

## PWYLLGOR CRONFA ELUSENNOL CHARITABLE FUNDS COMMITTEE

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| <b>DYDDIAD Y CYFARFOD:<br/>DATE OF MEETING:</b>  | 17 June 2025   |
| <b>TEITL YR ADRODDIAD:<br/>TITLE OF REPORT:</b>  | Charitable Funds Risk Register   |
| <b>CYFARWYDDWR ARWEINIOL:<br/>LEAD DIRECTOR:</b> | Sharon Daniel, Executive Director of Nursing, Quality and Patient Experience |
| <b>SWYDDOG ADRODD:<br/>REPORTING OFFICER:</b>    | Nicola Llewelyn, Head of Hywel Dda Health Charities                          |

**Pwrpas yr Adroddiad (dewiswch fel yn addas)**

**Purpose of the Report (select as appropriate)**

Er Sicrwydd/For Assurance

### ADRODDIAD SCAA SBAR REPORT

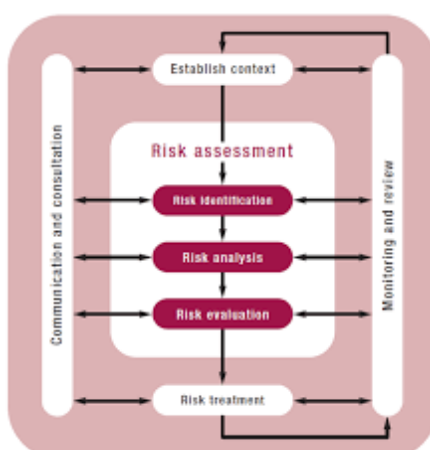
#### Sefyllfa / Situation

The Charitable Funds Committee (CFC) is responsible for providing assurance to the Board that operational risks aligned to the CFC are being identified, assessed and managed effectively.

The Committee is asked to seek assurance from the risk owners that the operational risks identified in the attached reports 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)

Operational risks must be managed within Clinical Care Groups (CCG) and Executive Functions (collectively referred to as Functions) under the ownership and leadership of individual Executive Directors, who must establish local arrangements for the review of their risk registers, which includes the validation of the information and risk scores, and the prioritisation and identification of solutions to their risks.

In addition to these local arrangements, formal monitoring and scrutiny processes are in place within Hywel Dda University Health Board (the Health Board) to provide assurance to the Board that risks are being managed effectively.

Management Leads are asked to review risk assessments and risk actions in line with the following timescales for review:

| <b>RISK SCORE</b> | <b>DEFINITION</b> | <b>MINIMUM REVIEW FREQUENCY</b>  |
|-------------------|-------------------|--|
| <b>15-25</b>      | <b>Extreme</b>    | 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>       | 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>   | 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>        | This type of risk is considered low risk and should be reviewed and progress on actions updated at least annually.         |

In monitoring the risks associated with their respective areas of activity, each Committee and Sub-Committee is responsible for:

- Scrutinising operational risks within their remit; either through receiving the risk registers or through service reports.
- Gaining assurance that risks are being appropriately managed, effective controls are in place, and planned additional controls are being implemented.
- Challenging pace of delivery of actions to mitigate risk.
- Identifying, through discussions, new and emerging risks and ensuring these are assessed by those with the relevant responsibility.
- Providing assurance to its parent Committee, or to the Board, that risks are being managed effectively and reporting risks which have exceeded tolerance through its Committee/ Sub-Committee/ Group Update Report.
- Using Risk Registers to inform meeting agendas.

Relevant discussion should be reflected in the CFC Update Report to the Board to provide assurance on the management of significant risks. This will include risks that are not being managed within tolerance levels (see [Risk Appetite Statement](#)) and any other risks, as appropriate.

A revised approach to risk tolerance was agreed by the Board at its meeting in March 2025 to reflect the organisation's readiness to bear the risk after risk treatment, to achieve its objectives. The previous approach as agreed in September 2018 which set the tolerance levels for risk aligned to risk impact domains.

The revised approach utilises the target risk score (TRS) of risks to demonstrate the lowest level of risk exposure that the Health Board (HB) is willing to tolerate, following the completion of all planned actions aligned to each risk. The TRS represents the ultimate level of risk achievable given the available means and resource. Once the TRS is achieved, if the risk continues to exist, it should then be tolerated / accepted unless further actions are identified or made possible (e.g. additional resources).

If achieving the TRS is deemed unacceptable (i.e. the TRS is too high), further discussion or escalation is required. The TRS should be quantified, and where possible aligned to

performance targets (including quality metrics), with a set timescale for achieving the reduction of the current risk score to the TRS.

Risks will be 'treated' until a discussion to 'tolerate' a risk is triggered – this would be when the Executive Risk Owner for operational risks does not support the TRS. The Board will be asked to accept any risks where the HB is unable to treat within its available means.

The process for risk reporting and monitoring within the HB is outlined at Appendix 1.

**Asesiad / Assessment**

The CFC Terms of Reference state that it will:

- Contribute to the integration of good governance across the organisation, ensuring that all sources of assurance are incorporated into the Board’s overall risk and assurance framework (12.3).

Following the March 2025 CFC meeting, one new risk has been aligned to CFC based on the following criteria:

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

**Changes since risks last reportable to Committee:**

|  |   |                   |
|--|---|-------------------|
| Total Number of Open Risks   | 1 | <i>See note 1</i> |
| New Risks since last reportable to Committee (including risks previously at service level) | 1 |                   |
| De-escalated/Closed Risks since last reportable to Committee                               | 0 |                   |
| Increase in Risk Score since last reportable to Committee ↑                                | 0 |                   |
| Decrease in Risk Score since last reportable to Committee ↓                                | 0 |                   |
| No Change in Risk Score since last reportable to Committee →                               | 0 |                   |
| EXTREME (RED) Risks (based on ‘Current Risk Score’)  | 0 |                   |
| HIGH (AMBER) Risks (based on ‘Current Risk Score’)   | 1 |                   |

***Note 1 – New Risks added since last reportable to Committee (including risks previously at service level)***

| <b>Risk Reference &amp; Title</b> | <b>Date risk identified</b> | <b>Lead Director</b> | <b>Current risk score</b> | <b>Update</b> | <b>Target Risk Score</b> |
|-----------------------------------|-----------------------------|----------------------|---------------------------|---------------|--------------------------|
|-----------------------------------|-----------------------------|----------------------|---------------------------|---------------|--------------------------|

|  |            |   |   |  |              |
|--|------------|---|---|--|--------------|
| 2045 - Risk of HDdUHB not being able to sustain a paid fundraising function for its charity due to low returns on investment (ROI) | 03/04/2025 | Executive Director of Nursing, Quality and Patient Experience | <b>4x3=12</b><br><br>Reviewed<br>03/06/25 | With all the current control measures in place, the risk score remains high. For the financial year ended 31 March 2025, income from donations has fallen by 5.5% compared with the previous financial year. Legacy income for the same period has decreased significantly by 51.1%.<br><br>This can be attributed to a decrease in donations because of the Bronglais Chemo Appeal and the value of a significant legacy (£1.3m) received in the previous financial year.<br><br>Further analysis of the charity's performance will be undertaken during quarter 2 to inform future reports to the CFC. | <b>4x2=8</b> |
|--|------------|---|---|--|--------------|

The Risk Register, attached at Appendix 2, details the responses to each risk, i.e., the Risk Action Plan.

**Argymhelliad / Recommendation**

The Charitable Funds Committee (CFC) is asked to seek assurance that:

- All identified controls are in place and working effectively.
- All planned actions will be implemented within stated timescales and will reduce the risk further and/or mitigate the impact if the risk materialises.
- Challenge where assurances are inadequate.

This in turn will enable CFC to provide the necessary assurance (or otherwise) to the Board through its Update Report, that the Health Board is managing these risks effectively.

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| <b>Amcanion: (rhaid cwblhau)</b><br><b>Objectives: (must be completed)</b>                 |  |
| Committee ToR Reference:<br>Cyfeirnod Cylch Gorchwyl y Pwyllgor:                           | To seek assurance on the management of the operational risks allocated to the Committee and provide assurance to the Board that operational risks are being managed and monitored effectively, reporting any areas of significant concern. |
| Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol:<br>Datix Risk Register Reference and Score: | Contained in the report.   |

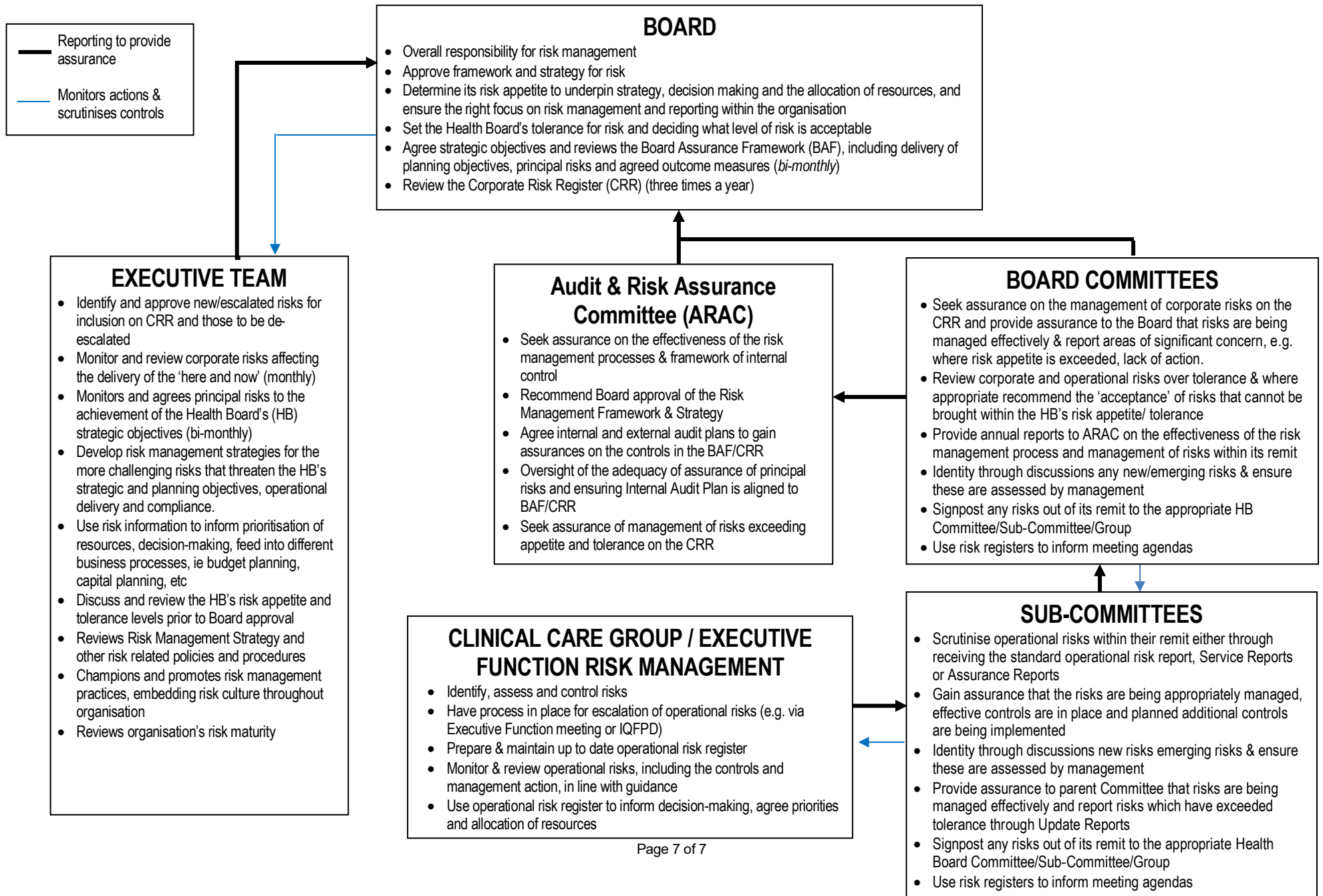
|   |   |
|---|---|
| Galluogwyr Ansawdd:<br>Enablers of Quality:<br><a href="#">Quality and Engagement Act (sharepoint.com)</a>                                | Not Applicable                            |
| Parthau Ansawdd:<br>Domains of Quality<br><a href="#">Quality and Engagement Act (sharepoint.com)</a>                                     | Governance, Leadership and Accountability |
| Amcanion Strategol y BIP:<br>UHB Strategic Objectives:  | Not Applicable                            |
| Amcanion Cynllunio<br>Planning Objectives   | Not Applicable                            |
| Amcanion Llesiant BIP:<br>UHB Well-being Objectives:<br><a href="#">Hyperlink to HDdUHB Well-being Objectives Annual Report 2021-2022</a> | 10. Not Applicable                        |

| <b>Gwybodaeth Ychwanegol:<br/>Further Information:</b>   |   |
|--|---|
| Ar sail tystiolaeth:<br>Evidence Base:   | Underpinning risk registers on the Datix Risk Module from across HDdUHB's services, reviewed by risk leads/owners.  |
| Rhestr Termiau:<br>Glossary of Terms:  | <p>Current Risk Score - Existing level of risk taking into account controls in place.</p> <p>Target Risk Score - The ultimate level of risk that is desired by the organisation when <u>planned</u> controls (or actions) have been implemented.</p> <p>Tolerable risk – this is the level of risk that the Board agreed for each domain in January 2024 – <a href="#">Risk Appetite Statement</a>.</p> |
| Partion / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Cronfa Elusennol:<br>Parties / Committees consulted prior to Charitable Funds Committee: | Relevant Executive Directors.   |

| <b>Effaith: (rhaid cwblhau)<br/>Impact: (must be completed)</b> |  |
|---|--|
| <b>Ariannol / Gwerth am Arian:<br/>Financial / Service:</b>     | No direct impacts from report, however, impacts of each risk are outlined in risk description. |
| <b>Ansawdd / Gofal Claf:<br/>Quality / Patient Care:</b>        | No direct impacts from report, however, impacts of each risk are outlined in risk description. |
| <b>Gweithlu:<br/>Workforce:</b>                                 | No direct impacts from report, however, impacts of each risk are outlined in risk description. |

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|------------------------------------|---|
| <b>Risg:<br/>Risk:</b>             | No direct impacts from report, however organisations are expected to have effective risk management systems in place.   |
| <b>Cyfreithiol:<br/>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:<br/>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:<br/>Privacy:</b>  | No direct impacts.  |
| <b>Cydraddoldeb:<br/>Equality:</b> | No direct impacts from report however impacts of each risk are outlined in risk description of individual risks.  |

## Appendix 1 – Committee Reporting Structure



| Risk Ref | Clinical Care Group / Executive Function            | Clinical Service Group / Executive Function | Clinical Service Sub-Group / Executive Director | Clinical Care Group Director / Executive | Clinical Service Group Lead / Executive | Clinical Service Sub-Group Lead / Executive | Date risk identified | Risk Statement | Existing Control Measures Currently in Place   | Domain   | Current Likelihood  | Current Impact | Current Risk Score | Rationale for Current Risk Score | Additional Risk Action Required  | By Whom | By When | Progress Update on Risk Actions | Lead Committee | Target Likelihood | Target Impact              | Target Risk Score (tolerable score) | Rationale for Target Risk Score | Detailed Risk Decision | Review date  |       |           |
|----------|---|---|---|--|---|---|----------------------|----------------|--|--|---------------------|----------------|--------------------|----------------------------------|--|---------|---------|---------------------------------|----------------|-------------------|----------------------------|-------------------------------------|---------------------------------|------------------------|--|-------|-----------|
| 2045     | Director of Nursing, Quality and Patient Experience | Nursing, Quality and Patient Experience     | NQPE: Charitable Funds                          | Daniel, Sharon                           | Daniel, Sharon                          | Llewelyn, Nicola                            | Llewelyn, Nicola     | 13-Dec-24      | <p>There is a risk of of HDdUHB not being able to sustain a paid fundraising function for its charity.</p> <p>This is caused by the increased investment in fundraising costs since 2021/22 and the level of charitable income generated by the charity resulting in variable levels of ROI.</p> <p>This will lead to an impact/affect on</p> <ol style="list-style-type: none"> <li>1. The charity's ability to sustain its current staffing structure.</li> <li>2. The charity's ability to generate income from proactive fundraising activities in future years.</li> <li>3. Staff wellbeing and morale: Fundraising staff may disengage and lose motivation if there is uncertainty regarding the sustainability of the team.</li> <li>4. Loss of confidence if key stakeholders (NHS staff, public, donors) do not feel that the charity is using its resources efficiently.</li> <li>5. The charity's ability to improve experiences for, and make a positive difference to, the health and wellbeing of Health Board's patients, service users and staff due to reduced resources.</li> </ol> <p>Risk location, Health Board wide.</p> | <ol style="list-style-type: none"> <li>1. Review of the charity's fundraising and communications activities, including an assessment on the return on investment of fundraising costs, submitted to the December 2024 Charitable Funds Committee meeting for discussion.</li> <li>2. Charitable income and financial performance reported to the CFC on a quarterly basis for scrutiny.</li> <li>3. Financial reports submitted to the CFC include a comparison of the charity's performance against a sector wide recognised benchmark/ratio for return on investment.</li> <li>4. Annual work plans submitted to the CFC on an annual basis for consideration and approval.</li> <li>5. Progress reports on the annual work plan submitted to the CFC on a quarterly basis.</li> <li>6. Income reports produced by the Finance team for scrutiny by the Head of Hywel Dda Health Charities (HDdHC) and Fundraising Team.</li> <li>7. Agreement to not fill the vacant position within the fundraising/communications team without Executive Director consideration and approval when income levels have stabilised or increased.</li> <li>8. Fundraising Manager has monthly 1-2-1s with the fundraising team to discuss operational issues and progress against the fundraising workplan.</li> <li>9. Senior Communications Officer has monthly 1-2-1s with the Communications Assistant to discuss operational issues and progress against the communications workplan.</li> <li>10. Head of Hywel Dda Health Charities has a monthly 1-2-1 with the Fundraising Manager and Senior Communications Officer to discuss operational issues and progress against the workplan.</li> </ol> | Finance inc. claims | 3              | 4                  | 12                               | With all the current control measures in place, the risk score remains high. For the financial year ended 31 March 2025, income from donations has fallen by 5.5% compared with the previous financial year. Legacy income for the same period has decreased significantly by 51.1%. This can be attributed to a decrease in donations because of the Bronglais Chemo Appeal and the value of a significant legacy (£1.3m) received in the previous financial year. Further analysis of the charity's performance will be undertaken during quarter 2 to inform future reports to the CFC. |         |         |                                 |                |                   | Charitable Funds Committee | 2                                   | 4                               | 8                      | The nature of charitable giving is unpredictable and it is difficult to predict annual charitable income levels. | Treat | 03-Jun-25 |