

**PWYLLGOR ADNODDAU CYNALIADWY  
SUSTAINABLE RESOURCES COMMITTEE**

<b>DYDDIAD Y CYFARFOD: DATE OF MEETING:</b>	25 June 2024
<b>TEITL YR ADRODDIAD: TITLE OF REPORT:</b>	Corporate Risk Report
<b>CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:</b>	Huw Thomas, Director of Finance Andrew Carruthers, Director of Operations
<b>SWYDDOG ADRODD: REPORTING OFFICER:</b>	Charlotte Wilmshurst, Assistant Director of Assurance and Risk

**Pwrpas yr Adroddiad (dewiswch fel yn addas)  
Purpose of the Report (select as appropriate)**

Er Sicrwydd/For Assurance

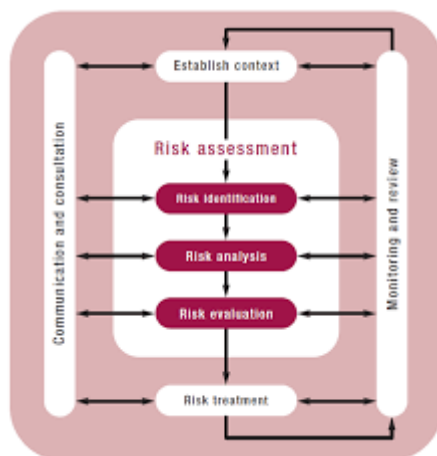
**ADRODDIAD SCAA  
SBAR REPORT**

**Sefyllfa / Situation**

The Sustainable Resources Committee (SRC) is asked to request assurance from the identified Executive Director that the corporate risks in the attached report at Appendix 2, are being managed effectively.

**Cefndir / Background**

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.



(Risk Management Process, ISO 31000)

The Board's Committees are responsible for the monitoring and scrutiny of corporate-level risks within their remit. As such, they are responsible for:

- Seeking assurance on the management of corporate risks included in the Corporate Risk Register (CRR) and providing assurance to the Board that risks are being

managed effectively, reporting areas of significant concern - for example, where risk appetite is exceeded, lack of action etc;

- Reviewing operational risks over tolerance and, where appropriate, recommending the 'acceptance' of risks that cannot be brought within Hywel Dda University Health Board's (HDdUHB's) risk appetite/ tolerance to the Board through the Committee Update Report;
- Identifying through discussions any new/ emerging risks, and ensuring these are assessed by management;
- Signposting any risks outside their remit to the appropriate HDdUHB Committee;
- Using risk registers to inform meeting agendas.

The Executive Team has agreed the content of the CRR. These risks have been identified via a top-down and bottom-up approach.

Each risk on the CRR has been mapped to a Board-level Committee to ensure that risks are being managed appropriately, taking into account gaps, planned actions and agreed tolerances, and to provide assurance regarding the management of these risks to the Board through Committee Update Reports.

The Board has delegated a proportion of its role in scrutinising assurances to its Committees in order to make the most appropriate and efficient use of expertise. Therefore, Committees should also ensure that assurance reports relating to principal risks are received and scrutinised, and an assessment made as to the level of assurance they provide. The reports should consider the validity and reliability of each assurance in terms of source, timeliness and methodology. Robust scrutiny by its Committees will enable the Board to place greater reliance on assurances and will provide the Board with greater confidence in the likelihood of achieving strategic objectives, in addition to ensuring a sound basis for decision-making. It is the role of Committees to provide challenge where missing or inadequate assurances are identified and to escalate any gaps in assurance to the Board (Appendix 1 included in the body of this report).

### Asesiad / Assessment

The SRC Terms of Reference state that it will:

- 2.7 Seek assurance on the management of principal risks within the Board Assurance Framework (BAF) and Corporate Risk Register (CRR) allocated to the Committee and provide assurance to the Board that risks are being managed effectively and report any areas of significant concern e.g. where risk tolerance is exceeded, lack of timely action.
- 2.8 Recommend acceptance of risks that cannot be brought within the UHBs risk appetite/tolerance to the Board through the Committee Update Report.
- 2.9 Receive assurance through Sub-Committee Update Reports and other management/task & finish group reports that risks relating to their areas are being effectively managed across the whole of the Health Board's activities (including for hosted services and through partnerships and Joint Committees as appropriate).

There are 3 risks assigned to the Committee from the 25 risks currently identified on the CRR.

The corporate risks have been entered onto a '*risk on a page*' template, which includes information relating to the strategic objective, controls, assurances, performance indicators, and

action plans to address any gaps in controls and assurances. Details on 2 corporate risks assigned to SRC are included in Appendix 2. Due to the sensitive nature of risk '1352 – *Risk of business disruption and delays in patient care due to a cyber-attack*', the detail is being reported to in-committee to provide discussion and assurance.

### Changes Since Previous Report

Total Number of Risks	3	
New risks	1	See Note 1
De-escalated/Closed	1	See Note 2
Increase in risk score ↑	0	
No change in risk score →	1	See Note 3
Reduction in risk score ↓	1	See Note 4

### Note 1 – New risks

Since the previous report, the following risk has been added:

Risk Reference & Title	Date risk identified	Lead Director	Current risk score	Update	Target Risk Score
1843 - Risk that the cash consequences of the Health Board deficit cannot be covered due to significant deficit position	01/04/24	Director of Finance	<b>4x5=20</b> (New)	<p>The annual plan for 2024/25 is unacceptable to the Board and to Welsh Government (WG).</p> <p>The Board have been involved in the discussions and decisions in the development of the plan through our Committees, Board Seminar sessions, and Public Board meetings.</p> <p>The Board, at its meeting on the 28 March 2024 endorsed the annual plan, recognising the forecast financial outturn remains unacceptable and in breach of the Health Board's statutory requirement to achieve financial balance. Without further support, the Health Board will require further cash-backed support as the extent of the cash allocation will be insufficient to pay our liabilities as they fall due in February and March 2025.</p>	<b>3x4=12</b>

				Through our planning process, operational plans to address the recurrent financial savings gap and operational variation have not provided sufficient assurance to mitigate the current financial trajectory. Actual delivery also falls short of submitted plans, adding further assurance concerns.	
--	--	--	--	---	--

**Note 2 – De-escalated / Closed**

Since the previous report, one risk has been closed:

Risk Reference & Title	Date risk identified	Lead Director	Rationale
1642 - Risk of Health Board not meeting statutory requirement to break even 23/24 due to significant deficit position	13/04/23	Director of Finance	The risk was closed on 9 May 2024 following a new risk (1843 - Risk that the cash consequences of the Health Board deficit cannot be covered due to significant deficit position) being added for the current financial year.

**Note 3 - No change in risk score**

Since the previous report, there has been no change in the score of the following risk:

Risk Reference & Title	Date risk identified	Lead Director	Current risk score	Update	Target Risk Score
1352 - Risk of business disruption and delays in patient care due to a cyber attack	27/01/22	Director of Finance	<b>4x4=16</b> (Reviewed 07/06/24)	<i>Details of this risk provided to SRC In-Committee.</i>	<b>3x4=12</b>

**Note 4 – Reduction in score**

Since the previous report, the score of the following risk has decreased:

Risk Reference & Title	Date risk identified	Lead Director	Previous risk score (April 24)	Current risk score (June 24)	Update	Target Risk Score
1335 - Risk to the ability to access paper patient records in a timely manner due to existing records management infrastructure	05/10/21	Director of Operations	<b>3x3=9</b>	<b>2x3=6</b> (Reviewed 28/05/24)	<p>Currently across the Health Board there is a considerable variance in both practice and process, operationally when utilising and dealing with the various types of records in use throughout directorates, services and departments.</p> <p>The current records management methodology, results in a non-standardised approach to delivering effective records management arrangements, with a lack of agreed criteria in terms of managing the record during its life cycle from creation, during retention and to disposable.</p> <p>There is a requirement for an investment in a modern day solution and an alteration to culture and attitude that will embrace change and technology associated with a digital health record (DHR), to manage the risk. The Health</p>	<b>2x3=6</b>

					Board has selected its electronic document management system (EDMS) supplier, and work has commenced on scanning legacy documents into a development environment.	
--	--	--	--	--	---	--

The 'heat map' below includes the risks currently aligned to SRC:

HYWEL DDA RISK HEAT MAP					
	LIKELIHOOD →				
IMPACT ↓	RARE 1	UNLIKELY 2	POSSIBLE 3	LIKELY 4	ALMOST CERTAIN 5
CATASTROPHIC 5				1843 (NEW)	
MAJOR 4				1352 (→)	
MODERATE 3		1335 (↓)			
MINOR 2					
NEGLIGIBLE 1					

### Argymhelliad / Recommendation

SRC is requested to:

- **SEEK ASSURANCE** that all identified controls are in place and working effectively;
- **SEEK ASSURANCE** that all planned actions will be implemented within stated timescales and will reduce the risk further and/ or mitigate the impact, if the risk materialises; and
- **CHALLENGE** where assurances are inadequate.

Subsequently, this will enable the Committee to provide the necessary onward assurance to the Board, through its Committee Update Report, that the Health Board is managing these risks effectively.

**Amcanion: (rhaid cwblhau)**  
**Objectives: (must be completed)**

Committee ToR Reference: Cyfeirnod Cylch Gorchwyl y Pwyllgor:	2.7	Seek assurance on the management of principal risks within the Board Assurance Framework
--	-----	--

	<p>(BAF) and Corporate Risk Register (CRR) allocated to the Committee and provide assurance to the Board that risks are being managed effectively and report any areas of significant concern e.g. where risk tolerance is exceeded, lack of timely action.</p> <p>2.8 Recommend acceptance of risks that cannot be brought within the Health Board's risk appetite/tolerance to the Board through the Committee Update Report.</p> <p>2.9 Receive assurance through Sub-Committee Update Reports and other management/task &amp; finish group reports that risks relating to their areas are being effectively managed across the whole of the Health Board's activities (including for hosted services and through partnerships and Joint Committees as appropriate).</p>
Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	Contained within the report
Parthau Ansawdd: Domains of Quality <a href="#">Quality and Engagement Act (sharepoint.com)</a>	7. All apply
Galluogwyr Ansawdd: Enablers of Quality: <a href="#">Quality and Engagement Act (sharepoint.com)</a>	6. All Apply
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: <a href="#">Hyperlink to HDdUHB Well-being Objectives Annual Report 2021-2022</a>	10. Not Applicable

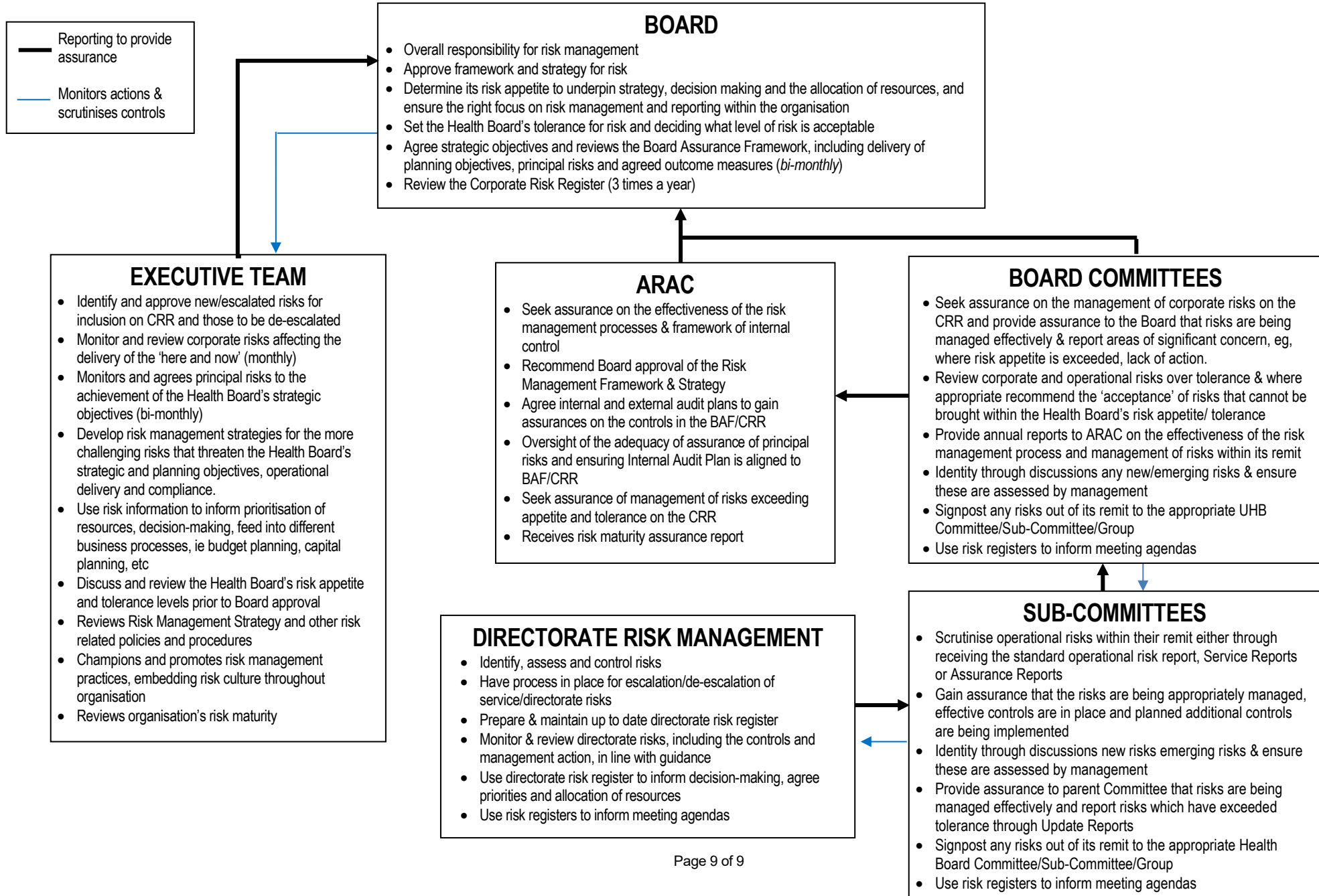
### Gwybodaeth Ychwanegol: Further Information:

Ar sail tystiolaeth: Evidence Base:	Underpinning risk on the Datix Risk Module from across HDdUHB's services reviewed by risk leads/ owners.
Rhestr Termiau: Glossary of Terms:	Explanation of terms is included in the main body of the report.

Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Adnoddau Cynaliadwy: Parties / Committees consulted prior to Sustainable Resources Committee:	Not Applicable
--	----------------

<b>Effaith: (rhaid cwblhau)</b> <b>Impact: (must be completed)</b>	
<b>Ariannol / Gwerth am Arian:</b> <b>Financial / Service:</b>	No direct impacts from report, however, impacts of each risk are outlined in risk description.
<b>Ansawdd / Gofal Claf:</b> <b>Quality / Patient Care:</b>	No direct impacts from report, however, impacts of each risk are outlined in risk description.
<b>Gweithlu:</b> <b>Workforce:</b>	No direct impacts from report, however, impacts of each risk are outlined in risk description.
<b>Risg:</b> <b>Risk:</b>	No direct impacts from report, however organisations are expected to have effective risk management systems in place.
<b>Cyfreithiol:</b> <b>Legal:</b>	No direct impacts from report, however proactive risk management, including learning from incidents and events, contributes towards reducing/eliminating recurrence of risk materialising and mitigates against any possible legal claim with a financial impact.
<b>Enw Da:</b> <b>Reputational:</b>	Poor management of risks can lead to loss of stakeholder confidence. Organisations are expected to have effective risk management systems in place and take steps to reduce/mitigate risks.
<b>Gyfrinachedd:</b> <b>Privacy:</b>	No direct impacts from report, however, impacts of each risk are outlined in risk description.
<b>Cydraddoldeb:</b> <b>Equality:</b>	Has EqIA screening been undertaken? No Has a full EqIA been undertaken? No

## Appendix 1 – Committee Reporting Structure






Risk Ref	Risk (for more detail see individual risk entries)	Risk Owner	Domain	Tolerance Level	Previous Risk Score	Risk Score Jun-24	Trend	Target Risk Score	Risk on page no...
1843	Risk that the cash consequences of the Health Board deficit cannot be covered due to significant deficit position	Thomas, Huw	Finance inc. claims	6	N/A	4x5=20	NEW	3x4=12	6
1335	Risk to the ability to access paper patient records in a timely manner due to existing records management infrastructure	Carruthers, Andrew	Quality/Complaints/Audit	8	3x3=9	2x3=6	↓	2x3=6	9

CORPORATE RISK REGISTER SUMMARY

**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	
<b>LOW</b>	Significant concerns over the adequacy/effectiveness of the controls in place in proportion to the risks
<b>MEDIUM</b>	Some areas of concern over the adequacy/effectiveness of the controls in place in proportion to the risks
<b>HIGH</b>	Controls in place assessed as adequate/effective and in proportion to the risk
<b>INSUFFICIENT</b>	Insufficient information at present to judge the adequacy/effectiveness of the controls

## RISK SCORING MATRIX

Likelihood x Impact = Risk Score					
Likelihood	1	2	3	4	5
Descriptor	Rare	Unlikely	Possible	Likely	Almost Certain
<b>Frequency - How often might it/does it happen?</b> (how many times will the adverse consequence being assessed actually be realised?)	This will probably never happen/recur (except in very exceptional circumstances). Not expected to occur for years.*	Do not expect it to happen/recur but it is possible that it may do so. Expected to occur at least annually.*	It might happen or recur occasionally. Expected to occur at least monthly.*	It might happen or recur occasionally. Expected to occur at least weekly.*	It will undoubtedly happen/recur, possibly frequently. Expected to occur at least daily.*
* time-framed descriptors of frequency					
<b>Probability - Will it happen or not?</b> (what is the chance the adverse consequence will occur in a given reference period?)	(0-5%*)	(5-25%*)	(25-75%*)	(75-95%*)	(>95%*)
*used to assign a probability score for risks related to time-limited or one off projects or business objectives.					
Risk Impact Domains	Negligible - 1	Minor - 2	Moderate - 3	Major - 4	Catastrophic - 5
<b>Safety of Patients, Staff or Public</b>	Minimal injury requiring no/minimal intervention or treatment. No time off work.	Minor injury or illness, requiring minor intervention. Requiring time off work for >3 days	Moderate injury requiring professional intervention. Requiring time off work for 4-14 days.	Major injury leading to long-term incapacity/disability. Requiring time off work for >14 days.	Incident leading to death.
		Increase in length of hospital stay by 1-3 days.	Increase in length of hospital stay by 4-15 days. Agency reportable incident. An event which impacts on a small number of patients.	Increase in length of hospital stay by >15 days. Mismanagement of patient care with long-term effects.	Multiple permanent injuries or irreversible health effects. An event which impacts on a large number of patients.
<b>Quality, Complaints or Audit</b>	Peripheral element of treatment or service suboptimal.	Overall treatment or service suboptimal.	Treatment or service has significantly reduced effectiveness.	Non-compliance with national standards with significant risk to patients if unresolved.	Totally unacceptable level or quality of treatment/service.
	Informal complaint/inquiry.	Formal complaint. Local resolution.	Formal complaint - Escalation.	Multiple complaints/ independent review. Low achievement of performance/delivery requirements.	Gross failure of patient safety if findings not acted on. Inquest/ombudsman inquiry.
		Single failure to meet internal standards. Minor implications for patient safety if unresolved. Reduced performance if unresolved.	Repeated failure to meet internal standards. Major patient safety implications if findings are not acted on.	Critical report.	Gross failure to meet national standards/performance requirements.

CORPORATE RISK REGISTER SUMMARY MAY 2024

<b>Workforce &amp; OD</b>	Short-term low staffing level that temporarily reduces service quality (< 1 day).	Low staffing level that reduces the service quality.	Late delivery of key objective/ service due to lack of staff.	Uncertain delivery of key objective/service due to lack of staff.	Non-delivery of key objective/service due to lack of staff.
			Unsafe staffing level or competence (>1 day).	Unsafe staffing level or competence (>5 days).	Ongoing unsafe staffing levels or competence.
			Low staff morale.	Loss of key staff.	Loss of several key staff.
			Poor staff attendance for mandatory/key training.	Very low staff morale. No staff attending mandatory/ key training.	No staff attending mandatory training /key training on an ongoing basis.
<b>Statutory Duty or Inspections</b>	No or minimal impact or breach of guidance/ statutory duty.	Breach of statutory legislation.  Reduced performance levels if unresolved.	Single breach in statutory duty.	Enforcement action	Multiple breaches in statutory duty.
			Challenging external recommendations/ improvement notice.	Multiple breaches in statutory duty.	Prosecution.
			Improvement notices.	Improvement notices.	Complete systems change required.
			Low achievement of performance/delivery requirements.	Low achievement of performance/delivery requirements.	Low achievement of performance/delivery requirements.
<b>Adverse Publicity or Reputation</b>	Rumours.	Local media coverage – short-term reduction in public confidence. Elements of public expectation not being met.	Local media coverage – long-term reduction in public confidence.	National media coverage with <3 days service well below reasonable public expectation.	National media coverage with >3 days service well below reasonable public expectation. AMs concerned (questions in the Assembly).
	Potential for public concern.				Total loss of public confidence.
<b>Business Objectives or Projects</b>	Insignificant cost increase/ schedule slippage.	<5 per cent over project budget. Schedule slippage.	5–10 per cent over project budget. Schedule slippage.	Non-compliance with national 10–25 per cent over project budget. Schedule slippage. Key objectives not met.	Incident leading >25 per cent over project budget. Schedule slippage. Key objectives not met.
<b>Finance including Claims</b>	Small loss.	Loss of 0.1–0.25 per cent of budget.	Loss of 0.25–0.5 per cent of budget.	Uncertain delivery of key objective/Loss of 0.5–1.0 per cent of budget.	Non-delivery of key objective/ Loss of >1 per cent of budget.
	Risk of claim remote.	Claim less than £10,000.	Claim(s) between £10,000 and £100,000.	Claim(s) between £100,000 and £1 million.	Failure to meet specification/ slippage Claim(s) >£1 million.
<b>Service or Business interruption or disruption</b>	Loss/interruption of >1 hour. Minor disruption.	Loss/interruption of >8 hours.	Loss/interruption of >1 day.	Loss/interruption of >1 week.	Permanent loss of service or facility.
		Some disruption manageable by altered operational routine.	Disruption to a number of operational areas within a location and possible flow onto other locations.	All operational areas of a location compromised. Other locations may be affected.	Total shutdown of operations.
<b>Environmental</b>	Minimal or no impact on the environment.	Minor impact on environment.	Moderate impact on environment.	Major impact on environment.	Catastrophic/critical impact on environment.
<b>Health Equity</b>	Minimal or no impact on our attempts to improve health equity	Minor impact on our attempts to improve health equity or low level of certainty on the impact we are having on health equity	Moderate impact on our attempts to improve health equity or a lack of sufficient information that would demonstrate this. Indications that we are not having a positive impact on health improvement or health equity	Major impact on our attempts to improve health equity. Validated data suggesting that we are not improving the health of the most disadvantaged in our population whilst clearly supporting the least disadvantaged. Validated data suggesting we are having no impact on health improvement or health equity	Validated data clearly demonstrating a disproportionate widening of health inequalities or a negative impact on health improvement and/or health equity.

## RISK MATRIX

IMPACT ↓	LIKELIHOOD →				
	RARE	UNLIKELY	POSSIBLE	LIKELY	ALMOST CERTAIN
	1	2	3	4	5
CATASTROPHIC 5	5	10	15	20	25
MAJOR 4	4	8	12	16	20
MODERATE 3	3	6	9	12	15
MINOR 2	2	4	6	8	10
NEGLIGIBLE 1	1	2	3	4	5

## RISK ASSESSMENT - FREQUENCY OF REVIEW

RISK SCORED	DEFINITION	ACTION REQUIRED (GUIDE ONLY)	MINIMUM REVIEW FREQUENCY
<b>15-25</b>	<b>Extreme</b>	Unacceptable. Immediate action must be taken to manage the risk. Control measures should be put into place which will have an effect of reducing the impact of an event or the likelihood of an event occurring. A number of control measures may be required.	This type of risk is considered extreme and should be reviewed and progress on actions updated, at least monthly.
<b>8-12</b>	<b>High</b>	Very unlikely to be acceptable. Significant resources may have to be allocated to reduce the risk. Urgent action should be taken. A number of control measures may be required.	This type of risk is considered high and should be reviewed and progress on actions updated at least bi-monthly.
<b>4-6</b>	<b>Moderate</b>	Not normally acceptable. Efforts should be made to reduce risk, providing this is not disproportionate. Establish more precisely the likelihood & harm as a basis for determining the need for improved measures.	This type of risk is considered moderate and should be reviewed and progress on actions updated at least every six months.
<b>1-3</b>	<b>Low</b>	Risks at this level may be acceptable. If not acceptable, existing controls should be monitored & reviewed. No further action or additional controls are required.	This type of risk is considered low risk and should be reviewed and progress on actions updated at least annually.

<b>Date Risk Identified:</b>	Apr-24
<b>Strategic Objective:</b>	6. Sustainable use of resources

<b>Executive Director Owner:</b>	Thomas, Huw	<b>Date of Review:</b>	May-24
<b>Lead Committee:</b>	Sustainable Resources Committee	<b>Date of Next Review:</b>	Jun-24

<b>Risk ID:</b>	<b>1843</b>	<b>Principal Risk Description:</b>	<p>There is a risk that neither the Health Board or Welsh Government (WG) are able to fully cover the cash consequences of the Health Board deficit. This follows WG feedback stating that the Health Board deficit is unaffordable and unacceptable. This is caused by the financial plan for 2024/25 setting a £64m deficit plan against a WG control total of £44.8m. This is the result of:</p> <ol style="list-style-type: none"> <li>1. Continued significant growth in expenditure across our unscheduled care services;</li> <li>2. Staffing pressures and reliance on locum and agency staff to fill gaps;</li> <li>3. Continued pressure across services and sites as demand exceeds capacity, compromising patient flow and elective pathways;</li> <li>4. The embedded impact of recent inflationary pressures on the costs of goods, drugs and services from providers.</li> <li>5. Capacity and capability amongst budget holders and service leads to adequately engage with the financial agenda.</li> </ol> <p>The recovery of the financial position has been hampered by insufficient assurance over the identification and operational delivery of the required level of savings; and by insufficient controls in place on the operational drivers of expenditure, most significantly in the management of beds and rostering controls. Given the scale of the deficit transformational change is required at a pan Health Board level in addition to ensuring there is a robust control environment at a Directorate level. The savings schemes put forward by Directorates to date do not capture this scale of change and financial impact required. This could lead to an impact/affect on</p> <ol style="list-style-type: none"> <li>1. An inability to meet the Ministerial priority of operating within our budget;</li> <li>2. An inability to develop an approvable Integrated Medium Term Plan;</li> <li>3. A likely impact that the Health Board has insufficient cash available to make payments to suppliers in February and March 2025;</li> <li>4. A likely impact on the delivery of WG performance measures and consequential impact on patients having to wait longer for care or treatment;</li> <li>5. A potential impact the Health Board will be escalated further from Targeted Intervention to Special Measures.</li> </ol>
<b>Does this risk link to any Directorate (operational) risks?</b>			

<b>Risk Rating:(Likelihood x Impact)</b>		<b>No trend information available.</b>	
<b>Domain:</b>	Finance inc. claims		
<b>Inherent Risk Score (L x I):</b>	4x5=20		
<b>Current Risk Score (L x I):</b>	4x5=20		
<b>Target Risk Score (L x I):</b>	3x4=12		
<b>Tolerable Risk:</b>	6		
<b>Trend:</b>	New risk		

**Rationale for CURRENT Risk Score:**

The annual plan for 2024/25 is unacceptable to the Board and to Welsh Government.

The Board have been involved in the discussions and decisions in the development of the plan through our Committees, Board Seminar sessions, and Public Board meetings.

The Board, at its meeting on the 28 March 2024 endorsed the annual plan, recognising the forecast financial outturn remains unacceptable and in breach of the Health Board's statutory requirement to achieve financial balance. Without further support, the Health Board will require further cash-backed support as the extent of the cash allocation will be insufficient to pay our liabilities as they fall due in February and March 2025.

Through our planning process, operational plans to address the recurrent financial savings gap and operational variation have not provided sufficient assurance to mitigate the current financial trajectory. Actual delivery also falls short of submitted plans, adding further assurance concerns.

**Rationale for TARGET Risk Score:**



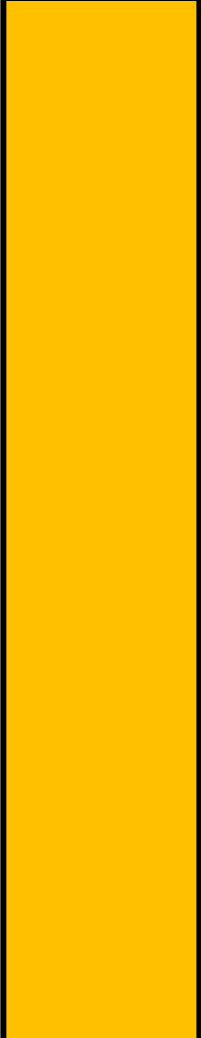

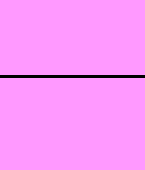


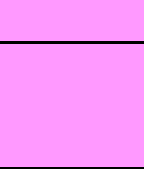

Given the historic challenges relating to operational controls of the drivers of our expenditure, and the operational delivery of savings schemes; it is unlikely that the risk tolerance or target will be achieved in year. Further work is needed to provide assurance that this risk target is achievable over the medium term.

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

1. Timely financial reporting to Directorates, Sustainable Resources Committee, Board and Welsh Government on the finances to inform central and local scrutiny, feedback and decision-making.
2. Oversight arrangements in place at Board level and through the Executive Team structure, including through:
  - a. Core Delivery Group
  - b. Directorate Improving Together meetings
  - c. The Executive Team Escalation framework.
3. Exploration of a number of funding streams, including: Local Health Board funding arrangements; Funding arrangements through the Regional Partnership Board and Local Authority partners. Funding from WG's own sources or from HM Treasury via WG.
4. Opportunities Framework refreshed with the expectation that identified areas of waste will present deliverable cost reductions/formal savings schemes. Linked to Planning Objectives workplan, which will be shaped by the Health Board's strategy, "A Healthier Mid and West Wales", and align to the design assumptions set out in that.
5. Accountability agreements in relation to the Opening Directorate Budgets issued to the Executive Team in March 2024.
6. Delivery of our Planning Objectives and the subsequent financial benefits.

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 working)	How and when the Gap in control be addressed	By Who	By When	Progress
<p>The control of the operational drivers of financial risk has been a significant historic gap in control. This has included:</p> <ol style="list-style-type: none"> <li>1. The effective management of rostering;</li> <li>2. The effective management of beds;</li> <li>3. Effective contract management arrangements;</li> <li>4. Oversight arrangements over commissioned services.</li> </ol> <p>The delivery of savings plans through the effective and timely oversight of projects and the resulting corrective actions and decisions required.</p>	<p>Further action necessary to address the controls gaps</p> <p>The implementation of a rostering system across medical staff, and the extension of rostering to other staff groups.</p>	Hill, Carly	30/09/2024	<p>23/04/24 - initial meeting to discuss the rostering system implementation.</p> <p>24/04/24 - identification of project management support for roll-out</p> <p>09/05/24 - Resourcing Team to meet Allocate to discuss key stakeholders, pre-requisites for the project and potential kick off dates.</p> <p>16/05/24 - next meeting of project group to identify what work can be undertaking while waiting for the hiring process and the identification of operational team early adopters to launch the rostering system</p> <p>24/06/24 - Paper to LNC on the implementation of electronic rostering system.</p>

		Operational adoption of the Welsh Patient Administration System (WPAS) Bed Module and its incorporation into daily site management meetings.	Carruthers, Andrew	31/10/2024	Progress to be provided at next risk review
		Implementation of a new contract management approach to ensure that services are provided in line with purchasing intentions.	Thomas, Huw	30/09/2024	Progress to be provided at next risk review
		Implementation of new oversight arrangements across commissioned services.	Davies, Lee	30/09/2024	Progress to be provided at next risk review

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
Performance against operational plans and targets through Performance KPIs	Performance against plan monitored through Improving Together Meetings.	1st				None				
	Value and Sustainability Group	2nd								
In-month financial monitoring	Sustainable Resources Committee oversight of current performance	2nd								
	Transformation & Financial Report to Board & SRC	2nd								
	WG scrutiny through monthly monitoring returns	3rd								
	WG scrutiny through revised monthly Monitoring Returns (specific supplementary templates) and through Finance Delivery Unit	3rd								
	Audit Wales Structured Assessment process	3rd								

<b>Date Risk Identified:</b>	Oct-21
<b>Strategic Objective:</b>	5. Safe and sustainable and accessible and kind care

<b>Executive Director Owner:</b>	Carruthers, Andrew	<b>Date of Review:</b>	Apr-24
<b>Lead Committee:</b>	Sustainable Resources Committee	<b>Date of Next Review:</b>	Jun-24

<b>Risk ID:</b>	<b>1335</b>	<b>Principal Risk Description:</b>	There is a risk of clinical services being unable to access paper patient records, at the correct time and place in order to make the right clinical decisions and provide effective patient care. This is caused by not having a fit for purpose records management infrastructure along with organisational management arrangements which are insufficient in capacity and scope. This could lead to an impact/affect on the interruption to clinical services, ability to provide effective patient care including compliance with and attainment of nationally agreed Cancer, RTT and Stroke targets, review and fine by the ICO (<£17.5m - £35m fine per episode), increased litigation and negligence claims, complaints and possible redress, non-compliance with GDPR in regards access to patient information, underutilisation of clinical staff, outpatient facilities and day case areas and theatres, inappropriate disclosure of confidential information, missing patient information and confidential documentation, and non-compliance with nationally agreed retention timescales.
<b>Does this risk link to any Directorate (operational) risks?</b>			1434, 1427, 1369, 939,1247, 1419,1445,1627, 708, 1282, 1627



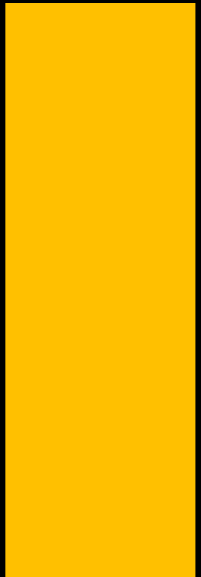


<b>Risk Rating:(Likelihood x Impact)</b>	
<b>Domain:</b>	Quality/Complaints/Audit
<b>Inherent Risk Score (L x I):</b>	4x4=16
<b>Current Risk Score (L x I):</b>	2x3=6
<b>Target Risk Score (L x I):</b>	2x3=6
<b>Tolerable Risk:</b>	8
<b>Trend:</b>	

Date	Current Risk Score	Target Risk Score	Tolerance Level
Jan-22	16	6	8
Jun-22	16	6	8
Sep-22	16	6	8
Jan-23	10	6	8
Jun-23	10	6	8
Nov-23	10	6	8
Apr-24	6	6	8

**Rationale for CURRENT Risk Score:**  
 Currently across the Health Board there is a considerable variance in both practice and process, operationally when utilising and dealing with the various types of records in use throughout directorates, services and departments. The current records management methodology, results in a non-standardised approach to delivering effective records management arrangements. With a lack of agreed criteria in terms of managing the record during its life cycle from creation, during retention and to disposable. There is a requirement for an investment in a modern day solution and an alteration to culture and attitude that will embrace change and technology associated with a digital health record (DHR), to manage the risk. The Health Board has selected its electronic document management system (EDMS) supplier, and work has commenced on scanning legacy documents in to a development environment.

**Rationale for TARGET Risk Score:**  
 The implementation of a full DHR will support and resolve a number of issues currently being experienced across the Health Board. Prior to making a record digital all services and identified IAO's will have to undertake a full review of their records management arrangements and work in conjunction with a robust criteria to ensure processes follow a standardised approach. A DHR resolves any issues we may currently be experiencing with regards the lack of storage capacity, provision of records in line with GDPR requirements, the ability to facilitate additional clinical requests, the transition to a virtual world, cost benefits, as well as many others. To assist implementation a requirement for adaptation to working practice and a considerable change in culture for future success.

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 working)	How and when the Gap in control be addressed	By Who	By When	Progress
<p>Health Board Information Asset Register</p> <p>Identified Information Asset Owners (IAOs)</p> <p>Health Records Policies, Procedures and SOPs</p> <p>Some digitalisation projects commenced, eg, physiotherapy, A&amp;E cards</p> <p>Health Board Welsh Nursing Care record e-nursing documentation implementation</p> <p>Planning Objective 5M aligned to SDODC for reporting</p> <p>Electronic systems including: WPAS (Welsh Patient Administration System), WCP (Welsh Clinical Portal), PACS (Radiology), LIMS (Pathology), WAP e-referrals (Welsh Admin Portal), CANIS (Cancer), Diabetes 3, Selma</p> <p>Acquired additional storage facilities to both accommodate excess paper records and establishing a scanning bureau</p> <p>Acquisition of a electronic document records management system (EDRMS) Civica.</p> <p>Lease of a second storage facility</p> <p>Scanning of 387,500 non active patient records</p> <p>DPIAs undertaken on the three contractors for scanning providers, with an additional DPIA being undertaken in June 2023 in relation to RICOH</p> <p>Local Project Steering Group, which meets fortnightly and chaired by Deputy Director of Operations and attended by the Digital Director</p> <p>Programme risk register reviewed at Local Project Steering Group</p> <p>Cataloguing exercise undertaken for the sub-contractor with RICOH</p>	<p>In its paper form, the health record is not under the accountability of any one Executive and hence the degree of influence is potentially compromised.</p> <p>Reduced understanding or records types (across various services) and those appropriate for scanning, long term storage or destruction, leading to a non-consistent criteria for records management during the records life cycle from creation, to retention and ultimate destruction. With the requirement to implement and standardise health records protocols across all services.</p>	<p>Develop and implement scanned health record solution over the next 12 years depending on the split between determination of scanning and deep storage (DHR).</p>	<p>Carruthers, Andrew</p>	<p>31/03/2033</p>	<p>Ã,£300k per annum for three years made available to prime the project to include acquiring premises to facilitate a scanning bureau along with appointment of a project manager. A paper outlining the direction of travel and key steps to be taken was presented to executive team 28 July 2021 and this was broadly supported. A project implementation plan along with specification for acquiring scanners is being progressed.</p>
		<p>Review current records management arrangements for records that are not within the scope and responsibility of the Central Health Records function. This will require agreement on future record management arrangements, required resources and project support going forward as an essential precursor to the delivering the scanning phase of the project plan. This will be largely driven by individual information asset owners providing comprehensive schedules of information assets under their responsibility.</p>	<p>Carruthers, Andrew</p>	<p>Completed</p>	<p>SBAR submitted to Executive Team in October 2022 outlining the plan for future records management arrangements. Further discussions are now required to fully implement the transition and move records to one centralised locality.</p>
		<p>Director of Operations to meet with Executive Leads with professional responsibility for clinical records to determine agreement on future record management arrangements, required resources and project support. This will be largely driven by individual information asset owners providing comprehensive schedules of information assets under their responsibility.</p>	<p>Carruthers, Andrew</p>	<p>Completed</p>	<p>Meeting with Executives completed on 29/01/2024, with relevant leads appointed to take action and review records management arrangements within their relevant areas of responsibility.</p>
		<p>Follow-up meeting required to complete discussions on the Executive ownership of medical records</p>	<p>Carruthers, Andrew</p>	<p>30/04/2024</p>	<p>Action added resulting from discussions held at Executive Risk Group held on 6th March 2024.</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
	Information Asset Owner Registers Group	1st			Records Storage SBAR - Executive Team (Jul21)					
	Digital Health Records Project Group to oversee delivery of enabling work	2nd								
	SRC overseeing delivery of Planning Objective 5C	2nd								
	IA Records Management Report (limited - follow up (reasonable) in Health Records only	3rd	