

Risk Management & Board Assurance Framework

Final Internal Audit Report 2025/26

Cardiff & Vale University Health Board



Reasonable Assurance

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Review Reference

Fieldwork

Executive Sign Off

Audit Committee

Executive Lead

Audit Team

CVU-2526-01

March 2026

16 April 2026

May 2026

Matt Phillips, Director of Corporate Governance

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Executive Summary

Purpose

To review the on-going development, implementation and application of the Health Boards Risk Management and Board Assurance Framework, with a particular focus on the Clinical Boards' use of the Audit Management and Tracking software (AMaT) system.

Overview

Effective risk management is a key component of corporate and clinical governance and is integral to the delivery of organisational objectives. Risk management consists of defined steps which help to understand risks and their impact. Good risk management awareness and practice at all levels is a critical success factor for any organisation and needs to be seen as integral to effective management practice.

The Board Assurance Framework (BAF) provides the Board with the key strategic risks that could impact upon the delivery of the Health Board's Strategy. The Corporate Risk Register (CRR) ensures the Board has an overview of the key operational risks from the Clinical Boards and Corporate Directorates.

The BAF continues to be reported to every Board meeting with updates shown using track changes. There is a clear and explicit link to the strategic objectives of the Health Board and Independent Members interviewed as part of our audit were appreciative of the work undertaken to develop the BAF. Specific strategic objectives within the BAF are allocated to Board sub-committees and whilst there is a marked improvement from the prior year in the way that sub-committees meet this responsibility, there remains an inconsistency of approach.

The migration of risks onto AMaT appears to have gone well with oversight and direction provided by a Task and Finish Group. Comprehensive and informative guidance has been provided by the Corporate Governance Team in both written and video format, and staff interviewed from four different areas of the Health Board were extremely positive on both the support that they had received in transferring to AMaT, and the functionality of AMaT to improve their management of risks. It is estimated that 1500 risks will have been populated onto the system by the end of March 2026, and whilst some data cleansing and housekeeping has taken place to date, there is a further target of September 2026 to ensure that all risks on AMaT are fully reviewed. The implementation of AMaT will hopefully support a significant refresh of the Corporate Risk Register. As was the case last year, the CRR is reported to each Board meeting but contains far too many risks (186 reported to the March 2026 Board) to enable Board members to review this in any meaningful way.

Until now, the role of the Audit Committee in reviewing risk has been relatively limited, and this marked the Health Board as an outlier in this respect compared to all other NHS organisations in Wales. However, we have been advised that with effect from the May 2026 meeting, the Audit Committee will receive a twice-yearly update on risk management.

We have concluded **reasonable** assurance on this area. The matters requiring management attention are:

- The Risk Management Policy has recently been updated but contains some inconsistencies, and links to supporting documentation which is out of date.
- Risks transferred onto AMaT need to be reviewed to ensure they remain current and relevant.
- Whilst there has been demonstrable progress in the role of the Board sub-committees managing their allocated risks on the BAF, the approach is still inconsistent and often lacks an explicit link to the BAF.
- The Clinical Board Performance Reviews undertaken by the Executive Team do provide an opportunity to drill down into Clinical Board risks, but as with the Board sub-committees, the approach appears inconsistent and without an explicit link to key risks.
- Although the Corporate Risk Register is reported to each Board meeting, it contains too many risks to be manageable by the Board and is consequently never reviewed in any detail.

Full details of matters arising are detailed within the Findings & Agreed Action Plan.

Scope & Assurance Summary

Objectives The objectives and associated assurance ratings are not necessarily given equal weighting when formulating the overall audit opinion.

Related Findings

Assurance

	Objectives	Related Findings	Assurance
1	Risk Management and Assurance arrangements are defined within an up-to-date Strategy and Framework and associated procedures, aligned to the Health Board's objectives and strategic direction.	1	Reasonable
2	Clinical Boards have reviewed all their risks and ensured that only relevant risks are recorded on their risk registers within the AMaT system.	2	Reasonable
3	There are clear and consistent processes in place for the identification, classification, scoring and recording of risks throughout clinical boards down to directorate and departmental level.	1	Reasonable
4	Comprehensive risk registers are in place for clinical boards, through to directorates and departments with appropriate risk owners identified and effective escalation/de-escalation of risks.	2	Reasonable
5	Risks are actively monitored and scrutinised at an appropriate level within the clinical boards, directorates and departments.	3	Reasonable
6	Key operational risks from the Clinical Boards and Corporate Directorates Risk Registers are escalated to the CRR and principal risks to the achievement of the Health Board's strategic objectives are recorded in the BAF.	4	Reasonable
7	Strategic and corporate risks are regularly reviewed, and processes are in place to support, and evidence changes in risk scores.	5	Reasonable
8	The audit will identify the progress of implementing the internal audit recommendations raised in the 2024/25 audit of Risk Management. (CVU-2425-01).	1,4,5	Reasonable

Management Actions

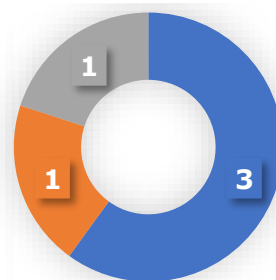


High Priority



Medium Priority

Themes



- Governance
- Policies & Procedures
- Risk Management

Risk Types

Public Perception & Reputational Risk

Legal & Regulatory Non-Compliance

Findings & Agreed Action Plan

Objective 1: Risk Management and Assurance arrangements are defined within an up-to-date Strategy and Framework and associated procedures, aligned to the Health Board’s objectives and strategic direction. Reasonable

Overview / Summary of Observations

The Risk Management Policy has recently been updated to reflect the changes to the process resulting from the migration of risks onto the AMaT system. The Policy was approved at the February 2026 Audit Committee, but it does contain several minor errors and omissions which have been notified to the Corporate Governance Team. There are links in the Policy to a Risk Management and Board Assurance Framework document, but this is out of date having been issued in July 2021 and with references to former members of staff. This latter document covers a lot of the same ground as the Risk Management Policy and is recorded as being under review.

Key Findings	Risk & Impact	Agreed Management Action
<p>1 Risk Management Documentation</p> <p>The Risk Management Policy, although recently updated for the introduction of AMaT contains some errors and inconsistencies, with links to supporting documentation that is out of date.</p>	<p>Risks may not be managed effectively and consistently across the Health Board.</p>	<p>Agreed Action:</p> <p>The errors noted in the Risk Management Policy have been corrected and the supporting documentation updated to reflect current practice.</p>
<p>Theme: Policies & Procedures</p>	<p>Medium Priority</p> <p>Control Operation</p>	<p>Expected Evidence of Implementation:</p> <p>Updated Risk Management Policy and supporting documents.</p> <p>Officer: Matt Phillips, Director of Corporate Governance</p> <p>Target Implementation Date: Already Actioned</p>

Objective 2: Clinical Boards have reviewed all their risks and ensured that only relevant risks are recorded on their risk registers within the AMaT system.

Reasonable

Overview / Summary of Observations

Risks have been migrated across to the AMaT system (as at the 13th of April there were 1292 risks live on the system with 51 in draft and 101 pending review by an approver). The process has been monitored through the Clinical Boards and feedback noted through the Clinical Board Performance Reviews, alongside interviews with four risk leads, highlighted the excellent support that the risk leads had received from the Corporate Governance Team, and particularly the Digital Risk Lead.

Whilst the AMaT system has the capacity to report risks in a number of different ways, there is a need still to moderate and cleanse at least some of the risks on the system and this is targeted to be completed by the end of September.

Key Findings	Risk & Impact	Agreed Management Action
<p>2 Data Cleansing</p> <p>The migration of risks onto the AMaT system is largely complete and some directorates have taken the opportunity to review the information recorded to ensure that it remains both current and relevant. However, other areas of the Health Board have not thus far taken this opportunity and with approximately 1500 risks on the system it is important that any out-of-date, irrelevant or duplicated information is removed where possible. We acknowledge that the Health Board are aware of this need and have set a deadline of the autumn of 2026 to achieve it.</p>	<p>Risks may not be managed effectively and consistently across the Health Board.</p>	<p>Agreed Action:</p> <p>All risks on AMaT will be reviewed to ensure that they remain relevant and current, and oversight of completion of this action will be undertaken by the newly established Organisational Risk Management Group. The Senior Leadership Team are to undertake a moderation of operational risks by the end of Q3.</p> <p>Expected Evidence of Implementation:</p> <p>SLT moderation of operational risks.</p>
<p>Theme: Risk Management</p>	<p>Medium Priority</p> <p>Control Operation</p>	<p>Officer: Matt Phillips, Director of Corporate Governance</p> <p>Target Implementation Date: 31 December 2026</p>

Objective 3: There are clear and consistent processes in place for the identification, classification, scoring and recording of risks throughout clinical boards down to directorate and departmental level.

Reasonable

Overview / Summary of Observations

The management of risks at a Clinical Board level and below is devolved to Clinical Boards, Directorates and Departments, however, there is a clear and consistent approach set out within the Risk Management Policy, which has been recently updated to reflect the move to AMaT. Interviews with risk leads representing four separate areas of the Health Board reaffirmed the consistency of the risk management processes across the Health Board and the adoption of the AMaT system across the whole Health Board ensures compliance with the required procedures and facilitates an oversight of all recorded risks.

As noted in Finding 1 there were however some inaccuracies noted in the Policy which have been communicated to the Corporate Governance Team.

Objective 4: Comprehensive risk registers are in place for clinical boards, through to directorates and departments with appropriate risk owners identified and effective escalation/de-escalation of risks.

Reasonable

Overview / Summary of Observations

The transfer of risks onto AMaT will ensure that there is a consistent and comprehensive approach to Risk Registers for Clinical Boards, Directorates and Departments, and the system requires an owner to be nominated for each risk. Due to the still on-going migration of risks onto the system at the time of our audit and the planned work to moderate and cleanse some risks (as noted in Finding 2), it was not possible to fully test whether all risks had appropriate owners or the procedure for escalation or de-escalation of risk. However, as previously stated, we interviewed risk leads from four separate areas of the Health Board who reaffirmed that the AMaT system requires risk owners to be allocated to every risk, and that all risks scoring 20 or above are automatically included in the Corporate Risk Register report that is submitted to every meeting of the Board.

Objective 5: Risks are actively monitored and scrutinised at an appropriate level within the clinical boards, directorates and departments.

Reasonable

Overview / Summary of Observations

The migration of risks onto AMaT has been a key focus for risk leads across the Health Board for the last year. Interviews with a number of risk leads provided assurance that risks were subject to regular review at an appropriate level, and the move to AMaT, with a greater capability to produce tailored reports which should enhance the review process, was seen as a positive move by all those interviewed.

Monthly Executive Clinical Board reviews provide the opportunity for key risks to be monitored and scrutinised on a regular basis, and this process was replicated within Clinical Boards in their review of the directorates that they are responsible for. Corporate Department risks are monitored at relevant Board sub-committees.

Key Findings	Risk & Impact	Agreed Management Action
<p>3 Clinical Board Executive Reviews</p> <p>The evidence on the testing of the Executive Clinical Board Reviews was that whilst there were some references to risk, there appeared no consistency to the approach and very little tangible linking to formal risk registers. However, discussion with Risk Leads suggested that they are usually challenged on their key risks in these meetings. We are aware that the Health Board is currently reconsidering the structure and content of these reviews and having a formal and consistent slide on key risks for each Clinical Board would in our view be helpful.</p> <p>Theme: Governance</p>	<p>There is an ineffective top-down review of the key risks across Clinical Boards leading to these risks potentially being inadequately mitigated.</p> <p>Medium Priority</p> <p>Control Operation</p>	<p>Agreed Action:</p> <p>The Digital Risk Lead will work with the team organising the Clinical Board Executive Reviews to formalise the risk information that is submitted for each of the review meetings.</p> <p>Expected Evidence of Implementation:</p> <p>Dedicated risk slides in Executive Clinical Board Review Pack.</p> <p>Officer: Matt Phillips, Director of Corporate Governance</p> <p>Target Implementation Date: 30 September 2026</p>

Objective 6: Key operational risks from the Clinical Boards and Corporate Directorates Risk Registers are escalated to the CRR and principal risks to the achievement of the Health Board’s strategic objectives are recorded in the BAF.

Reasonable

Overview / Summary of Observations

Principal risks to the achievement of the Health Board’s strategic objectives are recorded in the BAF, and this is reported to each of the Board meetings with a useful summary covering any key updates or concerns. Independent Members interviewed during our audit were appreciative of the progress made with the BAF and focused on the updates and changes that are highlighted in each presentation of the BAF to the Board.

Risks scoring 20 and above from the Clinical Boards and Corporate Directorates Risk Registers are escalated to the Corporate Risk Register and are again reported to each Board meeting. However, the last reported Corporate Risk Register (March 2026) contains 186 risks, which is not considered realistic in terms of Board members being able to review this amount of information and consequently is taken only for noting at the end of the agenda.

Key Findings	Risk & Impact	Agreed Management Action
<p>4 Corporate Risk Register.</p> <p>The Corporate Risk Register is reported to every meeting of the Board and contains all operational risks scoring 20 and above. However, the size of the register (186 risks as at March 2026) makes it unrealistic for Board members to scrutinise it in any meaningful way. The Corporate Risk Register is always scheduled at the end of the Board meeting and is provided for noting. The minutes of Board meetings only ever record that it was noted and there is never any record of a discussion of any of the risks contained within it.</p> <p>Theme: Governance</p>	<p>Corporate Risks are managed ineffectively despite regular reporting to the Board.</p> <p>High Priority</p> <p>Control Operation</p>	<p>Agreed Action:</p> <p>It is anticipated that the planned data cleansing of operational risks by the autumn and the subsequent moderation by the SLT will significantly reduce the number of risks included in the Corporate Risk Register (see key finding 2). Over the coming months the Corporate Governance Team will also continue to review current processes to identify how the Corporate Risk Register can be presented to the Board in the most meaningful and effective way.</p> <p>Expected Evidence of Implementation:</p> <p>Updated Corporate Risk Register</p> <p>Officer: Matt Phillips, Director of Corporate Governance</p> <p>Target Implementation Date: 31 March 2027</p>

Objective 7: Strategic and corporate risks are regularly reviewed, and processes are in place to support, and evidence changes in risk scores.

Reasonable

Overview / Summary of Observations

Strategic risks are reviewed regularly at each board meeting and specific risk areas are allocated to one of the Board’s sub-committees. Review of sub-committee agendas demonstrated that there were agenda items linked to the Board Assurance Framework with the exception of the Quality Committee where it is acknowledged that they are reviewing their approach to how they consider the risks allocated to them.

Whilst review of the other committee agendas noted useful content and discussion on BAF-related risks, there was an absence of a specific and explicit link to the items contained in the BAF, and an appropriate extract from the BAF was very rarely included. Some Committees did have regular agenda items on their corporate risks, but the approach was neither consistent or comprehensive.

Review of the Audit Committee minutes noted minimal engagement with the risk management process which is unusual and which left the Health Board as an outlier in this respect against all other NHS Wales organisations. However, we now understand that the Audit Committee will receive twice-yearly updates on risk management commencing in May 2026.

Key Findings	Risk & Impact	Agreed Management Action
<p>5 Sub-Committee Review of BAF</p> <p>Whilst there is increased evidence of Board sub-committees reviewing issues that are recorded on the BAF, there remains an inconsistency of approach and a lack of an explicit link back to the strategic risks allocated to each Board committee.</p> <p>Theme: Governance</p>	<p>Strategic risks may not be effectively monitored.</p> <p>Medium Priority</p> <p>Control Operation</p>	<p>Agreed Action:</p> <p>The papers for the sub-committees of the Board will include an extract from the BAF relating to those risks allocated to the individual sub-committee.</p> <p>Expected Evidence of Implementation:</p> <p>Inclusion of BAF extract in all sub-committee meeting papers.</p> <p>Officer: Matt Phillips, Director of Corporate Governance</p> <p>Target Implementation Date: 30 September 2026</p>

Objective 8: The audit will identify the progress of implementing the internal audit recommendations raised in the 2024/25 audit of Risk Management (CVU-2425-01).

Reasonable

Overview / Summary of Observations

The Health Board has populated AMaT with all risks from across the organisation that was previously held on excel and there has been positive feedback from operational staff interviewed during the course of our audit on the engagement and support from the Corporate Governance Team.

Progress has also been made in the reporting of the BAF to the Board and its sub-committees although in the latter case there is still some inconsistency in approach. The Corporate Risk Register, which is regularly reported to the Board, is still considered to be unmanageable in its current state and there is too large a gap between the reporting of strategic risks and operational risks.

The table at Appendix A of this report provides full detail on the progress against each finding from the 2024/25 internal audit report.

Appendix A Progress with Prior Year Recommendations

Ref	Detailed Finding	Management Response	Audit Update (March 2026)
1	<p>Risk Management Documentation</p> <p>The Risk Management and Board Assurance Framework Strategy, and the Risk Management Procedure are past their review date, although there is nothing in the content that is inaccurate, or which does not reflect current practice. However, once the new risk management software is implemented, these documents will need to be reviewed and revised where appropriate. The Risk Appetite Statement is also overdue for formal review.</p>	<p>Once the new risk software is fully implemented across the Health Board, the Risk Management and Board Assurance Framework Strategy, the Risk Management Procedure, and the Risk Appetite Statement will be reviewed, revised as appropriate, and approved by the Board.</p> <p>Officer: Corporate Archivist & Records Management Manager</p> <p>Target Implementation Date: March 2026</p>	<p>The Risk Management Policy has been updated to reflect the move to AMaT and this was approved by the Audit Committee at its meeting in February 2026. There are some errors in this document which have been communicated to the Corporate Governance Team. None of the other supporting documentation has yet been updated and this is intended for completion once the AMaT software is fully operational.</p> <p>Action Ongoing – See Finding 1</p>
2	<p>Review of Strategic Risks</p> <p>The strategic risks contained within the BAF are being reviewed on a regular basis through presentation to the Board but there is little evidence of the more detailed review intended for the board sub-committees taking place with the exception of those risks linked to the People and Culture agenda. The cover Board paper for the BAF does not highlight any key messages in terms of specific risks that Board members may need to be alerted to.</p>	<p>The sub-committees of the Board will ensure that their agenda includes review of the strategic risks allocated to them in the BAF. The cover Board paper for the BAF will contain a brief update on any key messages in the overall management of strategic risks where appropriate.</p> <p>Officer: Director of Corporate Governance</p> <p>Target Implementation Date: September 2025</p>	<p>The cover paper for the BAF and the CRR contain a section entitled Executive Director Opinion and Key Issues to bring to the attention of the Board. This provides a useful summary for the BAF and currently an oversight of risks by type and age for the CRR. There is demonstrable progress with the sub-committee review of the risks allocated to them in the BAF with all but the Quality Committee having BAF-related items regularly on the agenda. The Quality Committee is currently considering how best to manage and monitor the risks allocated to it. However, the approach across the other Committees is inconsistent and would benefit from having a relevant extract from the BAF on the agenda as a specific reminder of the risks allocated to each Committee.</p> <p>Action Ongoing – See Finding 5</p>

Ref	Detailed Finding	Management Response	Audit Update (March 2026)
3	<p>Review of Corporate Risk Register</p> <p>The Corporate Risk Register is again presented to the Board, but its current format provides little or no assurance that the risks included within it are being effectively managed.</p>	<p>Once migrated to the new risk management software, the Corporate Risk Register will be refreshed to ensure that it can be presented to the Board and sub-committees in a meaningful way that provides sufficient assurance that the key corporate risks are being effectively managed.</p> <p>Officer: Corporate Archivist & Records Management Manager</p> <p>Target Implementation Date: March 2026</p>	<p>The reporting of the Corporate Risk Register to the Board remains the same as in the previous year and is not considered to add value in its current format. The Health Board has set a target of fully populating AMaT by the end of March 2026 and then has a further target date of the end of September 2026 for the risks to be moderated which may hopefully lead to a reduction in their overall number. However, it is still considered that there is too large a gap between the strategic risks in the BAF and the operational risk reporting in the CRR.</p> <p>Action Ongoing – See Finding 4</p>
4	<p>Risk Appetite</p> <p>The Corporate Risk Register currently has no consideration of risk appetite although it does consider target risk.</p>	<p>In designing the new risk software, the Health Board will consider the inclusion of risk appetite in the Corporate Risk Register.</p> <p>Officer: Head of Corporate Governance / Director of Corporate Governance</p> <p>Target Implementation Date: March 2026</p>	<p>Currently there is no mention of Risk Appetite in either the Risk Policy instruction or in reporting of CRR to March 2026 Board.</p> <p>Action Ongoing – See Finding 1</p>
5	<p>AMaT System</p> <p>The Health Board are currently piloting the risk module within the Medicine Clinical Board. However, it is taking longer than was anticipated.</p>	<p>The Risk Team will work with the Clinical Boards to ensure the risk module within AMaT is implemented as soon as possible.</p> <p>Officer: Corporate Archivist & Records Management Manager</p> <p>Target Implementation Date: March 2026</p>	<p>Risks have been migrated to AMaT with a deadline for all risks scoring 20 and above of 31 October 2025 and for all other risks to be migrated by 31 March 2026. As at the 10th of March there were approximately 1100 risks already in AMaT with another 400 needing to be transferred. The migration of risks to AMaT has been overseen by a Task and Finish Group which will continue to oversee the moderation of the risks within AMaT by the end of September 2026.</p> <p>Action Ongoing – See Finding 2</p>

Appendix B

Assurance Opinion

	Substantial	Few matters require attention and are compliance or advisory in nature. Low impact on residual risk exposure.
	Reasonable	Some matters require management attention in control design or compliance. Low to moderate impact on residual risk exposure until resolved.
	Limited	More significant matters require management attention. Moderate impact on residual risk exposure until resolved.
	Unsatisfactory	Action is required to address the whole control framework in this area. High impact on residual risk exposure until resolved.
	Advisory	Given to reviews and support provided to management which form part of the internal audit plan, to which the assurance definitions are not appropriate. These reviews are still relevant to the evidence base upon which the overall opinion is formed.

Prioritisation of Findings

Priority	Explanation
High	Significant risk to achievement of a system objective OR evidence present of material loss, error, or misstatement. Poor system design OR widespread non-compliance.
Medium	Some risk to achievement of a system objective. Minor weakness in system design OR limited non-compliance.

Website: [Audit & Assurance Services - NHS Wales Shared Services Partnership](#)

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