Item 4.2 – Strategic Risk Register
Strategic Risk 2

<table>
<tr><td>Risk Reference and Link to Strategic Priority</td><td colspan="2">Risk Description</td></tr>
<tr><td>SRR2

Strategic Priority

“Enabler Risk and incorporates all Strategic Priorities.”</td><td colspan="2">There is a risk that: The organisation could experience poor organisational health.

Caused by:
1. Ineffective or inconsistent organisational leadership and governance
2. Lack of progress towards our ideal organisational culture and behavioural expectations
3. Inability to effectively engage our people
4. The impact of the lack of integrated and strategic workforce planning on capacity, skills and capability to deliver BAU/IMTP/LTS
5. Ineffective approaches to acknowledging, escalating and managing risks and issues at an organisational level.

Resulting in: poor engagement, diminished ability to deliver strategic priorities, reduced adaptability and innovation, poor attraction, and retention, and erosion of stakeholder confidence.</td></tr>
<tr><td>Executive Director Sponsor</td><td colspan="2">Director of People and Organisational Development</td></tr>
<tr><td>Assuring Committee</td><td colspan="2">People and Organisational Development Committee</td></tr>
<tr><td>Trend</td><td>Current Position of Risk Including Risk Appetite and Risk Decision</td><td>Position Statement – Executive Director Update</td></tr>
<tr><td>
</td><td><table><tr><td>Willing</td><td>PHW is eager to be innovative and take on a high level of risk, but only in the right circumstances.</td></tr></table>
Current Score = 16
Target Score = 6
Therefore, within risk appetite tolerance level.</td><td>October 2026 update:
• Structural changes designed to clarify accountability, enhance sustainability and optimise delivery implemented on the 1 October.
• BET approved proposals to simplify culture, engagement and employee experience plans and target psychological safety, colleague voice, decision-making, leadership practice and sustainable improvement.
• An organisational Clinical Governance Group has been created and will report to QSIC</td></tr>
</table>

		• The draft Quality Impact Assessment (QIA) policy and procedure will go to Leadership Team for approval in October. • The 2025 Staff Survey went live in Autumn 2026 and will enable PHW to reassess progress against elements of SR2. • An internal audit into values and culture will take place in November 2026. The audit will consider whether the Trust's culture, values and 'Being Our Best' principles are being translated into effective local action within directorates. • Colleagues from across PHW will come together before the end of the next reporting period to ensure effective cross organisational management of SR2. SR2 is mapped to the following Corporate Risks: • CR1593 – Duty of Quality related • CR1678 – Risk Management related • CR2076 – Equality and Inclusion related

Internal System of Controls – Linked to 'Caused By' section of Risk Description and Source of Assurance [1] **C1:** Ineffective or inconsistent organisational leadership and governance			
Control Reference	**Internal Control**	**Internal Sources of Assurance**	**How/When is it monitored?**
C1.1 **C1.2** **C1.3** **C1.4** **C1.5** **C1.6**	The refreshed Long-Term Strategy, Strategic Priority Route Maps and Integrated Medium-Term Plans (IMTP), provide clear strategic direction and are monitored through regular reporting cycles. Targeted and regular development of the Business Executive Team (BET) to enhance strategic oversight and decision-making. Compliance with Standing Orders, Scheme of Delegation, and Board Etiquette Protocol. Implementation of an organisation-wide Records Management system. Embedding the Duty of Quality and standardised governance practices. Implementation of organisational level governance of equalities work.	• BET/Board minutes • IMTP reporting • PODCOM minutes • Internal Audit and Audit Wales reports • Welsh Government accountability submissions. • Attendance at and feedback on People Managers Essentials and the Leadership and Management Academy.	• Regular BET/Board meetings • Ongoing IMTP milestone tracking • Regular PODCOM / QSIC meetings • Welsh Government Annual accountability meetings

[1] Three Lines of Defence Model
First – Operational Management control of organisational risks
Second – Risk management and compliance functions, reporting to senior management
Third – Internal audit to provide assurance.

Internal System of Controls – Linked to 'Caused By' section of Risk Description and Source of Assurance [1] **C1:** Ineffective or inconsistent organisational leadership and governance			
Control Reference	**Internal Control**	**Internal Sources of Assurance**	**How/When is it monitored?**
C1.7	Implementation of a programme of work to increase leadership and management skills, capability and confidence including formal learning. Development of foundational leadership and management learning – 'People Managers Essentials'.	Participation and evaluation data Related Staff Survey questions	

Internal System of Controls – Linked to 'Caused By' section of Risk Description and Source of Assurance [1] **C2:** Lack of progress towards our ideal organisational culture and behavioural expectations			
Control Reference	**Internal Control**	**Source of Assurance**	**How/When is it monitored?**
C2.1 **C2.2**	Implementation of the People Strategy 2025-2035. Use of the Organisation Culture Inventory (OCI) to assess progress against cultural priorities.	• BET/PODCOM minutes • IMTP reporting • Internal Audit and Audit Wales reports • Staff Survey and OCI results	• Regular BET/ PODCOM meetings • Ongoing IMTP milestone tracking • Welsh Government accountability meetings • Annual staff survey

Internal System of Controls – Linked to 'Caused By' section of Risk Description and Source of Assurance [1] **C2:** Lack of progress towards our ideal organisational culture and behavioural expectations			
Control Reference	**Internal Control**	**Source of Assurance**	**How/When is it monitored?**
C2.3 **C2.4**	A Cultural Narrative which articulates the desired organisational culture and values, championed by a network of Cultural Advocates across the organisation. A strategic and integrated approach to improving staff experience with a focus on embedding behaviours that align with the 'Being Our Best' framework and fostering a psychologically safe and inclusive environment.	• Performance Assurance reports and meetings	• OCI progress tracking (Culture Pulse survey in Q2 2025/26) • Performance Assurance reports and meetings

Internal System of Controls – Linked to 'Caused By' section of Risk Description and Source of Assurance [1] **C3:** Inability to effectively engage our people			
Control Reference	**Internal Control**	**Source of Assurance**	**How/When is it monitored?**
C3.1 **C3.2**	Implementation of the People Strategy 2025-2035. Implementation of the Culture and Engagement Action Plan.	• BET/PODCOM minutes • IMTP reporting • Internal Audit and Audit Wales reports • Staff Survey and OCI results • Staff survey insights • IMTP reporting	• Regular BET/ PODCOM meetings • Ongoing IMTP milestone tracking • Annual Staff Survey reporting • OCI progress tracking (Culture Pulse survey in Q2 2025/26) • Performance Assurance reports and meetings

Internal System of Controls – Linked to 'Caused By' section of Risk Description and Source of Assurance [1] **C3:** Inability to effectively engage our people			
Control Reference	**Internal Control**	**Source of Assurance**	**How/When is it monitored?**
			• Regular reviews of SWFPs/ workforce actions

Internal System of Controls – Linked to 'Caused By' section of Risk Description and Source of Assurance [1] 1. **C4:** The impact of the lack of integrated and strategic workforce planning on capacity, skills and capability to deliver BAU/IMTP/LTS			
Control Reference	**Internal Control**	**Source of Assurance**	**How/When is it monitored?**
C4.1 **C4.2** **C4.3**	The implementation plan for the 'Designed to Deliver' element of the People Strategy An established Strategic Workforce Planning (SWFP) process and framework, including clear roles and responsibilities designed to align with the timeframe of the Long-Term Strategy. Strategic and operational workforce planning is embedded in the integrated planning process.	• BET/PODCOM minutes • IMTP reporting • Strategic Workforce Plans for priority services and funded actions to address gaps. • Workforce risks in IMTP • Internal Audit and Audit Wales reports	• BET/ PODCOM reports • Ongoing IMTP milestone tracking • Integrated planning process • Regular reviews of SWFPs/ workforce actions

Gaps in Assurance / Action Plans for the cause C1: Ineffective or inconsistent organisation leadership and culture						
Reference	**What Action?**	**How will we measure efficacy?**	**How will this action impact/mitigate the risk?**	**Who is Responsible?**	**By When?**	**Progress**
AP1.4 AP1.6	Standardised approach to Governance and Quality Management / Duty of Quality/ Continue to embed the Quality Oversight Group and Duty of Quality. Implement the National Leadership and Management Framework		Robust, standardised approach to organisational governance	Dependent upon HEIW	31 March 2027	**October 2026 Updates** AP1.5 has been moved to the controls section. LT have developed a recommendation as to how this is operationalised and this will go to BET in October. **August 2026 updates:** AP1.5 is complete. In October Leadership Team will consider how the programme of learning and development is operationalised and make recommendations to BET. AP1.6 has been added to the Action Plan and is dependent upon HEIW. .

Gaps in Assurance / Action Plans for the cause C2: (Lack of progress towards our ideal organisational culture and behavioural expectations						
Reference	**What Action?**	**How will we measure efficacy?**	**How will this action impact/mitigate the risk?**	**Who is Responsible?**	**By When?**	**Progress**
AP2.3	Refresh the high-level integrated engagement plan - using insights from the 2025 NHS Wales Staff Survey and Culture Pulse – to identify cultural priorities, strengthen flexible, equitable ways of working and foster a psychologically safe workplace where every colleague can thrive.	Staff Survey results Culture reporting Partnership and stakeholder feedback	Embeds cultural values. Responds to colleague feedback to improve employee experience.	Director of People and OD	31 March 2027	**October 2026 Updates** AP2.3/4/5/6/7 on track. AP2.4 core measures are expected to include staff survey indicators, SUS data, EDI data and absence measures. AP2.8 added - an internal audit into values and culture will take place in November 2026. **August 2026 Updates:** AP2.3 is on track; the refreshed culture and engagement plan will go to BET for approval in September. AP2.4 / 2.5 / 2.6 / 2.6 added from the POD workplan.
AP2.4	Develop and embed a culture dashboard	Ability to track where we are with culture	Regular measurement	Director of People and OD	31 March 2027	
AP2.5	Apply our cultural narrative in POD policy development	Policy and culture alignment	Embeds cultural values	Director of People and OD	31 March 2027	
AP2.6	Develop and implement the Psychological Safety Resources Suite.	Staff Survey results Culture reports Speaking up Safely reports Partner and stakeholder feedback	Responds to colleague feedback to improve employee experience. Embeds cultural values.	Director of People and OD	31 Dec 2026	
AP2.7	Reassess organisational culture	Culture survey results	Assesses progress towards desired culture	Director of People and OD	31 March 2028	
AP2.8		Audit report	Assesses progress and			

Gaps in Assurance / Action Plans for the cause C2: (Lack of progress towards our ideal organisational culture and behavioural expectations						
Reference	**What Action?**	**How will we measure efficacy?**	**How will this action impact/mitigate the risk?**	**Who is Responsible?**	**By When?**	**Progress**
	Internal audit into Culture and Values		identifies improvement actions	Director of People and OD	31 March 2028	

Gaps in Assurance / Action Plans for the cause C3: Inability to effectively engage, our people						
Reference	**What Action?**	**How will we measure efficacy?**	**How will this action impact/mitigate the risk?**	**Who is Responsible?**	**By When?**	**Progress**
Links to AP2.3 / 2.6 AP3.1	Refresh the My Contribution Policy	Staff Survey results Culture reporting Partner and stakeholder feedback Related staff survey questions	Embeds cultural values. Responds to colleague feedback to improve employee experience	Director of People and OD	31 March 2027	**October 2026 Updates** Linked actions AP2.3/6 on track. AP3.1 on track - implementation plan spans manger guidance, communications, learning and measurement eg through related SS questions through **August 2026 Updates** AP3.3 has been moved to AP4 to align with changes proposed and approved in the June update. AP3.1 has

Gaps in Assurance / Action Plans for the cause C3: Inability to effectively engage, our people						
Reference	**What Action?**	**How will we measure efficacy?**	**How will this action impact/mitigate the risk?**	**Who is Responsible?**	**By When?**	**Progress**
						been added from the POD workplan and is on track.

Gaps in Assurance / Action Plans for the cause C4 (The impact of the lack of integrated and strategic workforce planning on capacity, skills and capability to deliver BAU/IMTP/LTS)						
Reference	**What Action?**	**How will we measure efficacy?**	**How will this action impact/mitigate the risk?**	**Who is Responsible?**	**By When?**	**Progress**
AP4.1	Implement the Job Families Steering Group, and associated actions agreed by BET in 2025.26	People Strategy Implementation plan Staff survey scores	Supports career development and workforce planning	Director of People and OD	31 December 2026	**October 2026 Updates** AP4.1 LT will consider Job Families in November. AP4.2 is a 2026-27 IMTP commitment. activity for 2026-27 will be targeted / enhanced to support improvement in Screening Services. **August 2026 Updates** AP4.1 moved from AP3 / AP4.2 moved from AP5 to align with changes proposed and approved in the June update. AP4.4 SWP
AP 4.2	Established a fully integrated planning approach including long-term workforce planning, ensuring future alignment with Strategic Priorities and informing a sustainable skills development programme	IMTP reporting IMTP SWFPs	Ensures long-term workforce sustainability and strategic alignment. Improves resource efficiency and strategic delivery .	Director of People and OD	31 Dec 2026	

Gaps in Assurance / Action Plans for the cause C4 (The impact of the lack of integrated and strategic workforce planning on capacity, skills and capability to deliver BAU/IMTP/LTS)						
Reference	**What Action?**	**How will we measure efficacy?**	**How will this action impact/mitigate the risk?**	**Who is Responsible?**	**By When?**	**Progress**
						activity for 2026-27 will be targeted / enhanced to support improvement in Screening Services.

Gaps in Assurance / Action Plans for the cause C5: Ineffective approaches to acknowledging, escalating and managing risks and issues at an organisational level.						
Reference	**What Action?**	**How will we measure efficacy?**	**How will this action impact/mitigate the risk?**	**Who is Responsible?**	**By When?**	**Progress**