

PWYLLGOR CRONFA ELUSENNOL CHARITABLE FUNDS COMMITTEE

DYDDIAD Y CYFARFOD: DATE OF MEETING:	18 March 2025
TEITL YR ADRODDIAD: TITLE OF REPORT:	Charitable Funds Risk Register
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Sharon Daniel, Interim Director of Nursing, Quality and Patient Experience
SWYDDOG ADRODD: REPORTING OFFICER:	Tim John, Head of Accounting & Statutory Reporting Nicola Llewelyn, Head of Hywel Dda Health Charities

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

Ar Gyfer Trafodaeth/For Discussion

ADRODDIAD SCAA SBAR REPORT

Sefyllfa / Situation

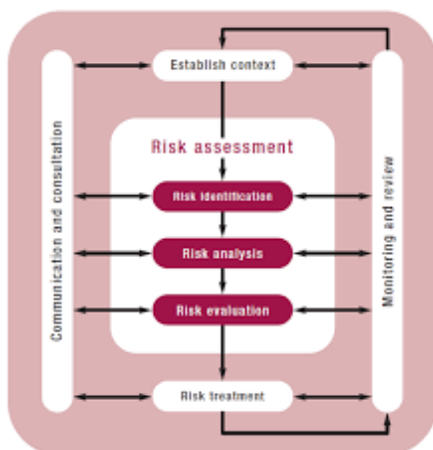
The Charitable Funds Committee (CFC) is responsible for providing assurance to the Board that operational risks aligned to the CFC are being identified, assessed and managed effectively.

This report provides an update on three new risks identified and discussed at the December 2024 CFC meeting in the domain of charitable funds, as well as the proposed actions to be put in place to provide assurance that the risks will be appropriately monitored and mitigated.

The CFC is asked to review and scrutinise the risks to seek assurance that all relevant controls and mitigating actions have been identified and can be implemented.

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 Directorates 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 (HDdUHB) to provide assurance to the Board that risks are being managed effectively.

All risks identified within the Datix Risk Module must be assigned to a formal Board Committee, Sub-Committee or Group which will be responsible for securing assurance that risks within their remit are being managed effectively.

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

RISK SCORE	DEFINITION	MINIMUM REVIEW FREQUENCY
15-25	Extreme	This type of risk is considered extreme and should be reviewed and progress on actions updated at least monthly.
8-12	High	This type of risk is considered high and should be reviewed and progress on actions updated at least bi-monthly.
4-6	Moderate	This type of risk is considered moderate and should be reviewed and progress on actions updated at least every six months.
1-3	Low	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.

It is therefore essential that the membership of these Committees and Sub-Committees includes appropriate representation from Directorates and that they are in attendance to provide assurance and to respond to queries.

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.

Asesiad / Assessment

The CFC Terms of Reference (ToR) 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).

Three new risks in the domain of charitable funds were identified and discussed at the December 2024 CFC meeting:

1. Risk description: Risk of HDdUHB not being able to sustain a paid fundraising function for its charity due to low returns on investment (ROI).
2. Risk description: Risk of the charity's grant-making activities not achieving long-term impact due to HDdUHB not being able to maintain charitable capital investment
3. Risk description: Risk of an adverse effect on the value of the Charitable Funds' investment portfolio due to the potential volatility of stock markets

The risk assessment forms, attached at Appendix 1, provide a detailed description of the risks together with the proposed actions to be put in place to provide assurance that the risks will be appropriately managed and monitored, with any planned additional controls to be implemented to minimise or reduce the likelihood of significant impact occurring.

For the following two risks, a risk-based approach will be undertaken to manage any future issues that may arise relating to the risk, with appropriate management actions being implemented at an operational level and any concerns escalated to the CFC as and when required:

1. Risk description: Risk of the charity's grant-making activities not achieving long-term impact due to HDdUHB not being able to maintain charitable capital investment
2. Risk description: Risk of an adverse effect on the value of the Charitable Funds' investment portfolio due to the potential volatility of stock markets

For the following risk, due to the nature of the risk and the current risk score, the risk will be entered onto the service's risk register in Datix and reported to the CFC on a quarterly basis:

3. Risk description: Risk of HDdUHB not being able to sustain a paid fundraising function for its charity due to low returns on investment (ROI).

Argymhelliad / Recommendation

The Charitable Funds Committee is requested to:

- **REVIEW** and **SCRUTINISE** the new risks that have been identified to seek **ASSURANCE** that all relevant controls and mitigating actions have been identified.
- **DISCUSS** whether the planned actions will be implemented within stated timescales and will reduce the risks further and/or mitigate the impact if the risk materialises.

This in turn will enable the CFC to provide the necessary **ASSURANCE** to the Board, or otherwise, that HDdUHB is managing any risks effectively.

Amcanion: (rhaid cwblhau) Objectives: (must be completed)	
Committee ToR Reference: Cyfeirnod Cylch Gorchwyl y Pwyllgor:	12.3 In doing so, the Committee shall 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.
Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	Not applicable
Galluogwyr Ansawdd: Enablers of Quality: Quality and Engagement Act (sharepoint.com)	Not Applicable
Parthau Ansawdd: Domains of Quality Quality and Engagement Act (sharepoint.com)	Governance, Leadership and Accountability
Amcanion Strategol y BIP: UHB Strategic Objectives:	Not Applicable
Amcanion Cynllunio Planning Objectives	Not Applicable
Amcanion Llesiant BIP: UHB Well-being Objectives: Hyperlink to HDdUHB Well-being Objectives Annual Report 2021-2022	10. Not Applicable

Gwybodaeth Ychwanegol: Further Information:	
Ar sail tystiolaeth: Evidence Base:	Underpinning risk registers on the Datix Risk Module from across HDdUHB's services, reviewed by risk leads/owners.
Rhestr Termiau: Glossary of Terms:	Risk Appetite - <i>the amount of risk that an organisation is willing to pursue or retain</i> (ISO Guide 73, 2009) Risk Tolerance - <i>the organisation's readiness to bear a risk after risk treatment in order to achieve its objectives</i> (ISO Guide 73, 2009)
Partion / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Cronfa Elusennol: Parties / Committees consulted prior to Charitable Funds Committee:	Head of Hywel Dda Health Charities Head of Assurance and Risk

Effaith: (rhaid cwblhau)

Impact: (must be completed)	
Ariannol / Gwerth am Arian: Financial / Service:	No direct impacts from report, however, impacts of each risk are outlined in risk description.
Ansawdd / Gofal Claf: Quality / Patient Care:	No direct impacts from report, however, impacts of each risk are outlined in risk description.
Gweithlu: Workforce:	No direct impacts from report, however, impacts of each risk are outlined in risk description.
Risg: Risk:	No direct impacts from report, however organisations are expected to have effective risk management systems in place.
Cyfreithiol: Legal:	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.
Enw Da: Reputational:	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.
Gyfrinachedd: Privacy:	No direct impacts
Cydraddoldeb: Equality:	Not Applicable

Hywel Dda UHB - Risk Assessment Form

For guidance on completing this document please download our step-by-step guide.

For guidance on completing this form please click on the following link: [Risk-Assessment-Guidance-Form sharepoint.com](https://www.sharepoint.com/~/sites/assurancandrisk/Forms/RAForm.aspx)

Risk Ownership

Executive Director:	Sharon Daniel, Interim Executive Director of Nursing, Quality & Patient Experience
Directorate lead:	Nicola Llewelyn, Head of Hywel Dda Health Charities
Management or service lead:	Nicola Llewelyn, Head of Hywel Dda Health Charities

Directorate:	Nursing, Quality and Patient Experience (NQPE)	Service or Department:	Nursing, Quality and Patient Experience: Charitable Funds
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Risk Details

Title of risk: Maximum characters: 128	Risk of the charity's grant-making activities not achieving long-term impact	due to HDdUHB not being able to maintain charitable capital investment
Date risk identified:	13/12/2024	
Domains of Quality (select all that are applicable):	Effective Efficient Safe	

Other risks you would like to link to on Datix:	Not applicable
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Risk Statement

Please describe your risk clearly and concisely - who/what is at risk?	
There is a risk of the charity's grant-making activities not achieving long-term impact.	
Maximum characters: 200	
List all the causes of this risk	
This is caused by the financial pressures faced by HDdUHB resulting in difficulties funding ongoing maintenance costs relating to medical devices or improvements to the healthcare environment (e.g. outdoor areas) that have been funded by charitable donations.	
Maximum characters: 400	
List all potential consequences of the risk	
This will lead to an impact/effect on:	
<ol style="list-style-type: none"> 1. Health and safety: the assets will deteriorate if not appropriately maintained, detrimentally impacting patient and staff safety, experience and wellbeing. 2. Reputational: Loss of confidence if key stakeholders (NHS staff, public, donors) do not feel that the charity is using its resources efficiently. 3. Increased financial pressure on the charity: the charity may be required to cover ongoing maintenance costs as well as the initial investment, diverting resources from other worthy causes. 4. Governance: NHS charities have a duty to ensure that all investment is sustainable with longer-term financial plans in place for ongoing maintenance costs. 5. Conflict of interest: As the Corporate Trustee of Hywel Dda Health Charities (HDdUHB), all decisions made by the charity must be in the best interests of the charity rather than HDdUHB. 	
Maximum characters: 450	
Location of the risk:	Health board wide
Select the DOMAIN of the risk:	Safety - Patient, Staff or Public (Tolerance Score = 6) This should be based on the Impact of the risk

Hywel Dda UHB - Risk Assessment Form

For guidance on completing this document please download our step-by-step guide.

Inherent Risk Score (Impact x Likelihood = Risk Score)

Using the [risk scoring matrix](#), evaluate the **inherent** risk rating. This is the risk score **WITHOUT** control measures in place.

Inherent impact score	4	Inherent likelihood score	4	Inherent risk score	16
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Control Measures

List all completed actions and ongoing activities that are in place to successfully mitigate the risk

Current control measures that are in place:

1. All charitable expenditure follows HDdUHB purchasing policies and procedures.
2. Charitable funds application process: all charitable funds expenditure requests are considered and approved in line with the charity's scheme of delegation, to ensure that the relevant budget holders are aware and supportive of any projects that may have ongoing maintenance costs and that future costs are considered and planned for as part of the application process.
3. Financial: all charitable funds expenditure requests over £10,000 must be approved by the service's Finance Business Partner to ensure that any ongoing revenue costs are known prior to approval of funding, so that arrangements can be made to cover these costs from departmental budgets.
4. Medical devices: evidence of Statement of Need (SON) approval is required for all charitable funded medical devices to ensure that Clinical Engineering is aware and supportive of all purchases.
5. Medical devices: all equipment purchased by the charity is gifted to HDdUHB. The equipment is placed on HDdUHB asset registers and maintained by HDdUHB in line with medical device policies and procedures.
6. Improvements to the healthcare environment: all charitable funds expenditure requests over £10,000 for building/refurbishment projects must be approved by the local Estates leads. Information is requested on whether there are any immediate or ongoing revenue or maintenance costs associated with the request and how these costs will be met.

Gap in Controls

List any shortfalls in your control measures and unsuccessful actions (these should be addressed in your Action Plan)

1. Improvements to the healthcare environment: Currently there is no requirement for the HDdUHB Head of Maintenance & Engineering to consider and endorse all charitable funds expenditure requests over £10,000 for outdoor building/refurbishment projects, to ensure that any ongoing maintenance requirements form part of the HDdUHB grounds and gardens maintenance services contract.

Current Risk Score (Impact x Likelihood = Risk Score)

Using the [risk scoring matrix](#), identify the **current** risk rating. This is the risk score **WITH** control measures in place.

Current impact score	3	Current likelihood score	2	Current risk score	6
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Rationale of Current Risk Score

Please provide the reason/justification for the **current** risk score chosen above, taking into account the control measures in place and actions yet to be completed. **This section should be updated at each risk review and include any performance metrics that show progress to date that will inform the relevant committee/sub committee on the current position of the risk.**

With all of the current control measures in place, the risk score remains moderate. It is acknowledged that this is a managed issue that will be monitored at service level and any concerns regarding HDdUHB not being able to maintain charitable capital investment will be reported to the CFC via the risk reporting process.

Hywel Dda UHB - Risk Assessment Form

For guidance on completing this document please download our step-by-step guide.

Risk Decision

Tolerate, Treat, Transfer or Terminate (Full definitions available here)	Treat
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Target Risk Score (Impact x Likelihood = Risk Score)

Using the risk scoring matrix , identify the target risk rating. This is the risk score you are trying to achieve when all actions are complete .					
Target Impact score	3	Target likelihood score	2	Target risk score	6

Risk themes (select all that are applicable): For theme definitions click here .	Business continuity/service disruption Capital - Estates Capital - Equipment	Finance Patient Safety Reputation
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Risk Review & Monitoring

Identify the Lead Assurance Committee or Sub-Committee this risk should be reported to:	Charitable Funds Committee		
Identify the local management group this risk should be monitored at:	Core Team: Nursing, Quality & Patient Experience		
Is this risk to be entered onto your service risk register in Datix?	No	Frequency of review (based on Current Risk Score):	Moderate risk (4-6) = Six-monthly

Risk Action Plan - **Please note, this section is not visible until your risk has been saved to Datix.**

Please specify actions that address the cause of the risk. Actions must be SMART: Specific, Measurable, Achievable, Relevant/Realistic and Time-bound. Add as many actions as necessary to achieve your target risk score.	By whom Name 1 owner per action	By when Future dates only
ACTION 1: Head of Hywel Dda Health Charities and Director of Estates, Facilities and Capital Management to discuss and agree a process so that all future charitable funds expenditure requests over £10,000 for outdoor building/refurbishment projects are considered and endorsed by the Head of Maintenance & Engineering.	Head of Hywel Dda Health Charities	31 March 2025
PROGRESS UPDATE: New action		
ACTION 2: n/a		
PROGRESS UPDATE: n/a		
ACTION 3: n/a		
PROGRESS UPDATE: n/a		

Status of Risk

All risks are automatically added at Service Level . Directorate Level risks must be approved by your Directorate lead. If you would like to add/escalate a risk to Corporate Level please contact the Head of Assurance & Risk .	Service/Department Level
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Hywel Dda UHB - Risk Assessment Form

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For guidance on completing this form please click on the following link: [Risk-Assessment-Guidance-Form sharepoint.com](#)

Risk Ownership

Executive Director:	Sharon Daniel, Interim Executive Director of Nursing, Quality & Patient Experience
Directorate lead:	Nicola Llewelyn, Head of Hywel Dda Health Charities
Management or service lead:	Nicola Llewelyn, Head of Hywel Dda Health Charities

Directorate:	Nursing, Quality and Patient Experience (NQPE)	Service or Department:	Nursing, Quality and Patient Experience: Charitable Funds
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Risk Details

Title of risk: Maximum characters: 128	Risk of HDdUHB not being able to sustain a paid fundraising function for its charity	due to low returns on investment (ROI).
Date risk identified:	13/12/2024	
Domains of Quality (select all that are applicable):	Effective Efficient	

Other risks you would like to link to on Datix:	Not applicable
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Risk Statement

Please describe your risk clearly and concisely - who/what is at risk?	
There is a risk of HDdUHB not being able to sustain a paid fundraising function for its charity.	
Maximum characters: 200	
List all the causes of this risk	
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.	
Maximum characters: 400	
List all potential consequences of the risk	
This will lead to an impact/effect on:	
<ol style="list-style-type: none"> The charity's ability to sustain its current staffing structure. The charity's ability to generate income from proactive fundraising activities in future years. Staff wellbeing and morale: Fundraising staff may disengage and lose motivation if there is uncertainty regarding the sustainability of the team. Loss of confidence if key stakeholders (NHS staff, public, donors) do not feel that the charity is using its resources efficiently. 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. 	
Maximum characters: 450	
Location of the risk:	Health board wide
Select the DOMAIN of the risk:	Finance inc. claims (Tolerance Score = 6) This should be based on the Impact of the risk

Inherent Risk Score (Impact x Likelihood = Risk Score)

Using the risk scoring matrix , evaluate the inherent risk rating. This is the risk score WITHOUT control measures in place.					
Inherent impact score	4	Inherent likelihood score	4	Inherent risk score	16

Hywel Dda UHB - Risk Assessment Form

For guidance on completing this document please download our step-by-step guide.

Control Measures

List all completed actions and ongoing activities that are in place to successfully mitigate the risk

Current control measures that are in place:

1. Review of the charity's fundraising and communications activities, including an assessment on the return on investment (ROI) of fundraising costs, submitted to the December 2024 Charitable Funds Committee meeting for discussion.
2. Charitable income and financial performance reported to the CFC on a quarterly basis for scrutiny.
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 (ROI).
4. Annual work plans submitted to the CFC on an annual basis for consideration and approval.
5. Progress reports on the annual work plan submitted to the CFC on a quarterly basis.
6. Income reports produced by the Finance team for scrutiny by the Head of Hywel Dda Health Charities (HDdHC) and Fundraising Team.
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.
8. Fundraising Manager has monthly 1-2-1s with the fundraising team to discuss operational issues and progress against the fundraising workplan.
9. Senior Communications Officer has monthly 1-2-1s with the Communications Assistant to discuss operational issues and progress against the communications workplan.
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.

Gap in Controls

List any shortfalls in your control measures and unsuccessful actions (these should be addressed in your Action Plan)

1. Monthly income reports: reports produced by the Finance team to be published on a monthly basis to ensure that performance can be monitored.
2. External review: explore the feasibility of commissioning an external review of the charity's operations, performance and future income generating potential.

Current Risk Score (Impact x Likelihood = Risk Score)

Using the [risk scoring matrix](#), identify the **current** risk rating. This is the risk score **WITH** control measures in place.

Current impact score	4	Current likelihood score	3	Current risk score	12
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Rationale of Current Risk Score

Please provide the reason/justification for the **current** risk score chosen above, taking into account the control measures in place and actions yet to be completed. **This section should be updated at each risk review and include any performance metrics that show progress to date that will inform the relevant committee/sub committee on the current position of the risk.**

With all the current control measures in place, the risk score remains high. Although income from charitable donations has stabilised in the reported position to 31 December 2024, legacy income has continued to decline compared to the same period in 2023/24.

Risk Decision

Tolerate, Treat, Transfer or Terminate (Full definitions available here)	Treat
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Target Risk Score (Impact x Likelihood = Risk Score)

Using the [risk scoring matrix](#), identify the **target** risk rating. This is the risk score you are trying to achieve when **all actions are complete**.

Target Impact score	4	Target likelihood score	2	Target risk score	8
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Hywel Dda UHB - Risk Assessment Form

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Risk themes (select all that are applicable): For theme definitions click here .	Business continuity/service disruption Finance Workforce	
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Risk Review & Monitoring

Identify the Lead Assurance Committee or Sub-Committee this risk should be reported to:	Charitable Funds Committee		
Identify the local management group this risk should be monitored at:	Core Team: Nursing, Quality & Patient Experience		
Is this risk to be entered onto your service risk register in Datix?	Yes	Frequency of review (based on Current Risk Score):	High risk (8-12) = Bi-monthly

Risk Action Plan - **Please note, this section is not visible until your risk has been saved to Datix.**

Please specify actions that address the cause of the risk. Actions must be SMART: Specific, Measurable, Achievable, Relevant/Realistic and Time-bound. Add as many actions as necessary to achieve your target risk score.	By whom Name 1 owner per action	By when Future dates only
ACTION 1: Ensure that all future Integrated Performance Reports presented to the CFC include an analysis of the charity's performance against third sector recognised benchmarks and ratios for return on investment. PROGRESS UPDATE: Information included in the Integrated Performance Report submitted to the March 2025 CFC meeting and for all future CFC meeting papers.	Head of Hywel Dda Health Charities	Complete
ACTION 2: Ensure that the Finance team produces income reports on a monthly basis, to be shared with the Fundraising team, to ensure that performance can be monitored. PROGRESS UPDATE: New action	Senior Finance Business Partner (Accounting & Statutory Reporting)	31 March 2025
ACTION 3: Explore the feasibility of commissioning an external review of the charity's operations, performance and future income generating potential. PROGRESS UPDATE: Agenda item for discussion at the 18 March CFC In-Committee meeting.	Interim Executive Director of Nursing, Quality & Patient Experience	18 March 2025
ACTION 4: Annual work plan for 2025/26 to be submitted to the March 2025 CFC meeting for consideration and approval. Progress reports to be submitted to the CFC on a quarterly basis during 2025/26. PROGRESS UPDATE: 2025/26 work plan on the agenda for the March 2025 CFC meeting.	Head of Hywel Dda Health Charities	Complete Quarterly reports to be submitted during 2025/26

Status of Risk

All risks are automatically added at Service Level . Directorate Level risks must be approved by your Directorate lead. If you would like to add/escalate a risk to Corporate Level please contact the Head of Assurance & Risk .	Directorate Level
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For guidance on completing this form please click on the following link: [Risk-Assessment-Guidance-Form sharepoint.com](#)

Risk Ownership

Executive Director:	Huw Thomas, Director of Finance
Directorate lead:	Tim John, Head of Accounting & Statutory Reporting
Management or service lead:	Tim John, Head of Accounting & Statutory Reporting

Directorate:	Finance	Service or Department:	Finance
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Risk Details

Title of risk: Maximum characters: 128	Risk of an adverse effect on the value of the Charitable Funds' investment portfolio	due to the potential volatility of stock markets
Date risk identified:	13/12/2024	
Domains of Quality (select all that are applicable):	Effective Efficient	

Other risks you would like to link to on Datix:	Not applicable
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Risk Statement

Please describe your risk clearly and concisely - who/what is at risk?
There is a risk that stock market volatility will have an adverse effect on the value of the charitable funds' investment portfolio, currently administered by CCLA. Maximum characters: 200
List all the causes of this risk
This is caused by: <ol style="list-style-type: none"> Economic Data and Indicators: Data e.g. GDP growth, employment figures, inflation, and consumer confidence can influence investor perceptions about the health of the economy, affecting stock prices. Bad economic news or lower-than-expected data can lead to volatility. Monetary Policy: Central banks' actions, such as changes in interest rates or monetary stimulus programs, can significantly impact stock markets. Higher interest rates can reduce borrowing and spending, leading to slower growth and potentially lower stock prices, creating volatility. Geopolitical Events: Political instability, wars, trade tensions, or changes in government policies (like tariffs or regulations) can create uncertainty in markets, leading to abrupt price movements as investors react. Corporate Earnings Reports: Quarterly earnings reports from major companies can greatly influence stock prices. Unexpectedly good or bad earnings can cause sharp price changes, especially in companies with a significant market share. Investor Sentiment: Investor emotions and behaviour, such as fear or greed, can cause rapid buying or selling in the market. Speculation, trends, or herd behaviour often leads to overreaction, amplifying market swings. Market Liquidity: The ability to buy or sell assets quickly without causing significant price changes affects volatility. Lower liquidity, particularly in smaller markets or with less-traded stocks, can cause larger price swings. External Shocks: Events like natural disasters, pandemics, or unexpected global events (like the 2008 financial crisis or the COVID-19 pandemic) can disrupt markets and cause large, unpredictable price movements. Speculation and Leverage: Highly speculative investments and the use of leverage (borrowing money to invest) can exacerbate market swings, as leveraged positions are more sensitive to price movements.

Hywel Dda UHB - Risk Assessment Form

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9. **Market Speculation and Herd Behaviour:** Investors often act based on collective behaviour, creating bubbles or overreaction to news. Once market sentiment shifts, volatility can follow as traders react rapidly to perceived risks or opportunities

Maximum characters: 400

List all potential consequences of the risk

This will lead to an impact/effect on:

1. **Short-term Financial Impact:** Volatile stock markets can cause fluctuations in the value of a charity's investment portfolio. If a charity relies on its investments to fund operations, periods of market downturns could lead to reduced funds available for its activities, making it harder to meet financial obligations.
2. **Increased Investment Risk:** Charities often have a longer-term focus, but even long-term portfolios can be affected by significant volatility. If a charity holds a significant portion of its assets in equities, sharp declines in the market can erode capital.
3. **Impact on Donor Confidence:** Market instability can lead to a reduction in donor confidence if the charity's investments lose value.
4. **Risk of Underperforming Investments:** Charities often invest in diversified portfolios, but in times of market stress, even traditionally stable assets might underperform. This risk could affect the charity's future income generation.
5. **Regulatory and Compliance Risks:** Charities in the UK must comply with regulatory requirements, such as those set out by the Charity Commission. Extreme market fluctuations might cause a charity to fall short of meeting its funding needs or could force the charity to make changes in its investment strategy, which might not align with its objectives.

Maximum characters: 450

Location of the risk: Health Board wide

Select the DOMAIN of the risk: Finance inc. claims (Tolerance Score = 6)
This should be based on the Impact of the risk

Inherent Risk Score (Impact x Likelihood = Risk Score)

Using the [risk scoring matrix](#), evaluate the inherent risk rating. This is the risk score **WITHOUT** control measures in place.

Inherent impact score	3	Inherent likelihood score	3	Inherent risk score	9
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Control Measures

List all completed actions and ongoing activities that are in place to successfully mitigate the risk

It is well documented that capital can be at risk; that past performance is not a reliable indicator of future results and that the value of investments and the income derived from them may decrease as well as increase. Ultimately, investors may not get back the amount originally invested and may lose money.

While this risk is outside the control of Charitable Funds, the use of an Investment Manager helps to mitigate the risk. The Investment Manager, CCLA, has particular expertise in not-for-profit organisations. For charities that it acts for, CCLA invests in a specific fund, namely the COIF Charities Ethical Investment Fund.

The COIF Charities Ethical Investment Fund is an actively managed, diversified portfolio of assets designed to help protect both present and future beneficiaries from the effects of inflation (as measured by the UK consumer prices index). It will have an emphasis on equities (between 50% and 85%) but will also include property, bonds and other asset classes, which may be either liquid or illiquid in nature. The fund has a wide range of values-based investment restrictions and is advised by an ethical advisory committee that identifies potential areas for development.

In addition, where the Charitable Funds Committee have committed to charitable expenditure spend, the relevant funds are held in liquid cash assets, thereby protecting those against any stock market volatility.

Hywel Dda UHB - Risk Assessment Form

For guidance on completing this document please download our step-by-step guide.

Gap in Controls

List any shortfalls in your control measures and unsuccessful actions (these should be addressed in your Action Plan)

No gaps in control identified.

Current Risk Score (Impact x Likelihood = Risk Score)

Using the [risk scoring matrix](#), identify the **current** risk rating. This is the risk score **WITH** control measures in place.

Current impact score	3	Current likelihood score	2	Current risk score	6
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Rationale of Current Risk Score

Please provide the reason/justification for the **current** risk score chosen above, taking into account the control measures in place and actions yet to be completed. **This section should be updated at each risk review and include any performance metrics that show progress to date that will inform the relevant committee/sub committee on the current position of the risk.**

The use of a third-party investment manager with particular expertise in the not-for-profit sector and charities mitigates the impact given the long-term view taken with investments. There will always be a possibility of adverse volatility in the stock market hence the likelihood score. It is acknowledged that this is a managed issue that will be monitored at service level and any concerns will be reported to the CFC via the risk reporting process.

Risk Decision

Tolerate, Treat, Transfer or Terminate

[\(Full definitions available here\)](#)

Treat

Target Risk Score (Impact x Likelihood = Risk Score)

Using the [risk scoring matrix](#), identify the **target** risk rating. This is the risk score you are trying to achieve when **all actions are complete**.

Target Impact score	3	Target likelihood score	2	Target risk score	6
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Risk themes (select all that are applicable):
For theme definitions [click here](#).

Finance

Risk Review & Monitoring

Identify the Lead Assurance Committee or Sub-Committee this risk should be reported to:

Charitable Funds Committee

Identify the local management group this risk should be monitored at:

Finance Senior Team

Is this risk to be entered onto your service risk register in Datix?

No

Frequency of review (based on Current Risk Score):

Moderate risk (4-6) = Six-monthly

Risk Action Plan - **Please note, this section is not visible until your risk has been saved to Datix.**

Please specify actions that address the cause of the risk. **Actions must be SMART: Specific, Measurable, Achievable, Relevant/Realistic and Time-bound.**
Add as many actions as necessary to achieve your target risk score.

By whom
Name 1 owner per action

By when
Future dates only

ACTION 1: No actions identified

PROGRESS UPDATE: n/a

Hywel Dda UHB - Risk Assessment Form

For guidance on completing this document please download our step-by-step guide.

Status of Risk

All risks are automatically added at **Service Level**.

Directorate Level risks must be approved by your Directorate lead.

If you would like to add/escalate a risk to **Corporate Level** please contact the [Head of Assurance & Risk](#).

Service/Department Level