![GIG NHS Cymru Wales logo] Bwrdd Iechyd Prifysgol Hywel Dda University Health Board

PWYLLGOR ARCHWILIO A SICRWYDD RISG
AUDIT AND RISK ASSURANCE COMMITTEE

DYDDIAD Y CYFARFOD: **DATE OF MEETING:**	20 February 2024
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 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. This report notes the developments made regarding risk management since August 2023.
Asesiad / Assessment 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 2023, 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 is included in the papers for approval by ARAC in February 2024, and to be presented for approval to Board on 28 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 2024:

- Implement and embed the UHB's refreshed risk appetite statements;
- Support the strengthening of operational risk management arrangements; and
- Understand how established risk management processes currently contribute to the overall health of the UHB, and how these can be strengthened.

Argymhelliad / Recommendation

The Audit and Risk Assurance Committee is asked to **TAKE ASSURANCE** on the effectiveness of the Risk Management Framework and implementation of the Risk Management Strategy, and the work being undertaken to strengthen risk management as outlined in the report.

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)	Not Applicable
Galluogwyr Ansawdd: Enablers of Quality: Quality and Engagement Act (sharepoint.com)	Not Applicable
Amcanion Strategol y BIP: UHB Strategic Objectives:	All Strategic Objectives are applicable
Amcanion Cynllunio Planning Objectives	Not Applicable

Amcanion Llesiant BIP: UHB Well-being Objectives: Hyperlink to HDdUHB Well-being Objectives Annual Report 2021-2022	10. Not Applicable

Gwybodaeth Ychwanegol: Further Information:	
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 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 a bi-annual basis on the effectiveness of the Risk Management Framework, as approved by Board in June 2022, and the implementation of the Risk Management Strategy, as approved by Board in January 2023. The report also outlines the refreshed Risk Management Strategy which is being presented to ARAC in February 2024, which includes the risk management objectives for the next 12 months.

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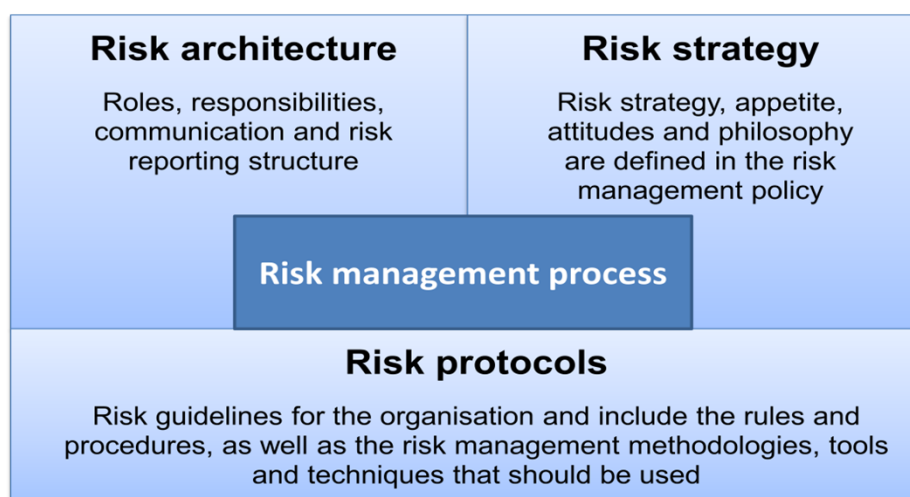
The Health Board's Risk Management Strategy provides a supportive framework that ensures the integration of risk management into policy-making, planning and decision-making processes, and specifically:

- 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.

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 2023.

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.
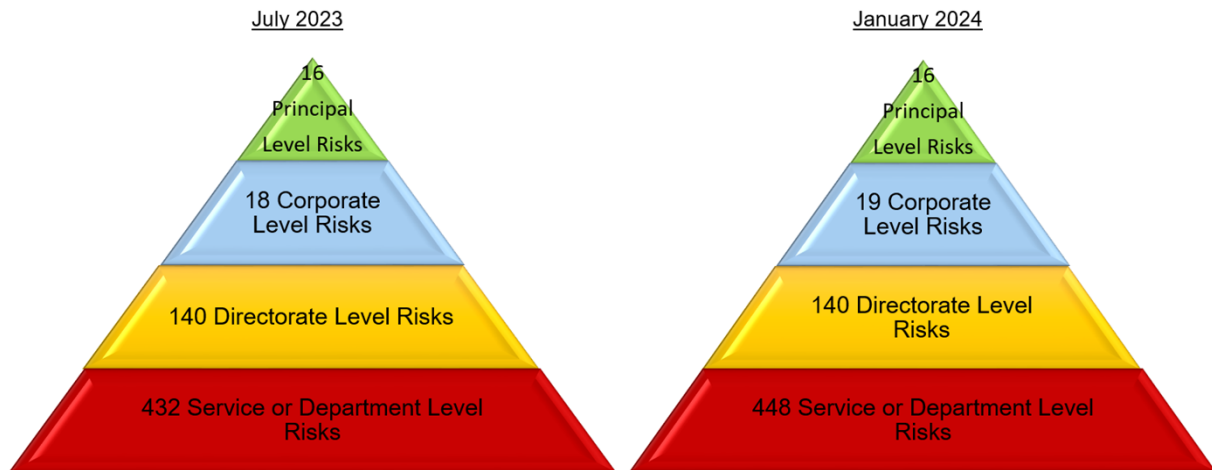
Risk management process

The Health Board's risk management process is recorded via the Datix Risk 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. This can also be found within the Risk Management Framework.

Context

The Health Board has 623 open risks on the Datix Risk Module as at 2 January 2024 (July 2023: 606), split as follows:

Risks per Risk Levels

July 2023 | January 2024

16 Principal Level Risks
18 Corporate Level Risks
140 Directorate Level Risks
432 Service or Department Level Risks

16 Principal Level Risks
19 Corporate Level Risks
140 Directorate Level Risks
448 Service or Department Level Risks

Movements in risk since the previous report to ARAC are detailed in the table below:

Risk Level	Risks as at Aug 23	New risks *	Closed risks *	Risks as at Jan 24
Principal	16	0	0	16
Corporate	18	4	3	19
Directorate	140	21	21	140
Service / Department	432	78	62	448
Total	606	103	86	623

The numbers of new and closed risks include those which have been escalated or de-escalated since the previous report in line with the Health Board's escalation guidance. Detail of this movement is as follows:

- *1 risk escalated to Corporate from Directorate Level;*
- *2 risks de-escalated from Corporate to Directorate Level;*
- *8 risks escalated to Directorate from Service Level; and*
- *6 risks de-escalated from Directorate to Service Level.*

The graph below highlights that the Health Board currently has 501 risks (80%) where their current risk scores are classified as either Extreme or High (August 2023: 477 (79%)), indicating that the organisation may be taking risks beyond its capacity.

Risk Register Per Risk Score Category
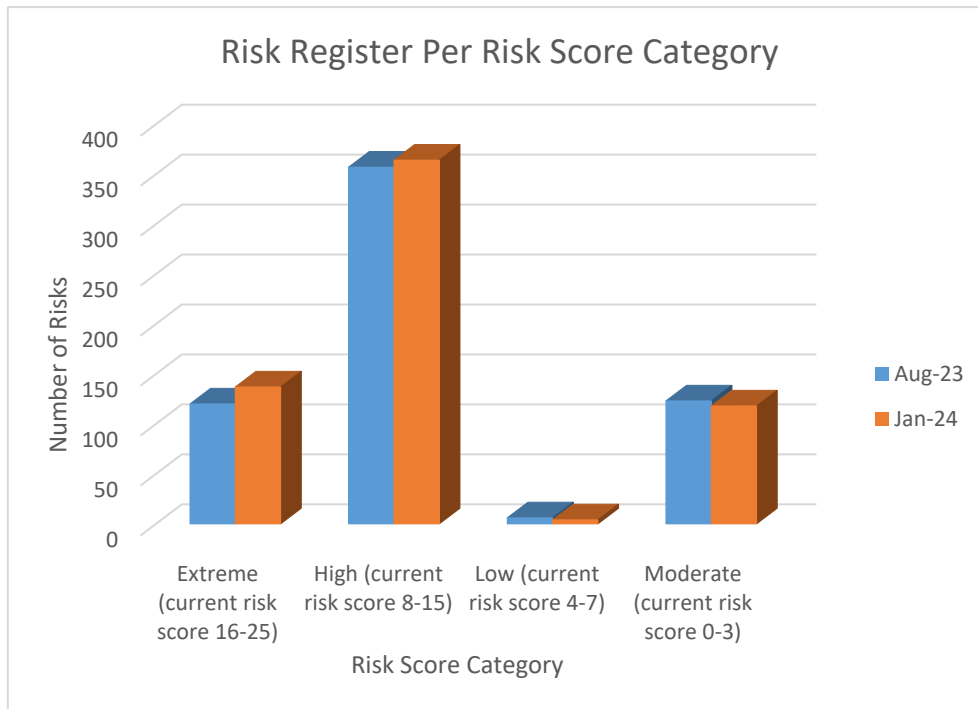
The definition of risk capacity is "the maximum level of risk to which the organisation should be exposed, having regard to financial and other resources".

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. 486 of the 623 (78%) risks as at 2 January 2024 exceed Board tolerance thresholds (increase from August 2023: 76%), further indicating that the Health Board is carrying risk beyond its capacity. Following Board approval of risk appetite, further work will be undertaken to review the Health Board's approach to risk tolerance.

Risks per Service Area
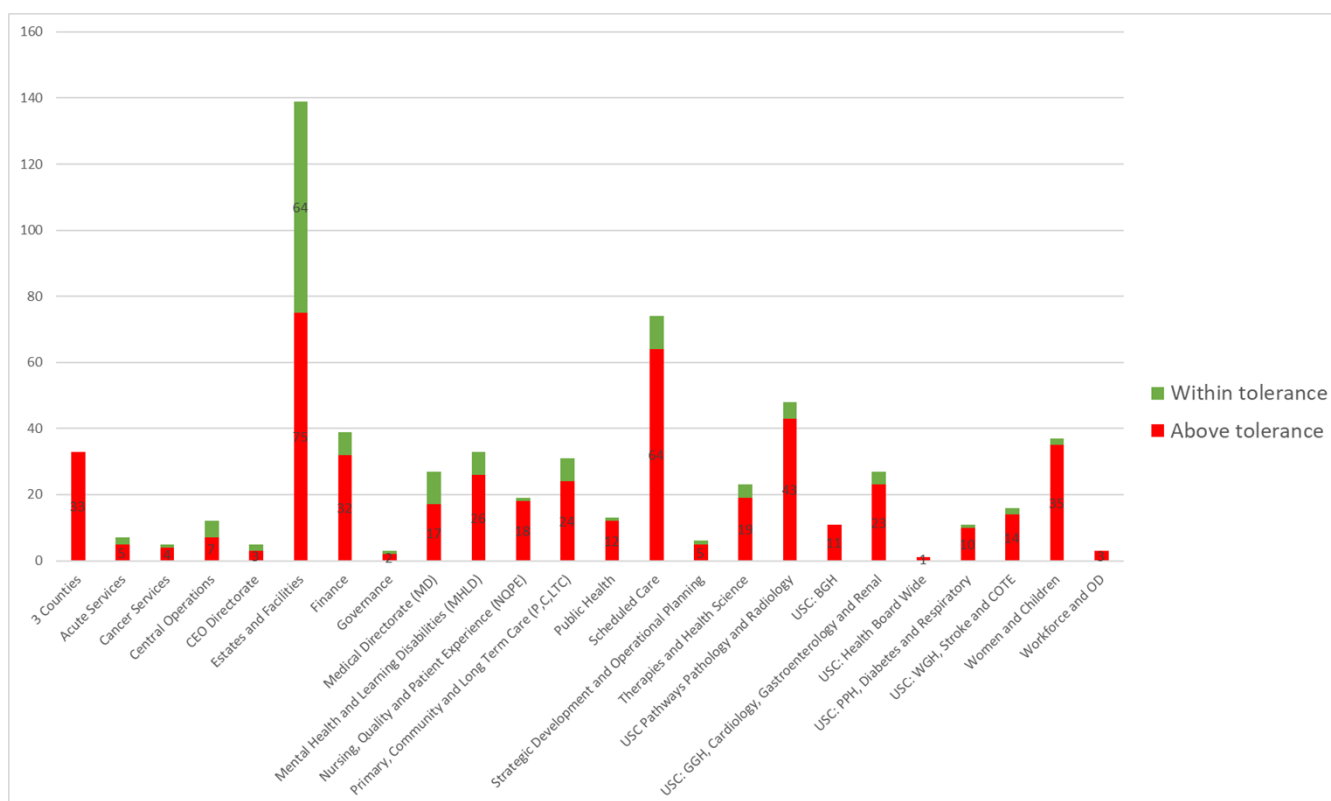
Directorates across the Health Board are responsible for identifying risks that affect their services. However, risks are not always added to Datix in a timely. This also applies with regards to reviewing risks within required timescales. The Assurance and Risk team continues to support colleagues across the Health Board via a business-partnering approach.

There are 241 risks (39%) overdue for review as at 2 January 2024, an increase from the 157 (26%) risks as identified in August 2023, broken down as follows:

Overdue by	Number of overdue risks	%age of total risks
1-3 months	201	32%
3-6 months	28	4%
6-9 months	7	1%
9-12 months	1	0%
Greater than 12 months	4	1%
Total	**241**	**39%**

The majority of risks have not been reviewed for 1-3 months which may reflect the impact of current operational demands across the Health Board which have thus affected services' ability to update their risks within required timescales. Risks that are overdue by greater than 12 months will be followed up by the Assurance and Risk team with the relevant risk leads, and escalated as appropriate.

It is recognised at the date of extracting the data, 126 of the risks have only recently surpassed their next review date (i.e in the 30 days prior). This is primarily due to timing issues, and therefore not currently considered to be a cause for concern.

Overdue risks per Directorate as at January 2024 are highlighted in the graph below:
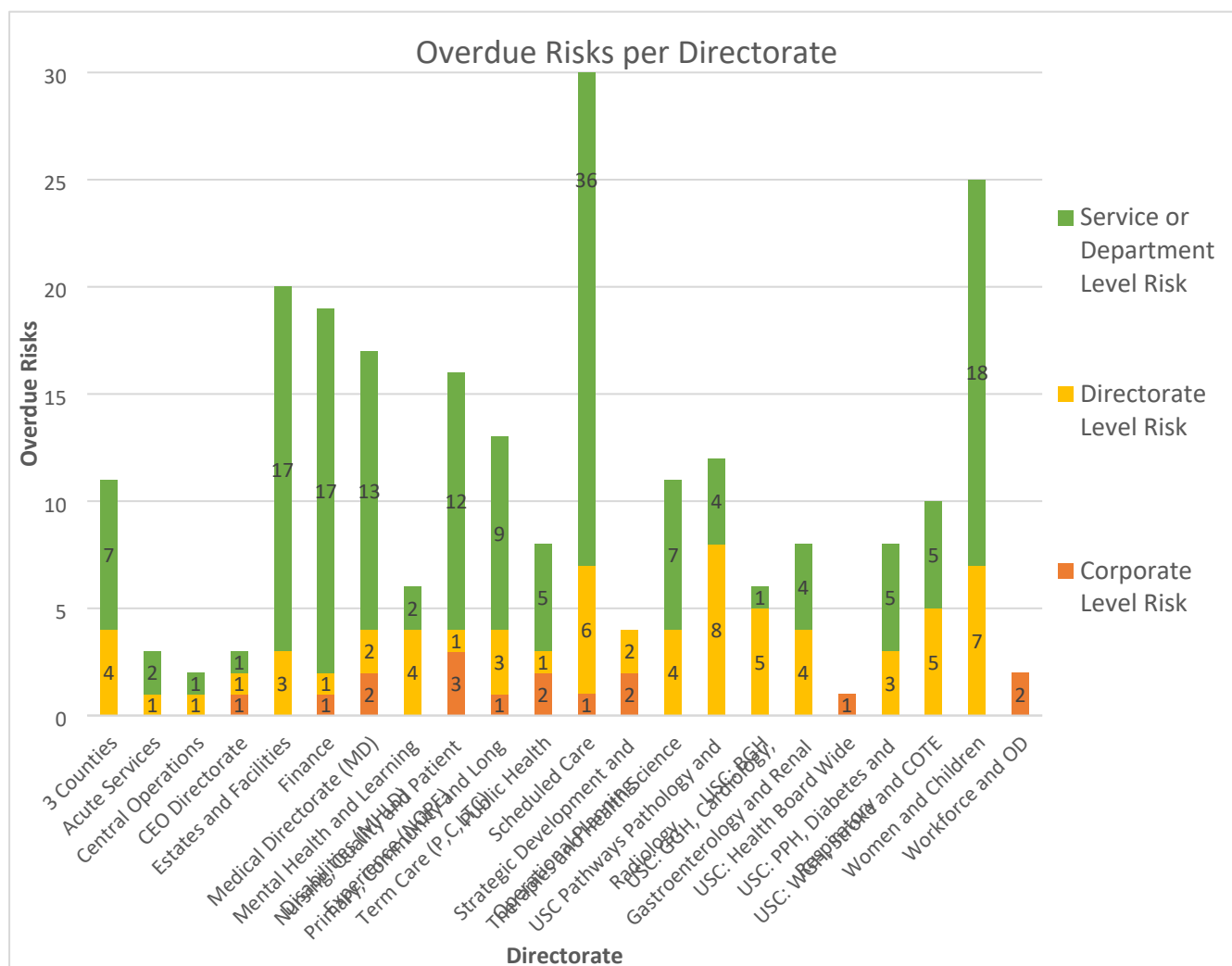
Risk owners are reminded by the Assurance and Risk team to review risks within the required timescales, and provide support where required to update. Overdue risks are reported via local governance meetings and forums, Directorate Improving Together Sessions, and Board Committee reports.

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.
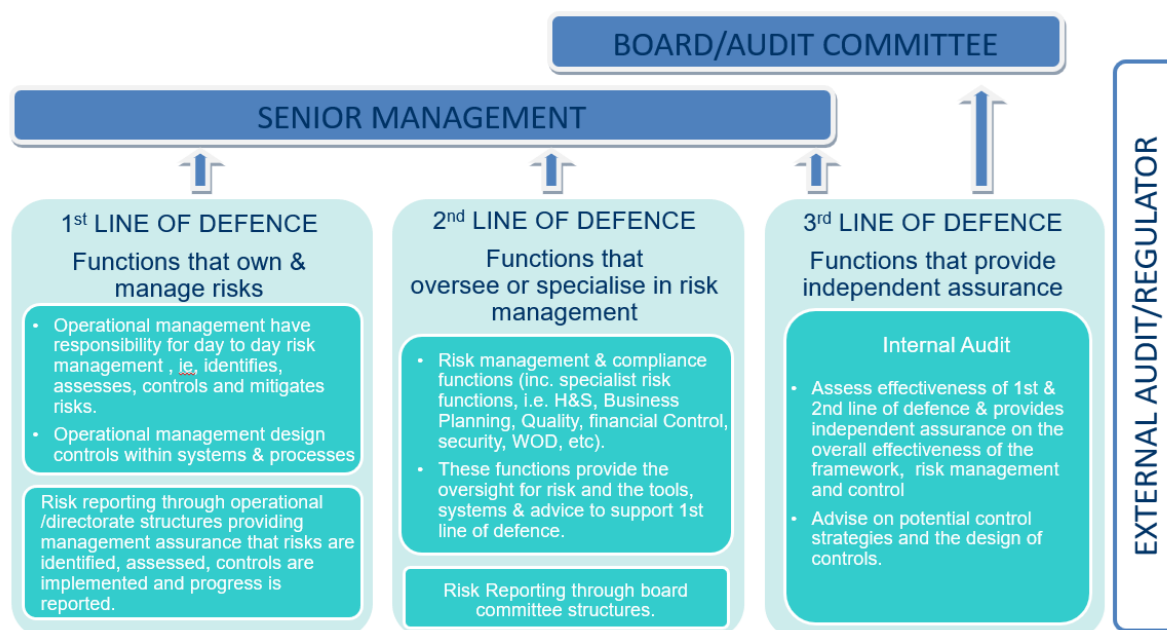
As part of the second line of defence, risk owners are able to assign multiple themes to their risks, which allows the Health Board to share risk information on specific areas, such as health and safety, information governance and workforce with the relevant experts within the Health Board. This provides assurance that a holistic approach to risk management is undertaken, support and guidance can be offered to risk owners in the management of risk, and that areas of concern or trends can be identified. It also 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 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. The theme owner is also 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. Detail on the reporting of themed risk registers can be found in Appendix 1.

Since the previous risk assurance report presented in August 2023, the following developments have taken place in respect to risk themes:

- Work continues with the Workforce Directorate to determine risk themes which will align to the six pillars, with the potential to supersede the current wide-ranging Workforce theme to provide improved monitoring and reporting arrangements. The Workforce theme is utilised by the Workforce and

Organisational Development Directorate in order to provide analysis to the People, Organisational Development and Culture Committee;

- The Assurance and Risk team has liaised with risk theme owners in order to support risk owners across the Health Board with their understanding of each theme to ensure their correct assignment to risks, and to provide concise definitions to further support this work;
- The following risk themes have been added to Datix since the previous report, with reporting structures to Committee currently being finalised (proposed committees are detailed within Appendix 1):
  o <u>Accommodation / Property -</u> the purpose of this theme is to allow the Head of Property Performance to differentiate between the risks related to accommodation and strategic property matters, and those of a more operational nature (added in November 2023);
  o <u>Deprivation of Liberty Standards</u> – agreement with the Head of Consent and Mental Capacity and the Deprivation of Liberty Safeguards Coordinator to ensure appropriate oversight and to highlight its significance in complying with the Mental Capacity Act (added in November 2023); and
  o <u>Fragile Services</u> (added in January 2024) – the purpose of this theme is to support the ongoing work on fragile services, being led by the Interim Director of Nursing, Quality and Patient Experience in order to facilitate the analysis and reporting of risks to services considered as being fragile, and subsequent planning and prioritisation.
- Assurance is now included within the Operational Risk Reports presented to the relevant Board sub-committees on the management of the themed risks process, and reporting structures registers have been reviewed and re-aligned where required (detail included in Appendix 1).

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 relating to governance arrangements, which included a review of risk management processes, have been undertaken by external regulators and inspectorates:

- *Audit Wales - Primary Care Follow-up Review:* The report was presented to ARAC at its meeting in December 2023. The review primarily focussed on the extent to which the Board and/or its committees regularly consider matters relating to the planning, performance, risks and opportunities associate with the Health Board's primary care services. One of the findings of the report was that there are few risks relating to primary care despite the fragility of the service, however no recommendations were raised in relation to risk management. A corporate risk relating to the fragility of primary care contractor services due to recruitment challenges has been added to the corporate risk register, with a current risk score of 16 at the time of writing this report.

- *Audit Wales – Structured Assessment 2023:* The report was presented to ARAC at its meeting in December 2023. Key focus of the review was on the Health Board's corporate arrangements for ensuring that resources are used efficiently, effectively, with specific focus on areas including corporate systems of

assurance and planning. It was noted that the Health Board continues to have a mature approach to overseeing its Board Assurance Framework, and has further strengthened oversight and assurance on its risk management arrangements by renewing is Risk Management Strategy, and the introduction of the Risk Assurance Report on a six-monthly basis.

- *Internal Audit – Quality and Safety Governance, Bronglais General Hospital (BGH):* The report was presented to ARAC at its meeting in October 2023, with an interim update presented in December 2023. The purpose of the audit was to review operational quality and safety governance arrangements to provide assurance that issues fundamental to the quality and safety of services are managed, monitored, and escalated. The report recognised that BGH regularly reviewed its risk register and regularly scrutinised by management, however it was found that there were a number of longstanding risks which continue to appear on the risk register, and that the inherent risk as noted on initial entry on Datix now require review and/or updating, and actions to be subsequently updated. In the interim update presented to ARAC in December 2023, it was noted that the management action raised relating to the escalation of risks to Operational QSEC was implemented, with Internal Audit to undertake further testing in January 2024 for confirmation purposes. The management action relation to the regular review of risk registers was noted as ongoing, with monthly reviews undertaken at the time of reporting. The finalised update report is scheduled for presentation to ARAC in February 2024.

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.

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 2023 as part of the BAF Dashboard. The 16 principal risks were reviewed and updated following submission of the Health Board's 2023/24 Annual Plan at Executive Team in October 2023. The review reflected the priorities (the 2023/24 planning objectives) as agreed by the Board for the next year, as these are likely to have an impact on the Health Board's ability to implement its strategic objectives and manage its 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 2024. The Health Board has 19 corporate risks as at January 2024.

Monthly Executive Risk Group (ERG) meetings are held to review the corporate risk register. ERG is able to:

- approve new risks for addition to the register;
- escalate risks to corporate level;
- approve the closure of corporate risks; and
- de-escalate 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 2023:

Risk reference	Risk Title	Risk Score Jan-24	Status of risk	Date of change on CRR
1708	Risk of increasing fragility in primary care contractor services due to recruitment challenges	16	New risk	Aug-23
1745	Risk of not being able to safely deliver services due to ageing estate and infrastructure across the Health Board	15	New risk	Oct-23
1719	Risk of loss of Radiology services across the Health Board from 31 March 2025 due to delayed implementation of RISP	10	De-escalated to Directorate Level	Dec-23
1707	Risk of breaching Capital Resource Limit (CRL) in 2023/24 due to additional significant demands for funding	8	De-escalated to Directorate Level	Oct-23
1559	Risk of power outages across all clinical and corporate functions of the Health Board due to external influences	8	De-escalated to Directorate Level	Oct-23

1382	Risk to patients and staff due to a lack of assurance of safe estate as a consequence of RAAC (WGH)	**5**	De-escalated to Directorate Level	Oct-23

In the period since the previous report, ERG have reviewed and drafted the Health Board's revised risk appetite statement for consideration by Board. Further detail on this work is noted later in the report.

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 their Committee 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 2 details recent risk reporting activity since August 2023.

3. Directorate Improving Together Sessions

The Health Board implemented Directorate Improving Together sessions (DITS) in January 2023. The purpose of these sessions is to embed performance improvement through the Health Board's governance, with the aim of improving outcomes for our patients, staff, visitors and those living within Hywel Dda. Successful implementation will help us to focus on what is important to the Health Board, and enable us to provide efficient and effective services. Risk forms a key part of discussion at these sessions.

Sessions are held for individual directorates within the Health Board, and attended by service management and Executives. The Assurance and Risk team supports these sessions by providing analysis and highlighting any key matters for consideration on risk to facilitate discussion with key staff regarding risk actions and their progress. Analysis undertaken by the Performance team in November 2023 highlighted that, despite an increase in the number of risks on the Health Board's risk register, there has been a 12.4% improvement in risks being reviewed within the required timeframe since the introduction of DITS.

4. Service and Directorate Level Monitoring Arrangements

Risks are discussed by services and directorates via 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. The frequency of these meetings vary dependant on the service, and detailed within Appendix 3. For operational services, corporate risks are also reported to the Director of Operations' Operational Performance, Governance and Planning (OPGP) meetings which are held monthly.

In the absence of formal arrangements being in place in some areas, regular meetings with service leads are in place to review and update risks with the relevant Assurance and Risk Officer, who support these services as part of their role as business partners across all Directorates, and is a process which works well.

Risk Management Strategy

The Risk Management Strategy (the Strategy), approved by Board in January 2023, sets out the Health Board's risk management policy statement and objectives in respect of strengthening risk management for 2023.

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 contained the following three objectives for 2023, with progress against each objective detailed below:

1. *Define the Organisation's Risk Appetite and Tolerance Statement*

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

- *Raising Board's awareness of risk appetite and its use through a Board Seminar regarding risk appetite;*
- *Developing risk appetite statements for each of the UHB's strategic objectives;*
- *Review the current risk tolerance levels;*
- *Reviewing the Risk Appetite Statement on an annual basis as part of the business planning process.*

In August 2023, ERG commenced work on refreshing its risk appetite to support the Health Board's recovery response. ERG considered the risk capability of the organisation to manage the level of risk which it is carrying. At its Board Seminar, held on 14 December 2023, the Board held a workshop to consider the risk appetite statement as developed by ERG, using the risk appetite matrix from the Orange Book Risk Appetite Guidance Note.

Risk Appetite	Description
Averse	Avoidance of risk and uncertainty in achievement of key deliverables or initiatives is key objective. Activities undertaken will only be those considered to carry virtually no inherent risk.
Minimalist	Preference for very safe business delivery options that have a low degree of inherent risk with the potential for benefit/return not a key driver. Activities will only be undertaken where they have a low degree of inherent risk.
Cautious	Preference for safe options that have low degree of inherent risk and only limited potential for benefit. Willing to tolerate a degree of risk in selecting which activities to undertake to achieve key deliverables or initiatives, where we have identified scope to achieve significant benefit and/or realise an opportunity. Activities undertaken may carry a high degree of inherent risk that is deemed controllable to a large extent.
Open	Willing to consider all options and choose one most likely to result in successful delivery while providing an acceptable level of benefit. Seek to achieve a balance between a high likelihood of successful delivery and a high degree of benefit and value for money. Activities themselves may potentially carry, or contribute to, a high degree of residual risk.
Eager	Eager to be innovative and to choose options based on maximising opportunities and potential higher benefit even if those activities carry a very high residual risk.

The Health Board has agreed appetites across the range of its activities, which align to the Health Board Risk Scoring Matrix as follows:

- Quality and Safety
- Performance
- Workforce and OD
- Statutory Duty and Inspections
- Adverse Publicity or Reputation
- Business Objectives or Projects
- Finance
- Service/Business interruption/disruption
- Health Equity

The Board agreed at its Board Seminar in December 2023 that the risk appetite statement should be reviewed after three months. At its meeting in January 2024, the Board formally approved the revised risk appetite statement.

An implementation plan is currently being developed, and due for presentation to ERG in February 2024. This will detail how risk appetite will be cascaded to Directorate and Service leads across the Health Board, with risk management training as provided by the Assurance and Risk team updated as required. This informs an objective as included in the refreshed Risk Management Strategy, detailed later in this report. Further work on the Health Board's approach is being explored and a proposal will be outlined to ERG in March 2024.

2. *Support Operational and Corporate Functions to strengthen their Risk Management Arrangements*

Through our Business Partnering relationship, we will support operational risk management by:

- *Utilising information provided and discussed at Directorate quality and business meetings to help services identify, assess and manage risks and improve outcomes;*
- *Enhancing the knowledge of staff in risk management across the Health Board through training on risk assessment and risk management, and the systems used to capture this process;*
- *Embedding the revised risk management framework and using a consistent language of risk management including concepts such as controls, mitigations, escalation, assurance, risk appetite and risk tolerance;*
- *Implement the new Once for Wales Concerns Management system when it has been developed and is ready to be rolled out;*
- *Linking risks on the risk management module;*
- *Providing practical support to services in the escalation and acceptance of risk; and*
- *Supporting corporate and operational directorates with risk review meetings.*

The Assurance and Risk team is comprised of:

- Assistant Director of Assurance and Risk (ADAR);
- Head of Assurance and Risk (HAR);
- 4 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. Each Directorate within the Health Board is assigned a dedicated Assurance and Risk Officer (A&R Officer). 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. 2 AROs are 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 also attend meetings in order to facilitate and support discussions on risk identification and risk assessments 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 revised Risk Management Framework, to ensure 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 in place within the Health Board. Work continues to improve the understanding of risk tolerance across the Health Board, and will link with the implementation strategy for the embedding of the revised risk appetite statement.

The Head of Assurance and Risk has been supporting the work relating to understanding what constitutes service fragility within the Health Board. At its meeting on 5 May 2023, the Executive Risk Group commissioned work to agree:

- A clear definition of what is meant by fragility (in the context of services);
- A clear definition of what constitutes a single point of failure;
- What criteria/triggers would be used to enable the organisation to identify that a service is classified as fragile; and
- How the prioritisation of these would be weighted to determine the level of risk.

An report was presented to QSEC at its meeting in June 2023 detailing the context behind the definition of service fragility, and the role of risk management to support the development of a shared vision in order to respond and prioritise these services appropriately.

Work has been ongoing throughout Q2 and Q3 of 2023/24 to identify relevant services and their corresponding risks on Datix relating to fragility in order to develop a reporting dashboard via PowerBI to allow oversight of all relevant risks to support and facilitate appropriate decision making and the allocation of resources. A risk assurance template has been devised to allow service and risk leads to identify the key factors that are driving the fragility of their service (namely workforce, financial constraints, environmental factors, demand and capacity, and the immanency of service cessation). The template also aims to support the assessment of the efficacy of the existing control measures and to identify appropriate risk action plans in order to manage and mitigate such risks further. It is proposed that this criteria and its subsequent scoring will be fed in to the proposed PowerBI dashboard, with the anticipation that common themes and trends may be highlighted, and support further decision making and planning priorities. This approach to date has been trialled with the Ophthalmology and Diabetes services, and the theme of "Fragile Services" has also been added to Datix in January 2024 to further support this work.

The Assurance and Risk team has reviewed and updated the content of its Sharepoint site in December 2023, 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, along with the ability to book risk management training sessions. This facility will be developed further over the next few months.

Members of the Assurance and Risk team continue to support services in the linking of risks, particularly when they may be owned by another service or directorate to which they may not have sight of. This encourages a holistic approach to risk management, and AROs are able to share examples of best practice where necessary in the aim to further improve the managing and mitigation of risk.

Performance dashboards, which include data from the Datix Risk Module, allow staff across the organisation to view all risks, thus increasing the visibility and awareness of risks facing the Health Boards. The risk-specific dashboard is updated twice a month, and risk data in the Health Board wide dashboard is refreshed on a monthly basis and provides a snapshot of the risk landscape.

The date of implementation of the new Once for Wales Concerns Management system has been extended to 30 November 2027 following recent contract discussions. This allows the Health Board to continue using the existing Datix Risk Module system, and enables all Health Boards across Wales to observe the outcomes from the pilot roll-out of the system at Powys Teaching Health Board, and inform ongoing system developments. The ADAR is a member of the All-Wales group and is involved with the project planning of the upgrading process.

3. *Strengthen the Assurance that the Board receives on Risk Management Activities*

We will do this by:

- *Undertaking an assessment against a recognised standard and develop a plan to enable the Health Board to continue to strengthen its risk management arrangements, culture, and attitude to risk;*
- *Developing a Risk Assurance Report for the Audit and Risk Assurance Committee, who can provide onward assurance to the Board in risk management activities and delivery of the agreed risk management objectives within this strategy; and*
- *Continuing to report both Corporate and Directorate level risks to Board Committees, who can provide onward assurance to the Board on the management of risk within the Health Board.*

A risk maturity self-assessment was undertaken during quarter 3 of 2023/24, in accordance with the Orange Book, which is a recognised risk management standard for the public sector, and going forward will be undertaken on an annual basis. This is the first time that the Health Board has undertaken such an assessment, and during the process it became evident that input would be required from staff across the organisation in order to fully assess our risk maturity. This has informed the revised Risk Management Strategy and its objectives for the forthcoming year.

The assessment framework includes 7 overarching questions relating to risk management, each of which was 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 the outcome of the self-assessment are detailed in the table below:

Question	Level awarded	Rationale
Leadership: Do executives and independent members promote risk management?	3	The assessment demonstrated that the Health Board achieved a Level 3 in relation to risk leadership, with Executive Directors acting as role models to apply risk management consistently and thoroughly across the organisation. Monthly Executive Risk Group meetings, along with regular reporting of the BAF and CRR to Board demonstrates a positive risk attitude being adopted by senior leadership.
Risk Strategy and Policies: Is there a clear risk strategy and risk policies?	3	Risk strategies and policies are in place and communicated, supported by a framework of processes across the Health Board. There is recognition however that recommendations raised by auditors highlight areas of improvement in relation to risk management, and that these should be applied consistently across the Health Board.
People: Are people equipped and supported to manage risk well?	1	The Health Board has a dedicated Assurance and Risk team who provide support to all areas across the Health Board with risk management, including the delivery of training to develop risk capability. It is however difficult to assess the risk maturity and risk culture for all staff across the Health Board. Further collaboration with service leads and risk owners is required to assess whether they feel they are adequately supported to manage the risks well, and to achieve outcomes. The outcome of this area of the assessment underpins one of the objectives in the refreshed Risk Management Strategy, namely *"Support the strengthening of operational risk management arrangements"*.

Partnerships: Are there effective arrangements for managing risk with partners?	**1**	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. The outcome of this area of the assessment underpins one of the objectives in the refreshed Risk Management Strategy, namely *"Support the strengthening of operational risk management arrangements"*
Processes: Do the organisation's processes incorporate effective risk management?	**3**	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. This will be further investigated with service leads and risk owners is required to assess whether these processes are fully understood and embedded, and used to improve organisational outcomes.
Risk Handling: Are risks handled well?	**2**	Whilst risk management actions contribute to the development of the Health Board's planning objectives to support its strategic direction, there is limited evidence that risk management is effective in all relevant areas. It is recognised that further work is required to develop and enhance the role of risk management action in its contribution to effective planning and target setting, and the encouragement of greater efficiency.
Outcomes: Does risk management contribute to achieving outcomes?	**1**	The Health Board has the ability to track against its objectives, however there is recognition that the environment within which it is currently operating may impact on its ability to achieve strategic and operational outcomes.

The outcomes of the assessment have informed the objectives as included in the revised Risk Management Strategy which is being presented to ARAC in February 2024 for endorsement, prior to its submission to Board for approval in March 2024.

The Risk Assurance Report aims to provide assurance to the Board, via ARAC on a bi-annual basis, that the risk management framework is effective and outline the risk management activities that are being undertaken, and where any gaps are identified, these will be addressed and implemented. It will also provide assurance that the objectives outlined in the Risk Management Strategy are being progressed. The report due to be presented to ARAC in August 2024 will detail the progress made against the refreshed Risk Management Objectives, namely:

- Implement and embed the UHB's refreshed risk appetite statements
- Support the strengthening of operational risk management arrangements; and
- 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.

Reporting of Themed Risk Registers

Risk Theme	Number of risks assigned to theme – January 2024	Theme owner	Month risks last sent to theme owner	Forum which theme reported to, and date last reported
Accommodation / Property *(new theme added to Datix November 2023)*	6	Head of Property Performance	January 2024	Health and Safety Committee (added as a theme on Datix November 2023)
Business Continuity / Service disruption	152	Emergency Planning Officer	January 2024	Operational Quality, Safety and Experience
Capital - Estates	101	Head of Estates Risk and Compliance	January 2024	Capital Sub Committee* *Local Management Arrangements: Central Compliance and Assurance Audit Meeting, January 2024*
Capital - Equipment	39	Deputy Director of Operations	December 2023	Capital Sub Committee*
Capital – Digital	17	Digital Director	November 2023	Capital Sub Committee*
Consent and Mental Capacity	2	Head of Consent and Mental Capacity	December 2023	*Proposed Committee: Operational Quality, Safety and Experience*
Cyber Security	12	Cyber Security Senior Specialist	December 2023	Information Governance Sub Committee
Deprivation of Liberty Safeguards (DOLS) *(new theme added to Datix November 2023)*	1	Deprivation of Liberty Safeguards Coordinator	*N/A- new theme added to Datix in December 2023*	*Proposed Committee: Operational Quality, Safety and Experience*
Digital Transformation	16	Head of Digital Innovation and Transformation	November 2023	Sustainable Resources Committee

Risk Theme	Number of risks assigned to theme – January 2024	Theme owner	Month risks last sent to theme owner	Forum which theme reported to, and date last reported
Estates	119	Head of Estates Risk and Compliance	January 2024	Health and Safety Committee *Local Management Arrangements: Central Compliance and Assurance Audit Meeting, January 2024*
Finance	55	Assistant Director of Finance	January 2024	Sustainable Resources Committee
Fire	20	Head of Fire Safety	December 2023	Health and Safety Committee *Local Management Arrangements: Fire Safety Group, June 2022*
Fragile Services *(new theme added to Datix January 2024)*	TBC – existing risks currently being aligned on Datix	TBC	N/A	*Proposed Committee: Operational Quality, Safety and Experience*
Fraud	0	Local Counter Fraud Specialist	No risks assigned to Fraud	Audit and Risk Assurance Committee
Health and Safety	91	Head of Health, Safety and Security	January 2024	Health & Safety Committee, May 2023
Information and Communication Technology	37	Head of Digital Business and Engagement	January 2024	Information Governance Sub Committee
Infection Control	25	Senior Nurse, Infection Prevention	November 2023	Operational Quality, Safety and Experience
Information and Data Capture	22	Head of Information Services	January 2024	Information Governance Sub Committee

Risk Theme	Number of risks assigned to theme	Theme owner	Month risks last sent to theme owner	Forum which theme reported to, and date last reported
Information Governance	21	Head of Information Governance	January 2024	Information Governance Sub Committee
Medical Devices	34	Assistant Director of Therapies and Health Sciences	December 2023	Medical Devices Group *Proposed Committee: Operational Quality, Safety and Experience*
Medication	25	Clinical Pharmacy Lead for Patient Services	November 2023	Operational Quality, Safety and Experience
Natural Environment *(re-named from "Environmental" on Datix)*	8	Head of Facilities Information and Capital Management	January 2024	Health and Safety Committee
NICE/National Guidance	25	Head of Effective Clinical Practice and Quality Improvement	January 2024	Clinical Standards and Guidelines Group, June 2023 Operational Quality, Safety and Experience
Patient Safety	279	Head of Quality and Governance	November 2023	*Operational Quality, Safety and Experience*
Quality	192	Head of Quality and Governance	November 2023	*Operational Quality, Safety and Experience*
Reputation	131	Communications Director	January 2023	Managed outside of Committee as agreed with the Director of Communications
Safeguarding	20	Head of Safeguarding	November 2023	*Proposed Committee: Operational Quality, Safety and Experience*
Security	18	Head of Health, Safety and Security	January 2024	Health and Safety Committee

Risk Theme	Number of risks assigned to theme	Theme owner	Month risks last sent to theme owner	Forum which theme reported to, and date last reported
Workforce	192	Assistant Director of Workforce and Organisational Development	November 2023	People, Organisational Development and Culture Committee, December 2023

* 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. It was agreed that the risk reporting arrangements to CSC needed to be reviewed to add value to existing processes associated with capital investment for estates, medical and non-medical equipment and digital services, noting that the role of CSC is to provide assurance for identifying, assessing and effectively managing risks affecting the development and delivery of capital implementation plans.

Reporting of Corporate Risks July – December 2023

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) *Note: Risks relating to Security Management are presented and discussed via in-committee due to the sensitive nature of the risks*	Every other meeting	September 2023	4	No specific actions raised. Discussion focussed on the progress on the risk to patients and staff due to a lack of assurance of safe estate as a consequence of reinforced autoclaved aerated concrete (RAAC), at Withybush Hospital (WGH), with assurance provided that contractors and engineers had completed all necessary remedial work and areas propped ensuring areas were safe.
People, Organisational Development and Culture Committee (PODCC)	Every other meeting	October 2023	1	No specific actions raised. Recognition given to the work undertaken to review workforce-themed risks which underpin by the overarching Health Board wide corporate risk.
Quality, Safety and Experience Committee (QSEC)	Every other meeting	August 2023	9	Action raised in August 2023 to separate the risk of loss of service capacity at WGH due to surveys and remedial work relating to RAAC and risk relating to clinical disruption and harm to patients, with action completed in September 2023.
		December 2023	9	No specific actions raised.

Committee	Risk Reporting frequency	Reports presented	Number of risks reported	Matters arising from last meeting
Strategic Development and Operational Delivery Committee (SDODC)	Every other meeting	August 2023	3	No specific actions raised. Risk to delivery of Ministerial Priorities relating to planned care recovery ambitions 23/24 due to demand exceeding capacity was discussed via the deep dive on Planning Objective 4A: Planned Care Update
		December 2023	2	De-escalation of risk of breaching Capital Resource Limit (CRL) in 2023/24 due to additional significant demands for funding to Directorate level noted in the December 2023 corporate risk report.
Sustainable Resources Committee (SRC) *Note: Risks relating to Cyber Security are presented and discussed via in-committee due to the sensitive nature of the risks*	Every meeting	August 2023	3	The Committee was presented with an increased risk score of 25 relating to the risk of the Health Board not meeting the statutory requirement to break even due to significant deficit position, with the acceptance that the Committee can only receive limited assurance in relation to this.
		October 2023	4	Committee noted the addition of new risk of loss of Radiology services across the Health Board from 31 March 2025 due to delayed implementation of Radiology Information Systems Procurement (RISP). Specific action raised to ensure corporate risks reference current Planning Objectives.
		December 2023	4	No specific actions raised.

Reporting of Operational Risks July – December 2023

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) *Note: Risks relating to Security Management are presented and discussed via in-committee due to the sensitive nature of the risks*	Every other meeting	September 2023	3	No specific actions raised.
People, Organisation-al Development and Culture Committee (PODCC)	Every other meeting	August 2023	1	Action raised to review the scoring of risk relating to pre-employment check. The risk was subsequently closed in September 2023. No operational risks were assigned to the committee in December 2023, however detailed analysis provided to PODCC on work undertaken by the Workforce and OD Directorate on Workforce themed risks via the Workforce Plan update.

Committee	Risk Reporting frequency	Reports presented	Number of risks reported	Matters arising from last meeting
Quality, Safety and Experience Committee (QSEC) *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*	Every other meeting	N/A	0	No specific matters for escalation were noted in the sub-committee update from OQSEC
Strategic Development and Operational Delivery Committee (SDODC)	Every other meeting	October 2023	4	Query raised to determine whether risk of being 'unable to meet the increasing demand for data and analytics within the health board due to limited capacity' should be aligned to the Sustainable Resources Committee.
Sustainable Resources Committee (SRC) *Note: Risks relating to Cyber Security are presented and discussed via in-committee due to the sensitive nature of the risks*	Every meeting	August 2023	16	Action raised to ensure that all operational teams update their financial risks which are outside of their date of review, with confirmation from Lead Executives that request was highlighted in the Senior Operational Business meeting.
		October 2023	15	No specific actions raised.
		December 2023	15	Action raised to present the operational risk report to the next agenda-setting meeting to identify future areas to conduct deep dive reviews.

Reporting of Risks to sub-committees July – December 2023

Sub-Committee	Parent Committee	Risk Reporting frequency	Reports presented	Number of risks reported
Information Governance Sub Committee (IGSC)	SRC	Every other meeting	November 2023	2
Operational Quality, Safety and Experience Sub Committee (OQSESC) *Directorate exception reports presented at each meeting detail the status of their risk registers*	QSEC	Bi-annually	July 2023	89
Research and Innovation Sub Committee (RISC)	PODCC	Every other meeting	September 2023	8

Service and Directorate Level Monitoring Arrangements

Directorate	Forum of risk presentation	Frequency of risk reporting	Meeting risks presented since August 2023
Acute Services	TBC	TBC	*Director of Secondary Care has invited Head of Assurance and Risk to attend newly-set Senior Leadership meetings to present risks, and timelines currently being finalised.*
Bronglais General Hospital	BGH Quality Forum	Monthly	August, September, October, November, December 2023 January 2024
Cancer Services	Oncology Quality and Safety Meeting	Bi-monthly	August, October, December 2023
Carmarthenshire - County	Quality Assurance Senior Management Team / Nursing Quality Assurance Senior Management Team	Monthly	August, September, December 2023, January 2024
Carmarthenshire – system-wide (GGH, PPH and Carmarthenshire)	Carmarthenshire System Operational Group *(new structure of meeting agreed October 2023)*	Monthly	December 2023
Central Operations	No formal governance meeting	N/A	N/A
Communications	No formal governance meeting	N/A	N/A
Ceredigion	Ceredigion Community County Management Meeting	Monthly (*to note, risk papers prepared by Directorate lead*)	August, October, November, December 2023 January 2024
Digital	Finance, Digital and Performance Senior Management Meeting	Bi-monthly (*as of November 2023*)	September, October, November 2023
Facilities	Central Compliance and Assurance Audit Meeting	Monthly	September, October, November, December 2023, January 2024

Directorate	Forum of risk presentation	Frequency of risk reporting	Meeting risks presented since August 2023
Finance	Finance, Digital and Performance Senior Management Meeting	Bi-monthly (*as of November 2023*)	September, October, November 2023 January 2024
Glangwili General Hospital *(includes Cardiology and Gastroenterology)*	GGH Quality, Safety and Assurance Meeting	Bi-monthly	September, November 2023, January 2024
Governance	Risk and Assurance Governance Meeting	Monthly	December 2023, January 2024
Medical	Medical Directorate Business and Governance Meeting (*as of November 2023)*	Monthly	November 2023 January 2024
Medicines Management	Medicines Management Operational Group (MMOG)	Bi-Monthly	September, November 2023 January 2024
Mental Health and Learning Disabilities	MH&LD Quality, Safety and Experience Group / Business, People and Planning Assurance Group	Monthly	August, September, October, November, December 2023, January 2024
Nursing, Quality and Patient Experience	Nursing Core Team Meeting	Monthly	October, November 2023, January 2024
Pathology	Pathology Business Operations	Bi-monthly	August, October, November 2023
Pembrokeshire	Pembrokeshire Community County Management Meeting	Monthly	August, September, November, December 2023
Performance	Finance, Digital and Performance Senior Management Meeting	Bi-monthly (*as of November 2023*)	September, October, November 2023
Prince Philip Hospital *(includes Respiratory and Diabetes service)*	PPH Governance Meeting	Bi-monthly	August, October, December 2023

Directorate	Forum of risk presentation	Frequency of risk reporting	Meeting risks presented since August 2023
Primary Care and Long Term Care	Primary Care Quality and Safety / service specific Q&S meetings	Bi-monthly	August, October, December 2023
Public Health	Public Health Directorate Quality, Safety & Patient Experience Group (Risk, Health & Safety Agenda)	Bi-monthly	August, October 2023 January 2024
Radiology	Radiology Quality, Safety and Patient Experience Meeting	Bi-monthly	September, October, December 2023
Scheduled Care	Scheduled Care Quality, Safety and Experience Meeting	Bi-monthly	August, November 2023
Strategic Development and Operational Planning	Directorate currently reviewing reporting structures – TBC	*TBC*	*Risks to be presented to future directorate meetings. Frequency to be confirmed.*
Therapies	Therapies Directorate Risk Meeting	Bi-monthly	August, November, 2023, January 2024
Withybush General Hospital *(includes Stroke service)*	WGH Quality and Governance Meeting	Bi-monthly	September, November 2023 January 2024
Women and Children's	Women and Children's Quality, Safety and Experience Meeting	Monthly	August, September, October, November 2023
Workforce and Organisational Development	Directorate currently reviewing reporting structures - TBC	TBC	December 2023 - attended Workforce Business Meeting (SLT) and future frequency of meetings to be confirmed.