



GIG
CYMRU
NHS
WALES

Bwrdd Iechyd Prifysgol
Hywel Dda
University Health Board



Assurance and Risk Report

Finance and Performance Committee, 24 February 2026

Situation



GIG
CYMRU
NHS
WALES

Bwrdd Iechyd Prifysgol
Hywel Dda
University Health Board

This report provides the Finance and Performance Committee (FPC) with the status of the principal risks, operational risks, and Welsh Health Circulars (WHCs).

The Committee is asked to seek assurance from the Lead Executive Directors that risks are being managed effectively, and that WHCs are being implemented by the Health Board.

Corporate risks, audit and inspections recommendations and Ministerial Directions are reported at alternate meetings, and due to be presented to FPC at its next meeting in April 2026.

Principal Risks:

1

Under Review

Operational Risks

19

Welsh Health Circulars

2

Risk Management - Overview



GIG
CYMRU
NHS
WALES

Bwrdd Iechyd Prifysgol
Hywel Dda
University Health Board

Effective risk management requires a 'monitoring and review' structure to be in place to ensure that risks are effectively identified and assessed, and that appropriate controls and responses are in place.

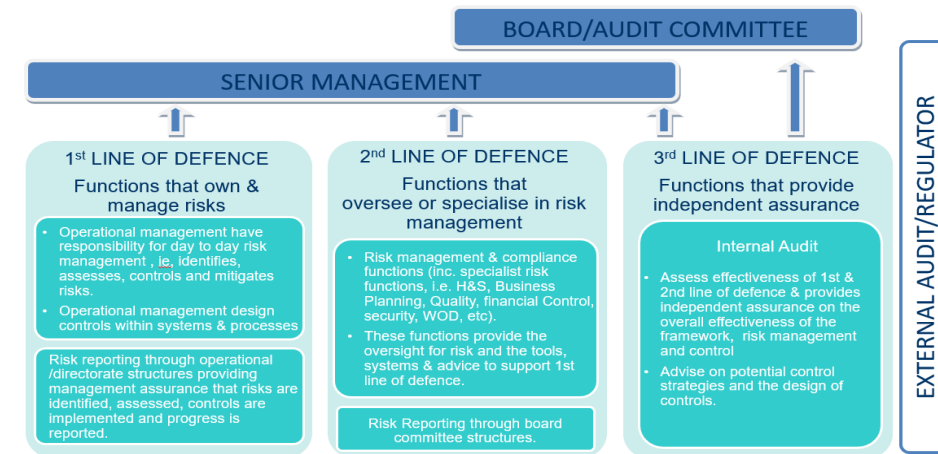
The Health Board's risk management process is recorded via the Datix Risk Register module, and enables risks to be recorded at either Principal, Corporate or Operational level. An escalation process is in place to ensure that risks which require escalation or de-escalation are done via appropriate approval processes and governance arrangements.

The Health Board operates within the widely accepted "Three Lines of Defence" model to ensure the appropriate responsibility is allocated for the management, reporting and escalation of risk.

Risks are aligned to an appropriate Clinical Care Group (CCG) or Executive Function (hereto referred to as "Functions"), and each has a designated risk lead responsible for reviewing in a timely and comprehensive manner.

The Board's Committees are responsible for the monitoring and scrutiny of corporate and operational risks within their remit and providing assurance to the Board that risks are being managed effectively and report areas of significant concern (for example where the risk appetite is exceeded, or there is a lack of action).

Board Committees are also responsible for reviewing risks over tolerance and where appropriate, recommend the 'acceptance' of risks that cannot be brought within risk appetite.



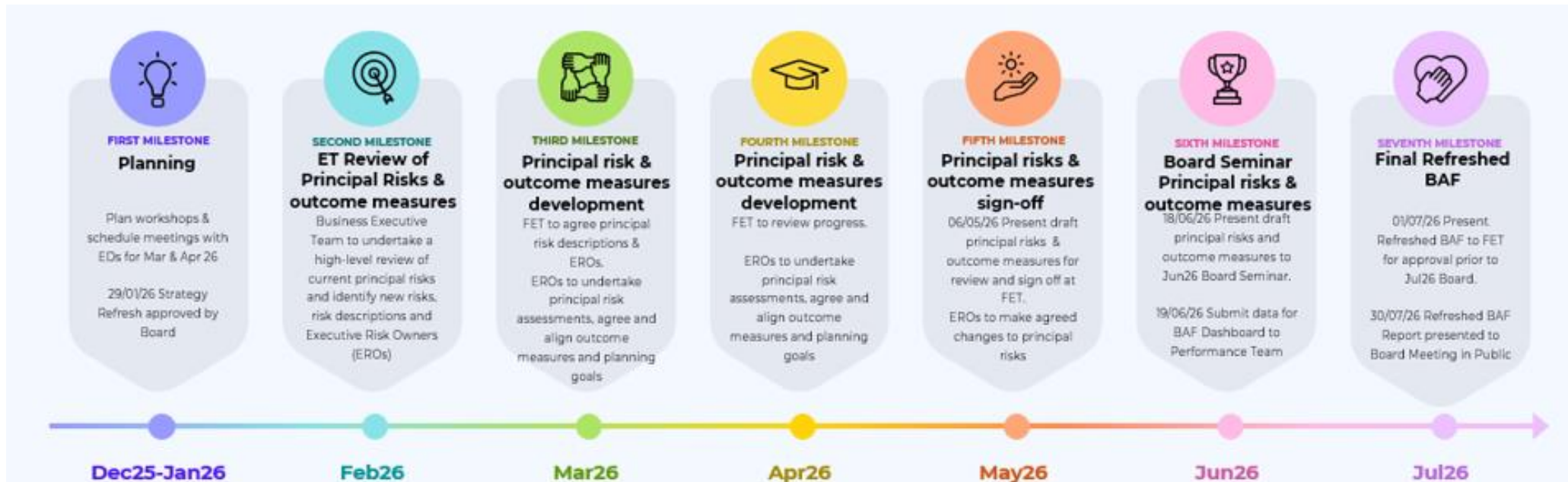
Principal Risks



GIG
CYMRU
NHS
WALES

Bwrdd Iechyd Prifysgol
Hywel Dda
University Health Board

As a result of the Strategy Refresh, presented to Board in January 2026, the plan is to present a refreshed Board Assurance Framework (BAF) to Board in July 2026. A review of principal risks will be undertaken as part of the BAF refresh, in addition to the supporting planning goals and outcome measures per the timeline below.



Refreshed principal risks will be discussed at Board seminar in June 2026 ahead of presentation to the Board in July 2026.

Each principal risk will be aligned to a Board Committee and will be reported via the Assurance and Risk Report to ensure that they are being managed appropriately, taking in to account gaps in control, planned actions and agreed tolerances, and to provide assurance to the Board through their update report on the management of these risks.

Operational Risks assigned to FPC



GIG
CYMRU
NHS
WALES

Bwrdd Iechyd Prifysgol
Hywel Dda
University Health Board

20 operational risks on Datix are aligned to FPC, all of which are within review date.

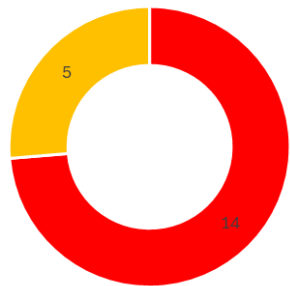
Of these, 19 have been identified as reportable to FPC based on the following criteria:

- FPC has been selected by the risk lead as the 'Assuring Committee' on Datix;
- Risks have been identified at operational level (previously Service and Directorate level) on Datix risk module;
- The current risk score is 'extreme' or 'high'; and
- The current risk score is either equal to or exceeds the target risk score.

Total Number of Open Risks meeting criteria for reporting	19
New Risks since last reported to FPC	4
Closed Risks since last reported to FPC	0
Increase in Risk Score since last reported to FPC	2
Decrease in Risk Score since last reported to FPC →	0
No Change in Risk Score since last reported to FPC ↑	13
EXTREME (RED) Risks (based on 'Current Risk Score') ↑	14
HIGH (AMBER) Risks (based on 'Current Risk Score') ↑	5

The following slides summarise the operational risks aligned to FPC as of 29 January 2026.

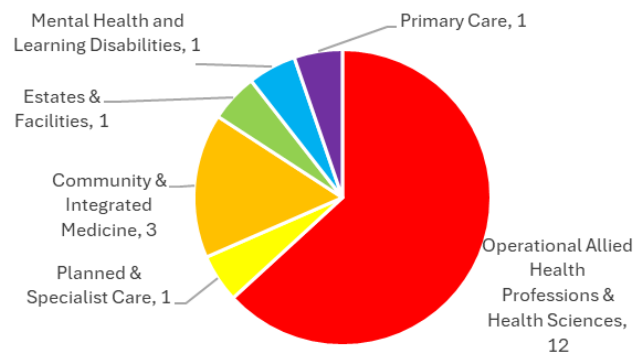
Current Level of Risks assigned to FPC



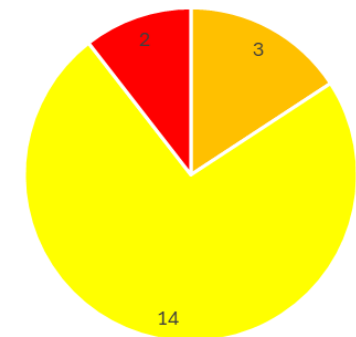
■ EXTREME (RED) Risks (based on 'Current Risk Score')

■ HIGH (AMBER) Risks (based on 'Current Risk Score')

Risks split per Clinical Care Group/Executive Function



Risks by Target Risk Score Expected Date (Year)



■ 2027 ■ 2026 ■ Passed Expected Date

New Operational Risks Reportable to FPC



GIG
CYMRU
NHS
WALES

Bwrdd Iechyd Prifysgol
Hywel Dda
University Health Board

Risk Reference and Title	Overseeing Clinical Care Group / Executive Function	Lead Director	Current Risk Score	Target Risk Score	Expected Date to Achieve Target Risk Score	Date of last risk review
2242 - Budget cost pressure of £100k due to unfunded weekend physiotherapy services	Operational Allied Health Professions & Health Sciences	Chief Operating Officer	20	4	31/03/2026	29/12/2025
2184 - Risk that budget code 1962 will have a cost pressure of £180K from April 2026	Operational Allied Health Professions & Health Sciences	Chief Operating Officer	16	6	31/03/2027	29/12/2025
2202 - Risk to overspend and reduced performance due to the Outpatient Insourcing contract	Operational Allied Health Professions & Health Sciences	Chief Operating Officer	12	6	30/04/2026	17/12/2025
1869 - Risk of NHS Dental Services not achieving Patient Charge Revenue Income targets due to lower activity/income at practices*	Primary Care	Chief Operating Officer	12	8	31/03/2026	25/11/2025

* Risk 1869 realigned from Quality, Safety and Experience Committee (QSEC)

Changes in Risk Score since last reported to FPC



GIG
CYMRU
NHS
WALES

Bwrdd Iechyd Prifysgol
Hywel Dda
University Health Board

Risk Reference and Title	Overseeing Clinical Care Group / Executive Function	Lead Director	Current Risk Score	Target Risk Score	Expected Date to Achieve Target Risk Score	Date of last risk review
2107 - Risk of physiotherapy financial overspend due to unfunded respiratory on call services.	Operational Allied Health Professions & Health Sciences	Chief Operating Officer	20 ↑ (Previous Risk Score 16)	4	31/03/2026	29/12/2025
975 - Risk of failure to remain within allocated budget due to financial constraints (Estates & Facilities).	Estates & Facilities	Director of Allied Health Professions and Health Sciences	16 ↓ (Previous Risk Score 20)	10	31/03/2026	23/01/2026

No Change in Risk Score since previous report



GIG
CYMRU
NHS
WALES

Bwrdd Iechyd Prifysgol
Hywel Dda
University Health Board

Risk Reference and Title	Overseeing Clinical Care Group / Executive Function	Lead Director	Current Risk Score	Target Risk Score	Expected Date to Achieve Target Risk Score	Date of last risk review
2167 - There is a risk that increasing non-pay cost pressures in Podiatry will impact on effective patient care	Operational Allied Health Professions & Health Sciences	Chief Operating Officer	25	5	31/03/2026	14/01/2026
2132 - Risk of overspend due to cost pressures related to variable pay	Operational Allied Health Professions & Health Sciences	Chief Operating Officer	25	20	31/03/2027	17/12/2025
2110 - Risk of not achieving savings targets for 2025/26 due to significant, strategic change required across whole CCGs	Community & Integrated Medicine	Chief Operating Officer	20	16	31/10/2025	25/09/2025
1631 - If the delegation of budget manager responsibilities are unmet then finances will be adversely affected	Operational Allied Health Professions & Health Sciences	Chief Operating Officer	20	15	31/03/2026	29/12/2025
2148 -Risk of significant financial pressures impacting on service delivery due to reliance on RIF funding for key clinical roles	Operational Allied Health Professions & Health Sciences	Chief Operating Officer	20	10	31/03/2027	29/12/2025
2131 - Risk of overspend due to cost pressures related to Everlight radiology	Operational Allied Health Professions & Health Sciences	Chief Operating Officer	20	15	31/03/2026	17/12/2025

No Change in Risk Score since last reported to FPC



GIG
CYMRU
NHS
WALES

Bwrdd Iechyd Prifysgol
Hywel Dda
University Health Board

Risk Reference and Title	Overseeing Clinical Care Group / Executive Function	Lead Director	Current Risk Score	Target Risk Score	Expected Date to Achieve Target Risk Score	Date of last risk review
1906 - Risk of not achieving savings targets within our annual plan due to ongoing service demand	Community & Integrated Medicine	Chief Operating Officer	16	12	31/03/2027	02/01/2026
1892 - Risk of not achieving savings targets due to continued expenditure without mitigating savings plans	Operational Allied Health Professions & Health Sciences	Chief Operating Officer	16	12	31/03/2026	17/12/2025
971 - Risk of failure to remain within allocated budget over the medium term due to financial constraints (MH&LD)	Mental Health and Learning Disabilities	Chief Operating Officer	16	3	31/03/2026	11/12/2025
2040 - Risk of decommissioning of current FCP Physio Primary care service due to funding uncertainty from April 2026	Operational Allied Health Professions & Health Sciences	Chief Operating Officer	15	4	31/03/2026	29/12/2025
2124 - Risk of being unable to identify recurrent savings required due to spend on ad-hoc pay and non-pay	Planned & Specialist Care	Chief Operating Officer	12	4	31/03/2026	28/11/2025
1951 - Risk of overspend against Specialist Palliative Care budget due to potential withdrawal of funding for permanent posts	Community & Integrated Medicine	Chief Operating Officer	12	4	31/03/2026	02/12/2025
1646 - Risk of cost pressure (external test service level agreements PHW) due to increased workload/costs	Operational Allied Health Professions & Health Sciences	Chief Operating Officer	8	8	23/04/2025	02/01/2026

Risk Themes



GIG
CYMRU
NHS
WALES

Bwrdd Iechyd Prifysgol
Hywel Dda
University Health Board

Risk owners can allocate themes to their risks, which allows the Health Board to share risk information on specific areas with relevant experts as part of the second line of defence. Risks are allocated to a committee based on their main impact on reporting. Risk Themes are assigned based on any additional impacts or contributory factors, with each theme aligned to the appropriate committee for oversight. Risk Themes provide assurance that a holistic approach to risk management is undertaken and enables the Health Board to better identify the risk appetite, risk capacity and total risk exposure in relation to each risk, group of similar risks, or generic type of risk.

Theme owners are provided with a thematic risk register on a bi-monthly basis 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 following themes are currently aligned to FPC as of January 2026:

Risk Theme	Definition	Number of risks
Finance	Risks associated with the possibility of financial loss and uncertainty	86

Implementation of Welsh Health Circulars (WHCs)



GIG
CYMRU
NHS
WALES

Bwrdd Iechyd Prifysgol
Hywel Dda
University Health Board

There are 2 open WHCs aligned to FPC as of January 2026, both issued since the previous report to Committee.

All WHCs are managed via the Audit Management and Tracking system (AMaT), which gives leads direct access to update and upload relevant evidence to demonstrate compliance with their requirements. Each WHC is assigned a status category.. To provide a more accurate reflection of WHC progress, three new status categories have been introduced since the last Committee report. Definitions for these new categories are included in the table below, and the number of WHCs aligned to these categories.

Status Category	Definition	Number of WHCs
Overdue	The WHC is behind schedule to the timescale provided by the Lead officer or as stipulated in the WHC, or a plan (with date for implementation) is not yet in place.	0
Unable to Complete (NEW)	The WHC cannot be implemented due to existing barriers and/or it is no longer relevant/appropriate for the Health Board. Formal sign-off by the CCG/Function Lead is required prior to escalation to the Executive Team for formal approval via operational governance structures.	0
Pending Decision (NEW)	The WHC is pending a decision in order to implement e.g. outcomes of annual planning process, approval of funding requests, outcome of a QIA panel. Committee updates will detail whether the WHC is overdue or not whilst decision pending.	0
In Progress	The WHC is currently in progress, and within the agreed original timeframe for implementation.	1
Reliant on External Factors	The WHC is considered to be outside the gift of the Health Board to currently implement, e.g. reliant on an external organisation to implement.	0
Complete Pending Formal Approval (NEW)	The Service / Function have completed the WHC and are currently awaiting formal approval to close.	1
Complete	The WHC has been confirmed as completed by the CCG / Function Lead and formal approval to close has been received.	0

Oversight of the delivery of WHCs has been included in new Clinical Care Group Terms of Reference, with the requirement to escalate appropriately instances of non-compliance.

The timely implementation of WHCs is included within the Governance domain of the Health Board's internal escalation framework, with services escalated in instances of non-compliance.

Welsh Health Circulars assigned to FPC



GIG
CYMRU
NHS
WALES

Bwrdd Iechyd Prifysgol
Hywel Dda
University Health Board

WHC	Issued On	Lead CCG / EF	Lead Director	Implementation Date	RAG Status	Progress Update
055-25 2026-27 Health Board allocation	22/12/2025	Finance	Director of Finance	March 2026	In Progress	The Health Board allocation is reflected in the 2026/27 planning framework which is being incorporated into the three-year planning cycle. This will be taken through Finance and Performance Committee in February 2026, and Public Board in March 2026.
045-25 Revisions to the Standing Orders for the NHS Wales Joint Commissioning Committee	28/10/2025	Corporate Governance	Director of Corporate Governance	December 2025	Complete Pending Formal Approval	NHS Wales Joint Commissioning Standing Orders were presented to the Board for approval in November 2025.

Recommendations



GIG
CYMRU
NHS
WALES

Bwrdd Iechyd Prifysgol
Hywel Dda
University Health Board

The Finance and Performance Committee is requested, in relation to the areas presented in this paper, to:

RISK MANAGEMENT

- **RECEIVE ASSURANCE** that identified controls are in place and working effectively, and
- **RECEIVE ASSURANCE** that all planned actions are credible and deliverable, and in line with agreed plans, and will be implemented within stated timescales and will reduce risks further and/or mitigate the impact should risks materialise.

WELSH HEALTH CIRCULARS

- **RECEIVE ASSURANCE**, or otherwise, from the lead Executive Director or Supporting Officer on the management of WHCs within their area of responsibility, particularly in respect of understanding when the WHC will be delivered, any barriers to delivery, impacts of non/late delivery and assurance that the risks associated with these are being managed effectively.



DIOGEL | CYNALIADWY | HYGURCH | CAREDIG
SAFE | SUSTAINABLE | ACCESSIBLE | KIND



GIG
CYMRU
NHS
WALES

Bwrdd Iechyd Prifysgol
Hywel Dda
University Health Board