

CORPORATE RISK REGISTER SUMMARY MARCH 2020




Risk Ref	Risk (for more detail see individual risk entries)	Included on BAF	Risk Owner	Domain	Tolerance Level	Previous Risk Score	Risk Score Mar-20	Trend	Target Risk Score	Risk on page no...
730	Failure to realise all the efficiencies and opportunities from the Turnaround Programme in 2019/20	3	Thomas, Huw	Statutory duty/inspections	8	4×5=20	4×5=20	→	2×4=8	5
735	Ability to deliver the Financial Plan for 2019/20 affecting the whole Health Board.	2	Thomas, Huw	Finance inc. claims	6	4×4=16	4×4=16	→	2×4=8	8
646	Ability to achieve financial sustainability over medium term.	2, 3	Thomas, Huw	Finance inc. claims	6	3×4=12	3×4=12	→	2×3=6	11

Risk Ref	Strategic Objectives	Risk Title (for more detail see individual risk entries)	Risk Owner	Controls	Domain	Current Risk Score (L x I)	Target Risk Score (L x I)	Performance Indicators	Assurance from What? (sources/providers of assurance) L1, L2 & L3 (see below key)	Latest paper	Assurance Sufficient? (Y/N)	Control RAG rating (see below key)	Risk on page no...
730	3. Achieve the agreed savings requirement for 2019/20 by the end of March 2020	Failure to realise all the efficiencies and opportunities from the Turnaround Programme in 2019/20	Thomas, Huw	<ul style="list-style-type: none"> * Director of Finance leading on Turnaround programme. * Fortnightly 'Holding to Account' (HTA) meetings including a monthly Chief Executive HTA session for the highest risk directorates. * Each Directorate has signed up to a savings plan and recovery plan - costed and RAG rated. * Identified Exec lead for red schemes and for key Turnaround Improvement Programmes. * Specific aspect of Performance Review focus on finance and link to HTA session. * Escalation process to HTA monthly meeting. * Executive Team Turnaround Meetings. * The identification of thematic Turnaround Delivery Groups that are Director led. 	Statutory duty/inspections	4x5=20	2x4=8	<p>Performance against agreed savings plan</p> <p>In-month financial monitoring</p>	<p>Performance against plan monitored through HTA meeting with Services (L1)</p> <p>Executive Performance Reviews (L2)</p> <p>Finance Committee oversight of current performance (L2)</p> <p>Turnaround & Financial Report to Board & BPPAC (L2)</p> <p>WG scrutiny through Targeted Intervention (TI)(L3)</p> <p>WG scrutiny through Joint Executive Team (JET) (L3)</p> <p>WAO Structured Assessment 2019 (L3)</p>	<p>* Mth 9 Finance Report & Turnaround Report - Board Jan20</p> <p>* Finance Report & Turnaround Update Report Mth 10 - March 2020 Finance Committee (interim papers were circulated as there was no meeting in February)</p>	Y		5

735	2. Deliver the agreed financial control total for 2019/20 by the end of March 2020	Ability to deliver the Financial Plan for 2019/20 affecting the whole Health Board.	Thomas, Huw	<p>Financial reports provided to directorates in a timely way, focused on trends; cost drivers; projected expenditure; risks and actions.</p> <p>Turnaround Director Holding to Account meetings.</p> <p>CEO Holding to Account meetings.</p> <p>Executive Performance meetings.</p> <p>Commissioning arrangements with key partners (Local Authorities; Care home sector; Other NHS providers; Primary Care; Third Sector).</p> <p>Process of review of recovery plans process in place and approaching of system-wide issues.</p>	Finance inc. claims	4x4=16	2x4=8	<p>Identification and delivery of savings schemes.</p> <p>Financial performance and projections reported on a monthly basis.</p> <p>Breakeven recovery plans where deficits are projected.</p> <p>Financial process assurances.</p> <p>Internal Audit and Wales Audit Office reports.</p>	<p>Finance dashboards (L1)</p> <p>Finance report to Finance Committee and Board (L2)Medium)</p> <p>CEO Holding to Account meetings (L2)Medium)</p> <p>Financial assurance report to Audit Committee (L2)Medium)</p> <p>Year-end reporting to Audit Committee (L3)</p>	* Month 10 Finance Report 2019/20 reports - Finance Committee - March 2020 (interim papers were circulated in February as there was no meeting).	Y		
646	2. Deliver the agreed financial control total for 2019/20 by the end of March 2020, 3. Achieve the agreed savings requirement for 2019/20 by the end of March 2020	Ability to achieve financial sustainability over medium term.	Thomas, Huw	<p>Understanding the underlying deficit. An initial assessment has been completed.</p> <p>Very high level base-case long term financial model.</p> <p>Assessing the full financial implications of A Healthier Mid and West Wales.</p>	Finance inc. claims	3x4=12	2x3=6	<p>Operational agreement to underlying deficit assessment.</p> <p>Plan in place to develop a long term financial plan.</p> <p>High level financial assessment of A Healthier Mid and West Wales in place.</p>	Reporting to Finance Committee (L1).	N/A	N		11

Assurance Key:

3 Lines of Defence (Assurance)		
1st Line	Business Management	Tends to be detailed assurance but lack independence
2nd Line	Corporate Oversight	Less detailed but slightly more independent
3rd Line	Independent Assurance	Often less detail but truly independent

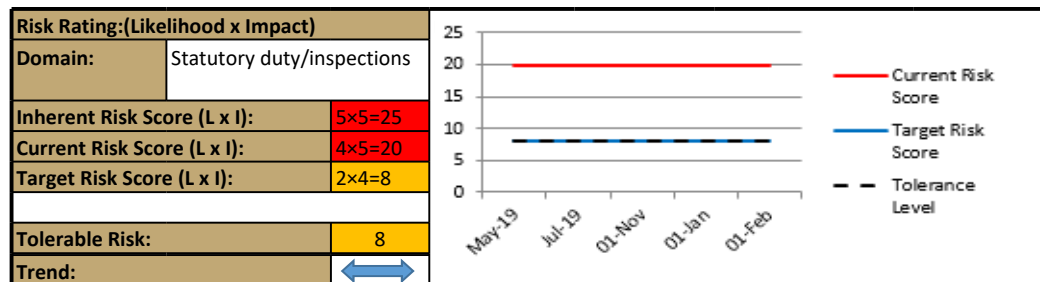
Key - Assurance Required		<i>NB Assurance Map will tell you if you have sufficient sources of assurance not what those sources are telling you</i>
	Detailed review of relevant information	
	Medium level review	
	Cursory or narrow scope of review	

Key - Control RAG rating	
LOW	Significant concerns over the adequacy/effectiveness of the controls in place in proportion to the risks
MEDIUM	Some areas of concern over the adequacy/effectiveness of the controls in place in proportion to the risks
HIGH	Controls in place assessed as adequate/effective and in proportion to the risk
INSUFFICIENT	Insufficient information at present to judge the adequacy/effectiveness of the controls

Strategic Objective:	3. Achieve the agreed savings requirement for 2019/20 by the end of March 2020
-----------------------------	--

Executive Director Owner:	Thomas, Huw	Date of Review:	Feb-20
Lead Committee:	Finance Committee	Date of Next Review:	Mar-20

Risk ID:	730	Principal Risk Description:	There is a risk the UHB not delivering the planned recurrent savings of £24m by end of March 2020. This is caused by a failure to realise the opportunities identified in the Turnaround programme. This could lead to an impact/affect on a failure to meet its financial statutory duty to breakeven, attain an approvable IMTP, loss of stakeholder confidence in the organisation's ability to deliver its objectives and increased scrutiny by WG.
Does this risk link to any Directorate (operational) risks?			yes



Rationale for CURRENT Risk Score:
It is factored into the Health Board's end of year forecast the full £24m savings will not be delivered in 2019/20. Currently as at the end of Month 9, the Health Board is forecasting delivery of £18.6m of no risk and low risk schemes against that target for 2019/20. There is a further pipeline of Red schemes and mitigating actions that reduces that gap. Work is underway with Value and Core Team to identify further savings opportunities that can be delivered in the remainder of 2019/20.

Rationale for TARGET Risk Score:
As the Turnaround programme is an intervention aimed at supporting delivery of the overall financial plan, and as such has had the in year recovery actions required to achieve breakeven, the target score has been set to align with the risk to delivery of the overall financial plan.

Key CONTROLS Currently in Place:
(The existing controls and processes in place to manage the risk)

Director of Finance leading on Turnaround programme

Fortnightly 'Holding to Account' (HTA) meetings including a monthly Chief Executive HTA session for the highest risk directorates.

Each Directorate has signed up to a savings plan and recovery plan - costed and RAG rated.

Identified Exec lead for red schemes and for key Turnaround Improvement Programmes.

Specific aspect of Performance Review focus on finance and link to HTA session.

Escalation process to HTA monthly meeting.

Gaps in CONTROLS				
Identified Gaps in Controls : (Where one or more of the key controls on which the organisation is relying is not effective, or we do not have evidence that the controls are	How and when the Gap in control be addressed	By Who	By When	Progress
Lack of sufficient capacity to support and facilitate the delivery of Turnaround programme.	Increase capacity of programme management office (PMO) and service improvement capability to support delivery of Turnaround Programme.	Ryan-Davies, Libby	Completed	Central Project management, service improvement and analytical resource as has been realigned and allocated to deliver key schemes that support quality and performance improvement, accelerating strategy delivery, and achieving the savings plan. KPMG are also being commissioned to stay with us beyond their WG related contract, to support delivery of opportunities they have identified in that WG review.
Ability to control operational priorities that adversely affect delivery of savings plans, eg, winter pressures, vacancy position.				
Lack of clarity in organisation about true priorities specially achieving balance quality performance, TCS and finance delivery.				

Executive Team Turnaround Meetings.

The identification of thematic Turnaround Delivery Groups that are Director led.

Work closely with the Director of Operations to ensure robust operational and contingency plans are in place that minimise additional cost, and align with turnaround savings actions.	Thomas, Huw	31/03/2020	Joint Chairs of Operational Effectiveness Group and Unscheduled Care Programme Board.
Chief Executive setting out the organisations goals for 2019/20 to Executive Team.	Moore, Steve	Completed	Executive Team away day set up to clarify goals and the contribution each portfolio needs to make to them has been held. ET are developing the framework for the IMTP from 2020 onwards.

ASSURANCE MAP			
Performance Indicators	Sources of ASSURANCE	Type of Assurance (1st, 2nd, 3rd)	Required Assurance
			Current Level
Performance against agreed savings plan In-month financial monitoring	Performance against plan monitored through HTA meeting with Services	1st	Blue
	Executive Performance Reviews	2nd	Pink
	Finance Committee oversight of current performance	2nd	Pink
	Turnaround & Financial Report to Board & BPPAC	2nd	Pink
	WG scrutiny through Targeted Intervention (TI)	3rd	Blue

Control RAG Rating (what the assurance is telling you about your controls)

Yellow

Latest Papers (Committee & date)

* Mth 9 Finance Report & Turnaround Report - Board Jan20

* Finance Report & Turnaround Update Report Mth 10 - March 2020 Finance Committee (interim papers were circulated as there was no meeting in February)

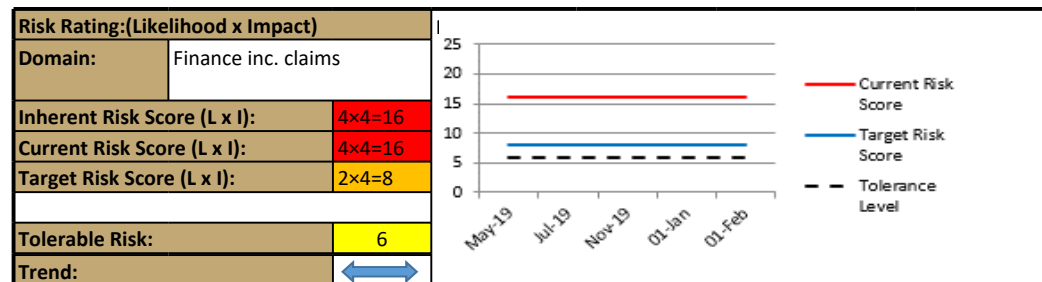
Gaps in ASSURANCES				
Identified Gaps in Assurance:	How are the Gaps in ASSURANCE will be addressed Further action necessary to address the gaps	By Who	By When	Progress
None				

WG scrutiny through Joint Executive Team (JET)	3rd		
WAO Structured Assessment 2019	3rd		

Strategic Objective:	2. Deliver the agreed financial control total for 2019/20 by the end of March 2020
-----------------------------	--

Executive Director Owner:	Thomas, Huw	Date of Review:	Feb-20
Lead Committee:	Finance Committee	Date of Next Review:	Mar-20

Risk ID:	735	Principal Risk Description:	There is a risk the Health Board not achieving its agreed financial plan for the 2019/20 financial year. This is caused by the savings plans for the year not being delivered; or the operational cost pressures arising from the requirement to meet performance targets of quality measures. This could lead to an impact/affect on the Health Board's reputation with Welsh Government and other stakeholders.
Does this risk link to any Directorate (operational) risks?			



Rationale for CURRENT Risk Score:
 The Health Board has revised the end of year forecast to a deficit of £25m, which is £10m higher than the Control Total requirement of £15m. This is due to the cumulative financial position to date and anticipated continuation of cost pressures, in addition to which the savings requirement for the year is not expected to be fully identified. Operational cost pressures are manifesting primarily within unscheduled care, especially in the latter part of the year; alongside other risks such as the closure of the Aseptic Unit and the management of commissioned solutions which could lead to reduced cost pressures. Primary Care Prescribing is also causing significant pressures across Wales.

Rationale for TARGET Risk Score:
 The Health Board needs to demonstrate that it is able to manage its financial position effectively, cognisant of the risks which are inherent in the delivery of safe and timely care. Given the challenge in delivering the financial position this year, it is unlikely that the Health Board will achieve a risk which is in line with the tolerable risk for the year. Consequently, the target risk score exceeds the tolerable risk at this point. This is not an acceptable position, and further work is ongoing to manage this risk.

Key CONTROLS Currently in Place: (The existing controls and processes in place to manage the risk)
Financial reports provided to directorates in a timely way, focused on trends; cost drivers; projected expenditure; risks and actions.
Turnaround Director Holding to Account meetings.
CEO Holding to Account meetings.
Executive Performance meetings.
Commissioning arrangements with key partners (Local Authorities; Care home sector; Other NHS providers; Primary Care; Third Sector).

Gaps in CONTROLS				
Identified Gaps in Controls : (Where one or more of the key controls on which the organisation is relying is not effective, or we do not have evidence that the controls are	How and when the Gap in control be addressed	By Who	By When	Progress
Finance support is not currently sufficient.	Further action necessary to address the controls gaps	Thomas, Huw	Completed	All appointments complete. Transitional arrangements in progress to transfer and process improve workstreams from Business Partnering to Process Improvement to give capacity in Business Partnering to further embed this model of working with operational managers.
Responsiveness and accountabilities need to be reinforced.				
Process to become embedded and refined.				
Variable arrangements, to be harmonised to enable effective				

Process of review of recovery plans process in place and approaching of system-wide issues.

commissioning.

Directorates to sign accountability statements in relation to Budget 2019/20.	Thomas, Huw	Completed	Meetings embedded in monthly business processes. Residual queries resolved and concluded November 2019.
Review of contracting arrangements.	Thomas, Huw	30/06/2019 10/12/2020	Team in place following Finance OCP - Interim Band 8d, Band 8c, Bands 8a, 7 and 6. Regular Papers providing updates on progress timetabled into Finance Committee Agendas. Strategy presented June and July 2019, update Papers presented monthly thereafter, at Finance Committees by Interim Assistant Director to address identified gaps in assurance through action plan.

ASSURANCE MAP			
Performance Indicators	Sources of ASSURANCE	Type of Assurance	Required Assurance
		(1st, 2nd, 3rd)	Current Level
Identification and delivery of savings schemes.	Finance dashboards	1st	
Financial performance and projections reported on a monthly basis.	Finance report to Finance Committee and Board (Medium)	2nd	
	CEO Holding to Account meetings (Medium)	2nd	
Breakeven recovery plans where deficits are projected.	Financial assurance report to Audit Committee (Medium)	2nd	

Control RAG Rating (what the assurance is telling you about your controls)

Latest Papers (Committee & date)

* Month 10 Finance Report 2019/20 reports - Finance Committee - March 2020 (interim papers were circulated in February as there was no meeting).

Gaps in ASSURANCES				
Identified Gaps in Assurance:	How are the Gaps in ASSURANCE will be addressed Further action necessary to address the gaps	By Who	By When	Progress
None				

Financial process
assurances.

Year-end reporting to Audit
Committee

3rd

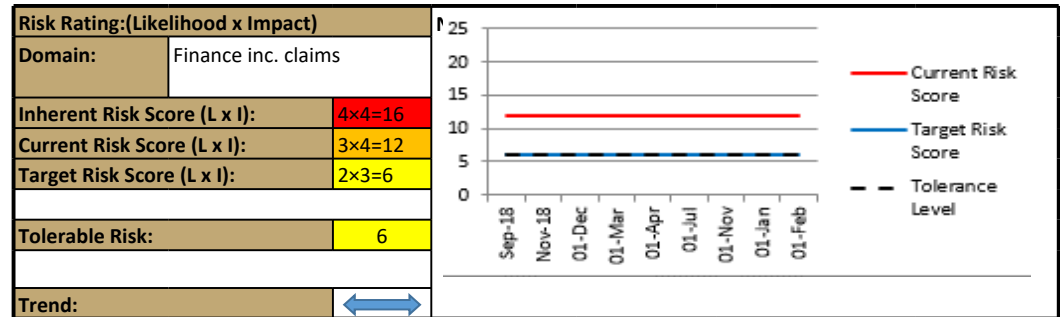
Internal Audit and
Wales Audit
Office reports.



Strategic Objective:	2. Deliver the agreed financial control total for 2019/20 by the end of March 2020 3. Achieve the agreed savings requirement for 2019/20 by the end of March 2020
-----------------------------	--

Executive Director Owner:	Thomas, Huw	Date of Review:	Feb-20
Lead Committee:	Finance Committee	Date of Next Review:	Apr-20

Risk ID:	646	Principal Risk Description:	There is a risk the Health Board not achieving breakeven over the medium term. This is caused by the inability to either: 1. Develop a sufficiently robust financial plan which shows an achievable improvement trajectory, or 2. Manage the necessary changes in such a way that the financial gains are realised and an improvement trajectory is achieved. This could lead to an impact/affect on a detrimental impact on the Health Board's reputation with Welsh Government and other stakeholders.
Does this risk link to any Directorate (operational) risks?			Corporate risk



Rationale for CURRENT Risk Score:
 The Health Board has not developed a full long term financial base-case model, which can then be used to assess the impact of A Healthier Mid and West Wales and other medium term changes. The Health Board's underlying deficit also requires further work to fully explore and understand the opportunities for improvement which can be realised over the medium term.

Rationale for TARGET Risk Score:
 Achieving financial balance on a three-year rolling basis is a statutory requirement for the Board, and a clear requirement from the Board and Welsh Government.

Key CONTROLS Currently in Place:
 (The existing controls and processes in place to manage the risk)


Gaps in CONTROLS				
Identified Gaps in Controls : (Where one or more of the key controls on which the organisation is relying is not effective, or we do not have evidence that the controls are	How and when the Gap in control be addressed	By Who	By When	Progress
	Further action necessary to address the controls gaps			

<p>Understanding the underlying deficit. An initial assessment has been completed.</p> <p>Very high level base-case long term financial model.</p> <p>Assessing the full financial implications of A Healthier Mid and West Wales.</p>	<p>Calculation has not been subject to operational scrutiny.</p> <p>Assessment not subject to planning scrutiny.</p> <p>High level assessment of resource requirements for social model for health.</p>	<p>Testing the underlying deficit assumptions with directorates.</p>	<p>Thomas, Huw</p>	<p>30/11/2018 31/05/2019 31/12/2019 12/02/2020 04/03/2020</p>	<p>Welsh Government and UHB commissioning external advisers to prepare report on deficit position. Specification agreed and work commenced July 2019. Final written reports received from external advisers in December 2019. A number of action plans already underway in response to observations and recommendations during the workplan. Summary paper to be presented to Executive Team in March 2020 to review completeness of actions.</p>
		<p>Refining assessment in conjunction with W&OD and Planning.</p>	<p>Thomas, Huw</p>	<p>30/11/2018 31/03/2020</p>	<p>Initial calculations regarding the effect of the zero based review allocation and early high level affordability for option B of consultation shared via the TCS Design Team and with the Director of Finance. The Strategic Financial Planning Group (Strategy Finance Enabling Group) met in May and agreed a series of actions to inform the work of the forthcoming meetings of the 3 Strategy Programme Delivery Groups and Enabling Group. Work underway.</p>

--

--

Developing a high level assessment of the resource requirements of "A Healthier Mid and West Wales" Strategy. Understanding full financial implications of TCS, including the Community/Social Care model.	Thomas, Huw	31/03/2019 31/03/2020	<p>Activity Based costing refined based on updated Activity and Capacity Assumptions and impact on the 2017/18 baseline financial data + Zero based Review funding (Completed)</p> <p>Collated detail in draft Strategy to begin to build up a bottom up financial costing. Strategic Enabling Group working with Health and Care Strategy Programme Groups to both inform the groups regarding current detail and translate into financial and workforce end point model.</p> <p>Also to assist in this the Finance team have met with Capita and the Assistant Director of Informatics to</p>
--	-------------	--------------------------	---

ASSURANCE MAP				Control RAG Rating (what the assurance is telling you about your controls)	Latest Papers (Committee & date)	Gaps in ASSURANCES				
Performance Indicators	Sources of ASSURANCE	Type of Assurance (1st, 2nd, 3rd)	Required Assurance  Current Level			Identified Gaps in Assurance:	How are the Gaps in ASSURANCE will be addressed Further action necessary to address the gaps	By Who	By When	Progress
<p>Operational agreement to underlying deficit assessment.</p> <p>Plan in place to develop a long term financial plan.</p> <p>High level financial assessment of A Healthier Mid and West Wales in place.</p>	Reporting to Finance Committee .	1st			N/A	<p>Process to be put in place over Q4.</p> <p>Approach to costing impact of A Healthier Mid and West Wales to be developed.</p>	<p>Communication with directorates and responses required from July for the duration of the engagement.</p>	Thomas, Huw	<p>31/10/2018</p> <p>31/07/2019</p> <p>31/12/2019</p> <p>12/02/2020</p> <p>04/03/2020</p>	<p>Welsh Government and UHB commissioning external advisors to prepare report on deficit position. Specification agreed and work commenced July 2019. Final written reports received from external advisors in December 2019. A number of action plans already underway in response to observations and recommendations during the workplan. Summary paper to be presented to Executive Team in March 2020 to review completeness of actions.</p>

--	--	--	--

<p>Now Strategy is agreed we are moving on to a bottom up assessment of the Financial Planning options and implications of "A Heathier Mid and West Wales".</p> <p>TCS Finance Enabling "Plan for a Plan" - has been considered by the Strategic Financial Planning Group and Finance Committee.</p>	<p>Thomas, Huw</p>	<p>31/03/2019 31/03/2020</p>	<p>Initiating the establishment of a multidisciplinary Strategic Enabling Group as agreed by the Board on 28/03/19 tied into the Strategy Governance to begin to flesh out service design options and trade-offs to inform and promote debate in co-design process.</p> <p>Intensive work initiated for 2019-20 to support de</p>
--	--------------------	----------------------------------	---