

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

DYDDIAD Y CYFARFOD: DATE OF MEETING:	15 April 2025
TEITL YR ADRODDIAD: TITLE OF REPORT:	Risk Assurance Report
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Joanne Wilson, Director of Corporate Governance / Board Secretary
SWYDDOG ADRODD: REPORTING OFFICER:	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

ARAC's terms of reference state that one of its principal duties is to 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.

Asesiad / Assessment

The attached report (Appendix 1) aims to provide assurance by outlining the risk management activity that has taken place since the previous report presented to ARAC in December 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 risk management arrangements and processes in order to report progress to the Committee, including the revised performance management arrangements.

Amcanion: (rhaid cwblhau)

Objectives: (must be completed)

Committee ToR Reference: Cyfeirnod Cylch Gorchwyl y Pwyllgor:	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'.
Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	Included within the report
Parthau Ansawdd: Domains of Quality Quality and Engagement Act (sharepoint.com)	7. All apply
Galluogwyr Ansawdd: Enablers of Quality: Quality and Engagement Act (sharepoint.com)	6. All Apply
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: Hyperlink to HDdUHB Well-being Objectives Annual Report 2021-2022	10. Not Applicable
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Gwybodaeth Ychwanegol: Further Information:	
Ar sail tystiolaeth: Evidence Base:	Datix Risk Module
Rhestr Termiau: Glossary of Terms:	Included within the report
Partion / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Archwilio a Sicrwydd Risg Parties / Committees consulted prior to Audit and Risk Assurance Committee:	Director of Corporate Governance / Board Secretary

Effaith: (rhaid cwblhau) Impact: (must be completed)	
Ariannol / Gwerth am Arian: Financial / Service:	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.
Ansawdd / Gofal Claf: Quality / Patient Care:	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.
Gweithlu: Workforce:	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.
Risg: Risk:	Risk implications are inherent within the report.
Cyfreithiol: Legal:	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.
Enw Da: Reputational:	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.
Gyfrinachedd: Privacy:	No direct impacts from this report
Cydraddoldeb: Equality:	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 the 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 December 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 (February 2025).

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 management processes are currently under review as a result of the operational Organisation Change Process (OCP) currently underway. These changes will ensure that risks are:

- appropriately aligned to the new Clinical Care Groups (CCGs) structures, and corresponding executive functions due to become operational from 1 April 2025;
- owned by correct service leads in line with new management hierarchies; and
- appropriately sighted and escalated as part of the revised operational governance arrangements within the CCGs (and corresponding executive function governance arrangements).

The Assurance and Risk team have also taken the opportunity to update Datix to incorporate improvements to the existing risk management process for operational risks, namely in relation to the strengthening of target risk scores (TRS) and supporting rationale. This system additionality will encourage risk owners to consider the effectiveness of their risk action plans to better manage their risk within a specified timeframe in order to provide trajectories as to when they can be met.

At the time of writing the report, work has commenced on updating Datix to reflect revisions to management hierarchies and operational structures, and aligning risks to the revised Board sub-committee structures [as agreed by Board at its meeting in January 2025](#). Work has also begun to update the format of risk register reports to capture these changes. The risk performance dashboards will also be updated to reflect the changes in Quarter 1 of 2024/25, dependant on the resource availability of the Performance Team.

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. These are currently being updated in light of the change to the Clinical Care Group operational structure to reflect revised management hierarchies and governance arrangements, as detailed above.

Three Lines of Defence for Risk Management

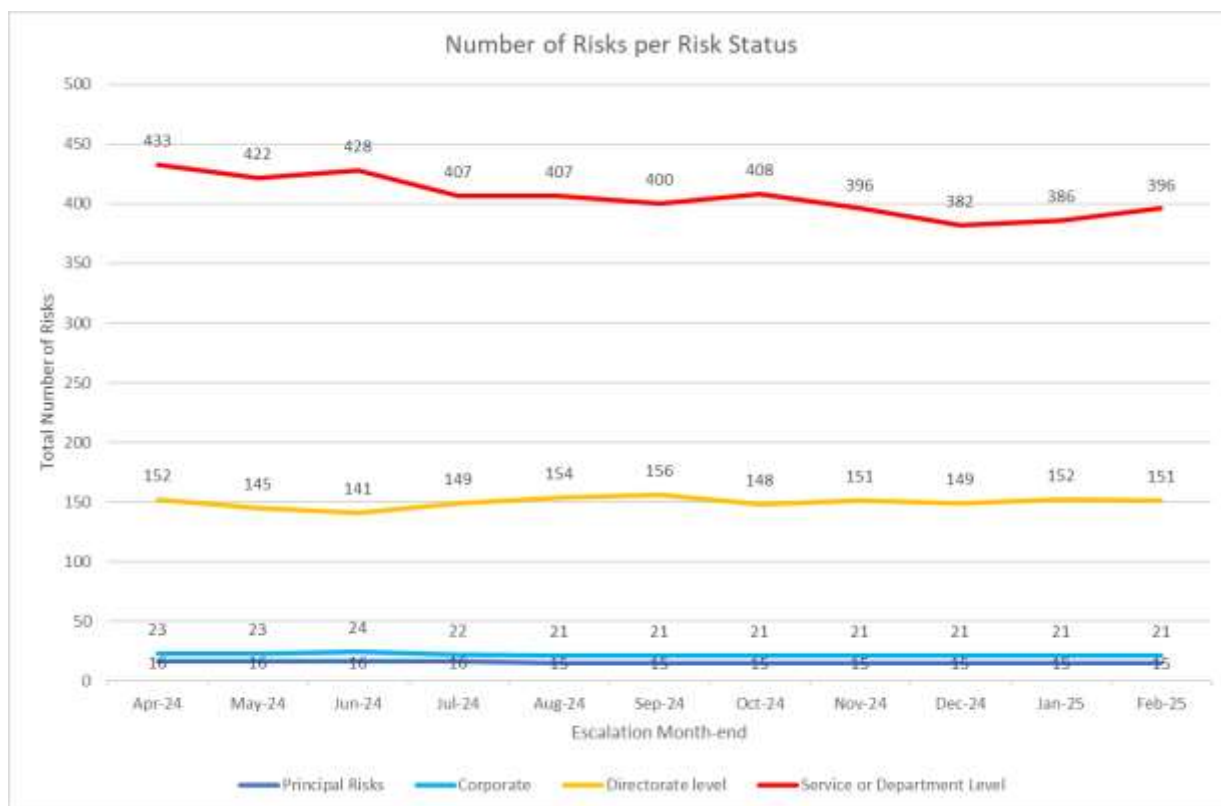
The Health Board operates within the widely accepted “Three Lines of Defence” model, which provides a simple and effective way to delegate and coordinate risk management roles and responsibilities within an organisation, to ensure the appropriate responsibility is allocated for the management, reporting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



Risk Management (1st line)

The Health Board has 568 open risks on the Datix Risk Module as of 28 February 2025 (October 2024: 577), 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:

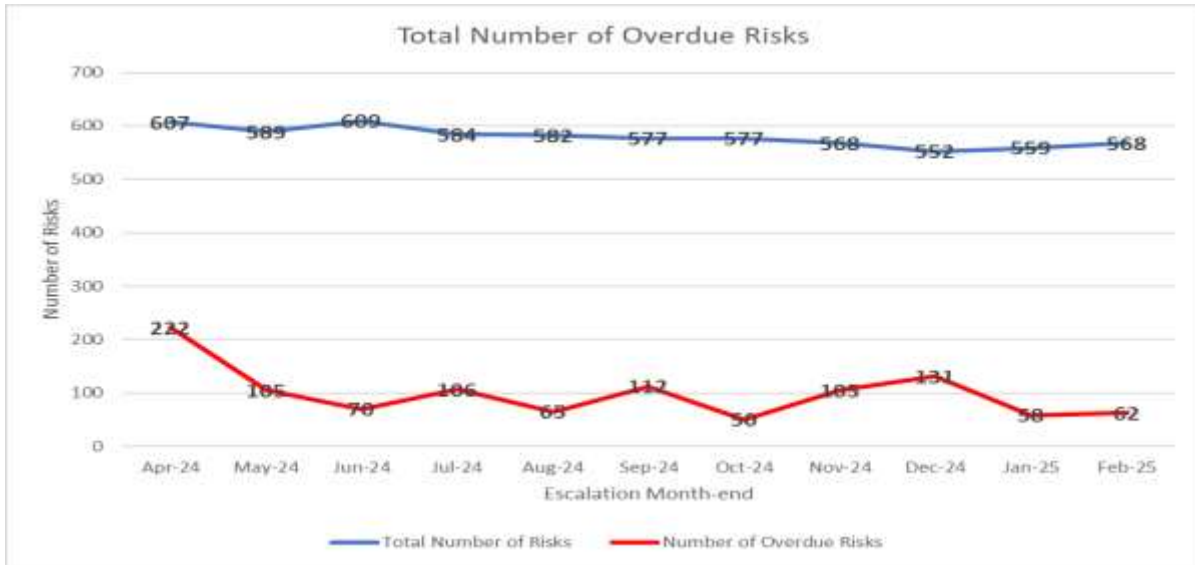
Area	Total number of risks as at 28 Feb 2025	%age of all Health Board risks as at 28 Feb 2025	Number of Overdue risks as at 28 Feb 2025	Total number of overdue risk actions as at 28 Feb 2025	%age of overdue risk actions as at 28 Feb 2025
Director of Operations					
Director of Operations (<i>including Central Operations, Acute Service, and USC: Health Board wide</i>)	13	2%	3	2	6%
Facilities	134	24%	14	11	7%
Mental Health and Learning Disabilities	34	6%	2	2	2%
Oncology	5	1%	0	1	6%
Pathology	27	5%	4	6	14%
Radiology	15	3%	0	5	12%
Planned Care (<i>including Audiology & Endoscopy</i>)	73	13%	1	0	0%
Unscheduled Care: Bronglais General Hospital	10	2%	8	14	45%
Unscheduled Care: Withybush General Hospital (<i>including Stroke and COTE</i>)	16	3%	3	1	5%
Unscheduled Care: Prince Philip Hospital (<i>including Diabetes and Respiratory</i>)	17	3%	2	2	7%

Risk Assurance Report

Area	Total number of risks as at 28 Feb 2025	%age of all Health Board risks as at 28 Feb 2025	Number of Overdue risks as at 28 Feb 2025	Total number of overdue risk actions as at 28 Feb 2025	%age of overdue risk actions as at 28 Feb 2025
Unscheduled Care: Glangwili General Hospital <i>(including Cardiology, Gastro and Renal)</i>	33	6%	8	2	5%
Women and Children	30	5%	4	8	22%
Director of Primary, Community and Long Term Care					
Ceredigion <i>(including Palliative Care)</i>	3	1%	0	0	0%
Carmarthenshire	12	2%	0	0	0%
Pembrokeshire	5	1%	0	2	33%
Medicines Management	12	2%	0	1	6%
Primary Care Management <i>(Long Term Care and Chronic Conditions)</i>	2	0%	0	1	50%
Primary Care <i>(All other Primary Care services)</i>	22	4%	1	2	5%
Director of Finance					
Finance	2	0%	0	2	29%
Digital	24	4%	2	2	7%
Director of Nursing					
Nursing	15	3%	3	6	20%
Director of Public Health					
Public Health	12	2%	1	4	25%
Director of Strategy and Planning					
Strategic Planning	5	1%	0	1	20%
Director of Therapies and Health Sciences					
Therapies	39	7%	5	14	15%
Director of Workforce and Organisational Development					
Workforce and Organisational Development	2	0%	0	0	0%
Medical Director					
Medical	6	1%	1	2	33%
Corporate Services					
Governance	0	0%	0	0	0%
CEO Directorate	0	0%	0	0	0%
Total:	568		62	91	

Timeliness of Risk Reviews

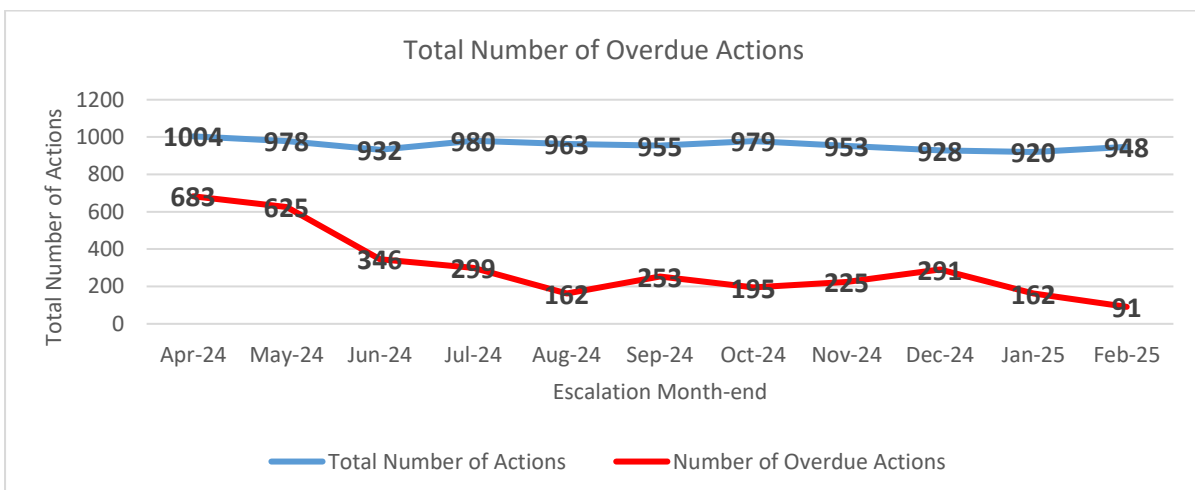
Since the introduction of the internal escalation framework, there has been an overall improvement in the timeliness of risk reviews, with 11% overdue for review as at 28 February 2025. However, the trend in performance since April 2024 suggests that timeliness of risk reviews is inconsistent, with fluctuations in the number of overdue risks over the calendar year which may be reflective of operational demands across the Health Board (see graph overleaf).



For those 62 risks noted as overdue, 55 have recently lapsed (i.e., not overdue by more than one month) (October 2024:43), 5 risks have just passed their review date of January 2025, and 2 risks are overdue by 4 months. This data demonstrates there has been an overall improvement in the timeliness of risk reviews since the internal escalation process was introduced, with the majority of risks now being reviewed within expected timeframes (April 2024: 222), however recognising inconsistencies across the year.

Risk Action Plans

The internal escalation framework has also significantly reduced the number of overdue risk actions, as 683 risk actions were overdue in April 2024. Further improvement is required in relation to the completion, review and quality of risk actions as 91 actions (10%) were noted as being overdue as at 28 February 2025 (October 2024: 195 (20%)).



Although the trend in reviewing overdue actions has significantly improved, actions remain which may have either been assigned unrealistic or unachievable timescales, or are not being updated fully during risk reviews.

The number of overdue or long-standing risk actions may also reflect the difficulties currently faced by management including staff absences and workforce challenges, in

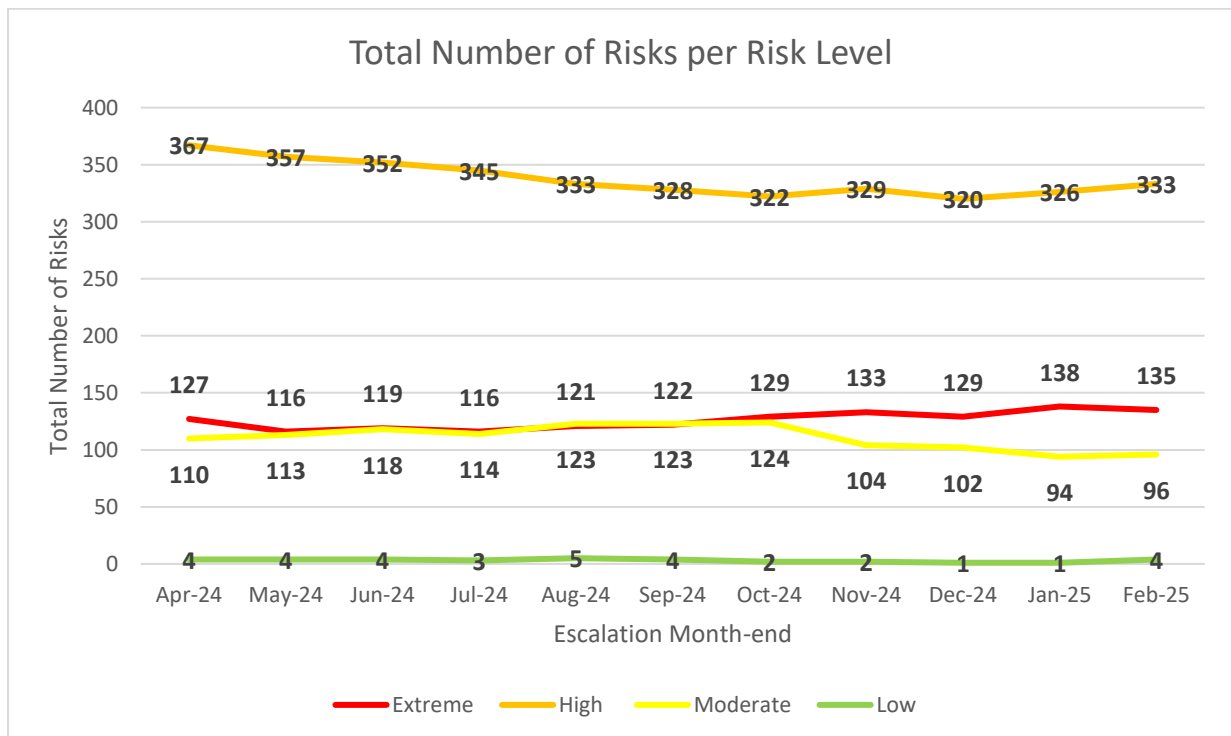
addition to the number of action plans that are reliant on additional funding to progress, which results in these actions not being updated due to a lack of any notable progress to report.

Risk leads are advised 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 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 129 (22%) of risks open as at February 2025 having been identified as a risk pre-Covid (October 2024: 163 (28%)). 69% of these risks are aligned to Estates and Facilities Directorate, and primarily relate to the condition of the Health Board’s ageing estate and equipment, and the financial climate. Other notable Directorates with open risks identified pre-2020 include Planned Care; Primary, Community & Long Term Care; Pathology; Radiology; and Central Operations, as a result of insufficient staffing, lack of IT solutions and lack of funding.

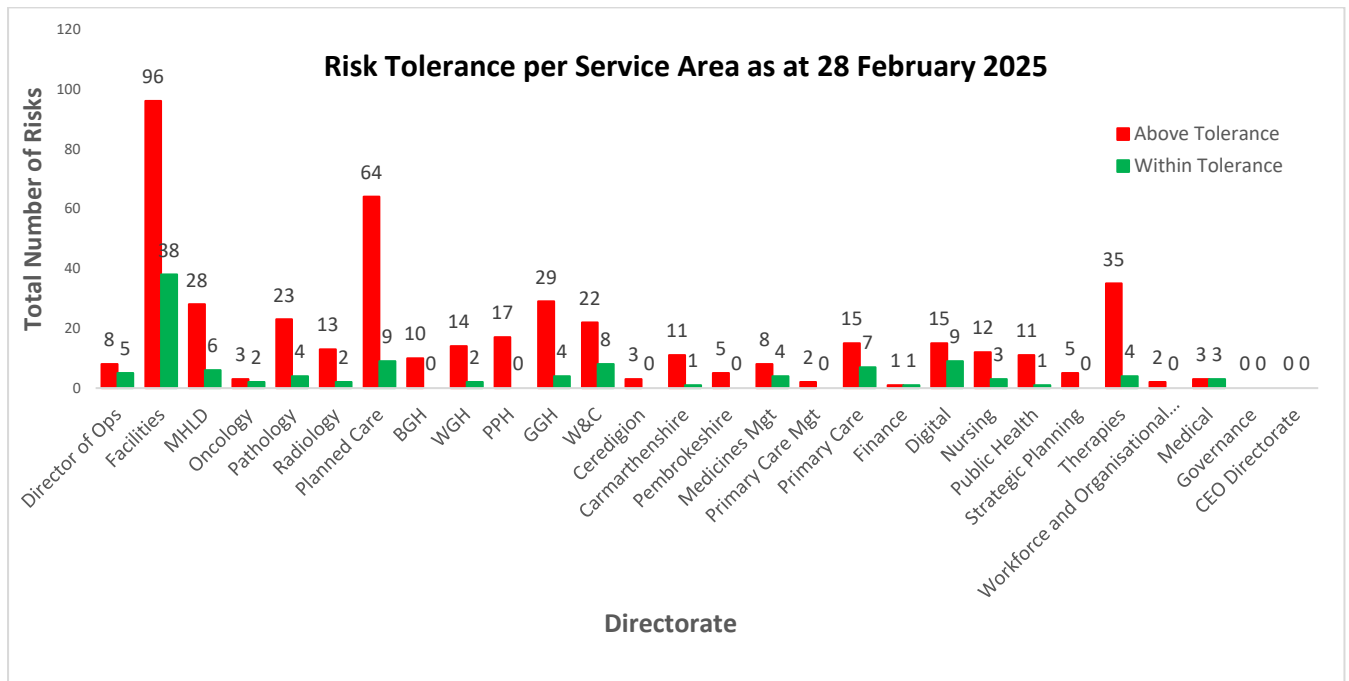
The following graph shows the trend in the number of extreme, high, moderate and low-level risks since the introduction of the internal escalation framework. This data demonstrates that the risk register is dynamic in nature with risks being reviewed and re-scored during this period.



Whilst there is a decrease in the number of high (amber) risks since April 2024, there is a corresponding increase in the number of extreme (red) risks since summer 2024, 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).

Risk Treatment

The graph below 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.



As at 28 February 2025, 455 (80%) risks **exceed** current Board tolerance thresholds (October 2024: 76%), further indicating that the Health Board is carrying risk beyond its capacity. Facilities, Planned Care and Therapies continue to carry the highest number of risks above tolerance, with Mental Health and Learning Difficulties (MHLD), Pathology, Glangwili General Hospital (GGH) and Women & Childrens also contributing significantly towards the number of risks above the current tolerance thresholds. [Detail around the revised approach to risk tolerance is included later in this report.](#)

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 Health Board’s approach to risk tolerance has been reviewed with the Executive Team and presented to Board in March 2025, 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 includes an assessment of directorates performance in governance on a monthly basis. One key metric in the Health Board’s internal escalation process 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)

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.

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.
Advise	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.
Assure	There is confidence that actions are robust and will be sufficient to address the issue or generally operating effectively. Routine monitoring.

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.

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:

Service	April 2024	May 2024	June 2024	July 2024	Aug 2024	Sept 2024	Oct 2024	Nov 2024	Dec 2024	Jan 2025	Feb 2025
Director of Operations	1	1	3	3	3	2	3*	3	3	2	3
Facilities	3	3	3	3	2	2	2*	2	2	3	3*

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Mental Health & Learning Disabilities	2	2	2	3	3	3	3*	3	3	3	3*
Cancer & Oncology	2	2	2	2	2*	2	2*	2	1	1	1
Pathology	2	2	1	1	1	2	3*	3	3	3	3*
Radiology	2	2	1	1	1	2	2	3	3	2	1
Planned Care (incl. Audiology and Endoscopy)	2	2	3	3	3	3	3*	3	3	3	3*
Bronglais Hospital	2	2	2	2	1	1	1	1	1	1	3
Glangwili Hospital	2	2	1	1	1	1	1	1	1	1	1
Prince Philip Hospital	2	2	1	1	1	1	1	1	1	1	1
Withybush Hospital	3	3	2	1	1	1	1	1	1	1	2
Women & Children	3	3	3	3	3	3	3*	3	2	3	3*
Carmarthenshire County	1	1	1	1	1	1	1	1	1	1	1
Ceredigion County	2	2	2	2	1	1	1	1	1	1	1
Pembrokeshire County	1	1	1	1	1	1	1	1	1	1	1
Primary Care	2	2	1	1	1	1	1	1	1	3	3*
Primary Care Management	N/A	N/A	2	2	1	1	1	1	2	2	1
Medicines Management	3	3	1	1	1	1	1	2	2	2	2*
Director of Therapies and Health Sciences	2	2	1	1	1	1	1	1	1	1	1
Director of Finance	2	2	2	2	2*	2	2*	2	2	2	2*
Director of Nursing	2	2	2	2	2*	2	1	2	2	1	1
Director of Public Health	2	2	1	1	1	1	1	1	1	1	1
Director of Strategy and Planning	2	2	1	1	1	1	2*	2	2	2	2
Director of Workforce & OD	1	1	1	1	1	1	1	1	1	1	1
Medical Directorate	2	2	2	2	1	2	2*	2	2	2	3
Corporate Services	2	2	1	1	1	1	1	1	1	1	1

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

Whilst the table above notes 9 Directorates awarded a Level 3: Alert Status under the Governance domain, the level has predominantly been awarded in relation to additional factors considered such as the implementation of external recommendations, compliance with Welsh Health Circulars and Ministerial Directions, and the timely review of policies. Directorates have demonstrated an improvement in risk management since the implementation of the internal escalation framework, with risks being reviewed within required timeframes. The data in February 2025 highlighted that in instances where risks have become overdue for review, none have been by more than one month. Whilst 80% of Bronglais' risks were overdue, and therefore met the Level 3 escalation criteria for risk management (<80% of risks were reviewed within required timescales), none were overdue by more than one month and reflective of operational site pressures at the point of data extraction. Similarly, 23% of the risks assigned to the Director of Operations were overdue, however none by more

than one month. It is recognised that these risks will be re-aligned as a result of the OCP within the Operations Directorate. 33% of risk actions assigned to the Medical Directorate were noted as being overdue, therefore meeting the Level 3 escalation criteria ((<80% of risk actions were reviewed within required timescales).

The existing Performance Framework has been further developed for 2025/26, details of which were presented to Board at its meeting in March 2025, which combines content from previous frameworks and reflects the organisational structural changes following the introduction of the new Clinical Care Groups (CCGs) as of 1st April 2025. The escalation process has been enhanced to realign accountability to Executive Directors and CCG Directors, and a more stringent process identified for those areas that are escalated and not making the required improvements. The Assurance and Risk Team will be reviewing existing escalation criteria within the Governance domain to ensure metrics are consistent, relevant and where possible, more qualitative in nature.

Risk Themes

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. They 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 and relevant 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 bi-monthly basis. Upon receipt, theme risk owners are required to review themed risks to ensure that:

- they have been correctly allocated;
- 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 have received feedback from themed risk leads since the previous Risk Assurance report as follows:

- Leads for the Medical Devices theme undertake regular thematic analysis of equipment risks across the Health Board to identify areas of priority and focus; and

- Leads for the Information Governance theme utilise the thematic risk register to maintain oversight and offer support as required to risk leads and discussed regularly at Information Governance Sub-Committee (IGSC).

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. Audit Wales's [Structured Assessment 2024 report](#) was presented to ARAC in December 2024, with management responses received at its meeting in February 2025. 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.

On 11 March 2025, Welsh Government considered the Health Board's escalation status and in recognition of governance improvements, related to improved Board stability and an increased degree of confidence in the organisation's governance, the Health Board was de-escalated for Governance from level 4 (targeted intervention) to level 3 (enhanced monitoring). Risk management is one of the criteria considered in the governance domain and therefore reflects confidence across the Health Board's governance framework, including its risk management framework.

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 February 2025 ahead of presentation to [Board in March 2025](#), with no changes in risk scores. The Health Board will be looking to refresh its strategic objectives in 2025/26, upon which the BAF will be refreshed and the associated principal risks.

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 [January 2025](#). The Health Board has 21 corporate risks as at February 2025.

The formal Executive Team reviews the corporate risk register on a monthly basis, and the principal risk register on tri-monthly basis, ahead of Board reporting. The Executive Team is able to:

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

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

Risk ref	Risk Title	Risk Score Feb-25	Status of risk	Date of change on CRR
1531	Risk of being unable to safely support the Consultant on-call rota at WGH & GGH due to workforce pressures	15	Decrease in risk score from 20 to 15	14/02/25
1812	Risk of non-compliance with Medical Examiners (Wales) regulations to the failure to fully resource internal processes	8	De-escalated	08/01/25
1842	Risk to delivery of Ministerial Priorities relating to planned care recovery ambitions 24/25 due to demand exceeding capacity	12	Decrease in risk score from 15 to 12	10/01/25
1664	Risk to ophthalmology service delivery due to a national shortage Consultant Ophthalmologists and the inability to recruit	16	Decrease in risk score from 20 to 16	19/02/25
2000	Risk of the Health Board significantly underspending in excess of its statutory Capital Resource Limit for 2024/25	12	New risk	09/01/25

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, outlining 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, 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.

Work is currently underway to realign all open risks to the new Board Committee governance structure which will be implemented on 1 April 2025. This, along with other system changes on Datix Risk Module, will result in risk reporting to committees being postponed until June 2025.

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.

Where there are no formal governance arrangements in place, or meetings are stood down, the Assurance and Risk team send formal governance reports to risk leads and management within those Directorates via e-mail for information and action where appropriate.

Operational governance arrangements are currently being finalised to support the changes to the Clinical Care Group operational structure, however risk management will continue to be included as standard items for discussion at formal local governance meetings.

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 risk appetite statements (approved by Board [in January 2024](#), were reviewed and refreshed by the Executive Team in December 2024 as part of the required annual review, and approved 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*.

A proposed revised approach to risk tolerance was included in the [CEO report](#) to Board at its meeting in March 2025 for approval. Following discussions at Formal Executive Team (FET) in February 2025, it was agreed that risk tolerance would be removed from the risk management process. The new approach links proposed actions to their anticipated impact on risk score, and shows the risk score trajectory over time. As such, the new approach will utilise the target risk score (TRS) to demonstrate the lowest level of risk exposure that the Health Board is willing to tolerate, following the completion of all the planned actions aligned to each risk. The TRS represents the ultimate level of risk achievable, given the available means and resource. Once the TRS is achieved, if the risk continues to exist, it should then be tolerated / accepted unless further actions are identified or made possible (eg through additional funding or capacity).

The TRS where possible should be quantified and aligned to performance targets, with a set timescale for achieving the reduction to the TRS. The utilisation of trajectories could be used to provide assurance that the right actions are being taken to reduce the risk to its TRS.

Where barriers to the achievement of the TRS are noted, this should be escalated appropriately via management structures in order to support decision-making. Risk leads will therefore be required to set realistic TRS, and an expected date for which they will achieve it.

The decision to 'tolerate' should be informed by metrics and the ability to support further actions, and the Board will be asked to accept any risks where the Health Board is unable to treat within its available means.

Work continues 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.*

Work is currently underway to realign the current Datix risk register systems to the new structures and hierarchies to support the implementation of the revised arrangements within the Operations Directorate from April 2025. Refresher training will be scheduled for colleagues across the Health Board for Q1 2025/26 to inform them of changes made, and relevant procedural documents will be updated to reflect these changes during the same time frame. Notable system changes include:

- Updated risk management ownership levels to reflect revised operational management structures;
- Updated naming conventions to mirror new structures; and
- Inclusion of a rationale for TRS for operational risk, and expected date of achievement of TRS.

The Assurance and Risk team operates within a business-partnering approach to support operational and corporate teams to meet their obligations in respect of risk management. Each Directorate is assigned a dedicated Assurance and Risk Officer (ARO), who are either fully qualified risk professionals with the Institute of Risk Management (IRM) or working towards accreditation via the Health Board's Annex 21 process.

AROs prepare risk reports and attend relevant service governance meetings, in addition to meeting risk leads to facilitate and support discussions on risk management. Performance dashboards are also in place which allow staff across the organisation access to a summary of all Health Board risks.

The Assurance and Risk Team provide both system and technical risk training to operational managers and risk leads across the Health Board, with guidance issued on Risk Management within the Manager's Passport Programme. Relevant materials are also available to further support colleagues via the Assurance and Risk Sharepoint site.

A desktop review of the Health Board's key partnerships has been undertaken by the Corporate Legal Team, however further work is required in this area which is being taken forward by the Executive Director of Public Health. Ascertaining whether we feel appraised of relevant risks with our partnership organisation that could impact our organisation was one area of focus during the risk maturity self-assessment (further detail included under Objective 3 later in this [report](#)). While key people are aware of areas of potential risk with partnerships, there are currently no defined approaches and processes for addressing risk with all our key partners. Guidance on risk management with partners will be included when reviewing the Risk Management Framework during Q2 of 2025/26.

The Health Board 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 continues to consider alternative options.

3. 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.*

Risk Maturity

A risk maturity self-assessment was undertaken during quarter 3 of 2024/25, in accordance with the Orange Book (a recognised risk management standard for the public sector), and undertaken on an annual basis. This is the second year that the Health Board has completed a risk maturity assessment, with learnings taken from the assessment completed in 2023/24 incorporated into this years’ processes and Risk Management Strategy. This year, feedback has been obtained from the Executive Team at Formal Executive Team meeting held in February 2025. In addition, risk leads and thematic subject matter experts across the Health Board were given the opportunity to provide feedback via the completion of a questionnaire, many of whom circulated to colleagues within their services. Detail on responses obtained are included in the summary of the assessment below.

The assessment framework includes 7 overarching questions relating to risk management, namely:

- Leadership;
- Risk strategy and policies;
- People;
- Partnership;
- Processes;
- Risk handling; and
- Outcomes.

Each of the above were assessed using the scoring mechanism detailed below:

Level	Description
1	Awareness and understanding
2	Implementation planned and in progress

3	Implementation in all key areas
4	Embedding and improving
5	Excellent capability established

The 7 overarching questions, along with a summary of the outcomes of the self-assessment are detailed in the tables below:

Leadership	Level Awarded 2024/25	Level Awarded 2023/24
Do executives and independent members promote risk management?	3	3
Findings		
Executive Directors act as role models in order to apply risk management consistently across the organisation. Monthly Executive Team meetings are in place, along with regular reporting of the BAF and CRR to Board, as well as forming part of the internal escalation process, demonstrates a positive risk attitude being adopted by senior leadership. A review of operational structures undertaken during 2024/25, and its implementation from April 2025 has enabled new operational governance arrangements to underpin them will support the consistent application of risk management. Feedback obtained from the Executive Team highlighted that the organisation could better utilise existing risk management processes to identify and seize opportunities and support innovative solutions.		
Next Steps		
To promote the use of risk management in order to identify and seize opportunities, in addition to managing risks via: <ul style="list-style-type: none"> • the introduction and embedding of the integrated impact assessment (IIA) tool; and • development of risk training materials for the wider Health Board with more focus on the identification of opportunities. <p>This will inform the refreshed objectives included within the review of the Health Board's Risk Management Strategy due in Quarter 2 of 2025/26.</p>		

Risk Strategy and Policies	Level Awarded 2024/25	Level Awarded 2023/24
Is there a clear risk strategy and risk policies?	3	3
Findings		
Risk strategies and policies are in place and communicated, supported by a framework of processes across the Health Board. ARAC receives Risk Assurance reports at every other meeting which provide assurance on the effectiveness of the Health Board's risk management framework and highlights the progress being made against the Risk Management Strategy. However, 11% of respondents felt that they were poorly informed in relation to key organisational objectives and priorities facing their specific area within the Health Board.		
Next Steps		
To consider as part of the training needs analysis how operational management can improve local induction processes in relation to risk management training and the awareness of local objectives and priorities.		

To review and update existing risk training materials to ensure current Health Board objectives are included.

This will inform the refreshed objectives included within the review of the Health Board's Risk Management Strategy due in Quarter 2 of 2025/26.

People	Level Awarded 2024/25	Level Awarded 2023/24
Are people equipped and supported to manage risk well?	2	1

Findings

There has been an increase in the level awarded in relation to this question for 2024/25. A Level 1 was awarded in 2023/24, recognising the need to obtain feedback from the wider organisation to understand the risk culture and risk maturity in order to fully assess whether staff felt equipped and supported to manage risk well.

As part of the risk maturity assessment for 2024/25, feedback was requested from key risk leads and themed risk subject matter experts via a questionnaire, and sent to colleagues across both operational and corporate functions. The questionnaire was also forwarded by risk leads to colleagues within their services, providing feedback from a cross-section of staff of various seniority across the organisation. Directorates with a high response rate to the questionnaire included Mental Health and Learning Disabilities, Primary Care, and Nursing, Quality and Patient Experience. It is recognised that not all Directorates, therefore additional opportunities could be identified to further enhance risk awareness across the wider organisation. The questionnaire will remain open throughout 2025/26 with the aim to increase response rates across the organisation.

While staff are generally aware of the organisational objectives and risk management strategies and policies, and felt appropriately supported by the Assurance and Risk team, 70% of 27 respondents confirmed that they had not received risk management training specific to their area of work as part of local induction processes. From feedback received, which ranged from current risk leads, and colleagues who are not currently assigned risks on Datix, respondents tended to show less awareness of risk management processes in less senior roles within the organisation.

The Health Board has a dedicated Assurance and Risk Team in the Health Board, providing technical risk guidance, training and support to functions across the organisation with the aim to develop and improve risk capability.

Next Steps

To review the risk management training needs analysis undertaken by operational managers to strengthen local induction processes, and support the identification of training needs for new starters within their teams.

To develop a communications plan in order to further promote awareness of risk management arrangements across the wider organisation utilising tools available within the Health Board, including Viva Engage and Sharepoint.

To continue to capture feedback from the wider organisation throughout 2025/26 to identify further opportunities to enhance risk awareness across the organisation on an ongoing basis.

Partnerships	Level Awarded 2024/25	Level Awarded 2023/24
Are there effective arrangements for managing risk with partners?	1	1
Findings		
<p>Whilst senior leadership within the organisation are aware of areas of potential risk with partnerships, there are currently no defined approaches and processes for addressing risk with all our key partners. Respondents noted that they did not feel fully appraised of relevant risks with our partner organisations which could impact on the Health Board.</p> <p>A desktop review of the Health Board's key partnerships has been undertaken by the Corporate Legal Team, with further work required to established risk management arrangements with these organisations.</p>		
Next Steps		
Develop guidance for appropriate risk management arrangements with key partners of the Health Board as part of the revised Risk Management Framework.		

Processes	Level Awarded 2024/25	Level Awarded 2023/24
Do the organisation's processes incorporate effective risk management?	3	3
Findings		
<p>Risk management processes have been implemented across all areas of the Health Board, recognising that their application within all areas may be inconsistent. The processes underpin the Health Board-wide Risk Management Framework. Thematic risk processes also in place, acting in a 2nd line capacity, with the Assurance and Risk team undertaking work during 2024/25 with risk theme leads to ensure these processes are fully understood and embedded, and can be used to improve organisational outcomes.</p> <p>Work commenced in 2024/25 in the development of an Integrated Impact Assessment (IIA) tool with colleagues across the Health Board, with risk incorporated alongside quality, workforce and other key domains.</p> <p>Feedback received from the wider organisation highlighted that existing risk management processes do not necessarily result in the identification and seizing of opportunities, or support innovation.</p>		
Next Steps		
To promote the use of risk management through risk management training.		

To implement and embed an organisational IIA with colleagues from the wider organisation to ensure that risk management is an integral part of the organisations' core processes such as planning and delivery.

Risk Handling	Level Awarded 2024/25	Level Awarded 2023/24
Are risks handled well?	2	2
Findings		
<p>Whilst risk management actions contribute to the development of the Health Board's Annual Plan to support its strategic direction, there is limited evidence that risk management is effective in all relevant areas. This is demonstrated through stagnant risk scores, and 76% of risks currently on the Health Board's risk register are scored as either extreme, or high.</p>		
<p>Further work is required to develop and enhance the role of risk management actions in its contribution to effective planning and target setting, and the encouragement of greater efficiency, which will be considered during the refresh of the Health Board's strategic objectives during 2025/26.</p>		
<p>A revised approach to the application of risk tolerance is also anticipated for 2025/26 to improve the role of risk management in its contribution to effective planning and target setting, along with the improved mitigation of identified risks in a timely manner. This approach was included within the Chief Executive Officers' report to Board at its meeting in March 2025.</p>		
Next Steps		
<p>To refresh the Board Assurance Framework following refresh of the Health Board's strategy and strategic objectives.</p>		
<p>To update underpinning systems to support the revised application of risk tolerance, and update risk training materials to reflect these changes to better articulate what capacity the Health Board has to handle risk.</p>		

Outcomes	Level Awarded 2024/25	Level Awarded 2023/24
Does risk management contribute to achieving outcomes?	2	1
Findings		
<p>The Health Board has the ability to track progress against its objectives, however there is recognition that the environment within which it is currently operating may significantly impact on its ability to achieve strategic and operational outcomes.</p>		
<p>The Executive Team noted at its meeting in early March 2025 that whilst Directorate Improving Together sessions demonstrates that the organisation is able to hold regular and meaningful conversations on risks which it faces, along with an improved focus on risk management, it remains unclear whether this has translated into improved outcomes. However, there are early positive signs that the Health Board is moving in the right direction, with an improved financial position, and the de-escalation from Targeted Intervention (Level 4) status to Enhanced Monitoring (Level 3) in relation to Child and Adolescent Mental Health (CAHMS), Planned Care,</p>		

and Leadership and Governance, reflecting the progress made in these areas. The Health Board remains in Targeted Intervention (TI) in relation all other domains as at the time of writing this report.

Next Steps

To refresh the Health Board's strategic objectives, and corresponding principal risks.

The outcomes and identified next steps of the assessment will inform the Risk Management Strategy which will be reviewed in Quarter 2 of 2025/26, and presented to ARAC in August 2025 for endorsement, prior to its submission to Board for Approval in September 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 August 2025:

- To utilise findings from the 2024/25 risk maturity assessment to inform the refreshed Risk Management Strategy objectives ahead of presentation to ARAC in August 2025; and
- To review and refresh the Risk Management Framework.