

As outlined within this report, the following key actions will be undertaken, with progress provided to ARAC in the next Risk Assurance Report in April 2025:

- To review and approve the Health Board's risk appetite statements;
- To seek endorsement of the proposed approaches to risk tolerance, and its subsequent implementation;
- To complete the Risk Maturity Assessment, with findings to be presented to ARAC;

- To review with relevant risk leads those risks identified pre-2020 to ensure that the risk register is as contemporaneous as possible; and
- To obtain further clarity from risk theme leads as to how themed risk registers are utilised to ensure risks are being appropriately reviewed by risk owners, and to identify any themes or trends.



## Reporting of Themed Risk Registers

Risk Theme	Number of risks – October 2024	Theme owner	Month themed risk register sent to theme owner	Committee which theme aligned to
Accommodation / Property	9	Head of Property Performance	September 2024	Health and Safety Committee
Business Continuity / Service Disruption	144	Emergency Planning Officer	September 2024	Managed outside of Committee as agreed with the Chair of the Operational Quality Safety and Experience Sub-Committee due to risks being included within individual Directorate exception reports presented to the Sub-Committee
Capital - Estates	32	Head of Facilities Information & Capital Management	October 2024	Capital Sub Committee* <i>Local Management Arrangements: Central Compliance and Assurance Audit Meeting, October 2024</i>
Capital – Equipment	36	Deputy Director of Operations	October 2024	Capital Sub Committee*
Capital – Digital	12	Digital Director	October 2024	Capital Sub Committee*
Consent and Mental Capacity	1	Head of Consent and Mental Capacity	September 2024	Managed outside of Committee as agreed with the Chair of the Operational Quality Safety and Experience Sub-Committee due to risks being included within individual Directorate exception reports presented to the Sub-Committee
Cyber Security	11	Cyber Security Senior Specialist	October 2024	Information Governance Sub Committee

Risk Theme	Number of risks – October 2024	Theme owner	Month themed risk register sent to theme owner	Committee which theme aligned to
Deprivation of Liberty Safeguards (DOLS)	1	Deprivation of Liberty Safeguards Coordinator	September 2024	Managed outside of Committee as agreed with the Chair of the Operational Quality Safety and Experience Sub-Committee due to risks being included within individual Directorate exception reports presented to the Sub-Committee
Digital Transformation	12	Head of Digital Innovation and Transformation	October 2024	Sustainable Resources Committee
Estates	124	Head of Estates Risk and Compliance	July 2024	Health and Safety Committee  <i>Local Management Arrangements: Central Compliance and Assurance Audit Meeting, October 2024</i>
Finance	67	Assistant Director of Finance	October 2024	Sustainable Resources Committee
Fire	16	Head of Fire Safety	July 2024	Health and Safety Committee  <i>Local Management Arrangements: Fire Safety Group, July 2024</i>
Fragile Services	215	Fragile Services Working Group	August 2024	Managed outside of Committee as agreed with the Chair of the Operational Quality Safety and Experience Sub-Committee due to risks being included within individual Directorate exception reports presented to the Sub-Committee

<b>Risk Theme</b>	<b>Number of risks – October 2024</b>	<b>Theme owner</b>	<b>Month themed risk register sent to theme owner</b>	<b>Committee which theme aligned to</b>
Fraud	0	Local Counter Fraud Specialist	No risks assigned	Audit and Risk Assurance Committee
Governance	0	TBC	TBC	TBC
Health and Safety	97	Head of Health, Safety and Security	September 2024	Health & Safety Committee
Information and Communication Technology	32	Head of Digital Business and Engagement	September 2024	Information Governance Sub Committee
Infection Control	30	Senior Nurse, Infection Prevention	September 2024	Managed outside of Committee as agreed with the Chair of the Operational Quality Safety and Experience Sub-Committee due to risks being included within individual Directorate exception reports presented to the Sub-Committee
Information and Data Capture	23	Head of Information Services	September 2024	Information Governance Sub Committee
Information Governance	24	Head of Information Governance	September 2024	Information Governance Sub Committee
Medical Devices	33	Assistant Director of Therapies and Health Sciences	October 2024	Medical Devices Group  Managed outside of Committee as agreed with the Chair of the Operational Quality Safety and Experience Sub-Committee due to risks being included within individual Directorate exception reports presented to the Sub-Committee

<b>Risk Theme</b>	<b>Number of risks – October 2024</b>	<b>Theme owner</b>	<b>Month themed risk register sent to theme owner</b>	<b>Committee which theme aligned to</b>
Medication	20	Clinical Pharmacy Lead for Patient Services	August 2024	Managed outside of Committee as agreed with the Chair of the Operational Quality Safety and Experience Sub-Committee due to risks being included within individual Directorate exception reports presented to the Sub-Committee
Natural Environment	8	Head of Facilities Information and Capital Management	September 2024	Health and Safety Committee
NICE/National Guidance	31	Head of Effective Clinical Practice and Quality Improvement	October 2024	Clinical Standards and Guidelines Group, June 2023  Managed outside of Committee as agreed with the Chair of the Operational Quality Safety and Experience Sub-Committee due to risks being included within individual Directorate exception reports presented to the Sub-Committee
Partnerships	0	TBC	TBC	TBC
Patient Safety	262	Head of Quality and Governance	November 2023	Managed outside of Committee as agreed with the Chair of the Operational Quality Safety and Experience Sub-Committee due to risks being included within individual Directorate exception reports presented to the Sub-Committee

<b>Risk Theme</b>	<b>Number of risks – October 2024</b>	<b>Theme owner</b>	<b>Month themed risk register sent to theme owner</b>	<b>Committee which theme aligned to</b>
Quality	186	Head of Quality and Governance	November 2023	Managed outside of Committee as agreed with the Chair of the Operational Quality Safety and Experience Sub-Committee due to risks being included within individual Directorate exception reports presented to the Sub-Committee
Reputation	147	Communications Director	January 2023	Managed outside of Committee as agreed with the Director of Communications
Safeguarding	29	Head of Safeguarding	September 2024	Managed outside of Committee as agreed with the Chair of the Operational Quality Safety and Experience Sub-Committee due to risks being included within individual Directorate exception reports presented to the Sub-Committee
Security	16	Head of Health, Safety and Security	September 2024	Health and Safety Committee
Workforce	186	Assistant Director of Workforce and Organisational Development	August 2024	People, Organisational Development and Culture Committee

\* The Terms of Reference of the Capital Sub Committee (CSC) were amended in March 2023, and approved by Strategic Development and Operational Delivery Committee (SDODC) in April 2023 agreed that the risk reporting arrangements to CSC changed. Themed risk registers are shared with the capital leads for Digital, Equipment and Estates for them to inform their prioritisation for capital funding.

**Reporting of Corporate Risks August - October 2024**

<b>Committee</b>	<b>Risk Reporting frequency</b>	<b>Reports presented</b>	<b>Number of risks reported</b>	<b>Matters arising from last meeting</b>
Charitable Funds Committee (CFC)	Every other meeting	No risks currently assigned to CFC	N/A	N/A
Health and Safety Committee (HSC) <i>Note: Risks relating to security management arrangements are presented and discussed via in-committee due to the sensitive nature of these risks</i>	Every other meeting	September 2024	5	No specific actions raised.
People, Organisational Development and Culture Committee (PODCC)	Every other meeting	August 2024	2	No specific actions raised.  Discussions were held on the presentation of the risk relating to insufficient workforce going forward, with focus to be given on particular staffing groups.  Discussions also held regarding the risk on staff welfare, with a review of the current position to determine appropriate and realistic actions to take this agenda forward.
Quality, Safety and Experience Committee (QSEC)	Every other meeting	August 2024	10	No specific actions raised.  Discussions held on the scoring of the risk of poor patient outcomes and experience due to inability to effectively recognise and manage acute deterioration, with outcomes from the work being undertaken by the Safe Care Collaborative to inform the current risk score.
Strategic Development and Operational Delivery Committee (SDODC)	Every other meeting	August 2024	2	No specific actions raised.

Sustainable Resources Committee (SRC)  <i>Note: Risks relating to Cyber Security are presented and discussed via in-committee due to the sensitive nature of the risks</i>	Every meeting	August 2024	2	No specific actions raised. The Committee noted the increase in risk score relating to the risk on the cash consequences of the Health Board deficit cannot be covered due to significant deficit position from 20 to 25. The action from the previous meeting to confirm whether the corporate risk in relation to records management has been de-escalated was completed, with the risk de-escalated in September 2024.
		October 2024	2	No specific actions raised. Discussions held around the possibility of reducing the current risk score of the risk relating to the risk on the cash consequences of the Health Board deficit cannot be covered due to significant deficit position due to the presence of a route map to meeting the Health Board's £64m target deficit figure. The Committee was also informed that there was no reason to believe that the risk level was going to change in the foreseeable future in relation to the risk of business disruption and delays in patient care due to a cyber attack.

**Reporting of Operational Risks August - October 2024**

Committee	Risk Reporting frequency	Reports presented	Number of risks reported	Matters arising from last meeting
Charitable Funds Committee (CFC)	Every other meeting	No risks currently assigned to CFC	N/A	N/A
Health and Safety Committee (HSC)	Every other meeting	N/A	N/A	No specific actions raised.  Operational risks due to be presented 12/11/2024
People, Organisation-al Development and Culture Committee (PODCC)	Every other meeting	October 2024	0	No operational risks assigned to the committee during this reporting timeframe. Detailed analysis is provided to PODCC on work undertaken by the Workforce and OD Directorate on Workforce themed risks via the Workforce Plan update.



Strategic Development and Operational Delivery Committee (SDODC)	Every other meeting	October 2024	6	No specific actions raised.  The Committee agreed that while risks had been reviewed and scrutinised, they were not assured that all relevant controls and mitigation actions were in place.
Sustainable Resources Committee (SRC)	Every other meeting	August 2024	15	No specific actions raised.

\* Operational risks are discussed via the Operational Quality, Safety and Experience Committee (OQSEC) at every other meeting, with updates provided to QSEC via the sub-committee report

#### **Reporting of Risks to sub-committees August - October 2024**

Sub-Committee	Parent Committee	Risk Reporting frequency	Reports presented	Number of risks reported
Information Governance Sub Committee (IGSC)	SRC	Every other meeting	September 2024	2
Operational Quality, Safety and Experience Sub Committee (OQSESC)  <i>Directorate exception reports presented at each meeting detail the status of their risk registers</i>	QSEC	N/A	N/A	N/A – all risks are reported via Directorate Exception Reports presented by service leads at each meeting.
Research and Innovation Sub Committee (RISC)	PODCC	Every other meeting	September 2024	3