

Bundle Charitable Funds Committee 18 January 2023

- 1 09:00 - OPENING ADMINISTRATION
- 1.1 09:03 - CF23/01 - Welcome and Introductions - Chair - Information
- 1.2 09:05 - CF23/02 - Apologies and Declarations of Interest - Chair - Information
- 1.3 CF23/03 - Minutes of the Previous Meeting - Chair - Information
[CF23_03 Minutes.docx](#)
- 1.4 CF23/04 - Matters arising and Actions - Chair - Information
[CF23_04 Action Log.docx](#)
- 2 ITEMS FOR DECISION
- 2.1 09:10 - CF23/05 - Internal Audit Report 2022 - Deputy Head of Internal Audit, NWSSP
[CF23_05_ Internal Audit Report 2022 Cover Sheet.docx](#)
[CF23_05_Final Internal Audit Report Charitable Funds_for HB issue.pdf](#)
- 2.2 09:35 - CF23/06 - Wales Audit Office Audit Report 2021/22 - Audit Manager, Audit Wales
[CF23_06_Audit Report Cover note.docx](#)
[CF23_06_Awyr_Las_Audit_Accounts_Report 2021-22.pdf](#)
- 2.3 10:00 - CF23/07 - Annual Accounts 2021/22 - Finance Director
[CF23_07_2021-22 Charity Annual Accounts Coversheet.docx](#)
[CF23_07_2021-22 Awyr Las Charity Accounts Draft pending Final ISA 260 11.1.23.doc](#)
- 2.4 10:15 - CF23/08 - Annual Report 2021/2022
Kirsty Thomson, BCUHB Head of Fundraising
[CF23_08_2021-22 Charity Annual Report Coversheet.docx](#)
[CF23_08_Awyr Las Ann Report 2021-22 - PROOF 3.pdf](#)
- 2.5 10:23 - CF23/09 - Charitable Funds Committee Work Plan 2022/23 - Head of Fundraising
[CF23_09_Committee Work Plan for 2022_23_Cover sheet.docx](#)
[CF23_09_Committee Work Plan for 2022_23_Appendix 1.docx](#)
- 3 ITEMS FOR INFORMATION
- 3.1 10:25 - CF23/10 - Charitable Funds Finance Report Q2 2022/23 - Finance Director
[CF23_10_22-23 Finance Report Qtr 2.docx](#)
- 3.2 10:35 - CF23/11 - Investment Manager's Portfolio Report - Finance Director
[CF23_11_Investment Management coversheet.docx](#)
[CF23_11 Presentation with vals.pdf](#)
[CF23_11_RBC Brewin Dolphin Market Commentary.pdf](#)
[CF23_11_RBC Brewin Dolphin Risk Guide.pdf](#)
- 3.3 10:38 - CF23/12 - Audit Correspondence 2022 - Head of Fundraising
[CF23_12_Audit Correspondence 2022_Coversheet.docx](#)
[CF23_12_Appendix 1_Letter March 2022 from Audit Wales for the attention of the BCUHB Executive Director of Finance..pdf](#)
[CF23_12_Appendix 2_Letter April 2022 from the BCUHB Executive Director of Finance for the attention of Audit Wales..pdf](#)
- 3.4 10:40 - CF23/13 - Expenditure Approvals Overview - Head of Fundraising
[CF23_13_Expenditure Approvals.docx](#)
- 3.5 10:45 - CF23/14 - Review Actions - Chair
- 3.6 10:50 - CF23/15 - Review of risks highlighted within the meeting - Chair
- 3.7 10:52 - CF23/16 - Issues of significant to report to the Health Board - Chair
- 3.8 10:57 - CF23/17 - Review of meeting effectiveness - Chair
- 3.9 10:59 - CF23/18 - Date of next CFC meeting - Chair

CHARITABLE FUNDS COMMITTEE

Draft Minutes of the meeting held on Tuesday 18th October 2022 Via Teams

Present:

Ms Jackie Hughes	Independent Member (Chair)
Ms Cheryl Carlisle	Independent Member
Ms Linda Tomos	Independent Member

In Attendance:

Mr Bill Bruty	Director, Fundraising Training (part meeting)
Ms Paula Clayton	Assistant Financial Accountant
Ms Diane Davies	Corporate Governance Manager (part meeting)
Mr Gareth Evans	Interim Clinical Director Therapy Services, Therapies & Health Sciences
Mr John Gallanders	Independent Member
Mrs Sue Hill	Executive Director of Finance/ Lead Executive
Ms Mai Jones	Awyr Las Communications Officer
Mrs Molly Marcu	Interim Board Secretary
Mr Paul Matthias	Assistant Director Brewin Dolphin (part meeting)
Mrs Natalie Morrice-Evans	PA to Executive Director of Finance / Committee secretariat
Mr David Myrddin-Evans	Head of Charities & Divisional Director, Brewin Dolphin
Mr Richard Micklewright	Independent Member
Ms Michelle Phoenix	Audit Manager, Audit Wales
Ms Kirsty Thomson	Head of Fundraising
Mr David Tomalin	Representative Audit Wales
Ms Helen Stevens-Jones	Director Of Partnerships, Communications and Engagement
Ms Bethan Roberts	Principal Finance Manager Financial Reporting
Mr Tim Woodhead	Director of Finance (Operational) (part meeting)

Agenda Item	Action
<p>CF22/25 Welcome and Introductions</p> <p>The Committee Chair welcomed attendees to the Committee meeting.</p>	
<p>CF22/26 Apologies and Declarations of Interest</p> <p>CF22/26.1 Apologies were received from Nick Lyons – Executive Medical Director</p> <p>CF22/26.2 The Head of Fundraising declared an interest as Deputy Chair, Charities Together and involvement in Love, Hope Strength Charitable Foundation as a volunteer. She advised that family business donated a gift to the Awyr Las charity.</p>	
<p>CF22/27 Investment Manager's Presentation and Portfolio Report</p> <p>David Myrddin-Evans Head of Charities & Divisional Director and Paul Mathias Assistant Director Brewin Dolphin joined for this item</p> <p>CF22/27.1 The Brewin Dolphin Assistant Director provided an update of recent changes within the company. He updated the attendees on the recent takeover by Bank of Canada, which Brewin Dolphin were now a subsidiary of and he gave the Committee a brief history on the Bank of Canada. He reassured the Committee that he did not expect any changes to the running of Brewin Dolphin and sees the acquisition as a positive step in Brewin Dolphin's future.</p> <p>CF22/27.2 The Brewin Dolphin Assistant Director provided a brief overview of the recent external market conditions which have affected the portfolio, most recently the mini-budget. The presentation highlighted some areas in red which might need some attention.</p> <p>CF22/27.3 The ethical policy was discussed, highlighting the areas in which the Charity had chosen not to invest. It was confirmed by the Committee members that the ethical standards should remain stringent and should be adhered to when making investments.</p> <p>CF22/27.4 The Head of Charities and Divisional Director talked through the recent mini budget and its implications on the investments. He explained the implications the mini budget had on the markets and that the reverses being made by the Government should restore some market stability. He commented on the rise in inflation and interest rates which would result in the price of bonds falling. He expected the peak of inflation to be towards Q3 2023 and as the markets started to improve decisions would need to be made over investments and cash being moved to bonds.</p> <p>CF22/27.5 An Independent member queried why Brewin Dolphin was holding on to share holdings in Bailey Gifford as the value had dropped significantly and it paid no dividends. The Assistant Director of Brewin Dolphin, explained that previously the funds in Bailey Gifford had done very well, but in the short-term</p>	

<p>they had been disappointing. He explained that the investments work on cycles and that the investment should return within the three year cycle. As the investment mandate did not stipulate that a certain level of income be generated the investment was within the terms of the mandate.</p> <p>CF22/27.6 The Committee queried the option of cash withdrawal, given the current volatile markets. The Head of Charities and Divisional Director explained that there was never a good time to withdraw cash from the portfolio as the investments were ultimately working in the portfolio. Markets and factors should be carefully considered before agreeing to withdraw cash funds especially when withdrawing before the end of an investment period.</p> <p>It was resolved that the committee: noted the report</p> <p>Brewin Dolphin left the meeting.</p>	
<p>CF22/28 Minutes of previous meeting</p> <p>CF22/28.1 Accuracy The Committe approved the draft minutes of the previous meeting.</p> <p>CF22/28.2 Matters arising and table of actions</p> <p>CF22/3.15 The table of actions was discussed and it was agreed that The Head of Fundraising would re-share the Imperial Health Charity Volunteering Strategy and ensure discussion as an item at the next committee meeting.</p> <p>CF22/14.3 It was agreed that the Interim Board Secretary would arrange Trustee workshops on Governance and Training, which would be incorporated into the existing Health Board workshop schedule.</p>	<p>KT</p> <p>MM</p>
<p>CF22/29 Audit Wales 21/22 Audit Plan Michelle Phoenix, Audit Manager, Audit Wales joined the meeting for this item</p> <p>CF22/29.1 The Audit Wales (AW), Audit Manager introduced herself and her colleague. The work that Audit Wales would be carrying out was explained as three areas of significant risk had been raised i.e. Transfer of Investment Company, New Charity Accountant and Management Override. The timescale of audit completion was advised as January 2023. It was also noted by the AW Audit Manager that there would be an increase in fees for the audit work to be completed.</p> <p>CF22/29.2 The Interim Board Secretary queried the reason behind the risk of 'New Charity Accountant' as the account would be internally audited and that there was a management structure in place to ensure that the accounts were</p>	

<p>completed accurately to health board standards. The Audit Wales Manager advised that it had been raised as a risk due to the changes noted last year and the level of uncertainty and risk involved when staff members changed.</p> <p>CF22/29.3 The Committee queried whether they could use another company to audit the Charity. The Director of Finance (Operational) agreed to look into this and feed back to the committee.</p> <p>CF22/29.4 The Committee queried the timescale between completion of accounts and the audit review. The AW Audit Manager confirmed that it would be completed by January 2023.</p> <p>CF22/29.5 The Committee questioned the materiality level set on an audit of this level. The Audit Wales Audit Manager confirmed she would clarify this and report back to the Committee.</p> <p>Audit Wales left the meeting.</p>	<p>TW</p> <p>MP</p>
<p>CF22/30 Presentation: How we got to where we are now</p> <p>CF22/30.1 The Head of Fundraising shared a presentation on the history of fundraising within the NHS and focused on the fund raising changes over the years within BCUHB. She advised that along with the strategy review and fundraising feasibility report the two reports together would help form a new strategy for the charity going forward.</p> <p>CF22/30.2 Discussion ensued and the Committee considered that Governance needed to be improved going forward, along with the relationship between the Committee members, Trustees and the Board. The Interim Board Secretary, agreed to arrange workshops for the Trustees and to provide more support the Committee. She agreed to arrange a meeting with the Head of Fundraising to ensure meetings were set up in accordance with Board support.</p> <p>It was resolved that the committee: Noted the information in the presentation and thanked her for her work.</p>	<p>MM/KT</p>
<p>CF22/31 Strategy Review and Fundraising Feasibility Bill Bruty, Director, Fundraising Training LTD joined the meeting for this item</p> <p>CF22/31.1 Due to time constraints, Mr Bruty was unable to deliver the presentation and instead invited the Committee to ask questions on the report provided.</p> <p>CF22/31.2 The Committee questioned whether the current fund raising targets could be met if the staffing structure did not change in line with report findings. Mr Bruty explained that the target could be met with the current structure, however, as his report suggested, there needed to be more focus on research, analysis and fund raising methodology.</p>	

<p>CF22/31.3 The Committee suggested that more analysis be done on the findings of the report and the Head of Fundraising would liaise with Mr Bruty to seek further information.</p> <p>CF22/31.4 It was agreed that any further questions could be emailed to Mr Bruty and any findings would be collated and shared at the next Committee meeting.</p> <p>It was resolved that: The fundraising manager would gather further information on the report and feedback at the next meeting.</p> <p>Mr Bruty left the meeting.</p>	<p>KT</p> <p>Members/ KT</p>
<p>CF22/32 Staff Hardship Funding Paper Helen Stevens-Jones, BCUHB Director of Partnerships, Engagements and Communications</p> <p>CF22/32.1 The Director of Partnerships, Engagements and Communications discussed the important issue of staff hardship and how the charity could potentially help staff given the current cost of living crisis. The discussion in principle idea was to offer staff a £1 meal in the canteens of NHS work places.</p> <p>CF22/32.2 The Committee fully supported the intention of helping staff through these difficulty times however, assurance was sought that all legal and financial implications were clarified before agreeing to a scheme.</p> <p>CF22/32.3 The Head of Fundraising, agreed to look into this further and seek financial costings and governance around such a scheme. Exploring other NHS Trusts and Health Boards and finding best practice on such a scheme.</p> <p>It was resolved that the Committee : Agreed that the fund raising manager would seek further clarification on funding staff hardship incentives to be discussed at the next meeting.</p>	<p>KT</p>
<p>CF22/33 Charitable Funds Advisory Group Terms of Reference</p> <p>The Committee deferred discussion of the Committee's ToR pending completion of the Internal Audit review.</p> <p>It was resolved that the Committee deferred the item</p>	
<p>CF22/34 Committee Work Plan for 2022/2023 No comments were received regarding the Committee workplan</p> <p>It was resolved that the Committee agreed the Committee 2022/23 Workplan</p>	

<p>CF22/35 Summary of Expenditure Requests</p> <p>CF22/35.1 The Head of Fundraising presented the two expenditure requests submitted to the Charity which were discussed</p> <p>It was resolved that the committee agreed: The application by Parable</p> <p>Further information on the 'Ty Enfys' application be sought by the Head of Fundraising to include</p> <ul style="list-style-type: none"> • further clarification on the design plans for the building • further financial information • submit a revised application to the next meeting 	<p>KT</p>
<p>CF22/36 Charity Risk Register</p> <p>It was noted that the charity name had been entered incorrectly into the risk register as North Wales NHS Charity and as no formal name change had taken place the name of the charity was to remain as Awyr Las.</p>	
<p>CF22/37 Charitable Funds Finance Report Q1 2022/23</p> <p>CF22/37.1 The Principal Finance Manager, Financial Reporting, summarised the Q1 financial accounts. A reporting loss in quarter one due to the loss on investments was recorded. Donations were £290k in Q1, which was £90k up on the same quarter last year. Income in the first quarter was £1k, which was £4k down on the same quarter last year. Grants and funded expenditure was £166k, being an increase of £36k on the same period in Q1 last year. Fundraising expenditure was £53K, which was an £8k decrease on the same period in Q1 last year.</p> <p>CF22/37.2 The Committee questioned why the whole of the investment losses were being recorded against the unrestricted balances. The Executive Director of Finance clarified that as any benefits from investments had been allocated against unrestricted funds, the loss would be treated in the same way but would have to be reviewed if the losses continued.</p> <p>It was resolved that the Committee: Noted the report.</p>	
<p>CF22/38 Review Actions</p> <p>Committee actions agreed at the meeting would be updated in the summary action table following the meeting.</p>	<p>KT/NME</p>
<p>CF22/39 Review of risks highlighted within the meeting</p> <p>Not addressed</p>	

<p>CF22/40 Issues of significance to report to the Health Board Would be discussed outside the meeting.</p>	
<p>CF22/41 Review of meeting effectiveness</p> <p>The Committee commented that the meeting was very effective and well chaired. Whilst the meeting had overrun this was due to necessary discussion of important issues.</p>	
<p>CF22/42 Date of next Trustee Meetings</p> <p>Thursday November 24th 2022 Wednesday January 18th 9:00-11:00</p>	
<p>CF22/43 Date of next CFC Meeting</p> <p>December 29th 2022 9.30am-12.00pm</p>	

**CHARITABLE FUNDS COMMITTEE
TABLE OF ACTIONS LOG – ARISING FROM MEETINGS HELD IN PUBLIC**

	Lead Executive / Member	Minute Reference and Action Agreed	Original Timescale Set	Update	Revised timescale/ Action status (O/C)	RAG status
Actions from 18.10.22						
1	K Thomson	CF22/3.15 K Thomson would re-share the Imperial Health Charity Volunteering Strategy and ensure discussion as an item at the next committee meeting	29/12/2022	<p>Volunteering is included in the Third Sector Groups paper in the 29/12/2022 Agenda.</p> <p>The Imperial Health Charity Volunteering Strategy Report can be viewed here: Volunteering_Strategy_Report_-_2017-21.pdf (imperialcharity.org.uk)</p> <p>The Imperial Health Charity high level volunteering plan can be viewed here:</p>  <p>Volunteering Department High Le</p> <p>Imperial Health Charity new strategy:</p>	29/12/22	

				IHC Strategy 22-25 FINAL.pdf (imperialcharity.org.uk)		
2	M Marcu	CF22/14.3 M Marcu would arrange Trustee workshops on Governance and Training, which would be incorporated into the existing Health Board workshop schedule.	01/12/2022	An additional Trustee session was included in the BCUHB Board work plan for November 2022. The Board work plan for 2023/24 will be finalised by 01/03/23 and is expected to include Trustee sessions and workshops.	01/03/23	
3	T Woodhead	CF22/29.3 TW to enquire if an alternative audit company can be used to audit the charity.	29/12/22	This action remains outstanding and will be completed by 01/03/23. This action will be transferred to the Head of Fundraising.	01/03/23	
4	M Phoenix	CF22/29.5 MP to clarify the materiality level set by AW and feedback to committee.	29/12/22	This will be confirmed in the Audit report provided by Audit Wales for the Charitable Funds Committee on 18/01/23.	18/01/23	
5	K Thomson M Marcu	CF22/30.2 Support to be given by MM to ensure workshops and support was provided to trustees. To meet with KT to arrange dates.	29/12/22	An additional Trustee session was included in the BCUHB Board work plan for November 2022. The Board work plan for 2023/24 will be finalised by 01/03/23 and is expected to include Trustee sessions and workshops.	01/03/23	
6	K Thomson	CF22/31.3 Further analysis to be done on BB report, KT to arrange for any	29/12/22		29/12/22	

		questions to be answered and feedback to trustees at next meeting.		Included in the Charity Support Team report presented in the 29/12/22		
7	K Thomson	CF22/32.3 To look at further costings and governance around staff hardship scheme.	29/12/22	Verbal update included in the 29/12/22 meeting agenda	29/12/22	
8	K Thomson	CF22/35.1 Further information on the 'Ty Enfys' application be sought by the Head of Fundraising to include further clarification on the design plans for the building further financial information submit a revised application to the next meeting	29/12/22	Funding application circulated to all Charitable Funds Advisory Group members and included in the Expenditure Approvals	29/12/22	
Actions from 13.03.22						
10	K Thomson	CF22.7.3 JG to share his experience / expertise in launching a staff lottery	01/07/22	Meeting between John Gallanders and Charity Support Team members to be scheduled for Q3 22/23 Meeting to be arranged.	29/12/2022	
11	T Woodhead	CF22.8.13 Letter of Authority required and to be signed by 2 signatories to make the Crystallisation process recommendations – Brewin Dolphin (signed by Sue Hill and Tim Woodhead / Paula Clayton)	01/09/22	Due once decisions on crystallisation of investments has been made and approved by the Charitable Funds Committee. To be referenced in the Investment Strategy paper, due to be submitted to the Charitable Funds Committee for approval in March 2023	01/03/23	
Actions from CFC 21/06/21						
12	K Thomson	CF21.21.7	01/03/22	Kirsty met new BCUHB Arts in Health strategic lead in	01/03/23	

		Musical intervention therapy evaluation and outcomes to be presented at a future Charitable Funds Committee.		September 2022. This strategic lead will be invited to attend the March 2023 as a guest speaker to report on impact of Arts in Health to date and plans for future.		
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Teitl adroddiad:	Internal Audit Report 2022
Report title:	
Adrodd i:	Charitable Funds Committee
Report to:	
Dyddiad y Cyfarfod:	Wednesday, 18 January 2023
Date of Meeting:	
Crynodeb Gweithredol:	An audit of Charitable Funds was undertaken as part of the Health Board's Internal Audit Plan 2022-23. The report has been agreed with management and has been signed off at Executive level.
Executive Summary:	<p>The report has been provided to the Audit Committee (as part of progress reporting against the audit plan), and is provided to this Committee as delegated from the Board who are the Corporate Trustee for the Charity.</p> <p>The report received a Limited assurance rating, with the following issues identified:</p> <ul style="list-style-type: none">• Charitable Funds Committee is not operating as intended, with several meetings cancelled due to lack of availability of Members. There has been no formal review of Committee effectiveness or whether the structure meets the Board of Trustees assurance requirements.• A survey of Health Board members (Trustees) highlights several issues, including a lack of information provided to the full Board of Trustees.• The Strategy for the Charity has not been formally approved by the Board, as Corporate Trustee.• Charity objectives stated on the governing document and registered with the Charity Commission are not aligned with some spend.• Policies and procedures are overdue for review, and training for Fund Advisors has not been reviewed for a number of years.• There is a lack of review and analysis of fundraising data to inform fundraising planning.• The benefits from funding provided by the Charity are not routinely followed up/reviewed to ensure funds spend have achieved the outcomes detailed in the application. <p>A management response has been agreed. The implementation of agreed actions is routinely monitored via the Office of the Board Secretary that report on progress to the Audit Committee (via the audit tracker).</p>
Argymhellion:	The Committee is asked:
Recommendations:	<ul style="list-style-type: none">• To receive the audit report.

Arweinydd Gweithredol:	Executive Director of Finance			
Executive Lead:				
Awdur yr Adroddiad:	Nicola Jones, Deputy Head of Internal Audit (NWSSP)			
Report Author:				
Pwrpas yr adroddiad: Purpose of report:	I'w Nodi <i>For Noting</i> <input checked="" type="checkbox"/>	I Benderfynu arno <i>For Decision</i> <input type="checkbox"/>	Am sicrwydd <i>For Assurance</i> <input checked="" type="checkbox"/>	
Lefel sicrwydd: Assurance level:	Arwyddocaol <i>Significant</i> <input type="checkbox"/> Lefel uchel o hyder/tystiolaeth o ran darparu'r mecanweithiau / amcanion presennol <i>High level of confidence/evidence in delivery of existing mechanisms/objectives</i>	Derbyniol <i>Acceptable</i> <input checked="" type="checkbox"/> Lefel gyffredinol o hyder/tystiolaeth o ran darparu'r mecanweithiau / amcanion presennol <i>General confidence / evidence in delivery of existing mechanisms / objectives</i>	Rhannol <i>Partial</i> <input type="checkbox"/> Rhywfaint o hyder/tystiolaeth o ran darparu'r mecanweithiau / amcanion presennol <i>Some confidence / evidence in delivery of existing mechanisms / objectives</i>	Dim Sicrwydd <i>No Assurance</i> <input type="checkbox"/> Dim hyder/tystiolaeth o ran y ddarpariaeth <i>No confidence / evidence in delivery</i>
Cyfiawnhad dros y gyfradd sicrwydd uchod. Lle bo sicrwydd 'Rhannol' neu 'Dim Sicrwydd' wedi'i nodi uchod, nodwch gamau i gyflawni sicrwydd 'Derbyniol' uchod, a'r terfyn amser ar gyfer cyflawni hyn: <i>Justification for the above assurance rating. Where 'Partial' or 'No' assurance has been indicated above, please indicate steps to achieve 'Acceptable' assurance or above, and the timeframe for achieving this:</i>				
The report details internal audit assurance rating for the Charitable Funds audit. The Health Board assurance ratings differ from those agreed across NHS Wales for internal audit opinions and therefore the assurance level has intentionally been left blank.				
Cyswllt ag Amcan/Amcanion Strategol:	Awyr Las Charity Strategy			
Link to Strategic Objective(s):				
Goblygiadau rheoleiddio a lleol:	Impact on charity objectives registered with the Charity Commission.			
Regulatory and legal implications:				
Yn unol â WP7, a oedd EqIA yn angenrheidiol ac a gafodd ei gynnal? <i>In accordance with WP7 has an EqIA been identified as necessary and undertaken?</i>	No - EqIA not applicable.			
Yn unol â WP68, a oedd SEIA yn angenrheidiol ac a gafodd ei gynnal? <i>In accordance with WP68, has an SEIA identified as necessary been undertaken?</i>	No - SEIA not applicable.			
Manylion am risgiau sy'n gysylltiedig â phwnc a chwmpas y papur hwn, gan gynnwys risgiau newydd (croesgyfeirio at y BAF a'r CRR) <i>Details of risks associated with the subject and scope of this paper, including new risks(cross reference to the BAF and CRR)</i>	Not linked to specific risk on BAF/CRR – risks to assignment are included in the audit report.			

<p>Goblygiadau ariannol o ganlyniad i roi'r argymhellion ar waith</p> <p><i>Financial implications as a result of implementing the recommendations</i></p>	Not applicable
<p>Goblygiadau gweithlu o ganlyniad i roi'r argymhellion ar waith</p> <p><i>Workforce implications as a result of implementing the recommendations</i></p>	Not applicable
<p>Adborth, ymateb a chrynodeb dilynol ar ôl ymgynghori</p> <p><i>Feedback, response, and follow up summary following consultation</i></p>	The audit report has been reviewed and agreed by management / Executive lead.
<p>Cysylltiadau â risgiau BAF: (neu gysylltiadau â'r Gofrestr Risg Gorfforaethol)</p> <p><i>Links to BAF risks:</i> (or links to the Corporate Risk Register)</p>	Not linked to specific risk on BAF/CRR – risks to assignment are included in the audit report
<p>Rheswm dros gyflwyno adroddiad i fwrdd cyfrinachol (lle bo'n berthnasol)</p> <p><i>Reason for submission of report to confidential board (where relevant)</i></p>	Not applicable
<p>Camau Nesaf: Gweithredu argymhellion</p> <p>Next Steps: <i>The report is presented to the Committee for information. Any feedback provided on the actions agreed to address the recommendations risk should be considered by management / Executive lead.</i></p>	
<p>List of Appendices:</p> <ul style="list-style-type: none"> Charitable Funds – Final Internal Audit Report 	

Charitable Funds

Final Internal Audit Report

December 2022

Betsi Cadwaladr University Health Board

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Review reference:	BCU-2223-014
Report status:	Final
Fieldwork commencement:	1 August 2022
Fieldwork completion:	15 November 2022
Debrief meeting:	18 November 2022
Draft report issued:	21 November 2022 / 29 November 2022
Management response received:	22 December 2022
Final report issued:	22 December 2022
Auditors:	Nicola Jones, Deputy Head of Internal Audit Dave Harries, Head of Internal Audit
Executive sign-off:	Rob Nolan, Finance Director Commissioning and Strategic Financial Planning (on behalf of Executive Director of Finance)
Distribution:	Helen Stevens-Jones, Director of Partnerships/Communications and Engagement Tim Woodhead, Finance Director - Operational Kirsty Thomson – Head of Fundraising, Awyr Las Bethan Roberts – Financial Accountant (Charitable Funds) Paula Clayton – Assistant Financial Accountant (Charitable Funds)
Committee:	Charitable Funds Committee



Audit and Assurance Services conform with all Public Sector Internal Audit Standards as validated through the external quality assessment undertaken by the Institute of Internal Auditors

Acknowledgement

NHS Wales Audit and Assurance Services would like to acknowledge the time and co-operation given by management and staff during the course of this review.

Disclaimer notice - please note

This audit report has been prepared for internal use only. Audit and Assurance Services reports are prepared, in accordance with the agreed audit brief, and the Audit Charter as approved by the Audit Committee.

Audit reports are prepared by the staff of the NHS Wales Audit and Assurance Services, and addressed to Independent Members or officers including those designated as Accountable Officer. They are prepared for the sole use of the Betsi Cadwaladr University Health Board and no responsibility is taken by the Audit and Assurance Services Internal Auditors to any director or officer in their individual capacity, or to any third party.

Executive Summary

Purpose

The scope of the review was to determine the adequacy of the systems and controls in place within the Health Board for the management of the Charitable Funds.

Overview

We have issued limited assurance on this area. The significant matters which require management attention include:

- Charitable Funds Committee is not operating as intended, with several meetings cancelled due to lack of availability of Members. There has been no formal review of Committee effectiveness or whether the structure meets the Board of Trustees assurance requirements.
- A survey of Health Board members (Trustees) highlights several issues, including a lack of information provided to the full Board of Trustees.
- The Strategy for the Charity has not been formally approved by the Board, as Corporate Trustee.
- Charity objectives stated on the governing document and registered with the Charity Commission are not aligned with some spend.

Further matters arising concerning the areas for refinement and further development have also been noted (see Appendix A).

Report Opinion

		Trend
 Limited	More significant matters require management attention.	 2017/18
Moderate impact on residual risk exposure until resolved.		

Assurance summary¹

Objectives	Assurance
1 Effective governance arrangements are in place.	Limited
2 Policies and procedures are in place for the management of the charitable funds.	Reasonable
3 Income received, including fundraising, is accounted for correctly.	Reasonable
4 All expenditure is appropriate, authorised and within the terms of funds.	Reasonable

¹The objectives and associated assurance ratings are not necessarily given equal weighting when formulating the overall audit opinion.

Key Matters Arising		Objective	Control Design or Operation	Recommendation Priority
1	There is a lack of information provided to the Board of Trustees on the operation of the Charity.	1	Design	High
2	The Charitable Funds Committee has not been meeting as required and has not been reviewed for effectiveness.	1	Operation	High
3	The Board, as Corporate Trustee, have not formally approved the Strategy of the Charity.	2	Operation	High
4	Policies and Procedures are overdue for review and training for Fund Advisors has not been reviewed for a number of years.	2	Design	Medium
5	Lack of review and analysis of fundraising data to inform fundraising planning.	3	Design	Medium
6	The benefits resulting from funding provided by the Charity are not routinely followed up / reviewed to ensure funds spent have achieved the outcomes detailed in the application.	4	Design	Medium
7	Charity objectives stated on the governing document and registered with the Charity Commission are not aligned with some spend.	4	Operation	High

1. Introduction

1.1 The review of Charitable Funds has been completed in line with the 2022/23 Internal Audit Plan. Charitable Funds is the term given to money that is donated to the Health Board and which is administered through a registered Charity, Awyr Las. The Health Board is the Corporate Trustee of the Charity and has appointed the Charitable Funds Committee to oversee the management of its funds.

The Charity's activities, as recorded with the Charity Commission are '...provides support for patients and their families through enhancing healthcare services within the area served by Betsi Cadwaladr University LHB. It supports a wide range of health-related activities by funding: equipment and facilities in hospitals and the community; improvements to hospital environments; research and training; arts in health activities; and other special projects'.

The scope of this review was to evaluate and determine the adequacy of the systems and controls in place within the Health Board for the management of the Charitable Funds.

Objectives of the area under review:

1. Effective governance arrangements are in place for the charitable funds.
2. Policies and procedures are in place for the appropriate management of the charitable funds, including training, guidance and management for fund advisors.
3. All charitable funds income received, including fundraising, is appropriate and accounted for correctly, including gift aid.
4. All charitable funds expenditure is appropriate, authorised and within the terms of the relevant fund.

1.2 The risks considered in this review were:

- Charitable Funds income is not maximised.
- Charitable funds income may be incorrectly recorded and accounted for.
- Charitable funds expenditure may be inappropriate or incorrectly recorded.
- Non-compliance with Legislation and Charity Commission guidelines.

2. Detailed Audit Findings

Objective 1: Effective governance arrangements are in place for the charitable funds

2.1 The Awyr Las Charity is registered with the Charity Commission. By law, the Charity must have a governing document / deed of trust in place that sets out how the Charity will be run. There is a deed of trust in place for the Health Board Charity which is based on the model provided by the Charity Commission. There

is no formal regular assessment against how the Charity is operating against Charity commission guidance / best practice, however where new guidance is issued via the Charity Commission on a monthly basis this is reviewed and considered by the Head of Fundraising.

- 2.2 The Charitable Funds Committee within the Health Board has been appointed by **the Board 'to make and monitor arrangements for the control and Management of BCUHB's Charitable Funds.'** There is a **Terms of Reference for the Committee** (approved by the Board in July 2021) which sets out its delegated powers. For the financial year 2022/23 the Committee has met once (October 2022). The previous meeting was in March 2022. We are advised a strategy session was held in place of the December 2021 cancelled meeting, however these are not published on the Health Board website. A formal review of the effectiveness of the Committee has not been undertaken in the last year (as stated in the Terms of Reference).
- 2.3 We reviewed the minutes of meetings from June 2021 – March 2022 against the Terms of Reference and noted the requirements of membership/frequency were not generally met, however the meetings that took place were quorate. Findings are summarised in Table 1 below.

Table 1: Assessment against ToR requirements for Charitable Funds Committee meetings (June 2021 – March 2022)

Terms of Reference requirement	Assessment
<u>Frequency</u> Meetings shall normally be held quarterly, but may be convened at short notice if requested by the Chair.	Not met Meetings were held in June 2021, September 2021, March 2022 and October 2022. The meeting for December 2021 was stood down due to COVID (in line with all Health Board Committees). The July 2022 meeting was cancelled and September 2022 was rescheduled to October due to lack of availability of Members.
<u>Membership</u> A minimum of seven (7) members of the Committee comprising up to four (4) Independent Members, plus three (3) Executive Members.	Not met June 2021 - 3 IMs and 2 Executives. Sept 2021 – 3 IMs and 2 Executives. March 2022 – 4 IMs and 1 Executive. <i>*note that the role of Planning & Performance Executive is no longer in place</i>
<u>Quorum</u> At least three Members must be present to ensure the quorum of the Committee, two of whom should be Independent Members (including the Committee Chair or Vice-Chair) and one of whom should be an Executive Director.	Met June 2021 - 3 IMs and 2 Executives. Sept 2021 – 3 IMs and 2 Executives. March 2022 – 4 IMs and 1 Executive.

-
- 2.4 The Committee work programme is reviewed regularly, and when the Committee has met it is generally receiving the required information on a regular basis (with the exception of minutes from the Charitable Funds Advisory Group, which has been discharging its duties via email since the COVID pandemic). For the July and September 2022 meetings that were cancelled, papers were provided to Committee members via e-mail, with the opportunity to provide comments / queries to the Head of Fundraising.
- 2.5 The information presented to the Committee is focused on the financial elements of the Charitable Funds but there is no evident presentation of qualitative data on the operation of the Charity.
- 2.6 Assurance is provided to the Board via Chairs Assurance reports, which were presented to the Health Board for two of the meetings reviewed.
- 2.7 Trustee meetings are currently held on an annual basis, with the last meeting held in January 2022. This has now been increased to two meetings a year.
- 2.8 We requested feedback from Board members, as Corporate Trustee of the Charity, on the governance arrangements of the Charity and the role of the Board as Trustee. Seven responses were received. Areas of concern highlighted include:
- Lack of input from Trustees.
 - Lack of effective oversight of the Charity (from the Board of Trustees).
 - Insufficient guidance for Board Members on their responsibilities relating to the Corporate Trustee of the Charity.
 - Cost of generating income is high.
 - Charitable Fund Committee is not meeting regularly.
 - Concerns relating to the strategy – oversight and withdrawal of investments.

Further details of the feedback are provided in Appendix B.

- 2.9 There is no standard information provided to Health Board Members on induction that sets out the role of the Health Board as Corporate Trustee. Apart from the annual Trustee meeting noted above, no regular information is provided to the Board of Trustees, except those who are members of the Charitable Funds Committee.
- 2.10 Risks are presented to the Committee at each meeting. Risks are not currently captured on Datix, we are advised the team were in the process of doing this. Risks are presented in the same format as the health board risks.

Conclusion:

- 2.11 The Charitable Funds Committee has not been meeting as required, and meetings that have taken place have not been well attended. Whilst there is focus on financial matters, qualitative matters are not discussed regularly.

We do not consider an annual meeting of the Board of Trustees is sufficient to effectively discharge its role in governing the Charity and is not receiving sufficient assurance that the Charity is operating effectively or achieving its objectives.

Feedback from Board members, highlight areas of concern relating to the provision of sufficient information on the Charity at the induction stage.

We have concluded limited assurance for this objective

Objective 2: Policies and procedures are in place for the appropriate management of the charitable funds, including training, guidance and management for fund advisors

- 2.12 The Awyr Las Charity is managed by the Head of Fundraising and a small team, reporting to the Director of Partnerships, Communication and Engagement within the Health Board. Two finance staff also undertake roles relating to Charity expenditure and accounting, and sit within the Finance Team (under the Executive Director of Finance). The Charity support team also oversee relationships with charitable partners that donate directly to the Health Board. The Head of Fundraising advised that the strategy considers a number of ways to raise the profile of the Charity, including Charity Champions across the organisation.
- 2.13 The Charity had a strategy in place for 2016 – 2021, with a review due in 2022. The Awyr Las Strategy (2022-2025) was initially presented at a Trustee meeting in January 2022, and then presented to the Charitable Funds Committee in March 2022, with an implementation plan for presentation at a later date. The revised strategy and implementation plan will be submitted for review and approval at the December Charitable Funds Committee, and further submitted to the Board via the Trustees meeting in January 2023. There was significant challenge to the Strategy, which has also been reviewed by an external company.
- 2.14 Quarterly investment performance reports are produced by Brewin Dolphin, the **Charity's Wealth Management Firm**. The Charitable Funds Committee receives reports at each meeting, detailing the performance of investments.
- 2.15 There are several policies / procedures in place for the management of charitable funds. The key policies are:
- Financial procedures.
 - Fund Advisor Handbook & Accountability Agreements.
 - Collaborative Working Protocol.
- These are all overdue for review (2019), however we are advised they are still extant and a review is underway. There is also a reserves policy in place.
- 2.16 Fund advisors are staff across the Health Board who are responsible for managing specific funds, for example a ward sister / lead nurse. A list of Fund advisors is administered and reviewed by the Assistant Financial Accountant, and monthly statements are issued for each fund, detailing income and expenditure.
- 2.17 Fund Advisors are provided with training and guidance on their roles, however we are advised this was paused due to COVID-19 and is currently under review, with a questionnaire due to be issued to Fund Advisors in quarter 4 2022, for their views

on the role and training. The Fund Advisor handbook is available on BetsiNet as well as the relevant forms to complete to request expenditure.

- 2.18 The Assistant Financial Accountant maintains a spreadsheet of fund balances, including committed expenditure. Dormant funds and those with low balances are reviewed and closed if appropriate.

Conclusion:

- 2.19 The Strategy requires formal approval by the Board, as Corporate Trustee. Policies/procedures are out of date, noting there is work ongoing to review these, as well as training for fund advisors.

We have concluded reasonable assurance for this objective.

Objective 3: All charitable funds income received, including fundraising, is accounted for correctly, including gift aid.

- 2.11 Income is received through various sources, such as just giving, texts, Facebook, cash donations (via general office), cheque etc. Upon receipt of funds these are allocated to the appropriate fund.
- 2.12 The financial accountant for Charitable Funds produced an analysis of the donations and fundraising, which states how the payment was received (if received by cash includes the receipt number), and the fund the payment is allocated to.
- 2.13 People wishing to fundraise on behalf of the Charity are encouraged to request a fundraising pack (this was under review at the time of fieldwork). We reviewed the process where fundraising activity has been registered with the Charity only. Details of the fundraising are **captured on a 'Harlequin' database**. Funds due are reviewed on a weekly basis and where funds have not been received within six weeks this is escalated to the Head of Fundraising who will take action, such as further contact and referring to Counter Fraud if required.
- 2.14 Fundraising data captured is not reviewed or analysed on a regular basis. The system is due to be replaced, which will allow more efficient review and analysis of the information.
- 2.15 A review of fundraising was undertaken by an external company in October 2022, which highlighted several issues with fundraising, such as a lack of understanding of fundraising, poor information management and inadequate levels of staffing.
- 2.16 We reviewed the gift aid submissions for two quarters – January to March 2022 and April – June 2022. The submissions were fully complete, including totals from various funds, and were submitted to HM Revenue and Customs.

Conclusion:

- 2.17 There is a process in place for receiving income into the Charity, and to ensure fundraising registered is received within a reasonable time. There is limited analysis of fundraising data to ensure fundraising planning is as effective as possible.
- 2.18 We have concluded reasonable assurance for this objective.

Objective 4: All charitable funds expenditure is appropriate, authorised and within the terms of the relevant fund

2.19 There is a process in place for the approval of spend from Charitable Funds. This includes completion of forms to request approval via Fund Advisors, to ensure spend is appropriate and in line with the terms of the fund. The forms to complete are available via BetsiNet. The approval routes are detailed in table 2 below.

Table 2 : Approval routes for Charitable Fund expenditure

Expenditure amount	Approval route
<£5k	Via Oracle in line with scheme of delegation (Payment Request Form required)
5k – £25k	Reviewed by Charitable Funds Advisory Group (via email) who provide recommendations to the Committee. (Funding Application Form required)
>£25k	Reviewed by Charitable Funds Advisory Group (via email) who provide recommendations to the Committee. (Funding Application Form required)
>£500k	Reviewed by Charitable Funds Advisory Group (via email) who provide recommendations to the Committee. The Charitable Funds Committee provides in principle approval, with formal ratification then required from the Health Board. (Funding Application Form required)

2.20 Following the COVID-19 pandemic, the duties of the Charitable Funds Advisory Group have been completed online, with the group not formally meeting. Instead, feedback from members is sought and comments / recommendation recorded prior to submission for Charitable Fund Committee (CFC) approval.

2.21 We received reports detailing the expenditure for Charitable Funds for December 2021 to May 2022. This is reported as Administration, Capital, Patient Amenities, Research and Staff Amenities.

2.22 We reviewed a sample of 25 items of expenditure / approvals, ranging from £200 to £84k covering 14 funds:

- All expenditure under £5k was appropriately approved, with completed Payment Request forms and Oracle approval provided as evidence. There was some spend we consider is not in line with the **Charity's objectives** (see 2.23 below)
- All expenditure / requests over £5k were appropriately approved, with completed Funding Application Forms, and CFC approval provided as evidence.

- 2.23 Testing identified some minor compliance issues with Funding Application forms not fully completed with approval information.
- 2.24 The Terms of each fund were not provided with the expenditure approvals, however a review of the category / type of spend appears appropriate for charitable funds. The Payment Request Form includes a declaration to confirm if the funding is in line with the Terms of the fund. This is not included on the Funding Application Form, however these are scrutinised by the Advisory Group and the Committee.
- 2.25 The **Charity's governing document**, and objectives as stated on the Charity Commission website are '*... provides support for patients and their families through enhancing healthcare services within the area served by Betsi Cadwaladr University LHB. It supports a wide range of health related activities by funding: equipment and facilities in hospitals and the community; improvements to hospital environments; research and training; arts in health activities; and other special projects*'.
A review of expenditure shows **the spend items classed as 'staff amenities'** are usually related to training/conferences and associated expenses. However, there is spend on staff activity and events where we are unable to confirm that such spend meets the **Charity's objective** (we are advised this is long established annual expenditure).
- 2.26 There is no formal process to follow up or review the outcomes and benefits stated in funding applications, to ensure funds have been spent appropriately and resulted in **improvements to services etc. in line with the Charity's objectives**.
- 2.27 Expenditure is reported to the Charitable Funds Committee on a regular basis, including outstanding commitments.

Conclusion:

- 2.28 There is a robust process in place for the application and approval of expenditure from Charitable Funds. All expenditure sampled had evidence of review and appropriate approval. Testing identified some compliance issues, however we do not deem these significant.
- 2.29 Whilst proposals for expenditure over £5k are reviewed, there is currently no formal process in place to confirm the benefits / outcome of funding applications. We have concluded reasonable assurance for this objective.

Appendix A: Management Action Plan

Matter Arising 1: Information provided to the Board as Trustee (Design)		Impact	
1.1	As part of the questionnaire issued to Board Members, as Corporate Trustees, feedback provided included some members were not aware of their responsibilities as a Corporate Trustee and were not provided with information about the role of the Board in relation to the Charity on induction.	Potential risk of: <ul style="list-style-type: none"> Board members unaware of responsibilities relating to the Charity. The Trustees do not have effective oversight of Charitable Funds. 	
1.2	Trustee meetings are held annually, however given the size of the Charity and responsibilities of the Board of Trustees, this frequency does not appear to be adequate to ensure the Board of Trustees has sufficient oversight and assurance on the operation of the Charity.		
Recommendations		Priority	
1.1	Induction information provided to Board Members - review and issue to all, to include responsibilities, key information and how they are provided with assurance on the operation of the Charity.	High	
1.2	Review the content and frequency of information provided to Trustees, including: <ul style="list-style-type: none"> More frequent Board of Trustee meetings. More frequent performance reporting (financial and qualitative, such as achievement of goals and objectives, fundraising data, Charity team activity). Assurance provided on meeting requirements of the Charity Commission. Information on any changes to guidance and how these are being applied within the Charity. 	Medium	
Agreed Management Action		Target Date	Responsible Officer
1.1	All Trustees will be reminded of their role and responsibilities and the charity's performance and how to access this information in a Trustees meeting setting.	26/01/23	Head of Fundraising

	<p>Liaise with the Office of the Board Secretary to review and Charitable Funds information included in induction for Board Members.</p> <p>All Trustees will receive a monthly update from the Charity Support Team on:</p> <ul style="list-style-type: none"> - Information from the Charity Commission to maintain a good level of knowledge and understanding of the Commission's guidance and regulation, and the their role as a Board member of the Corporate Trustee - Spotlight on a Fund and Fund Advisor, so they are aware of the responsibilities and actions of those who are charged with overseeing different funds on behalf of the Corporate Trustee - Updates on grants awarded and grant impact - Review of internal and external communications 	31/01/23	
1.2	A review of the content and frequency of information provided to Trustees will be tabled at the Charitable Funds Committee for discussion and reviewed at the Trustee meeting.	26/01/23	Head of Fundraising

Matter Arising 2: Charitable Funds Committee (Operation)		Impact
<p>2.1</p>	<p>The Charitable Funds Committee (CFC) has met once in the financial year 2022/23, with the July meeting cancelled and September meeting postponed to October. Attendance at the meetings prior to this was sporadic.</p> <p>The membership of the meeting is 7 members – 4 IMs and 3 Executive members, however attendance at the meetings reviewed has not included all members / appropriate deputies. The membership includes one Executive as the Director of Planning and Performance; however this role is no longer in place. Of the three meetings we reviewed, all were quorate.</p>	<p>Potential risk of:</p> <ul style="list-style-type: none"> The Trustees do not have effective oversight of Charitable Funds.
<p>2.2</p>	<p>The responsibilities of the CFC are detailed in the Terms of Reference; however, we note that these are data / finance focused.</p>	
<p>2.3</p>	<p>The Terms of Reference of the CFC include a review of effectiveness of the Committee, however no formal effectiveness exercise has been undertaken.</p>	
Recommendations		Priority
<p>2.1</p>	<p>Review Membership of the Charitable Funds Committee in light of Executive changes, including the quoracy required for meetings and update Terms of Reference to reflect any revisions. We suggest a minimum 2 Executives and 2 Independent Members, recognising the wider pool of IM and Executives who are Board of Trustee Members.</p>	<p>High</p>
<p>2.2</p>	<p>Review responsibilities and objectives of Committee and consider the regular information provided including more qualitative data on the operation of the Charity, updating the Terms of Reference to reflect any revisions.</p>	<p>High</p>
<p>2.3</p>	<p>Undertake a review of the effectiveness of the Charitable Funds Committee, in line with the requirements of the Terms of Reference (2.1) of the Committee, including requirements of the Charity Commission.</p>	<p>High</p>

Agreed Management Action		Target Date	Responsible Officer
2.1	New Terms of Reference to be approved by the BCUHB Chairman, the Chair of the Charitable Funds Committee and the Executive Team and submitted for approval by the Charitable Funds Committee and ratified by the Trustee Board.	31/01/23	Interim Board Secretary
2.2	New Terms of Reference to be circulated to all Charity Team members for input to include fundraising, impact reporting and engagement planning and reporting as appropriate.	31/01/23	Interim Board Secretary
2.3	Undertake an effectiveness review of the Committee via survey / interview of all Committee members and non-member regular attendees, and commit to a plan for reporting this and scheduling it in on an annual basis. More time to be allocated for measuring effectiveness at the end of the meetings, with specific questions considered in the 'Meeting Effectiveness' agenda item.	31/01/23	Head of Fundraising

Matter Arising 3: Strategy (Operation)		Impact	
The Charity had a strategy in place for 2016 – 2021, with a review due in 2022. The Strategy for Awyr Las (2022-25) was initially presented to the Board of Trustees and subsequently submitted and reviewed by members of the Charitable Funds Committee. The Board, as a Corporate Trustee who should be involved in setting the strategic direction of the Charity, have not formally approved the strategy.		Potential risk of: <ul style="list-style-type: none"> The Board, as Corporate Trustee for the Charity have not formally approved the Strategy. 	
Recommendations		Priority	
3.1	The Charity Strategy should be presented to Board of Trustees for review and approval.	High	
Agreed Management Action		Target Date	Responsible Officer
3.1	Charity Strategy to be submitted for approval to the December 2022 Charitable Funds Committee and presented for ratification at the January 2023 Trustees meeting.	31/01/23	Head of Fundraising

Matter Arising 4: Policies and procedures (Design)		Impact	
4.1	The key procedures within the Charity are overdue for review, we are advised this is underway.	Potential risk of: <ul style="list-style-type: none"> • Non-compliance with Charity procedures. • Lack of awareness of procedures amongst Fund Advisors. 	
4.2	Training has not been undertaken or reviewed since before the Covid-19 pandemic and it is likely new Fund Advisors are not aware of the procedures.		
Recommendations		Priority	
4.1	Policies and procedures are reviewed to ensure any changes are reflected. Feedback from the Fund Advisor questionnaire should be incorporated when reviewing the procedures.	Medium	
4.2	Training for Fund Advisors is reviewed and recommences as soon as possible.	Medium	
Agreed Management Action		Target Date	Responsible Officer
4.1	Financial Procedures to be reviewed and submitted to the Charitable Funds Committee in March 2023 for approval. Engagement and Communications Procedures to also be drawn up for approval by the Charitable Funds Committee in March 2023.	31/03/23	Head of Fundraising
4.2	New Fund Advisor training package and communications plan to be in place and resourced by April 2023.	30/04/23	Head of Fundraising

Matter Arising 5: Fundraising (Design)		Impact	
5.1 Fundraising data captured is not reviewed or analysed on a regular basis. The system is due to be replaced, which will allow more efficient review and analysis of the information.		Potential risk of:	
		<ul style="list-style-type: none"> Lack of effective fundraising planning 	
Recommendations		Priority	
5.1	A regular review and analysis of fundraising should be undertaken by the team, with results informing fundraising planning.	Medium	
Agreed Management Action		Target Date	Responsible Officer
5.1	New dedicated data management resource to be in place by end of March 2023 with new reporting for CFC in place by September 2023 to ensure consistent regular review and analysis of fundraising should be undertaken by the team.	30/09/23	Head of Fundraising

Matter Arising 6: Expenditure (Design)		Impact	
6.1	There is no formal process in place to follow up or review the outcomes and benefits stated in funding applications, to ensure funds have been spent appropriately and resulted in improvements to services etc. in line with the Charity's objectives.	Potential risk of: <ul style="list-style-type: none"> Benefits of spend is not reviewed. 	
Recommendations		Priority	
6.1	A process should be put in place to review the benefits / outcome of funding to ensure these have been realised and captured by the Charity.	Medium	
Agreed Management Action		Target Date	Responsible Officer
6.1	A dedicated Grants Manager will be in post by March to ensure a more robust process can be put in place to track funding requests and monitor, evaluate and report funding outcomes and outputs for all charitable activity.	30/09/23	Head of Fundraising

Matter Arising 7: Charity Objectives (Operation)		Impact	
<p>7.1 The Charity's governing document, and objectives as stated on the Charity Commission website are '... provides support for patients and their families through enhancing healthcare services within the area served by Betsi Cadwaladr University LHB. It supports a wide range of health related activities by funding: equipment and facilities in hospitals and the community; improvements to hospital environments; research and training; arts in health activities; and other special projects'. A review of expenditure shows the spend items classed as 'staff amenities' are usually related to training/conferences and associated expenses. However, there is spend on staff activity and events where we are unable to confirm that such spend meets the Charity's objective. We are advised this is long established annual expenditure.</p>		<p>Potential risk of:</p> <ul style="list-style-type: none"> Some elements of spend is not in line with the objectives of the Charity. 	
Recommendations		Priority	
7.1	The wording of the Charity's objectives should be reviewed to ensure it accurately reflects the spend of the charity i.e. staff and wellbeing support initiatives.	High	
Agreed Management Action		Target Date	Responsible Officer
7.1	<p>The charity objectives will be updated to ensure clarity of purpose in the 2023-28 strategy, due to be presented for approval at the December 2022 Charitable Funds Committee meeting, and ratification at the January 2023 Trustees meeting.</p> <p>The objectives will then be updated on the Charity Commission website, intranet, internet and the BCUHB Charitable Funds webpage.</p>	31/01/23	Head of Fundraising

Appendix B: Questionnaire results

1. Are you aware of your responsibilities in relation to the Awyr Las Charity?

● Yes	6
● No	0
● Partial	1
● Not applicable	0



2. Have you received guidance or training as a Board of Trustee member of Awyr Las?

● Yes	3
● No	4
● Not applicable	0



3. Are you satisfied that you receive sufficient information and assurance in order for you to satisfy your responsibilities?

● Yes	2
● No	3
● Partial	1
● Not applicable	1



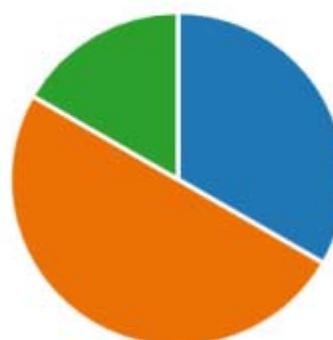
4. Do you attend the Trustee meeting held by the Charity?

● Yes	4
● No	1
● Not aware of the meeting	1
● Not applicable	1



5. Are you confident that the Board of Trustees receives sufficient assurance about the Charity's performance in relation to fulfilling its charitable objectives?

● Yes	2
● No	3
● Partial	1
● Not applicable	0



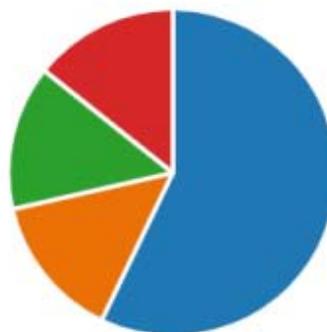
6. Where you are a member of the Charitable Funds Committee, do you receive sufficient information to allow you to meet the responsibilities set out in the Terms of Reference?

● Yes	2
● No	0
● Not a member of the Committee	3
● Not applicable	2



7. The Standing Financial Instructions defines the need for compliance with Charities Commission latest guidance and best practice - do you feel you have assurance that this is being undertaken?

● Yes	4
● No	1
● Partial	1
● Not applicable	1



8. Is there any additional information you would want to receive regularly to provide you with assurance that the Charity is operating as intended ? (Please use the space in Q11 to note this information)

● Yes	4
● No	2
● Not applicable	1



9. Are you confident that the Charity is managing risks effectively i.e. it has identified all those areas that present a material risk(s) to the objectives and strategic aims, and put in place appropriate controls?

● Yes	1
● No	3
● Partial	3
● Not applicable	0



10. Have you been given the opportunity to provide input to the Awyr Las Strategy?

● Yes	5
● No	2
● Not applicable	0



Issue	Comments received
Trustee information / oversight of the Charity	<ul style="list-style-type: none"> • <i>there is little input from Trustees given the large level of funding</i> • <i>Not sure that the HB has effective oversight of charity, there have been no meetings in the last 6 months where the board has functioned as a Charity Trustee</i> • <i>Have some awareness but no guidance has been provided from Betsi (in relation to induction information provided about the charity)</i>

	<ul style="list-style-type: none"> • <i>I am concerned that there is insufficient oversight over the ongoing strategy and management of the charity and its finances with the result that decisions are taken with only limited division of duties</i> • <i>More regular information on national changes (would be useful)</i> • <i>A regular performance report to the Board to include financial performance; annual review of achievement of objectives and goals etc. (would be useful)</i> • <i>Don't see the high-level risks in the Health Board risk register</i>
Income fundraising /	<ul style="list-style-type: none"> • <i>Unit cost of generating income seems significantly higher than in other similar hospital based charities</i> • <i>Inclusion of funds that are not generated by AL i.e. funds generated by independent charities based in BCU hospitals are independent, but appear to be claimed as BCU Charitable Funds, which is not appropriate</i>
Charitable Funds Committee	<ul style="list-style-type: none"> • <i>Meetings of the CF Cttee have been spasmodic due to the ongoing health situation and small numbers on the committee</i>
Awyr Las Strategy	<ul style="list-style-type: none"> • <i>Concerned about the request to have investments withdrawn without a clear understanding of what they would be used for apart from propping up the team</i> • <i>We should within AL and BCUHB as a whole have the knowledge and expertise to develop the AL Strategy in house without the need to externalise work that has to have a very close operational ownership going forward</i>

Appendix C : Assurance opinion and action plan risk rating

Audit Assurance Ratings

We define the following levels of assurance that governance, risk management and internal control within the area under review are suitable designed and applied effectively:

	Substantial assurance	Few matters require attention and are compliance or advisory in nature. Low impact on residual risk exposure.
	Reasonable assurance	Some matters require management attention in control design or compliance. Low to moderate impact on residual risk exposure until resolved.
	Limited assurance	More significant matters require management attention. Moderate impact on residual risk exposure until resolved.
	No assurance	Action is required to address the whole control framework in this area. High impact on residual risk exposure until resolved.
	Assurance not applicable	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 Recommendations

We categorise our recommendations according to their level of priority as follows:

Priority level	Explanation	Management action
High	Poor system design OR widespread non-compliance. Significant risk to achievement of a system objective OR evidence present of material loss, error or misstatement.	Immediate*
Medium	Minor weakness in system design OR limited non-compliance. Some risk to achievement of a system objective.	Within one month*
Low	Potential to enhance system design to improve efficiency or effectiveness of controls. Generally issues of good practice for management consideration.	Within three months*

* Unless a more appropriate timescale is identified/agreed at the assignment.



NHS Wales Shared Services Partnership
4-5 Charnwood Court
Heol Billingsley
Parc Nantgarw
Cardiff
CF15 7QZ

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



Teitl adroddiad: <i>Report title:</i>	Wales Audit Office Report 2021/22			
Adrodd i: <i>Report to:</i>	Charitable Funds Committee			
Dyddiad y Cyfarfod: <i>Date of Meeting:</i>	Wednesday, 18 January 2023			
Crynodeb Gweithredol: <i>Executive Summary:</i>	Beth yw pwrpas y papur, a yw'n eitem sefydlog/untro? Pa gamau sydd angen i'r Bwrdd eu cymryd gyda'r adroddiad hwn? Audit Wales report following the audit of the Awyr Las Annual Report and Financial Statements.			
Argymhellion: <i>Recommendations:</i>	Gofynnir i'r Bwrdd: Nodi/cymeradwyo <i>The Board is asked to:</i> <i>Note the information provided by Audit Wales and approve the receipt of this report.</i>			
Arweinydd Gweithredol: <i>Executive Lead:</i>	Executive Director of Finance			
Awdur yr Adroddiad: <i>Report Author:</i>	Audit Wales			
Pwrpas yr adroddiad: <i>Purpose of report:</i>	I'w Nodi <i>For Noting</i> <input type="checkbox"/>	I Benderfynu arno <i>For Decision</i> <input checked="" type="checkbox"/>	Am sicrwydd <i>For Assurance</i> <input type="checkbox"/>	
Lefel sicrwydd: <i>Assurance level:</i>	Arwyddocaol <i>Significant</i> <input checked="" type="checkbox"/> Lefel uchel o hyder/tystiolaeth o ran darparu'r mecanweithiau / amcanion presennol <i>High level of confidence/evidence in delivery of existing mechanisms/objectives</i>	Derbyniol <i>Acceptable</i> <input type="checkbox"/> Lefel gyffredinol o hyder/tystiolaeth o ran darparu'r mecanweithiau / amcanion presennol <i>General confidence / evidence in delivery of existing mechanisms / objectives</i>	Rhannol <i>Partial</i> <input type="checkbox"/> Rhywfaint o hyder/tystiolaeth o ran darparu'r mecanweithiau / amcanion presennol <i>Some confidence / evidence in delivery of existing mechanisms / objectives</i>	Dim Sicrwydd <i>No Assurance</i> <input type="checkbox"/> Dim hyder/tystiolaeth o ran y ddarpariaeth <i>No confidence / evidence in delivery</i>
Cyfiawnhad dros y gyfradd sicrwydd uchod. Lle bo sicrwydd 'Rhannol' neu 'Dim Sicrwydd' wedi'i nodi uchod, nodwch gamau i gyflawni sicrwydd 'Derbyniol' uchod, a'r terfyn amser ar gyfer cyflawni hyn: <i>Justification for the above assurance rating. Where 'Partial' or 'No' assurance has been indicated above, please indicate steps to achieve 'Acceptable' assurance or above, and the timeframe for achieving this:</i>				
Cyswllt ag Amcan/Amcanion Strategol: <i>Link to Strategic Objective(s):</i>	Awyr Las Strategy			

Goblygiadau rheoleiddio a lleol:	
Regulatory and legal implications:	
Yn unol â WP7, a oedd EqIA yn angenrheidiol ac a gafodd ei gynnal? <i>In accordance with WP7 has an EqIA been identified as necessary and undertaken?</i>	Do/Naddo Y/N N/A
Yn unol â WP68, a oedd SEIA yn angenrheidiol ac a gafodd ei gynnal? <i>In accordance with WP68, has an SEIA identified as necessary been undertaken?</i>	Do/Naddo Y/N N/A
Manylion am risgiau sy'n gysylltiedig â phwnc a chwmpas y papur hwn, gan gynnwys risgiau newydd (croesgyfeirio at y BAF a'r CRR) <i>Details of risks associated with the subject and scope of this paper, including new risks(cross reference to the BAF and CRR)</i>	All risks are included in the Charity Risk Register
Goblygiadau ariannol o ganlyniad i roi'r argymhellion ar waith <i>Financial implications as a result of implementing the recommendations</i>	Included within the Annual Accounts
Goblygiadau gweithlu o ganlyniad i roi'r argymhellion ar waith <i>Workforce implications as a result of implementing the recommendations</i>	N/A
Adborth, ymateb a chrynodeb dilynol ar ôl ymgynghori <i>Feedback, response, and follow up summary following consultation</i>	(crynodeb o sut mae'r papur wedi cael ei adolygu, yr ymateb a pha newidiadau a wnaed ar ôl cael adborth) (summarise where the paper has been reviewed, the response and what changes have made due to feedback)
Cysylltiadau â risgiau BAF: (neu gysylltiadau â'r Gofrestr Risg Gorfforaethol) <i>Links to BAF risks: (or links to the Corporate Risk Register)</i>	Not linked to specific risk on BAF/CRR – risks to assignment are included in the audit report
Rheswm dros gyflwyno adroddiad i fwrdd cyfrinachol (lle bo'n berthnasol) <i>Reason for submission of report to confidential board (where relevant)</i>	Amherthnasol Not applicable
Camau Nesaf: Gweithredu argymhellion <i>Next Steps: Implementation of recommendations</i>	

Once the final Annual Report and Accounts are drawn up, along with the Letter of Representation, they will be approved by the Committee and signed by the Chair of the Charitable Funds Committee and the Acting Executive Director of Finance, on behalf of the Trustee.

Rhestr o Atodiadau

List of Appendices:

Appendix 1: Audit Wales Audit Report 2021/22

Audit of Accounts Report – Betsi Cadwaladr University Health Board Charity, Awyr Las

Audit year: 2021-22

Date issued: January 2023

Document reference: 3326A2022

This document has been prepared as part of work performed in accordance with statutory functions.

In the event of receiving a request for information to which this document may be relevant, attention is drawn to the Code of Practice issued under section 45 of the Freedom of Information Act 2000. The section 45 code sets out the practice in the handling of requests that is expected of public authorities, including consultation with relevant third parties. In relation to this document, the Auditor General for Wales and the Wales Audit Office are relevant third parties. Any enquiries regarding disclosure or re-use of this document should be sent to the Wales Audit Office at infoofficer@audit.wales.

We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

Contents

We intend to issue an unqualified audit report on your Accounts. There are no issues to report to you prior to their approval.

Audit of Accounts Report

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Audit of Accounts Report

Introduction

- 1 We summarise the main findings from our audit of your 2021-22 annual report and accounts in this report.
- 2 We have already discussed these issues with the Charity Accountant.
- 3 Auditors can never give complete assurance that accounts are correctly stated. Instead, we work to a level of 'materiality'. This level of materiality is set to try to identify and correct misstatements that might otherwise cause a user of the accounts into being misled.
- 4 We set this level at £28,800 for this year's audit.
- 5 We have now almost completed this year's audit but at the time of drafting this report some work is outstanding within the following areas:
 - a. Income;
 - b. Expenditure;
 - c. Liabilities;
 - d. Consideration of material journals;
 - e. Consideration of transfers between funds;
 - f. Final review of the Annual Report; and
 - g. Our final stage review of our audit work coupled with our final review of the revised financial statements.
- 6 In our professional view, we have complied with the ethical standards that apply to our work; remain independent of yourselves; and our objectivity has not been compromised in any way. There are no relationships between ourselves and yourselves that we believe could undermine our objectivity and independence.

Proposed audit opinion

- 7 We intend to issue an unqualified audit opinion on this year's accounts once you have provided us with a Letter of Representation based on that set out in **Appendix 1**.
- 8 We issue a 'qualified' audit opinion where we have material concerns about some aspects of your accounts; otherwise we issue an unqualified opinion.
- 9 The Letter of Representation contains certain confirmations we are required to obtain from you under auditing standards.
- 10 Our proposed audit report is set out in **Appendix 2**.

Significant issues arising from the audit

Uncorrected misstatements

- 11 There are no misstatements identified in the accounts, which remain uncorrected.

Corrected misstatements

- 12 There were initially misstatements in the accounts that have now been corrected by management. However, we believe that these should be drawn to your attention and they are set out with explanations in Appendix 3.

Other matters arising from the audit

- 13 During the planning of our audit we identified some areas of risk specific to Awyr Las that we reported to you in our Audit Plan.

Transfer of Investment portfolio from Rothschild to Brewin Dolphin

- 14 We identified the accounting treatment of the transfer of investment portfolio from Rothschild to Brewin Dolphin during the year as a significant risk. The investment portfolio represents a material balance within the financial statements and such a transfer is not a regular occurrence, increasing the potential risk of error.
- 15 Audit work undertaken such as reviewing all investment balances including additions and disposals made by both investment managers and reconciling the investments transferred between to the managers did not identify any issues that impact on the Awyr Las financial statements.

New charity accountant appointed to prepare the 2021-22 financial statements

- 16 During the audit of the 2020-21 financial statements, we highlighted an issue surrounding the quality of the initial draft accounts presented for audit.
- 17 A new charity accountant was appointed to prepare the 2021-22 financial statements. Although supported by experienced members of the finance team, the production of the financial statements is complicated and having a new accountant prepare the financial statements, increases the risk of errors arising.
- 18 Whilst misstatements were identified during our audit (as set out within Appendix 3), we have noted an improvement in the quality of the financial statements received.

Recommendations

We intend to hold a post projection learning exercise with key staff to identify an action plan to further improve the accounts production and audit process for future years.

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Appendix 1

Final Letter of Representation

Betsi Cadwaladr Local Health Board Charity letterhead

Auditor General for Wales
Wales Audit Office
24 Cathedral Road
Cardiff
CF11 9LJ

** January 2023

Representations regarding the 2021-22 financial statements

This letter is provided in connection with your audit of the financial statements (including that part of the Remuneration Report that is subject to audit) of Betsi Cadwaladr University Health Board Charity for the year ended 31 March 2022 for the purpose of expressing an opinion on their truth and fairness and their proper preparation.

We confirm that to the best of our knowledge and belief, having made enquiries as we consider sufficient, we can make the following representations to you.

Management representations

Responsibilities

We have fulfilled our responsibilities for:

- the preparation of the financial statements in accordance with legislative requirements and the Charities Act 2011; in particular the financial statements give a true and fair view in accordance therewith; and
- the design, implementation, maintenance and review of internal control to prevent and detect fraud and error.

Information provided

We have provided you with:

- full access to:
 - all information of which we are aware that is relevant to the preparation of the financial statements such as books of account and supporting documentation, minutes of meetings and other matters;

- additional information that you have requested from us for the purpose of the audit; and
- unrestricted access to staff from whom you determined it necessary to obtain audit evidence;
- the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- our knowledge of fraud or suspected fraud that we are aware of and that affects the Betsi Cadwaladr University Health Board Charity and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements;
- our knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, regulators or others;
- our knowledge of all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements; and
- the identity of all related parties and all the related party relationships and transactions of which we are aware.

Financial statement representations

All transactions, assets and liabilities have been recorded in the accounting records and are reflected in the financial statements.

The methods, the data and the significant assumptions used in making accounting estimates, and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.

Related party relationships and transactions have been appropriately accounted for and disclosed.

All events occurring subsequent to the reporting date which require adjustment or disclosure have been adjusted for or disclosed.

All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to the auditor and accounted for and disclosed in accordance with the applicable financial reporting framework.

The financial statements are free of material misstatements, including omissions.

Representations by those charged with governance

We acknowledge that the representations made by management, above, have been discussed with us.

We acknowledge our responsibility for the preparation of true and fair financial statements in accordance with the applicable financial reporting framework. The financial statements were approved by The Charitable Funds Committee on 18 January 2023.

We confirm that we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that it has been communicated to you. We confirm that, as far as we are aware, there is no relevant audit information of which you are unaware.

Signed by:

Signed by:

Jackie Hughes

Chair of the Charitable Funds Committee
and Trustees Representative – on behalf of
those charged with governance

On behalf of management

Date: ** January 2023

Date: ** January 2023

Appendix 2

Proposed Audit Report

The independent auditor's report of the Auditor General for Wales to the trustees of the Betsi Cadwaladr University Health Board Charity

Opinion on financial statements

I have audited the financial statements of the Betsi Cadwaladr University Health Board Charity for the year ended 31 March 2022 under the Charities Act 2011. These comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In my opinion the financial statements:

- give a true and fair view of the state of affairs of the charity as at 31 March 2022 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Charities Act 2011.

Basis of opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the charity in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. The trustees are responsible for the other information contained within the annual report. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon. My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Report on other requirements

Matters on which I report by exception

I have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require me to report to you if, in my opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report;
- sufficient accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my team;
- the financial statements are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit.

Responsibilities

Responsibilities of the trustees for the financial statements

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for preparing the financial statements in accordance with the Charities Act 2011, for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

Auditor's responsibilities for the audit of the financial statements

I have been appointed as auditor under section 150 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level

of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

- Enquiring of management and those charged with governance, including obtaining and reviewing supporting documentation relating to the Betsi Cadwaladr University Health Board Charity's policies and procedures concerned with:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in management override.
- Obtaining an understanding of Betsi Cadwaladr University Health Board Charity's framework of authority as well as other legal and regulatory frameworks that the Betsi Cadwaladr University Health Board Charity operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Charity.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management and the Board;
- reading minutes of meetings of those charged with governance; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Betsi Cadwaladr University Health Board Charity's controls, and the nature, timing and extent of the audit procedures performed.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Adrian Crompton
Auditor General for Wales

24 Cathedral Road
Cardiff
CF11 9LJ

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Appendix 3

Summary of Corrections Made

During our audit, we identified the following misstatements that have been corrected by management, but which we consider should be drawn to your attention due to their relevance to your responsibilities over the financial reporting process.

Exhibit 3: summary of corrections made

Value of correction	Nature of correction	Reason for correction
Note 10 – Movements in funding commitments: Increase / (Decrease) in liabilities - Current Liabilities decreased from £298,000 to £249,000	The movement in liabilities in Note 10 was amended by £49,000 to be correct and consistent with the disclosure in Note 18 Analysis of Liabilities).	To ensure the disclosures in the accounts are consistent.
2020-21 comparative figures: Various	The comparative disclosures were amended for the following: <ul style="list-style-type: none">• Note 3• Note 5• Note 14• Note 19• Note 21a• Note 21b	To ensure the comparatives disclosures agreed to the 2020-21 audited financial statements.
Note 22 Post Balance Sheet Events: Narrative amended	The narrative disclosing the change in market value of the Charity's investments since the year end was amended from £1,131,000 to £1,129,000.	To ensure that the narrative disclosure in Note 22 states the correct movement in market value of investments.
Note 21 Analysis of Funds: Revaluation Reserve increased from £nil to £15,000 Unrestricted Other Funds decreased from £846,000 to £831,000	The draft accounts combined the Revaluation Reserve incorrectly within Unrestricted Other Funds.	To ensure that the classification of reserves is in alignment with Charities Statement of Recommended Practice (SoRP) requirements.

<p>Note 18 Analysis of Liabilities: Creditors under 1 year, 'Accruals for grants owed to NHS bodies' decreased from £660,000 to £575,000</p> <p>Creditors over 1 year 'Accruals for grants owed to NHS bodies' increased from £81,000 to £166,000</p>	<p>This was identified by the charity accountant following agreement to supporting documentation.</p>	<p>To ensure that the classification of creditors is disclosed correctly.</p>
<p>Note 3 Income from Donations and Legacies: Income from donations decreased by from £812,000 to £746,000</p> <p>Note 18 Analysis of Liabilities: Creditors under 1 year 'Deferred Income' increased from £nil to £66,000</p>	<p>Grant income of £66,063 relating to 2022-23 was incorrectly included within the 2021-22 financial statements.</p>	<p>To ensure that income has been accounted for within the correct financial year.</p>
<p>Note 2 Related Party Transactions: Narrative amendments</p>	<p>The related party disclosures have been updated to disclose the capacity in which key officers' relatives are employed by BCUHB.</p> <p>In addition, expenditure of £1,000 relating to Cyngor Gwynedd / Gwynedd Council have been amended to nil to reflect the lack of transactions during the year.</p>	<p>To ensure that the related party disclosures are accurate and in accordance with the Charities SoRP.</p>
<p>Annual Report: Various</p>	<p>Several amendments were made to the Annual Report relating to either revisions to disclosures of information, narrative changes or typos.</p>	<p>To ensure the Trustees Annual Report complies with the Charities SoRP.</p>



Audit Wales

24 Cathedral Road

Cardiff CF11 9LJ

Tel: 029 2032 0500

Fax: 029 2032 0600

Textphone: 029 2032 0660

E-mail: info@audit.wales

Website: www.audit.wales

We welcome correspondence and telephone calls in Welsh and English.
Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.

Teitl adroddiad:	Charitable Funds Financial Statements 2021/22
Report title:	
Adrodd i:	Charitable Funds Committee
Report to:	
Dyddiad y Cyfarfod:	Wednesday, 18 January 2023
Date of Meeting:	
Crynodeb Gweithredol:	<p>The attached DRAFT Financial Statements (Appendix 1), which have been subject to audit, provide the formally reported position for the charity for 2021/22. This DRAFT will be finalised on 18th January 2023.</p> <p>The Charitable Funds Accounts have been prepared in accordance with the timetable set by the Charity Commission and in line with Charities SORP. The accounts were prepared and submitted to Audit Wales in October 2022, with the audit taking place by Audit Wales from November to January 2023.</p> <p>The Charitable Funds Committee has delegated authority to approve the final accounts. The Board (as Charitable Trustees) will formally receive the accounts at the Charitable Funds Trustees Meeting on the 26th January 2023. Audit Wales require the charity to sign a Letter of Representation as part of their audit evidence. The deadline for submission to the Charity Commission is the 31st January 2023. The accounts will not be submitted to Welsh Government.</p> <p>Statement of Financial Activities</p> <p>The Statement of Financial Activities (SoFA) summaries the charity's income and expenditure for the year. Income for the year totalled £2.8m; expenditure was £1.4m, with a net gain on investments of £0.3m, giving a net increase in funds of £1.7m (increase in funds of £2.9m in 2020/21).</p> <p>Incoming Resources</p> <p>Total income of £2.8m shows an increase of 18% from previous year (£2.4m in 2020/21). Of this, £0.8m relates to an increase in legacies, £0.3m reduction in Donations and £0.1m reduction in Fundraising activities.</p> <p>Legacies in particular are a volatile and unpredictable source of income that can vary greatly from year to year. Part of the charity's strategy over the long term is to increase the legacy income it receives.</p> <p>The analysis over the different expenditure categories is shown in the below table.</p> <p>Expenditure</p> <p>Expenditure of £1.4m is £0.4m less than previous year (£1.8m in 2020/21). 'Note 7. Analysis of expenditure on raising funds' and 'Note 8. Analysis of charitable activity' provides the breakdown of expenditure between the running costs of the charity, fundraising costs and grants made.</p>
Executive Summary:	

	<p>The main decrease relates to Expenditure on Charitable Activity, which is £0.5m less than previous year (£1.5m in 2020/21).</p> <p>Movement in Investments Many of the donations and legacies that the charity receives cannot be spent immediately, as they need to be accumulated to fund the most appropriate purchases. These donations are therefore invested in order to generate income and protect their value in real terms.</p> <p>During 2021/22, the net gain on investments totalled £0.3m compared to a gain of £2.3m in 2020/21. Markets have been very volatile during 2021/22 and a challenging year for investors. Markets have been hard hit by worries over inflation, pushed up by the Russian invasion of Ukraine and the subsequent rise in interest rates, hence the significant reduction in stock market performance in comparison to 2020/21.</p> <p>Balance Sheet The funds of the charity at the end of the year totalled £12.3m, comprising £5.4m of unrestricted funds and £6.9m of restricted funds. Restricted funds are those that have a legal restriction placed on them, such as legacies. These funds are further split into general funds and designated (earmarked) funds, which are identified to specific areas and/or services.</p>			
<p>Argymhellion: Recommendations:</p>	<p>The recommendation is for the DRAFT Annual Financial Statements 2021/22 to be approved by the Charitable Funds Committee on the understanding that any necessary changes identified between 12-18th January will be made on 18th January and updated. The final version of the Financial Statements will be included in the final version of the Annual Report and approved by Audit Wales.</p> <p>The Charitable Funds Committee are asked to approve this DRAFT document on the understanding that the final version will be approved by Audit Wales before it is for published on 19th January for Trustee ratification on 26th January.</p>			
<p>Arweinydd Gweithredol: Executive Lead:</p>	<p>Steve Webster, Interim Executive Director of Finance</p>			
<p>Awdur yr Adroddiad: Report Author:</p>	<p>Bethan Roberts, Principal Finance Manager-Financial Reporting</p>			
<p>Pwrpas yr adroddiad: Purpose of report:</p>	<p>I'w Nodi <i>For Noting</i> <input type="checkbox"/></p>	<p>I Benderfynu arno <i>For Decision</i> <input checked="" type="checkbox"/></p>	<p>Am sicrwydd <i>For Assurance</i> <input type="checkbox"/></p>	
<p>Lefel sicrwydd: Assurance level:</p>	<p>Arwyddocaol <i>Significant</i> <input type="checkbox"/> Lefel uchel o hyder/tystiolaeth o ran darparu'r mecanweithiau / amcanion presennol</p>	<p>Derbyniol <i>Acceptable</i> <input checked="" type="checkbox"/> Lefel gyffredinol o hyder/tystiolaeth o ran darparu'r mecanweithiau / amcanion presennol</p>	<p>Rhannol <i>Partial</i> <input type="checkbox"/> Rhywfaint o hyder/tystiolaeth o ran darparu'r mecanweithiau / amcanion presennol</p>	<p>Dim Sicrwydd <i>No Assurance</i> <input type="checkbox"/> Dim hyder/tystiolaeth o ran y ddarpariaeth <i>No confidence / evidence in delivery</i></p>

	High level of confidence/evidence in delivery of existing mechanisms/objectives	General confidence / evidence in delivery of existing mechanisms / objectives	Some confidence / evidence in delivery of existing mechanisms / objectives
<p>Cyfiawnhad dros y gyfradd sicrwydd uchod. Lle bo sicrwydd 'Rhannol' neu 'Dim Sicrwydd' wedi'i nodi uchod, nodwch gamau i gyflawni sicrwydd 'Derbyniol' uchod, a'r terfyn amser ar gyfer cyflawni hyn:</p> <p><i>Justification for the above assurance rating. Where 'Partial' or 'No' assurance has been indicated above, please indicate steps to achieve 'Acceptable' assurance or above, and the timeframe for achieving this:</i></p>			
Cyswllt ag Amcan/Amcanion Strategol:	Awyr Las Strategy		
Link to Strategic Objective(s):			
Goblygiadau rheoleiddio a lleol:	Completed in line with Charity Commission guidance and regulation.		
Regulatory and legal implications:			
Yn unol â WP7, a oedd EqIA yn angenrheidiol ac a gafodd ei gynnal?	Do/Naddo Y/N		
In accordance with WP7 has an EqIA been identified as necessary and undertaken?	N/A		
Yn unol â WP68, a oedd SEIA yn angenrheidiol ac a gafodd ei gynnal?	Do/Naddo Y/N		
In accordance with WP68, has an SEIA identified as necessary been undertaken?	N/A		
Manylion am risgiau sy'n gysylltiedig â phwnc a chwmpas y papur hwn, gan gynnwys risgiau newydd (croesgyfeirio at y BAF a'r CRR)	All risks are included in the Charity Risk Register		
Details of risks associated with the subject and scope of this paper, including new risks(cross reference to the BAF and CRR)			
Goblygiadau ariannol o ganlyniad i roi'r argymhellion ar waith	N/A		
Financial implications as a result of implementing the recommendations			
Goblygiadau gweithlu o ganlyniad i roi'r argymhellion ar waith	N/A		
Workforce implications as a result of implementing the recommendations			
Adborth, ymateb a chrynodeb dilynol ar ôl ymgynghori	Recommended amendments applied or on job list for design updates (as noted above)		
Feedback, response, and follow up summary following consultation			
Cysylltiadau â risgiau BAF: (neu gysylltiadau â'r Gofrestr Risg Gorfforaethol)	Not linked to specific risk on BAF/CRR. All risks are recorded on the Charity's Risk Register.		

<p>Links to BAF risks: (or links to the Corporate Risk Register)</p>	
<p>Rheswm dros gyflwyno adroddiad i fwrdd cyfrinachol (lle bo'n berthnasol)</p>	Amherthnasol
<p>Reason for submission of report to confidential board (where relevant)</p>	Not applicable
<p>Camau Nesaf: Gweithredu argymhellion</p> <p>Next Steps: Implementation of recommendations</p> <ul style="list-style-type: none"> ▪ Finalise Charitable Funds Financial Statements 2021/22 on 18th January, 2023 ▪ Complete design work on 19th January and receive Audit Wales approval ▪ Complete Welsh version and submit for publishing to present the final version to the Trustee on 26th January for ratification 	
<p>Rhestr o Atodiadau</p> <p>List of Appendices: Appendix 1: DRAFT Charitable Funds Financial Statements 2021/22</p>	



BETSI CADWALADR UNIVERSITY HEALTH BOARD CHARITY & OTHER RELATED CHARITIES

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

FOREWORD

The accounts (financial statements) have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) second edition issued October 2019 and applies to reporting periods beginning on or after 1 January 2019. This edition consolidates the changes to the Statement of Recommended Practice (SORP) for Update Bulletins 1 and 2, the Charities Act 2011 and changes to UK Generally Accepted Practice since the launch of SORP (FRS102) on 16 July 2014, as it applies for reporting periods beginning on or after 1 January 2015.

STATUTORY BACKGROUND

The Betsi Cadwaladr University Health Board is the corporate trustee of the charity under paragraph 16c of Schedule 2 of the NHS and Community Care Act 1990.

The Trustees have been appointed under s11 of the NHS and Community Care Act 1990.

Awyr Las, the working name of the Betsi Cadwaladr University Health Board Charity and other related Charities, is a registered charity and is constituted under a trust deed dated 23rd September 2010. Within the charity group registration there are two subsidiary charities:

- Betsi Cadwaladr University Health Board Charity; and
- The North Wales Cancer Appeal.

MAIN PURPOSE OF THE FUNDS HELD ON TRUST

The main purpose of the charity is to apply income for any charitable purposes relating to the National Health Service wholly or mainly for the services provided by the Betsi Cadwaladr University Health Board.

Statement of Financial Activities for the year ended 31 March 2022

	Note	Unrestricted funds £000	Restricted Income funds £000	Total Funds 2021-22 £000
Incoming resources from generated funds:				
Donations and legacies	3	727	1,750	2,477
Other trading activities	5	210	48	258
Investments	6	59	43	102
Total incoming resources		996	1,841	2,837
Expenditure on:				
Raising Funds	7	236	140	376
Charitable activities	8	752	281	1,033
Total expenditure		988	421	1,409
Net gains / (losses) on investments	15	160	108	268
Net income / (expenditure)		168	1,528	1,696
Transfer between funds	20	(63)	63	0
Other recognised gains / (losses)				
Gains / (losses) on revaluation of fixed assets	14	0	0	0
Net movement in funds		105	1,591	1,696
Reconciliation of Funds				
Total Funds brought forward	21	5,274	5,345	10,619
Total Funds carried forward		5,379	6,936	12,315

Statement of Financial Activities for the year ended 31 March 2021

	Note	Unrestricted funds £000	Restricted Income funds £000	Total Funds 2020-21 £000
Incoming resources from generated funds:				
Donations and legacies	3	724	1,270	1,994
Other trading activities	5	312	6	318
Investments	6	53	36	89
Total incoming resources		1,089	1,312	2,401
Expenditure on:				
Raising Funds	7	164	97	261
Charitable activities	8	893	620	1,513
Total expenditure		1,057	717	1,774
Net gains / (losses) on investments	15	1,408	915	2,323
Net income / (expenditure)		1,440	1,510	2,950
Transfer between funds	20	6	(6)	0
Other recognised gains / (losses)				
Gains / (losses) on revaluation of fixed assets	14	15	0	15
Net movement in funds		1,461	1,504	2,965
Reconciliation of Funds				
Total Funds brought forward	21	3,813	3,841	7,654
Total Funds carried forward		5,274	5,345	10,619



Balance Sheet as at 31 March 2022

		Unrestricted funds	Restricted Income funds	Total 31 March 2022	Total 31 March 2021
	Note	£000	£000	£000	£000
Fixed assets:					
Tangible assets	14	150	0	150	150
Investments	15	4,427	5,959	10,386	10,057
Total fixed assets		4,577	5,959	10,536	10,207
Current assets:					
Debtors	16	791	1,030	1,821	796
Cash and cash equivalents	17	487	633	1,120	926
Total current assets		1,278	1,663	2,941	1,722
Liabilities:					
Creditors: Amounts falling due within one year	18	(404)	(592)	(996)	(1,209)
Net current assets / (liabilities)		874	1,071	1,945	513
Total assets less current liabilities		5,451	7,030	12,481	10,720
Creditors: Amounts falling due after more than one year	18	(72)	(94)	(166)	(101)
Total net assets / (liabilities)		5,379	6,936	12,315	10,619
The funds of the charity:					
Restricted income funds	21	0	6,936	6,936	5,345
Unrestricted income funds	21	5,364	0	5,364	5,259
Revaluation reserve		15	0	15	15
Total funds		5,379	6,936	12,315	10,619

The notes on pages 5 to 16 form part of these accounts

Signed :

Name : Jackie Hughes (Chair of Trustees)

Date :



Statement of Cash Flows for the year ending 31 March 2022

	Note	Total Funds 2021-22 £000	Total Funds 2020-21 £000
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	19	153	14
Cash flows from investing activities:			
Dividend, interest and rents from investments	6	102	89
Proceeds from the sale of investments	15	7,902	959
Purchase of investments	15	(8,275)	(760)
(Increase) / decrease in cash awaiting investment	15	311	(260)
Net cash provided by (used in) investing activities		40	28
Change in cash and cash equivalents in the reporting period		193	42
Cash and cash equivalents at the beginning of the reporting period	17	926	884
Cash and cash equivalents at the end of the reporting period	17	1,119	926

Note on the accounts

1 Accounting Policies

(a) Basis of preparation

The financial statements have been prepared under the historic cost convention, with the exception of investments which are included at fair value.

The accounts (financial statements) have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) second edition issued October 2019 and applies to reporting periods beginning on or after 1 January 2019. This edition consolidates the changes to the Statement of Recommended Practice (SORP) for Update Bulletins 1 and 2, the Charities Act 2011 and changes to UK Generally Accepted Practice since the launch of SORP (FRS102) on 16 July 2014, as it applies for reporting periods beginning on or after 1 January 2015.

The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and as amended in the second edition issued October 2019.

The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern. There are no material uncertainties affecting the current year's accounts.

In future years, the key risks to the Charity are a fall in income from donations or investment income but the trustees have arrangements in place to mitigate those risks (see the risk management and reserves sections of the annual report for more information).

The Charity meets the definition of a public benefit entity under FRS 102.

(b) Funds structure

Where there is a legal restriction on the purpose to which a fund may be put, the fund is classified either as:

- A restricted fund or
- An endowment fund.

Restricted funds are those where the donor has provided for the donation to be spent in furtherance of a specified charitable purpose. The Charity's restricted funds tend to result from appeals or legacies for specified purposes.

Endowment funds arise when the donor has expressly provided that the gift is to be invested and only the income of the fund may be spent. These funds are sub-analysed between those where the Trustees have the discretion to spend the capital (expendable endowment) and those where there is no discretion to expend the capital (permanent endowment). The charity has no permanent or expendable endowment funds.

Those funds which are neither endowment nor restricted income funds, are unrestricted income funds which are sub-analysed between designated (earmarked) funds where the Trustees have set aside amounts to be used for specific purposes or which reflect the non-binding wishes of donors and unrestricted funds which are at the Trustees' discretion, including the general fund which represents the charity's reserves. The major funds held in each of these categories are disclosed in note 21.



(c) Incoming resources

Income consists of donations, legacies, income from charitable activities and investment income.

Donations are accounted for when received by the charity. All other income is recognised once the charity has entitlement to the resources, it is probable (more likely than not) that the resources will be received and the monetary value of incoming resources can be measured with sufficient reliability.

Where there are terms or conditions attached to incoming resources, particularly grants, then these terms or conditions must be met before the income is recognised as the entitlement condition will not be satisfied until that point. Where terms or conditions have not been met or uncertainty exists as to whether they can be met then the relevant income is not recognised in the year and deferred and shown on the balance sheet as deferred income.

(d) Incoming resources from legacies

Legacies are accounted for as incoming resources either upon receipt or where the receipt of the legacy is probable, whichever falls sooner.

Receipt is probable when:

- ũ Confirmation has been received from the representatives of the estate(s) that probate has been granted
- ũ The executors have established that there are sufficient assets in the estate to pay the legacy and
- ũ All conditions attached to the legacy have been fulfilled or are within the charity's control.

If there is uncertainty as to the amount of the legacy and it cannot be reliably estimated then the legacy is shown as a contingent asset until all of the conditions for income recognition are met.

(e) Resources expended and irrecoverable VAT

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to each category of expense shown in the Statement of Financial Activities. Expenditure is recognised when the following criteria are met:

- ũ There is a present legal or constructive obligation resulting from a past event
- ũ It is more likely than not that a transfer of benefits (usually a cash payment) will be required in settlement
- ũ The amount of the obligation can be measured or estimated reliably.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

(f) Recognition of expenditure and associated liabilities as a result of grants

Grants payable are payments made to linked, related party or third party NHS bodies and non NHS bodies, in furtherance of the charitable objectives of the funds held on trust, primarily relief of those who are sick.

Grant payments are recognised as expenditure when the conditions for their payment have been met or where there is a constructive obligation to make a payment.

A constructive obligation arises when:

- ũ We have communicated our intention to award a grant to a recipient who then has a reasonable expectation that they will receive a grant
- ũ We have made a public announcement about a commitment which is specific enough for the recipient to have a reasonable expectation that they will receive a grant
- ũ There is an established pattern of practice which indicates to the recipient that we will honour our commitment.



(f) Recognition of expenditure and associated liabilities as a result of grants (cont.)

The Trustees have control over the amount and timing of grant payments and consequently where approval has been given by the Trustees and any of the above criteria have been met then a liability is recognised.

Grants are not usually awarded with conditions attached. However, when they are those conditions have to be met before the liability is recognised.

Where an intention has not been communicated, then no expenditure is recognised but an appropriate designation is made in the appropriate fund. If a grant has been offered but there is uncertainty as to whether it will be accepted or whether conditions will be met then no liability is recognised but a contingent liability is disclosed.

(g) Allocation of support costs

Support costs are those costs which do not relate directly to a single activity. These include staff costs, costs of administration, internal and external audit costs. Support costs have been apportioned between fundraising costs and charitable activities on an appropriate basis. The analysis of support costs and the bases of apportionment applied are shown in note 11.

(h) Fundraising costs

The costs of generating funds are those costs attributable to generating income for the charity, other than those costs incurred in undertaking charitable activities or the costs incurred in undertaking trading activities in furtherance of the charity's objects. The costs of generating funds represent fundraising costs together with investment management fees. Fundraising costs include expenses for fundraising activities and a fee paid to a related party, the Health Board, under a fundraising agreement. The fee is used to pay the salaries and overhead costs of the Health Boards' fundraising office.

(i) Charitable activities

Costs of charitable activities comprise all costs incurred in the pursuit of the charitable objects of the charity. These costs, where not wholly attributable, are apportioned between the categories of charitable expenditure in addition to the direct costs. The total costs of each category of charitable expenditure include an apportionment of support costs as shown in note 8.

(j) Tangible assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price (or value of the asset on a full replacement cost basis if donated), costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs. Tangible fixed assets are capitalised if they are capable of being used for more than one year and have a cost equal to or greater than £5,000.

Land is stated at open market value. Valuations are carried out by a professional valuer at least every five years with an impairment review undertaken in all other years. No depreciation is applied to land.

Tangible fixed assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the Statement of Financial Activities (SoFA).



(k) Investments

Investments are a form of basic financial instrument. Fixed asset investments are initially recognised at their transaction value and are subsequently measured at their fair value (market value) at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The main form of financial risk faced by the charity is that of volatility in equity markets and other investment markets due to wider economic conditions, the attitude of investors to investment risk and changes in sentiment concerning equities and within particular sectors. Further information on the charity's investments can be found in note 15.

(l) Debtors

Debtors are amounts owed to the charity. They are measured on the basis of their recoverable amount.

(m) Cash and cash equivalents

Cash at bank and in hand is held to meet the day to day running costs of the Charity as they fall due. Cash equivalents are short term, highly liquid investments, usually in notice interest bearing savings accounts.

(n) Creditors

Creditors are amounts owed by the Charity. They are measured at the amount that the Charity expects to have to pay to settle the debt.

Amounts which are owed in more than a year are shown as long term creditors.

(o) Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening carrying value (purchase date if later). Unrealised gains and losses are calculated as the difference between the closing and opening carrying values, adjusted for purchases and sales.

2. Related party transactions

During the year none of the Trustee's Representatives or members of the key management staff or their close relatives have undertaken any material transactions with the Betsi Cadwaladr University Health Board Charitable Funds.

Board Members (and other senior staff) take decisions both on Charity and Exchequer matters but endeavour to keep the interests of each discrete and do not seek to benefit personally from such decisions. Declarations of personal interest have been made in both capacities and are available to be inspected by the public.

The Charity has made grant payments for revenue and capital to the Betsi Cadwaladr University Health Board. Such payments are for specific items which are in furtherance of the Charity's objectives. The Betsi Cadwaladr University Health Board prepares its accounts in accordance with the Government Financial Reporting Manual (FRoM) and International Financial Reporting Standards (IFRS), whereas the Charity prepares its accounts in accordance with FRS 102. The Charity, therefore, recognises a constructive obligation when it awards a grant, whereas the Health Board recognises it when the grant is received. This creates a timing issue as the Charity recognises expenditure before the Health Board does.

In its accounts and under FRS 102, the Charity recognises that it has made grant payments to the Betsi Cadwaladr University Health Board totalling £0.94 million (2020-21: £1.41 million). Under the FRoM and IFRS, grant payments to the Betsi Cadwaladr University Health Board totalled £1.24 million (2020-21: £1.82 million). The Charity reported liabilities of £0.29m with the Health Board as at 31st March 2022 (2020-21: £0.19m).

The audited accounts of the Betsi Cadwaladr University Health Board are included in their annual report and accounts and are available from their website.



A number of the Health Board's members have declared interests in related parties as follows:

Name	Details of positions held during the financial year	Dates positions held	Details of interest declared
Directors/Executive Directors			
J Whitehead	Chief Executive	01.04.21 - 31.03.22	Spouse is on the GP Performers List and works as a locum in GP practices and the Health Board's GP Out of Hours Service.
Prof A Guha	Interim Executive Medical Director	01.04.21 - 22.08.21	Chair of the Wirral Asian Association, that promotes the culture and heritage of people of Asian heritage. The Charity also works for the community at large. Sits on a number of key committees at Health Technology Assessment Wales, All Wales Medical Strategy Group and Health Education and Improvement Wales.
N Lyons	Executive Medical Director	23.08.21 - 31.03.22	Spouse is employed by Macmillan Cancer Charity and works with the Health Board.
A Thomas	Executive Director Therapies and Health Sciences	01.04.21 - 31.03.22	Spouse is employed by Boots UK as an Accuracy Checking Technician. Son is employed by the Health Board (nature of the role has not been disclosed)
G Evans	Acting Executive Director Therapies and Health Sciences	01.03.22 - 31.03.22	Member of the Welsh Allied Health Professions Committee (WAHPC). Member of the National Joint Professional Advisory Committee. Spouse is employed as a nurse by the Health Board.
M Wilkinson	Executive Director Planning and Performance	01.04.21 - 24.08.21	Associate at Mtech Access
Independent Board Members			
M Polin OBE QPM	Chair	01.04.21 - 31.03.22	Spouse employed by Betsi Cadwaladr University Health Board as a health visitor
L J Reid	Independent Member and Vice Chair	01.04.21 - 31.03.22	Committee Chair for the Primary Care Appeals Services, NHS Resolution. Specialist advisor for the Care Quality Commission Justice of the Peace for HMCTS, North Wales Central. Director of Anakrisis Ltd which provides specialist training and advisory services to NHS England
Prof N Callow	Independent Member	01.04.21 - 31.03.22	Pro Vice-Chancellor Learning and Teaching and Head of College of Human Sciences, Bangor University.
Cllr C Carlisle	Independent Member	01.04.21 - 31.03.22	County Councillor for Colwyn Ward, Conwy County Borough Council. Cabinet Member for Children Families and Safeguarding (to May 2021). Cabinet Member for Social Care and Safeguarding (from May 2021). Deputy Chairman (political) Clwyd West Conservatives. Governor at Ysgol Bryn Elian. Member of the Conwy and Denbighshire Joint Adoption Panel. Panel member of Conwy and Denbighshire Public Services Board.
J Cuncliffe	Independent Member	01.04.21 - 31.03.22	Director of Abemet Ltd. Member of the Joint Audit Committee, North Wales Police and Crime Commissioner.
J F Hughes	Independent Member	01.04.21 - 31.03.22	Daughter is employed by the Health Board's District Nursing team at Plas Pawb Caernarfon.
Cllr R Medwyn Hughes	Independent Member	01.04.21 - 31.03.22	Director of Meditel Limited. Local Authority member for Plaid Cymru, Gwynedd County Council. Member of the Care Scrutiny Committee and the Audit and Governance Committee at Gwynedd Councillor - Bangor City Community/Town Council
L Meadows	Independent Member	01.04.21 - 31.03.22	Trustee of Wirral Hospice St Johns, in a voluntary capacity
L Tomos CBE	Independent Member	01.04.21 - 31.03.22	Trustee for Cyngor Llyfrau Cymru/Books Council of Wales
J Gallanders BEM	Independent Member	01.11.21 - 31.03.22	Former Chief Officer at the Association of Voluntary Organisations in Wrexham (AVOW)
Associate Board Members			
M Edwards	Associate Board Member	01.04.21 - 31.03.22	Corporate Director and Statutory Director of Social Services at Gwynedd Council. Lead Director for ADSS Cymru on the Welsh Language. Member of the Welsh Language Partnership Board. Chair of the Regional Integrated Commissioning Board. Member of the Regional Partnership Board.
G Evans	Associate Board Member	01.04.21 - 28.02.22	See above
Ff Williams	Associate Board Member	01.04.21 - 30.04.21	Chief Executive of Adra (Tai) Cyfyngedig/ Housing Association.
C Budden	Associate Board Member	01.06.21 - 31.03.22	Chief Executive of Clwyd Alyn Housing Association

Material transactions between the Charity and related parties disclosed during 2021-22 were as follows:	Expenditure with related party £000	Amounts owed to related party £000	Income from related party £000	Amounts owed by related party £000
Bangor University	20	3	3	0
Cyngor Gwynedd/Gwynedd County Council	0	0	1	0



3. Income from donations and legacies

	Unrestricted funds £000	Restricted Income funds £000	Total 2021-22 £000	Total 2020-21 £000
Donations	727	19	746	1,060
Legacies	0	1,731	1,731	934
	727	1,750	2,477	1,994

4. Role of volunteers

Like all charities, the Betsi Cadwaladr University Health Board Charity is reliant on a team of volunteers for our smooth running. Our volunteers perform two roles:

• Fund advisors – Within the Charity there are 435 (2020-21: 414) designated funds which are identified to specific areas and/or services. Every fund has at least one fund advisor, who acts as the authorised signatory on the fund for purchases up to £5,000 and receives monthly statements as to the income and expenditure on the fund. Fund advisors are responsible for ensuring that the expenditure they authorise from their funds is appropriate and fits in with the objects of the fund and the Charity. They are also responsible for ensuring that their designated fund is never in a deficit position.

• Fundraisers – A number of volunteers actively support the Charity by running events such as coffee mornings, sponsored walks and sports tournaments, as well as supporting events directly organised by the charity.

In accordance with the SORP, due to the absence of any reliable measurement basis, the contribution of these volunteers is not recognised in the accounts.

5. Other trading activities

Income from other trading activities arises from fundraising events that are organised by the Charity, or by volunteers in aid of the Charity. These include events such as coffee mornings, cake bakes, sporting challenges and sponsored walks. The Charity generated £258,000 income from other trading activities during the financial year (2020-21 £318,000).



6. Gross investment income

	Unrestricted funds £000	Restricted Income funds £000	Total 2021-22 £000	Total 2020-21 £000
Fixed asset equity and similar investments	59	43	102	89
Short term investments, deposits and cash on deposit	0	0	0	0
	59	43	102	89

7. Analysis of expenditure on raising funds

	Unrestricted funds £000	Restricted Income funds £000	Total 2021-22 £000	Total 2020-21 £000
Fundraising office	143	104	247	201
Fundraising events	56	1	57	20
Investment management	22	16	38	22
Support costs	15	19	34	18
	236	140	376	261

8. Analysis of expenditure on charitable activity

	Grant funded activity £000	Support costs £000	Total 2021-22 £000	Total 2020-21 £000
Grants for NHS Capital expenditure	136	17	153	74
Staff education and welfare (including gift in kind)	58	21	79	450
Patient education and welfare	598	38	636	838
Medical research	148	16	164	151
	940	92	1,032	1,513

Gifts in kind worth £5,935 were received and used for the benefit of staff in 2021-22 (2020-21 £134,648).

9. Analysis of grants

The Charity does not make grants to individuals. All grants are made to the Betsi Cadwaladr University Health Board to provide for the care of NHS patients in furtherance of our charitable aims. The total cost of making grants, including support costs, is disclosed on the face of the Statement of Financial Activities and the actual funds spent on each category of charitable activity, is disclosed in note 8.

The Trustees operate a scheme of delegation for the charitable funds, under which fund advisors manage the day to day disbursements on their projects, in accordance with the directions set out by the Trustees in the Charity Standing Financial Instructions. Funds managed under the scheme of delegation represent ongoing activities and it is not possible to segment these activities into discrete individual grant awards. The Trustees do make grant awards based on invited applications from the Betsi Cadwaladr University Health Board.



10. Movements in funding commitments

	Current liabilities £000	Non-current liabilities £000	Total 31 March 2022 £000	Total 31 March 2021 £000
Opening balance at 1 April (see note 18)	909	101	1,010	1,361
Increase / (decrease) in liabilities	(249)	(20)	(269)	(351)
Closing balance at 31 March (see note 18)	660	81	741	1,010

As described in notes 8 and 9, the charity awards a number of grants in the year. Many grants are awarded and paid out in the same financial year. However, some grants, especially those relating to research and development or for funding specific posts are multi-year grants paid over a longer period.

11. Allocation of support costs

Governance costs are those support costs which relate to the strategic and day to day management of a charity.

Support and overhead costs are allocated between fundraising activities and charitable activities based on the proportion of expenditure incurred against them both during the year. These support and overhead costs are then further allocated to unrestricted and restricted funds based on the balance held in these funds.

	Raising funds £000	Charitable activities £000	Total 2021-22 £000	Total 2020-21 £000
Governance				
External audit	6	15	21	20
Finance and administration	12	33	45	55
Total governance	18	48	66	75
Finance and administration	13	37	50	41
Other costs	2	7	9	8
	33	92	125	124

	Unrestricted funds £000	Restricted Income funds £000	Total Funds 2021-22 £000	Total Funds 2020-21 £000
Raising funds	14	19	33	18
Charitable activities	40	52	92	106
	54	71	125	124

12. Trustees' remuneration, benefits and expenses

The Charity does not make any payments for remuneration nor to reimburse expenses to the Charity Trustees for their work undertaken as Trustees.

13. Auditors remuneration

The auditors remuneration of £20,937 (2020-21: £20,180) related solely to the audit of the statutory annual report and accounts.

14. Tangible fixed assets

	Freehold land 2021-22 £000	Freehold land 2020-21 £000
Cost and valuation		
Balance brought forward	150	135
Additions	0	0
Revaluations	0	15
Disposals	0	0
Balance at 31 March	<u>150</u>	<u>150</u>
Depreciation and impairments		
Balance brought forward	0	0
Disposals	0	0
Impairment	0	0
Balance at 31 March	<u>0</u>	<u>0</u>
Net book value at 1 April	150	135
Net book value at 31 March	<u>150</u>	<u>150</u>

During 2017-18, a piece of land located in Porthmadog was donated to the charity, for the benefit of the Madog Community & Hospital fund. The land was independently and professionally valued at open market value by the District Valuer in March 2021. There has been no impairment to the land in 2021-22. The charity intends to dispose of the land on the open market.

15. Fixed asset investments

	Total 2021-22 £000	Total 2020-21 £000
Movement in fixed assets investments		
Market value brought forward	10,057	7,673
Add: additions to investments at cost	8,275	760
Less disposals at carrying value	(7,902)	(959)
Increase / (decrease) in cash awaiting investment	(311)	260
Add net gain / (loss) on revaluation	268	2,323
Market value as at 31 March	<u>10,387</u>	<u>10,057</u>

All investments are carried at their fair value.

All of the Charity's investments are held within a portfolio which is now managed by Brewin Dolphin Limited after taking over from Rothschild Wealth Management Limited on 1st April 2021. With effect from 1st April 2021, a process of transferring the investment portfolio commenced and by 30th June 95.8% of the portfolio had been transferred. The remaining element was transferred on 19th August 2021. The key objective of the portfolio is to preserve and grow the investments' value in real terms, in order to continue to support charitable distributions over the long term. In order to meet this objective, the Trustees have agreed on a 'balanced' approach for the investment strategy. A 'balanced' portfolio is intended to achieve steady growth over the long term through a diversified approach to investment. Attention is paid to avoiding the worst of the downside and capturing some, but not all, of the upside of financial market returns. Capital preservation in real terms over a long time horizon is the primary objective, and some volatility is acceptable in order to achieve this.

The environment for investors remains challenging, highly volatile and valuations are much lower. In managing our portfolios, Brewin Dolphin Limited assess these risks and the potential impact they will have on the portfolio on an on-going basis. They also adjust investments to make the most of opportunities and to protect against risks as they see them. Risks promote uncertainty and make markets unpredictable over short periods. A solid allocation to diversifying assets and portfolio protection has therefore been maintained, resulting in risk within the portfolio being considerably lower than the broader equity markets.



16. Analysis of current debtors

Debtors under 1 year	Total 31 March 2022 £000	Total 31 March 2021 £000
Accrued income	1,807	791
Prepayments	0	0
Other debtors	14	5
	1,821	796

17. Analysis of cash and cash equivalents

	Total 31 March 2022 £000	Total 31 March 2021 £000
Cash in hand	1,120	926
	1,120	926

No cash or cash equivalents or current asset investments were held in non-cash investments or outside of the UK.

18. Analysis of liabilities

	Total 31 March 2022 £000	Total 31 March 2021 £000
Creditors under 1 year		
Trade creditors	56	61
Creditors owed to Betsi Cadwaladr University Health Board	296	194
Accruals for grants owed to NHS bodies	575	909
Other accruals	3	45
Deferred Income	66	0
	996	1,209
Creditors over 1 year		
Accruals for grants owed to NHS bodies	166	101
	166	101
Total creditors	1,162	1,310



19. Reconciliation of net income / expenditure to net cash flow from operating activities

	Total 2021-22 £000	Total 2020-21 £000
Net income / (expenditure) (per Statement of Financial Activities)	1,696	2,950
Adjustment for:		
(Gains) / losses on investments	(268)	(2,323)
Dividends, interest and rents from investments	(102)	(89)
Donated fixed assets	0	0
(Increase) / decrease in debtors	(1,025)	(253)
Increase / (decrease) in creditors	(148)	(271)
Net cash provided by (used in) operating activities	153	14

20. Transfer between funds

There have been the following transfers between material designated funds:

• £63,360 was transferred from General Funds (unrestricted) to various restricted funds to reimburse net overall charity costs, less income from interest and investment gain/loss. This is included in Other Funds in Note 21.b., offset by the transfers in totalling £2,800 that are noted below.

• £1,400 was transferred from Cancer Charitable Fund - Glan Clwyd (unrestricted) to the North Wales Clinical Research Centre (unrestricted) to fund the ENT Research Project.

• £1,400 was transferred from Cancer Support Group - YMW (unrestricted) to the North Wales Clinical Research Centre (unrestricted) to fund the ENT Research Project.

21. Analysis of funds

a. Analysis of restricted fund movements

	Balance 1 April 2021 £000	Income £000	Expenditure £000	Transfers £000	Gains and (losses) £000	Balance 31 March 2022 £000
Leukaemia/Allied Blood Disease - YMW	197	1	(7)	0	5	196
Cardiology Fund - East	187	1	(25)	0	4	167
Wrexham Maelor General Fund	200	54	(9)	1	5	251
Wrexham Medical Institute	324	2	(11)	1	8	324
Pathology Leukaemia/Haematology - Glan	131	1	(8)	0	3	127
Cancer Charitable Fund - Glan Clwyd	472	397	(86)	16	8	807
General Fund - Glan Clwyd	347	3	(12)	1	9	348
North Wales Cancer Centre Appeal	458	82	(25)	23	13	551
BCU Legacies Fund	697	1,059	0	0	0	1,756
Ysbytu Gwynedd General Purposes	636	38	(22)	4	13	669
LLandudno General Purposes	240	6	(8)	1	6	245
Ruthin Community Hospital General Purpos	179	3	(13)	0	5	174
Ophthalmic Unit - H M Stanley	139	(3)	(6)	0	4	134
Renal Unit - YG	109	1	(12)	0	3	101
Oncology Fund - Glan Clwyd	106	1	(11)	0	3	99
Other Funds	923	195	(166)	16	18	987
	5,345	1,841	(421)	63	107	6,936

The objects of each of the restricted funds are to benefit the patients of the area, department or service stated in the funds' name, in accordance with the Charity's overall objectives. There is one fund listed above that is not aligned to a specific area:

• The BCU Legacies fund holds the accruals for legacies where probate has been granted, but we have not yet received the cash. This fund is used to protect the designated funds from fluctuations in the final legacy received. When the legacy is received it will be credited to the designated fund specified in the Will and the accrual will be reversed out from the BCU Legacies fund.

The Trustees have set an opening or closing balance of £100,000 or above as the threshold for the separate reporting of material designated funds. In the interests of accountability and transparency a complete breakdown of all such funds is available upon written request.

b. Analysis of unrestricted and material designated fund movements

	Balance 1 April 2021 £000	Income £000	Expenditure £000	Transfers £000	Gains and (losses) £000	Balance 31 March 2022 £000
Cancer Support Group - YMW	373	43	(57)	(1)	0	358
Cardiology Department Central - Patients Fund	122	4	(19)	0	0	107
Cancer Charitable Fund - Glan Clwyd	746	57	0	(1)	0	802
Madog Community & Hospital Fund - Land	150	0	0	0	0	150
Janet Jones (Alaw) - YG	664	135	(34)	0	0	765
Gynae Services - West	108	0	0	0	0	108
General Funds - West	132	1	0	0	0	133
General Funds - Llandudno	131	0	0	0	0	131
General Funds - Investment Gains / Losses	1,740	(29)	0	0	268	1,979
Other Funds	1,108	785	(879)	(61)	(108)	831
	5,274	996	(989)	(63)	160	5,364

The objects of each of the unrestricted funds are to benefit the patients of the area, department or service stated in the funds' name, in accordance with the Charity's overall objectives. There is one fund listed above that is not aligned to a specific area:

• The Investment Gains fund holds the unallocated and unrealised gains and losses on the investment portfolio. This fund is used to protect the other designated funds from fluctuations in the investment values.

The General Funds include all donations for which a donor has not expressed any preference as to how the funds shall be spent. These funds are applied for any charitable purpose to the benefit of the patients of the Health Board, at the discretion of the Trustees.

The Trustees have set an opening or closing balance of £100,000 or above as the threshold for the separate reporting of material designated funds. In the interests of accountability and transparency a complete breakdown of all such funds is available upon written request.

22. Post balance sheet events

The accounting statements are required to reflect conditions applying at the end of the financial year. No adjustments have therefore been made in respect of changes to the market value of investments following the end of the accounting period.

The Charity receives a quarterly portfolio report from its investment managers and the market value of investments held by the Charity have decreased by £1,129,000 to the end of September 2022, as detailed below:

	31 March 2022 £000	30 September 2022 £000	Movement £000	Movement %
Investments	10,386	9,257	(1,129)	-10.87%



Statement of the Trustee's Finance Representative's Responsibilities

As the Trustee's Finance Representative for the Charity, I am responsible for:

- the maintenance of financial records appropriate to the activities of the funds.
- the establishment and monitoring of a system of internal control.
- the establishment of arrangements for the prevention of fraud and corruption.
- the preparation of annual financial statements which give a true and fair view of the Charity and the results of its operations.

In fulfilment of these responsibilities I confirm that the financial statements set out on pages 1 to 16 attached have been compiled from and are in accordance with the financial records maintained by the Trustee and with applicable accounting standards and policies for the NHS.

Trustee's Finance Representative

Date of sign off



Statement of the Trustee's Responsibilities in Respect of the Accounts

The Trustee's Representatives are required under the Charities Act 2011 to prepare accounts for each financial year. The Welsh Government, with the approval of HM Treasury, directs that these accounts give a true and fair view of the financial position of the Charity. In preparing those accounts, the Trustee's Representatives are required to:

- apply on a consistent basis accounting policies laid down by the First Minister for Wales with the approval of HM Treasury.
- make judgements and estimates which are reasonable and prudent.
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts.

The Trustee's Representatives confirm that they have complied with the above requirements in preparing the accounts.

The Trustee's Representatives are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the accounts comply with requirements outlined in the above mentioned direction by the Welsh Government. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the Trustees

Jackie Hughes
Trustee's Representative

Date

Trustee's Finance Representative

Date

Audit report of the Auditor General for Wales to the Trustees of the Betsi Cadwaladr University Health Board Charity

Report on the audit of the financial statements

Opinion

I have audited the financial statements of the Betsi Cadwaladr University Health Board Charity for the year ended 31 March 2022 under the Charities Act 2011. These comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In my opinion the financial statements:

- give a true and fair view of the state of affairs of the charity as at 31 March 2022 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Charities Act 2011.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the charity in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report

Other information

The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. The trustees are responsible for the other information contained within the annual report. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon. My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard



Report on other requirements

Matters on which I report by exception

I have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require me to report to you if, in my opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report;
- sufficient accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my team;
- the financial statements are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit.

Responsibilities

Responsibilities of the trustees for the financial statements

As explained more fully in the statement of trustee responsibilities, the trustees are responsible for preparing the financial statements in accordance with the Charities Act 2011, for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

Auditor's responsibilities for the audit of the financial statements

I have been appointed as auditor under section 150 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

- Enquiring of management and those charged with governance, including obtaining and reviewing supporting documentation relating to the Betsi Cadwaladr University Health Board Charity's policies and procedures concerned with:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in management override.
- Obtaining an understanding of Betsi Cadwaladr University Health Board Charity's framework of authority as well as other legal and regulatory frameworks that the Betsi Cadwaladr University Health Board Charity operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Charity.



In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management and the Board;
- reading minutes of meetings of those charged with governance; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Betsi Cadwaladr University Health Board Charity's controls, and the nature, timing and extent of the audit procedures performed.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

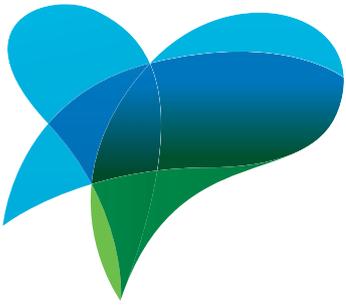
Adrian Crompton
Auditor General for Wales

24 Cathedral Road
Cardiff
CF11 9LJ

Teitl adroddiad: <i>Report title:</i>	Charitable Funds Annual Report 2021/22
Adrodd i: <i>Report to:</i>	Charitable Funds Committee
Dyddiad y Cyfarfod: <i>Date of Meeting:</i>	Wednesday, 18 January 2023
Crynodeb Gweithredol: <i>Executive Summary:</i>	<p>The attached Annual Report 2021/22 (Appendix 1), which has been subject to audit, provides a comprehensive description of the charity's work in 2021/22.</p> <p>This document explains what the charity is set up to do, what it has achieved in 2021/22 and how money has been used to enhance patient and staff experience in North Wales.</p> <p>The Annual Report 2021/22 is in DRAFT form currently, and will be finalised when the financial statements have been finalised on 18th January.</p> <p>The following changes will be made to the DRAFT Annual Report 2021/22 before it is approved:</p> <ul style="list-style-type: none"> ▪ Contents: Numbers completed ▪ Throughout: 453 Funds revised to 450 ▪ 08 Values and Guiding principles bullet points to be separated ▪ 11 Facts and figures need to be reviewed ▪ 24 Inclusion reference to Gifts in Kind received ▪ 28 Move membership to Appendix 1 at the end of the document ▪ 41 Amend title sizing ▪ 43-44 Insert final financial summary and financial health ▪ 46 insert correct figures for Reserves Policy ▪ Insert Annual Accounts
Argymhellion: <i>Recommendations:</i>	<p>The DRAFT Annual Report 2021/22 is approved by the Charitable Funds Committee on the understanding that all financial information finalised on 18th January will be updated, and the Annual Accounts will be included in the final version.</p> <p>The Charitable Funds Committee are asked to approve this DRAFT document on the understanding that the final version will be approved by Audit Wales before it is for published on 19th January for Trustee ratification on 26th January.</p>
Arweinydd Gweithredol: <i>Executive Lead:</i>	Steve Webster, Interim Executive Director of Finance
Awdur yr Adroddiad:	Kirsty Thomson, Head of Fundraising

Report Author:				
Pwrpas yr adroddiad: Purpose of report:	I'w Nodi <i>For Noting</i> <input type="checkbox"/>	I Benderfynu arno <i>For Decision</i> <input checked="" type="checkbox"/>	Am sicrwydd <i>For Assurance</i> <input type="checkbox"/>	
Lefel sicrwydd: Assurance level:	Arwyddocaol Significant <input type="checkbox"/> Lefel uchel o hyder/tystiolaeth o ran darparu'r mecanweithiau / amcanion presennol <i>High level of confidence/evidence in delivery of existing mechanisms/objectives</i>	Derbyniol Acceptable <input checked="" type="checkbox"/> Lefel gyffredinol o hyder/tystiolaeth o ran darparu'r mecanweithiau / amcanion presennol <i>General confidence / evidence in delivery of existing mechanisms / objectives</i>	Rhannol Partial <input type="checkbox"/> Rhywfaint o hyder/tystiolaeth o ran darparu'r mecanweithiau / amcanion presennol <i>Some confidence / evidence in delivery of existing mechanisms / objectives</i>	Dim Sicrwydd No Assurance <input type="checkbox"/> Dim hyder/tystiolaeth o ran y ddarpariaeth <i>No confidence / evidence in delivery</i>
<p>Cyfiawnhad dros y gyfradd sicrwydd uchod. Lle bo sicrwydd 'Rhannol' neu 'Dim Sicrwydd' wedi'i nodi uchod, nodwch gamau i gyflawni sicrwydd 'Derbyniol' uchod, a'r terfyn amser ar gyfer cyflawni hyn:</p> <p>Justification for the above assurance rating. Where 'Partial' or 'No' assurance has been indicated above, please indicate steps to achieve 'Acceptable' assurance or above, and the timeframe for achieving this:</p>				
Cyswllt ag Amcan/Amcanion Strategol:	Awyr Las Strategy			
Link to Strategic Objective(s):				
Goblygiadau rheoleiddio a lleol:	Completed in line with Charity Commission guidance and regulation.			
Regulatory and legal implications:				
Yn unol â WP7, a oedd EqIA yn angenrheidiol ac a gafodd ei gynnal?	Do/Naddo Y/N			
In accordance with WP7 has an EqIA been identified as necessary and undertaken?	N/A			
Yn unol â WP68, a oedd SEIA yn angenrheidiol ac a gafodd ei gynnal?	Do/Naddo Y/N			
In accordance with WP68, has an SEIA identified as necessary been undertaken?	N/A			
Manylion am risgiau sy'n gysylltiedig â phwnc a chwmpas y papur hwn, gan gynnwys risgiau newydd (croesgyfeirio at y BAF a'r CRR)	All risks are included in the Charity Risk Register			
Details of risks associated with the subject and scope of this paper, including new risks(cross reference to the BAF and CRR)				
Goblygiadau ariannol o ganlyniad i roi'r argymhellion ar waith	Included within the Annual Accounts			
Financial implications as a result of implementing the recommendations				
Goblygiadau gweithlu o ganlyniad i roi'r argymhellion ar waith	N/A			

<p>Workforce implications as a result of implementing the recommendations</p>	
<p>Adborth, ymateb a chrynodeb dilynol ar ôl ymgynghori</p> <p>Feedback, response, and follow up summary following consultation</p>	<p>Recommended amendments applied or on job list for design updates (as noted above)</p>
<p>Cysylltiadau â risgiau BAF: (neu gysylltiadau â'r Gofrestr Risg Gorfforaethol)</p> <p>Links to BAF risks: (or links to the Corporate Risk Register)</p>	<p>Not linked to specific risk on BAF/CRR</p>
<p>Rheswm dros gyflwyno adroddiad i fwrdd cyfrinachol (lle bo'n berthnasol)</p> <p>Reason for submission of report to confidential board (where relevant)</p>	<p>Amherthnasol</p> <p>Not applicable</p>
<p>Camau Nesaf: Gweithredu argymhellion</p> <p>Next Steps: Implementation of recommendations</p> <ul style="list-style-type: none"> ▪ Finalise Annual Report on 18th January ▪ Complete design work with amalgamated Report and Financial Statements on 19th January and receive Audit Wales approval ▪ Complete Welsh version and submit for publishing to present the final version to the Trustee on 26th January for ratification 	
<p>Rhestr o Atodiadau</p> <p>List of Appendices: Appendix 1: DRAFT Awyr Las Annual Report 2021/22</p>	



Elusen GIG Gogledd Cymru

Awyr Las Blue Sky

The North Wales NHS Charity

Awyr Las / Blue Sky is the working title of the Betsi Cadwaladr
University Health Board Charity and Other Related Charities
Registered Charity Number 1138976

Annual Report & Accounts 2021 – 2022



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**Brightening patients' lives.
Going over and above for
service users.**

**Supporting transformative
change for our NHS services
in North Wales.
Together.**



The stories, facts and figures within this Annual Report and Accounts for 2021/22 demonstrate once again how wonderfully generous and supportive our communities across North Wales are, and how accomplished our NHS teams across the region are.

Since 2010, Awyr Las, our NHS Charity, has given almost £30million to help enhance the care, treatment and support that patients and service users receive in our hospitals and health centres, community clinics and from our home based services.

What a collective achievement for all of us who have donated, fundraised, volunteered and shared the important message about the crucial difference that the charity is making and what an accomplishment for all the dedicated NHS staff who have made this possible through their well-informed ideas and their motivation to do even more to improve the health and wellbeing of our local population.

We are fortunate to have such committed supporters of our NHS services, and to have such passionate NHS teams who all want to brighten patients' and service users lives to help create transformative change in our healthcare services, which goes above and beyond what the NHS alone can achieve.

Through the years, donations given to Awyr Las have given inpatients a lifeline through providing new state-of-the-art equipment. We have given children with life-limiting conditions invaluable days out with loved ones, and given parents and carers a chance to stay close to their poorly children when they are in hospital. Together, we have given people in crisis a much needed helping hand, we have given people with a cancer diagnosis a reason to smile thanks to the wigs and complementary therapies provided, and through funding innovative research we have given hope when it's really needed. This year is no different.

I am immensely proud of the positive outcomes that the charity has had on the lives of some of the most vulnerable people living in our communities across this region this year, at a time of real hardship. The past year has seen immense pressure being put on our health services here in North Wales. Awyr Las has played a significant role in helping our NHS teams recover from the initial phase of the pandemic, responding to the needs of NHS colleagues through supporting staff wellbeing programmes as well as additional

equipment, better facilities and extra patient comforts and special projects and collaborating with partners to help to build resilience in our communities and plan for the future.

As we look towards the 75th anniversary of the NHS, Awyr Las plans to do more to shape the future of vital services here in North Wales particularly early years, cancer care and mental health support, and help address health inequalities. We know this can only be achieved through being led by devoted NHS teams, working alongside partners who share our values and mission, and through the continued support of people and organisations who have the resolve to improve the health and wellbeing of our communities. We hope many will choose to support our NHS as we move forward.

The compassion of Awyr Las' supporters, partners and the NHS teams who are the beating heart of the charity is wonderful to see. I feel truly honoured to be part of something so special.

Thank you.



**FROM THE HONORARY PRESIDENT OF AWYR LAS,
THE RT HON. LORD BARRY JONES***

Thank YOU, on behalf of all the patients and service users, families and carers, NHS staff and volunteers who all benefit from all those who choose to support Awyr Las, the North Wales NHS Charity.

*Lord Barry Jones also holds the following notable positions: National Vice President, Attend – the National Association for Leagues of Friends – and President of the Deeside Hospital League of Friends



Highlights of 2021/22

April 2021

Maisy Williams, from Pwllglas, completed an epic dance challenge and raised an amazing £675 for Awyr Las in the process. Maisy, who is nine, was inspired to do the challenge by the hard work of the NHS workers during the COVID-19 pandemic.



Ethan ran a lap of his local marine lake every weekday from February 2021 for 100 days to raise money for Awyr Las – inspired by Sir Captain Tom Moore. This incredible challenge finished on April 21, Ethan’s 11th birthday, and with £1,141 raised for the charity! Ethan’s step-mum is a doctor in the NHS here in North Wales and he wanted to do something special to say thank you to her and all of her colleagues. Well done Ethan, we are so grateful for your support!

May 2021

June 2021

Dr Abelian, a consultant paediatrician at Wrexham Maelor Hospital rode 400 miles to raise money towards child health research in North Wales. He said: "Over the last few years, I have been part of a cutting-edge research project with the world-renowned MRC Laboratory of Molecular Biology in Cambridge to improve the diagnosis of meningitis in new born babies. I wanted to do something to acknowledge this support, and to fundraise to support further high quality child health research here in North Wales".



July 2021

Andy Williams and Steve Miles, both from Holyhead, kayaked from Greystones in Ireland to Holyhead in Aid of Awyr Las and Mencap. They raised a very impressive £6,563 in the process. Andy carried out the feat as a tribute to his sister, Yvonne Marion Williams, who had mental health issues and learning disabilities and was diagnosed with incurable blood cancer.

August 2021

Becky Wyatt-Brown and her husband Chris Brown, who sadly lost their baby girl, raised more than £1,500 to buy a CuddleCot to allow families to spend one more time with their child. The kind donation was given to Ysbyty Gwynedd's Labour Ward. The CuddleCot, a Moses blanket with a refrigerated base, allows bereaved parents to spend extra precious time with their baby.



September 2021

Some fantastic moves were on display last September for the Therapeutic Support Service Danceathon! The Learning Disabilities team and all their supporters absolutely smashed it. Over £2,000 was raised, funding musical equipment for patients at Bryn y Neuadd Hospital with learning disabilities and complex needs.



October 2021

The Rainbow Flower Festival held at Holy Trinity Church Penrhyndeudraeth raised £620 for Awyr Las. The committee wanted to thank all members of the NHS Staff for their commitment, skill, dedication and support throughout the pandemic.



November 2021

Two incredible young men raised over £11,000 for Alaw Ward in Ysbyty Gwynedd, to thank the staff there for caring for their mothers. Iago Rhys, from Tremadog, and Tomos Elis of Pant Glas, both aged 17, completed the huge 'Welsh 3000s Challenge', the 15 peaks over 3,000 feet in height in Snowdonia, in 24 hours. Siân, Iago's mother, received special care in the Alaw Ward while battling cancer, before she passed away in June at the age of 49.

December 2021

Michelle and the team on the Stroke Ward at Ysbyty Glan Clwyd were very grateful to accept a cheque for £3,450 thanks to the kind-hearted staff and customers of Cambria Pub on Cambria Caravan Park in Towyn. All the money went towards Christmas, crafts and other patient wellbeing activities on the ward.

Gwalchmai Cycling Club raised an incredible £13,000 which was shared between three local dementia charities - including £4,333.34 for Cemlyn Ward, Ysbyty Cefni, in Llangefni. The group of 17 cyclists set off from Trearddur Bay on a Friday morning, and rode some 200 miles to arrive at Swansea Bay by the following evening!



January 2022

Big thanks must go to the Whistlestop Bikers Club who donated 10 new portable DVD players for the Ysbyty Glan Clwyd Children's Ward. This incredible donation really makes such a difference for patients receiving care in hospital.



February 2022

NHS staff in Ysbyty Gwynedd were 'chuffed to bits' to receive boxes of chocolates, biscuits and a £720 donation from three kind-hearted Gwynedd Council refuse collectors. For the whole of December Simon Jones, Darron Roberts and Terry Jones dressed up as Santa and his elves cheering up local residents on their rounds. The donation will help support Long Covid Projects in the local community and additional staff wellbeing programmes.

March 2022

An incredible £20,000 was raised at the Rainbow Ball in aid of Wrexham Maelor Children's Ward! Well done everyone! The ball makes a huge difference to the hospital's Children's Ward and its hard-working staff. The money raised will buy much needed medical equipment and toys for the ward that the NHS may not be able to provide.

About the charity

Awyr Las is the NHS charity for North Wales, the area served by Betsi Cadwaladr University Health Board (BCUHB). The charity's purpose is to help the NHS do more than it can on its own.

In practice, this means that donations to Awyr Las fund things like:

- Brand new equipment and technology
- Specialist training and development opportunities for NHS staff and volunteers
- Innovative research projects and trials
- Additional services, for example, complementary therapy for patients with cancer
- Extra patient comforts, such as more comfortable dialysis chairs.

Everything that the charity funds goes over and above what the NHS provides, complementing what the NHS already offers. Awyr Las does not replace the statutory funding for the NHS from the government.

Together, the enhancements are made possible by donations to Awyr Las help make sure that people in North Wales can benefit from better NHS services when they need them the most.

Everything the charity does thanks to donations and grants from individuals, organisations and foundations. The resulting improvements have made, and continue to make, a real difference to the lives of patients and NHS staff, in ways that would not have been possible without donations and support. The charity funds projects and ideas in hospitals and the community – from emergency departments to community resource teams, maternity wards to eye clinics – and through its 453 designated funds, can support all areas of healthcare in North Wales.



Designated funds

Awyr Las is currently comprised of 453 designated funds, representing almost every BCUHB ward, service, department and project across North Wales. Designated funds are attached to specific wards, departments or services and the money held within them can only be used to benefit the associated healthcare area. When a new fund is established, an objective is set and at least one Fund Advisor named. It is the responsibility of Fund Advisors to ensure that expenditure from their designated funds contributes to the stated objectives. Fund Advisors have an in-depth understanding of their ward, service or department. The role is fulfilled by staff at the heart of the NHS – people like Ward Managers, Consultants and Matrons – and they use their knowledge to inform their fundraising and decisions about charitable expenditure. This helps to make sure that designated funds have the greatest possible impact on patients and NHS staff. When you donate to a designated fund, it goes straight to that healthcare area and is made available for multidisciplinary clinical teams to use towards projects and priorities decided at the ward level.

Non-Designated funds

There are a few wards, services and departments that do not have a designated fund. The Awyr Las Support Team can provide support to establish one, or funding can be requested from the charity's non-designated fund. When donors give to Awyr Las without specifying where they want the money to go, it is assigned to the charity's non-designated fund. These donations are important, even though they are in the minority. This is because they allow BCUHB staff who do not have their own fund, or who do not have enough money in their designated fund, to still get support from the charity. Non-designated donations are often directed to a priority fund – for example, the COVID-19 Response Fund. Without a doubt, all donations from the public help dedicated NHS staff in hospitals and in communities across North Wales to go over and above for their patients, offering the very best care and treatment available.

Vision

Patients in North Wales have the best experience in our hospitals and in our communities.

Mission

To enhance Betsi Cadwaladr University Health Board's ability to improve the health and wellbeing of people across North Wales and deliver excellent care. In other words, the charity's mission is to help the Health Board to do more for its patients, through funding improvements to healthcare settings, supporting additional staff and patient wellbeing services and providing grants for research and innovation.



Purpose

To provide a meaningful, impactful means for those who want to support healthcare services to do so, in a way that supports local evidence-based priorities.

Values

Awyr Las shares the same set of values that guides the Health Board's work. These are:

- Put patients first
- Work together
- Value and respect each other
- Learn and innovate
- Communicate openly and honestly

The Awyr Las Support Team and the Board, as well as over 17,000 BCUHB employees who represent Awyr Las, are responsible for ensuring that everything the charity does reflects these ideals. In addition to the shared values, the work of the charity is underpinned by three guiding principles:

- Patients are at the heart of Awyr Las
- NHS staff are the lifeblood of Awyr Las
- Be true to those who support Awyr Las

Strategy

For almost 75 years, NHS charities have worked alongside the NHS, and played a key role in helping to enhance healthcare services.

As we live longer lives, many of us with complicated health conditions and diseases, the demand for the additional support that NHS charities can provide in the pursuit of outstanding healthcare is growing. People receive roughly 90% of their care from primary and community care.* With expected increases in dementia, mental health concerns, cancer, diabetes, and heart disease, these services will face increased demand. Because of health inequities, those in Wales' least deprived areas can expect to live for longer, and in better health, than those in the country's most deprived areas.

In 2017 to 2019, healthy life expectancy at birth for females living in the most deprived areas was 50.2 years, compared with 68.4 years in the least deprived areas; for males, it was 51.8 and 68.6 years respectively.†

For many years, NHS charities have worked alongside the NHS, and played a key role in helping to enhance healthcare services.

Add to that the COVID-19 pandemic, which, in addition to the immediate public health crisis and increased burden on the NHS, brought about a slew of negative consequences for communities in North Wales, many of which are enduring

These include economic and financial insecurity, worries about employment, damage to the skills and education of young people, reduced mental health, increased loneliness and addiction – each affecting individual and community resilience and wellbeing, and each having the potential to cause increased demands on local healthcare and mental health services.

*Our plan for a primary care service for Wales up to March 2018, Welsh Government. Available: www.wales.nhs.uk/sitesplus/documents/986/our-plan-for-primary-care-in-wales-up-to-march-2018.pdf

†Health state life expectancies by national deprivation deciles – Wales: 2017 to 2019, ONS. Available: www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/healthinequalities/bulletins/healthstatelifeexpectanciesbynationaldeprivationdecileswales/2017to2019

Strategy (continued)

The charity has a two-fold challenge of continuing to provide the support for wards and departments in both primary and secondary care settings, whilst simultaneously securing the financial support needed to address the pressing issues outlined above in the short, medium, and long-term. In light of the above, the charity's new strategy – to be published in January 2023 – will have a focus on making sure the right action is taken at the right time, to help patients to access diagnosis, support, care and treatment in a more timely way, and help build long-term resilience in our local communities. The charity worked with UCS Consultants from January to March 2021 to develop this new strategy for 2023–2026.

The Awyr Las strategy will be consistent with BCUHB's priorities as outlined in the "Living Healthier, Staying Well" plan, namely:

- Setting up lifestyle services that help people make the right choices and keep well
- Tackling health inequalities and promoting equality
- Making the most of our partnership working
- Strengthening our protection and prevention services
- Concentrating on health in the early years

The Awyr Las Support Team

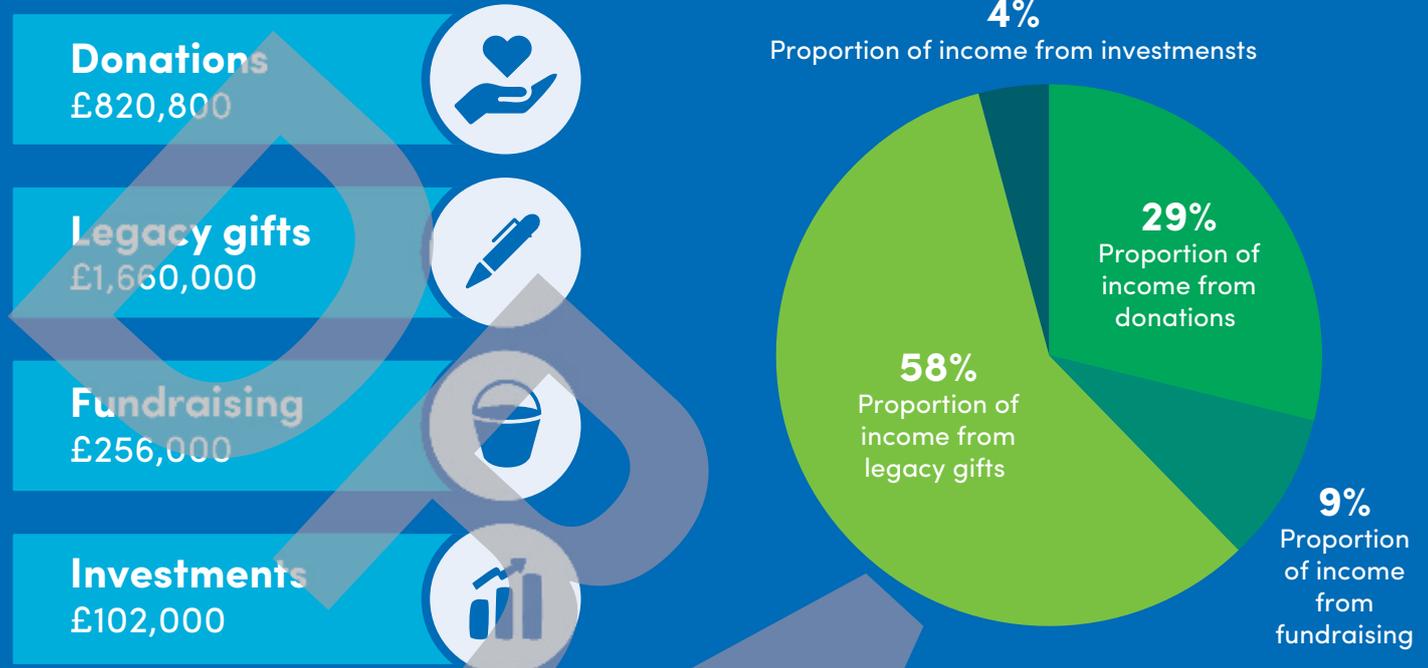
Finance, fundraising and engagement, communications and administrative support staff make up the charity's support team. It is in place to ensure that the charity can efficiently meet its objectives. The responsibilities of the charity support team are varied, and include:

- Managing the charity's finances, investment portfolio, and grant programmes effectively
- Providing direction and practical help to the charity's Fund Advisors, who are the custodians of the charity's designated funds
- Offering help, advice, and encouragement to fundraisers who generously choose to organise events and activities in favour of the charity to ensure that they have a positive experience
- Raising the charity's profile in hospitals and the community so that more people are motivated to donate, fundraise, or volunteer
- Communicating well with supporters and the wider community, from direct communication with fundraisers to broad messaging via social media
- Reclaiming Gift Aid to increase the value of donations to the charity
- Supporting independent charities – such as the Leagues of Friends – who provide additional direct philanthropic contributions to BCUHB, adding value to the Health Board's and charity's work

The year at a glance

Income

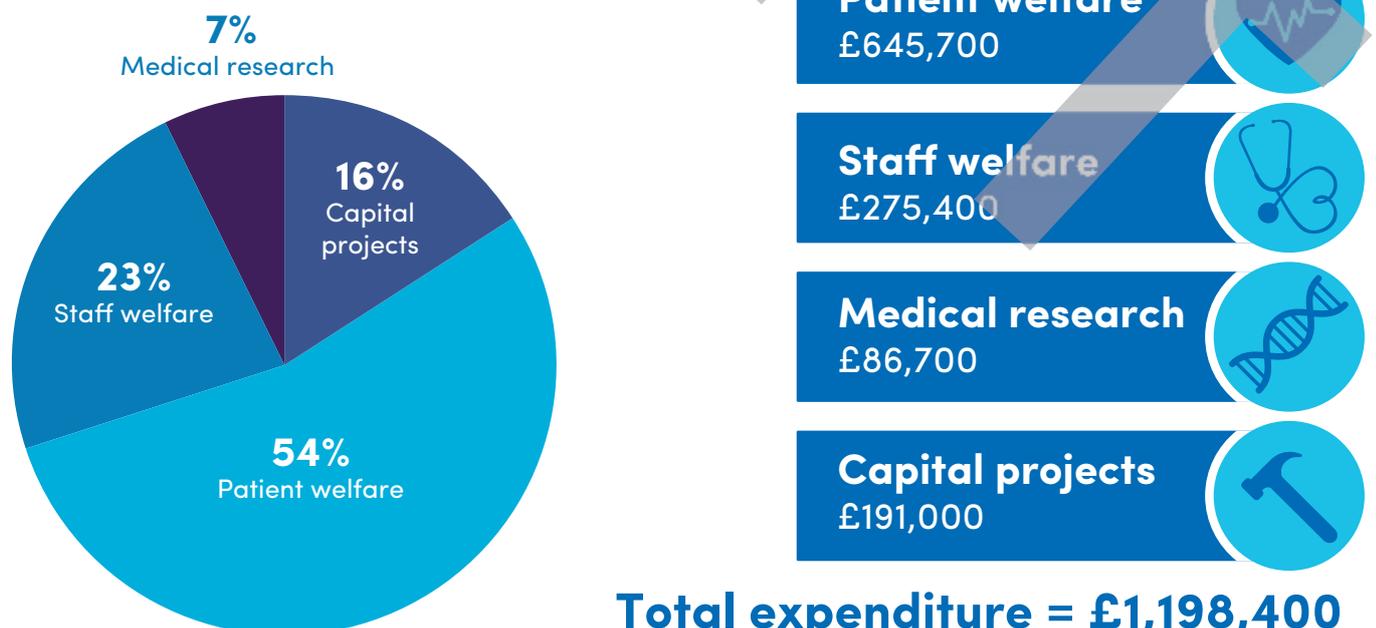
In the 2021/22 financial year, Awyr Las received an incredible amount of donations that has, and will, enable us to fund additional research and training, extra equipment and new amenities, special projects and patient and staff wellbeing programmes, which are all designed to help enhance the care and treatment patients and service users receive.



Total = £2,840,000 • Total number of donations = 5,180

Expenditure

Awyr Las has funded some amazing projects that have allowed the NHS to go over and above for patients, families and staff members across North Wales. Here's how your donations have been spent throughout the year.

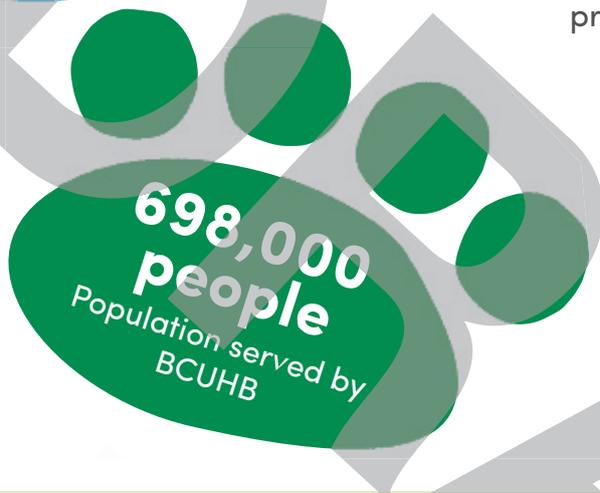


Total expenditure = £1,198,400

Background information



Awyr Las covers the whole of North Wales and uses donations to improve health care in acute hospitals and community sites across the region. Wards, departments and services across the region have designated funds within the charity, which can be used to fund things that go over and above what the NHS can provide.



Priority areas

Cancer care, children's services, mental health and research are some of Awyr Las' priority areas for improving care, treatment and support for patients and their families. Over the 2021/22 financial year, huge steps have been taken to provide care and support that goes over and above what the NHS can provide.



The impact of your donations

What has been made possible thanks to donations given to Awyr Las?

£10,000

A suicide prevention programme

£1,000

Falls mat monitor for elderly patients, days out for children with life-limiting and life-changing conditions, or the installation of three defibrillators in towns and rural areas across the region

£250

Garden furniture for patient rehabilitation

£50

One night's stay in parental accommodation

£5

Crafts for patients with dementia

£5,000

Additional equipment, for example an incubator to store blood products for research projects or a device to enable patients with pulmonary diseases to be mobilised sooner after hospitalisation, aiding their chances of recovery

£500

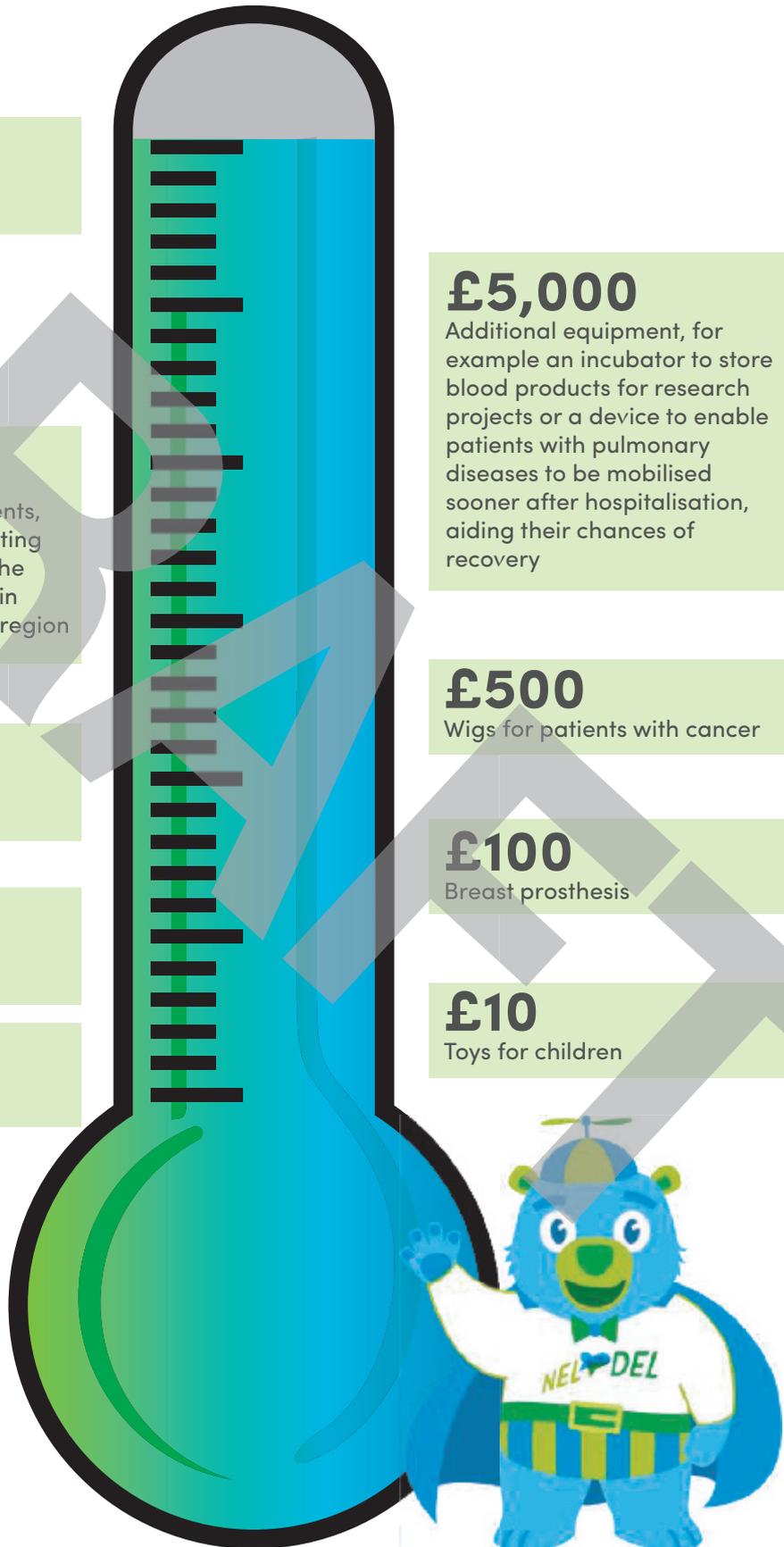
Wigs for patients with cancer

£100

Breast prosthesis

£10

Toys for children



The impact of your support

Families, organisations, businesses and individuals together made 5,180 donations to Awyr Las in 2021/22. All donations have and will make a difference for patients, their families and for NHS staff, volunteers and partners. The average donation amount in 2021/22 was £224.28. Donations given this year have helped fund small toys and games worth only £5, which have helped keep patients and service users entertained for days, and donations have also helped funded large-scale improvements.

Cancer Research Project

A £52,620 grant awarded in 2021/22 has helped fund a project to help oncologists to identify triple-negative breast cancer patients who are most likely to respond to treatment, whether that be chemotherapy or immunotherapy. The aim of the project is to help identify who will benefit as well as those who will not, saving patients from the unnecessary trauma of chemotherapeutic drugs and allow them to seek alternative treatment best tailored to them. The researchers involved say this project could potentially have a significant impact on the healthcare provision for triple-negative breast cancer patients in North Wales.



This project was prioritised because breast cancer remains one of the leading causes of death in women, with over 400,000 estimated deaths globally every year. Triple-negative breast cancer accounts for about 15–20% of all malignant mammary neoplasm, and it disproportionately affects young women who carry the BRCA1 mutation. Currently there is no clinical or scientific test or method that can inform an oncologist if a triple-negative breast cancer patient will respond well to chemotherapy drugs. This grant aims to help identify a means of doing this.



Wigs for Cancer Patients

In 2021/22 a £75,000 grant was given to help fund the Betsi Cadwaladr University Health Board's comprehensive wig fitting service for patients with cancer across North Wales.

The cost of the wigs start from £90 depending on the length of a patient's hair. As most chemotherapy treatments is completed in six months, generally one wig is provided, although more can be provided if needed. This service is offered at all three main hospital sites in the region, which means that patients have access to a qualified wig advisor/fitter alongside their hospital appointments.

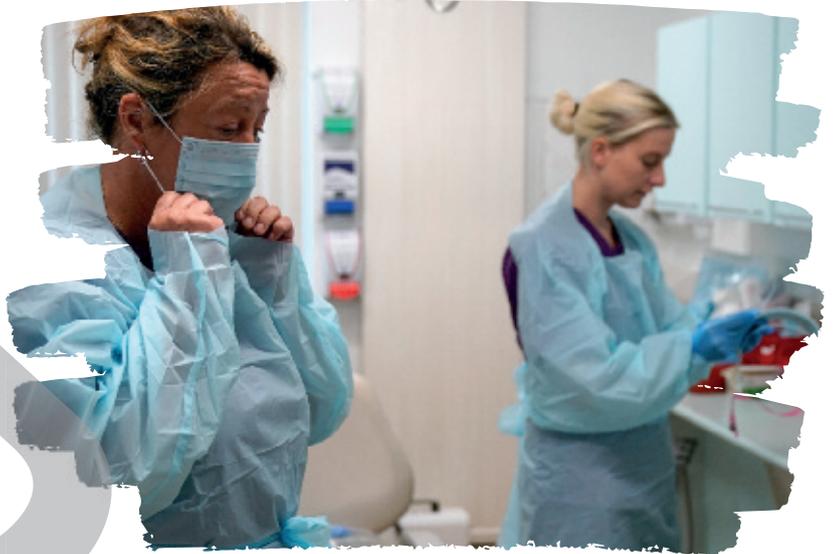
A charitable grant for wigs is given annually because hair loss can have a huge emotional impact on patients. Being able to offer a wig can help mitigate this distress, and it is a service which is hugely appreciated by patients and by staff in cancer services.

New markers for screening infections in post-operative urology patients

According to a National Confidential Enquiry into Patient Outcome and Death (NCEPOD) report, 20,000 to 25,000 deaths occur every year in UK hospitals following surgery. A common complication after surgery is infection, which could be hospital acquired or as a result from the operation itself.

A £68,000 grant from Awyr Las has funded a research programme aimed at helping with the diagnosis of infections in post-operative urology patients, and to distinguish between viral and bacterial causes of infections to allow the accurate use of antibiotics.

This project has been prioritised because postoperative complications are common and can cause extended treatment plans and long hospital stays, and as the NCEPOD report states, these complications can even result in death.



Research study into Parkinson's disease

Parkinson's disease is a progressive neurodegenerative disease that involves not only the primary motor signs of the condition, but also non-motor symptoms, including mental, physical, and psychological complications. A £52,737 grant has been awarded this year to look into the role of caffeine being a possible prognostic biomarker and neuroprotective agent for the condition's onset and progression.

This grant was prioritised because until this year there had only been one investigation in North Wales reporting the prevalence of Parkinson's disease. That investigation had reported that the region had a fivefold higher incidence of Parkinson's disease compared to the general population because of the aging population in this region.



Outdoor Instructor Sessions for Staff via Plas Y Brenin Outdoor Centre

During the pandemic, hard pressed NHS staff were offered outdoor activity sessions with National Outdoor Centre, Plas Y Brenin (PYB), in Capel Curig, to help with their wellbeing. This financial year's funding of £10,000 was a continuation of these sessions to help with staff decompression following Covid-19.

The Staff Wellbeing Support Service (SWSS) felt it was an excellent opportunity for staff teams to come together again in the outdoors with highly qualified PYB instructors. One of the impacts has been to help team cohesion and to reconnect relationships within the workforce.

There is much evidence which supports the use of the outdoors and movement for enhancing wellbeing, resilience and encouraging good working relationships. The SWSS team feels this is another avenue of wellbeing and psychological care in which teams can support each other.

"The evidence informs us that during the recovery phase of a pandemic staff are afforded space to reflect on their experience," said Dr Kate Shakespeare, Senior Clinical Psychologist.

"Staff may be more likely to feel less resilient during this period due to fatigue and are at risk of experiencing heightened distress. We'd like to mitigate this where we can, and this includes offering these sessions to support our colleagues."

In three weeks 140 enquiries were received to attend the outdoor sessions from a range of departments across BCUHB primary and secondary care.



Small but impactful wellbeing treats



In November 2021, Friends of Colwyn Bay Hospital kindly donated £178.35 to buy chocolate for the wards. Other examples of smaller but significant grants include a pressure cushion (to relieve pressure and numbness) at £180, a mental health counselling session for £48, a £15 jigsaw £14.99 for dementia patients, breast prosthesis £85 for breast cancer patients and crayons for a Children's Ward.

North Wales Forensic Mental Health Service

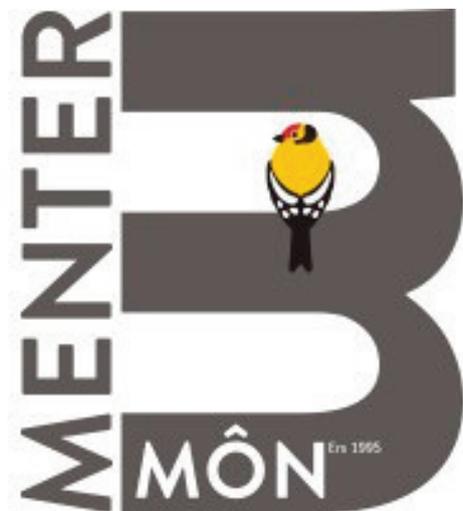
The BCUHB Forensic Mental Health Service provides long-term care and support for individuals with complex mental and physical health needs, and provides a holistic care package for the patients residing in the medium secure unit and community.

The forensic service has invested in a multiuse sports hall and provides a graded programme of physical fitness. These fitness sessions, which are provided by a physical training instructor, focus on essential skills such as personal wellbeing, self-esteem, confidence building, time management, structured day, and social skills and interaction.

The equipment in the gym was over 14 years old and needed a refresh this year, so the service was awarded a grant for £1,100.00 for new gym equipment.



Menter Mon partnership



There are 1,618 Community Public Access Defibrillators (CPADS) within the BCUHB catchment area, thanks to the success of the Keep the Beats Project, which was established through a partnership between the Ambulance service, the NHS in North Wales and the cardiac charity SADS UK (Sudden Arrhythmic Death Syndrome).

When Keep the Beats launched in 2018, the survival rate for patients suffering an out of hospital cardiac arrest (OHCA) in Wales was believed to be around half the survival rate of those recorded in England.

North Wales, having exceptionally rural areas, needed to quickly employ a strategy to improve this survival rate. A North Wales Public Access Defibrillator Support (PADS) Officer, Tomos Hughes, was funded through Awyr Las for a two year period so he could be teach lifesaving skills and install

defibrillators to help improve the survival rate for people experiencing an OHCA. Menter Mon gave a grant of £76,734.40 in 2021 to support the Keep the Beats project. Thanks to this and other donations, Keep the Beats has now doubled the volume of lifesaving equipment available ion North Wales' communities, and Tomos provides support to ensure they are rescue ready. Menter Mon's grant funded 40 defibrillators around North Wales. If successful, the project should see an increase in survival outcomes from OHCA within the North Wales area.

Cardiology Diagnostic Vehicle

In 2021, Awyr Las funded a £66,000 cardiology diagnostic vehicle, the first of its kind in the UK, the purpose-built van has been kitted out with equipment, which is used to assess vulnerable patients who have suspected heart failure closer to their homes.

This means many of the patients don't have to go into hospital.

"The idea came to me during the Covid pandemic," said Liana Shirley, Advanced Imaging Specialist with the Heart Failure Community Clinics.

"During the Covid crisis we had nowhere to hold clinics, as the beds had been reassigned for Covid patients. My colleague Hannah and I had to start doing home visits, where we would have to drag a scanner in full PPE into people's homes. It was hard, but necessary."

Liana's husband suggested that her job would be made much easier if she had a van that could hold all the necessary equipment that was needed to assess the patient.

This cardiology diagnostic vehicle is now seen as 'the future of cardio diagnostics'.



Therapeutic Support Service Fund



The Therapeutic Support Service (TSS) is a nurse led activity and non-invasive therapies unit which is part of inpatients for people with learning disabilities at Bryn Y Neuadd Hospital.

In 2021, the team spent over £1,000 on replacing and enhancing sports, sensory and musical resources for the unit to improve patients' engagement and experiences during their hospital stay. Jane Williams, Manager at TSS, said: "As part of the assessment and treatment of patients with learning disabilities whilst in hospital, the TSS offers opportunities to maintain ordinary patterns of daily living. Our activities ensure our inpatients have opportunities to enjoy meaningful activities off the ward giving them someone to talk to, something to do and something to look forward to, and that is the crux of what we do. This enables our nurses to deliver non-invasive therapies, treatment and assessment in a social context rather than 'over a desk'. Replacing and enhancing our music and sensory resources

means we can offer a better patient experience, something which supports and develops their inclusion in their communities once they leave hospital, and their citizenship."

Jane and her 16 members of staff are well known for organising great fundraising activities, including a 24-hour danceathon at Bryn y Neuadd.

Jane said: "Good ideas are not in short supply at TSS. It's a joyful part of the health service where creativity and having fun alongside our patients is very much part of the job description".

Emergency phone on the suspension bridge

In October 2021, Awyr Las agreed to contribute £10,000 towards the cost of installing emergency phones on the Menai Suspension Bridge, to help increase safety at the site.

The phone lines will timely access to support services including the Samaritans and local policing services to help those in need. There are now eight emergency phones on the Menai Bridge at key access points. The benefit of the installation is currently being evaluated and the findings will be shared on a national basis to inform similar work across Wales.

David Patel, Regional Suicide and Self-Harm Prevention Coordinator for BCUHB, believes that the installation of these phones is an essential tool in supporting safety at the site.

David said: "Awyr Las has helped safeguard the safety of users to the site by providing funding to support the installation of crisis phones. These phone lines will connect people in need to a local Samaritans branch who can offer listening support to those who need it. This is one of the measures introduced to help ensure that people can access support when they need it and it also helps to support increased safety at the site".



Thank you to all the companies that have supported Awyr Las this year!

Here are just some examples of how local and national businesses have helped to make a difference this year

Redrow Ltd

Redrow Ltd presented Awyr Las with a cheque for more than £15,000 for the North Wales Cancer Treatment Centre (NWCTC) at Glan Clwyd Hospital in memory of their much loved colleague, Karen Thomas, who sadly lost her battle to cancer at the centre back in June 2019.

The NWCTC, which provides services for patients from all over North Wales, was selected by staff based at Redrow's Ewloe headquarters as their chosen charity for 2019/20. Due to Covid, the Charity of the Year partnership was extended to the end of 2021.

Employees dedicated themselves to raising funds through different events, including dress down days, raffles, auctions and a Christmas market.

Staff raised a fantastic total of £10,225, which was increased to £15,337 thanks to Redrow's matched funding scheme. The company donates £1 for every £2 raised by its employees for their chosen charity of the year.

Emma Davies of Redrow, said: "The staff at the North Wales Cancer Treatment Centre were such a support to Karen and her family during her cancer treatment and end of life care, and we wanted to do something in her memory.

"We're proud of all our employees who have taken part in our fundraising activities and are delighted to have raised more than £15,000.

"We hope this will make a real difference to the centre and the people who benefit from its services, it has been our pleasure to raise funds to support its invaluable work."



Medtronic



In 2021 staff in the Cardiology Department at Wrexham Maelor received a £3,000 educational grant from Medtronic. Sally Owen, Chief Cardiac Physiologist Cardiology at Wrexham Maelor, explained the importance of additional funding like this.

She said: "Without these grants we would find it difficult to attend conferences, which really help our learning and development. The recent one we have been on gave us the opportunity to learn from renowned Cardiologists across the globe.

"We have learnt how to adopt models of best practice and also where the future of our service could be heading. It gave us a chance to review new products from suppliers and get some hands-on training in some of the tech suites which was extremely valuable. We are so grateful for this support."

SP Energy Networks

The Wrexham Maelor Children's Ward Rainbow Ball held on Friday 18th March 2022 was a huge success, raising an incredible £20,000. The glittering evening was supported by principal sponsor SP Energy Networks. The supportive company have previously supported two other balls for the Children's ward, helping to raise over £50,000 to date for children's services. 195 guests were treated to a champagne reception, hosted by sponsors SG Estates, and a three-course dinner as well as musical entertainment.

Lisa Harvey, Lead nurse for technology dependent children, said: "The night was a huge success and surpassed all our expectations.

"The ball had been delayed because of the pandemic three times so it was fantastic to see everyone have such a good time. All the profits from the night will go to buy extra medical and play equipment for the children and young people to enhance their experiences on the ward. It was a huge team effort, and it couldn't have happened without the support we received from all our sponsors."

Liam O'Sullivan, Director of SP Energy Networks, added: "We were delighted to support the Wrexham Maelor Children's Ward ball as principal sponsor for the third time running. SP Energy Networks are committed to engaging with and supporting the local communities we serve. We are extremely proud to take part in raising vital funds for the children treated on the ward and their families. "The ward staff have worked extremely hard over the last two years and we're so thankful for the support they provide to the local community."



Money Supermarket.com and the Asda Foundation

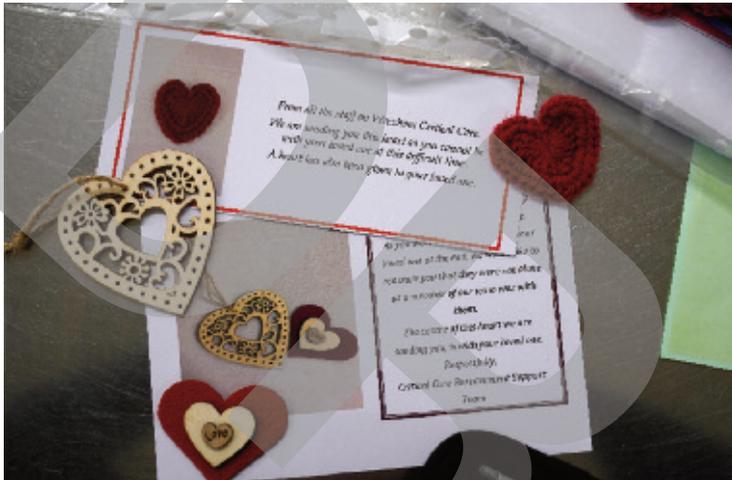


Other donations from businesses included £1,000 kindly given to the Coed Celyn, Garden Project by Money Supermarket.com, and a donation of £990 from the Asda Foundation for the same project. The staff on Coed Celyn, an eight-bed, mixed sex mental health rehabilitation unit have been working hard to make the outside area a more pleasant space for patients.

Noel Williams, Interim Ward Manager on Coed Celyn said: "These corporate donations have been extremely helpful in improving and adding to our new re-vamped garden area. This extra money has allowed us to fund activities and equipment to enhance the daily activity of our patients, and has allowed us to make full use of our facilities. Thanks to the charitable support we've received, our patients have been more proactive in partaking of outdoor activity, helping improve their mental and physical wellbeing."

Legacy gifts

NHS services in North Wales are fortunate to be remembered by so many people each year in their wills. Legacy gifts help fund research, cutting-edge equipment and special projects. The legacy of those who choose to include a healthcare service in their will can be felt for many years by patients and staff who benefit from their generosity.



All legacies, large and small, help make a difference for patients. In 2021/22 Michelle Rosemary Oldbury left a significant legacy gift of £126,461 to the North Wales Cancer Treatment Centre at Ysbyty Glan Clwyd and Peter Jones remembered the centre with a generous legacy gift of £60,000.

Gwyneth Young's legacy of £77,123 to the Alaw Cancer Unit in Ysbyty Gwynedd will help enhance the services available for patients, and

Francis Morgan's legacy of £42,894 will help make a lasting difference for patients receiving treatment in Wrexham Maelor Hospital.

The charity received £1,730,819 in legacy donations during the 2021/22 financial year.

Julie Roberts, Oncology Ward Sister, explained why legacies are so important: "Leaving a gift in a will can help us continue to provide extra care for patients. Legacies make a lasting impact on our hospitals and of course on our patients. Donations and legacies of all sizes are gratefully appreciated. They really will help to transform the lives of future patients and their families."

This year Andrew Gairns left a generous legacy of £17,000 to the North Wales Cancer Appeal (NWCA), a dedicated fund which supports the North Wales Cancer Treatment Centre, and another £33,380 will be gifted from his estate in the next financial year.

Carol Pritchard Jones, the Chair of NWCA, said: "There are amazing staff at the North Wales Cancer Treatment Centre who give high quality, compassionate care. We are hugely grateful when patients and families want to recognise this and reward the care they have been given.

"It is just wonderful that former patients and people in our local communities choose to give back in this way to help us move cancer services forward here in North Wales. We are truly grateful to those who have left legacies, however large or small."



International Healthcare Partnerships

Awyr Las has dedicated funds which aim to support international partnerships between the Betsi Cadwaladr University Health Board (BCUHB) and hospitals in African countries. These long-term partnerships provide BCUHB staff with new clinical skills and knowledge as well as the staff and volunteers in the partner hospitals. Here are two examples of how these funds are making a difference through the partnerships they support.

Betsi Kenya Health Link (BKHL)

In 2019, a group of volunteers formed a link between the Betsi Cadwaladr University Health Board (BCUHB) and the Busia County Referral Hospital (BCRH) in Kenya, and the Betsi Kenya Health Link Fund was established.

The Wales Council for Voluntary Action (WCVA) donated £14,992 to the Betsi Kenya Health Link in the 2021/22 financial year for a project that aimed to strengthen the engagement of the community in Busia County so the healthcare team there can better understand their needs to improve the population's health and wellbeing.

The WCVA funding paid for a Health Needs Assessment (HNA), which was instrumental in identifying some urgent priority health needs for Busia County, for example a lack of bedding in the hospital. The funding paid for Community Health Volunteers (CHVs) to meet over 2,500 community members. These volunteers have completed nearly 900 risk assessments. They now record data on key non-COVID public health threats and have detected a possible case of polio. This work has drawn the interest of Washington University, which plans to fund a scale-up of the project across the whole county.

The WCVA funded project has had an impact on the health and wellbeing of the communities in Busia County in the following ways:

- **Improved surveillance of COVID-19:**

The trained healthcare workers are now better equipped to identify health risks in the community and are now more able to relay this information to the public health authorities for further action.

- **Improved surveillance of other conditions:**

Surveillance of other infectious conditions and health threats has also improved and is now reported through a live community event-based surveillance system.

- **Improved motivation of community health workers**

The community health workers who were involved in the project have reported that they are more motivated, having gained knowledge and skills about COVID-19 and received support to deliver on their tasks.

- **Faster reporting of health threats**

A new online reporting system has reduced reporting time for health threats in Busia County and improved the response from the public health authorities.



Betsi Quthing Project

The Betsi-Quthing Link (BQL) International Health Partnership is between the Lesotho Ministry of Health, Quthing District, and the Betsi Cadwaladr University Health Board (BCUHB). Awyr Las' BQL Fund has successfully delivered a number of projects thanks to a series of grants it has received since 2012. In 2021, the BQL Fund committee successfully applied to the Welsh Council for Voluntary Action (WCVA)'s Wales and Africa Grants Scheme and was awarded £66,063 of funding to deliver mental health training to over 400 community leaders and public sector workers across Quthing District.

The pandemic had a significant impact on poverty and stress on the already very poor population of over 120,000 people in the remote rural mountainous district. Clinical psychologists from North Wales who are trained in Mental Health First Aid and compassionate leadership approaches have been able to support senior health staff in Lesotho to help address the increased rates of suicide, depression, anxiety, substance misuse and gender-based violence which have been reported in Quthing since the pandemic began.

Gifts in kind

Looking ahead

The charity's focus for 2022/23 will be to continue to support communities as they navigate the ongoing pandemic. Addressing the long-term impact of COVID-19 will remain a priority. This work will be supported by money distributed by NHS Charities Together under its Stage 2 'Building Resilience' and 3 'Recovery' grant programme, funded by their COVID-19 urgent appeal.

Projects planned for this work stream will focus on building resilient communities. As well as redoubling the charity's focus on early intervention, the new strategy will provide a roadmap for addressing several key themes that have emerged during the pandemic, including:

- Supporting staff health and wellbeing, making sure they are cared for and supported to remain resilient
- Investing in research, development, training and mentoring to ensure staff are supported to work well in the challenging and dynamic environment of 21st century healthcare
- Encouraging innovation and research to help drive improvements in the quality of care and the patient experience in North Wales
- Collaborating with health and social care providers, local charities, our communities, and our patients and their families to build strong relationships that enable us to find creative solutions to the challenges we face

The Awyr Las Support Team looks forward with cautious optimism, hopeful that we will soon see the safe return of events and mass participation fundraising. In the meantime, we are continuing to invest in digital and hybrid events.

The team has placed a focus on digital and hybrid activities that enable BCUHB staff and external supporters alike to be part of something meaningful remotely, such as the One Million Steps challenge, and the Light up Christmas event.



Volunteer support

Additionally, we continue to seek to build on the relationships made with local individuals who registered as COVID-19 volunteers, supporting them where possible to transition to become regular volunteers within the Health Board, for example, as part of the valued Robins Ward Volunteer Scheme.



Governance

Linked charities

The charity's registration incorporates a linked charity, the North Wales Cancer Appeal (NWCA). A very active subsidiary, NWCA volunteers work alongside NHS staff in the North Wales Cancer Treatment Centre and raise additional funds for priority projects that benefit patients and families affected by cancer.

Trustee recruitment, appointment and induction

The charity has a sole Corporate Trustee, the Betsi Cadwaladr University Health Board (BCUHB). Whilst BCUHB Members undertake responsibility for the administration of the charity's funds as part of their tenure of the Board, they do not hold trustee status as individuals. The Chair and Independent Members of the Health Board are appointed by the Minister for Health and Social Services of the Welsh Government, with the Executive Directors being appointed in accordance with Health Board policy. New members of the Board are provided with appropriate induction and training on behalf of the Executive Director of Finance. Orientation documentation provided for new members includes the previous year's annual reports and financial statements, copies of the charity's governing documents, and relevant Charity Commission publications.

Charity staff

The charity does not directly employ any staff. The day-to-day management of the charity is delegated to the Executive Director of Finance. Members of the Awyr Las Support Team are employed by the Health Board and then recharged to the charity in accordance with the proportion of their time that has been spent on charity work.

Key management personnel remuneration

The trustees have concluded that the Corporate Trustee through the Charitable Funds Committee comprises the key management personnel of the charity as they are in control of directing the charity.

The charity does not make any payments for remuneration nor to reimburse expenses to the charity trustees for their work undertaken as trustee. Trustees are required to disclose all relevant interests, register them with the Health Board and withdraw from decisions where a conflict of interest arises. All related party transactions are disclosed in note 2 to the accounts.

The charity's advisors

Bankers: NatWest Bank, 5 Queen St, Rhyl, Denbighshire, LL18 1RS

Investment advisors: Brewin Dolphin, Time Central, Gallowgate, Newcastle upon Tyne, NE1 4SR

Registered auditors: Wales Audit Office, 24 Cathedral Road, Cardiff, CF11 9LJ

The charity's investments

Many of the donations received by the charity cannot be spent right away since they must be accumulated, in order to fund the most pressing and relevant items to improve patient care. As a result, Awyr Las invests these contributions in order to earn income and protect their real-world worth. During the financial year 2021/22, Brewin Dolphin Limited was the charity's investment manager.

Ethical investment framework

The Trustee has adopted an ethical framework for investments, with underlying principles supporting an ethical component of the overall investment strategy.

Investment strategy

This has given direction to the Investment Managers to develop a suitable investment strategy. The investment strategy is consistent with these ethical principles, whilst affording sufficient flexibility to provide the best balance of risk and reward for the charity. During the financial year 2021/22, the portfolio was managed in accordance with this agreed strategy. It is recommended that there is negative exclusion of investment in companies manufacturing and distributing:

Alcoholic products Tobacco products Any products which may be considered in conflict with the Health Board's activities

Investment in companies which have a poor record in human rights and child exploitation and/or which derive their profits from countries with poor human rights records should not be permitted. In addition, investment in companies that demonstrate compliance with the principles of the Equality Act 2010 should be supported. Investment performance is monitored by the Charitable Funds Committee at its quarterly meetings. The committee receives reports from the investment managers explaining the portfolio's performance, the level of risk seen and expectations for the future.

Charitable Funds Committee

Operational responsibility for the administration of the charity is delegated to a Charitable Funds Committee, a committee of the full Health Board.

Purpose

The purpose of Betsi Cadwaladr University Health Board's Charitable Funds Committee is to make and monitor arrangements for the control and management of the Health Board's Charitable Funds, held within the BCUHB charity, Awyr Las. All voting members of the Health Board can act as corporate trustees of the charity. The committee meets quarterly.

Membership

Name	Position	Area of expertise / representation role	Board committee membership	Champion roles
Mark Polin	Chairman		<ul style="list-style-type: none"> • Chair of the Board • Chair Remuneration and Terms of Service Committee • Chair Finance and Performance Committee 	
Lucy Reid	Independent Member Vice Chair	Community Primary Care & Mental Health	<ul style="list-style-type: none"> • Board Member • Chair Quality, Safety and Experience Committee • Chair Mental Health Act Committee • Chair Mental Health and Capacity Compliance Committee • Member Remuneration and Terms of Service Committee 	<ul style="list-style-type: none"> • Concerns
Lyn Meadows	Independent Member	Community	<ul style="list-style-type: none"> • Board Member • Acting Chair Strategy, Partnerships and Population Health Committee • Vice Chair Audit Committee to 14/12/21 • Vice Chair Quality, Safety and 	<ul style="list-style-type: none"> • Nutrition • Cleaning, Hygiene and Infection Management

Name	Position	Area of expertise / representation role	Board committee membership	Champion roles
			Experience Committee • Member Partnerships, People and Population Health Committee to 09/12/21	
Cllr Cheryl Carlisle	Independent Member	Community	<ul style="list-style-type: none"> • Board member • Member Quality, Safety and Experience Committee • Member Mental Health Act Committee • Member Mental Health and Capacity Compliance Committee • Member Charitable Funds Committee 	<ul style="list-style-type: none"> • Carers • Children and Young people
Cllr Medwyn Hughes	Independent Member	Local Authority	<ul style="list-style-type: none"> • Board member • Chair Audit Committee • Vice Chair Remuneration and Terms of Service Committee • Member Digital & Information Governance Committee to October 2021 	<ul style="list-style-type: none"> • Patient and Public Involvement • Welsh language

Name	Position	Area of expertise / representation role	Board committee membership	Champion roles
Prof Nichola Callow	Independent Member	University	<ul style="list-style-type: none"> • Board Member • Member Digital & Information Governance Committee • Member Strategy, Partnerships and Population Health Committee • Vice Chair Partnerships, People and Population Health Committee 	
Jackie Hughes	Independent Member	Trade Union	<ul style="list-style-type: none"> • Board Member • Member Audit Committee • Member Remuneration and Terms of Service Committee • Member Quality, Safety and Experience Committee • Chair Charitable Funds Committee • Ex Officio Local Partnership Forum 	<ul style="list-style-type: none"> • Violence and Aggression • Equality

Name	Position	Area of expertise / representation role	Board committee membership	Champion roles
John Cunliffe	Independent Member	Community	<ul style="list-style-type: none"> • Board Member • Chair Digital & Information Governance Committee • Chair Finance and Performance Committee • Chair Performance, Finance and Information Governance Committee • Member Strategy, Partnerships and Population Health Committee • Member Partnerships, People and Population Health Committee 	
Eifion Jones	Independent Member to 31/08/21	Community	<ul style="list-style-type: none"> • Board member • Vice Chair Finance and Performance Committee • Member Mental Health Act Committee • Member Audit Committee 	
Jo Whitehead	Chief Executive		<ul style="list-style-type: none"> • Board Member • In attendance Remuneration and Terms of Service Committee • In attendance Audit Committee (at least annually) • Joint Chair / Member, Local Partnership Forum 	

Name	Position	Area of expertise / representation role	Board committee membership	Champion roles
Linda Tomos	Independent Member	Community	<ul style="list-style-type: none"> • Board member • Member Finance and Performance Committee • Member Performance, Finance and Information Governance Committee • Member Strategy, Partnerships and Population Health Committee • Chair Partnerships, People and Population Health Committee • Member Charitable Funds Committee 	

Name	Position	Area of expertise / representation role	Board committee membership	Champion roles
Gill Harris	Executive Director Nursing and Midwifery / Deputy Chief Executive		<ul style="list-style-type: none"> • Board Member • Lead Director / In attendance Quality, Safety and Experience Committee • Member Local Partnership Forum • In attendance Mental Health Act Committee • In attendance Finance and Performance Committee • In attendance Performance, Finance and Information Governance Committee • In attendance Partnerships, People and Population Health Committee • In attendance Audit Committee 	

Name	Position	Area of expertise / representation role	Board committee membership	Champion roles
Sue Hill	Executive Director of Finance		<ul style="list-style-type: none"> • Board Member • In attendance Audit Committee • Lead Director / Member, Charitable Funds Committee • Lead Director / In attendance, Finance and Performance Committee • Lead Director Performance, Finance and Information Governance Committee • Member Local Partnership Forum • In attendance Digital and Information Governance Committee to October 2021 	

Name	Position	Area of expertise / representation role	Board committee membership	Champion roles
Teresa Owen	Executive Director of Public Health		<ul style="list-style-type: none"> • Board Member • In attendance Quality, Safety and Experience Committee • In attendance Strategy, Partnerships and Population Health Committee • In attendance Partnerships, People and Population Health Committee • Lead Director / In attendance Mental Health Act Committee • Lead Director / In attendance Mental Health and Capacity Compliance Committee 	

Name	Position	Area of expertise / representation role	Board committee membership	Champion roles
Sue Green	Executive Director of Workforce & Organisational Development (OD)		<ul style="list-style-type: none"> • Board Member • Lead Director/In attendance, Remuneration and Terms of Service Committee • In attendance Finance and Performance Committee • In attendance Performance, Finance and Information Governance Committee • In attendance Strategy, Partnerships and Population Health Committee to October 2021 • In attendance Partnerships, People and Population Health Committee • Lead Director / Member 	

Name	Position	Area of expertise / representation role	Board committee membership	Champion roles
Mark Wilkinson	Executive Director Planning and Performance to 24/08/21		<ul style="list-style-type: none"> • Board Member • Lead Director / In attendance, Strategy, Partnerships and Population Health Committee • Member Charitable Funds Committee • In attendance Finance and Performance Committee • Lead Director / In attendance Stakeholder Reference Group 	
Prof Arpan Guha	Acting Executive Medical Director to 11/07/21		<ul style="list-style-type: none"> • Board member • In attendance Quality, Safety and Experience Committee • In attendance Digital and Information Governance Committee • In attendance Finance and Performance Committee • Member Charitable Funds Committee • In attendance Remuneration & Terms of Service Committee • In attendance Strategy, Partnerships and Population Health Committee 	

Name	Position	Area of expertise / representation role	Board committee membership	Champion roles
Nick Lyons	Executive Medical Director wef 12/07/21		<ul style="list-style-type: none"> • Board member • In attendance Quality, Safety and Experience Committee • In attendance Digital and Information Governance Committee • In attendance Finance and Performance Committee • Member Charitable Funds Committee • In attendance Remuneration & Terms of Service Committee • In attendance Strategy, Partnerships and Population Health Committee 	
Adrian Thomas	Executive Director Therapies & Health Sciences		<ul style="list-style-type: none"> • Board member • Lead Director / In attendance Healthcare Professionals Forum • In attendance Quality, Safety and Experience Committee 	
Louise Brereton	Board Secretary		<ul style="list-style-type: none"> • Board Members • In attendance at Audit Committee 	

Name	Position	Area of expertise / representation role	Board committee membership	Champion roles
Dr Chris Stockport	Executive Director Primary and Community Services		<ul style="list-style-type: none"> • Board member • In attendance, Quality, Safety and Experience Committee • Lead Director / In attendance Strategy, Partnerships and Population Health Committee • Lead Director / In attendance Partnerships, People and Population Health Committee • Lead Director / In attendance Digital and Information Governance Committee 	

Associate Board Members				
Name	Position	Area of expertise / representation role	Board committee membership	Champion roles
Morwena Edwards	Associate Member	Director of Social Services, Gwynedd	<ul style="list-style-type: none"> • Associate Board Member 	
Ffrancon Williams	Associate Member	Chair Stakeholder Reference Group	<ul style="list-style-type: none"> • Associate Board Member 	
Claire Budden	Associate Member		<ul style="list-style-type: none"> • Associate Board Member 	
Gareth Evans	Associate Member	Chair Healthcare Professionals Forum	<ul style="list-style-type: none"> • Associate Board Member • In attendance Quality, Safety & Experience Committee 	

BCUHB Board Membership 2021/22

A number of changes to Board membership, including interim and acting up arrangements, have occurred during the year and are reflected in the table at Appendix 1.

Performance

The overall goal of the charity is to benefit staff and patients at Betsi Cadwaladr University Health Board in accordance with the preferences of supporters. The Awyr Las Support Team and the Charitable Funds Committee undertake a number of key activities.

Connecting with staff

To accomplish its goal, the Charity Support Team prioritises actions that promote awareness among Health Board employees, assisting them to learn about fundraising and the money accessible to them from the charity. The team also focuses on simplifying the methods for raising and applying for money, as well as empowering staff to innovate and utilise existing funding (or, in the absence of funding, to proactively raise the necessary monies) to help them to implement their ideas. The charity continues to embrace technology, including video conferencing, to stay connected with staff.

Evaluating requests for funding

To ensure that the charity's money is well spent and meets with its objectives, all applications for grants over £5,000 require ratification and/or authorisation from the Charitable Funds Committee (CFC), which is a committee of the full Health Board.

The Charitable Funds Advisory Group (CFAG) was established at the start of 2016 to provide further scrutiny of applications. The CFAG is a sub-committee of the Charitable Funds Committee. Because of COVID-19, the CFAG was temporarily stood down until 2021, and it now approves applications online, rather than in person. The CFAG has a remit to consider funding applications from £5,000 to £25,000 from general or specific charitable funds.

The group has the authority to approve or reject those applications. The decision to approve or reject an application is undertaken on behalf of the Charitable Funds Committee under the charitable funds scheme of delegation. Membership of the CFAG is varied. Like the CFC, members of the CFAG use their specialist knowledge to make informed decisions on funding, taking into account local needs and organisational priorities.

Applying for funding

Applicants must outline their proposed project's outcomes and how they will be measured in order to be considered for funding. They must also show that they have assessed the risks and investigated mitigating factors. All grant applicants must show how their plan would help to reduce health inequalities and promote the Health Board's dementia strategy.

Awyr Las Support Team

To help meet the charity's objectives, the Awyr Las Support Team has transitioned from working geographically to working thematically. In practice, this guarantees that East, West and Central still have a dedicated point of contact, but that individual members of the team can undertake projects that are more defined, and closely aligned with their skills and experience.

This evolution has enabled the team to be more effective within the current capacity. The charity's Support Team continues to streamline its processes and develop relationships with other teams within the Betsi Cadwaladr University Health Board to ensure it can provide the highest possible level of donor care.

Complaints

The Awyr Las Support Team did not uncover any failure to comply with Fundraising Regulation by staff or Awyr Las volunteers in 2021/22. The charity received no official fundraising-related complaints in the past year.

Public benefit

In planning activities for the year and when considering applications for grant funding, the trustees consider the Charity Commission's guidance on public benefit.

The charity's grant-making process

Both restricted and unrestricted funds are used to make grants through the charity. These funds are further split into non-designated (general) funds and designated (earmarked) funds.

Authorisation and levels of funding

Projects costing less than £5,000 can be authorised by a Fund Advisor – the colleagues that act as guardians for their designated funds – thus enabling NHS staff to gain prompt access to funding. Because of this, staff can quickly implement their ideas, meaning the tangible positive differences they wish to achieve for their patients or colleagues can be realised almost immediately.

There is a formal application and scrutiny process for requests of £5,000 or more. The Charitable Funds Advisory Group considers requests of between £5,000 to £25,000. Requests for £25,000 or more must be considered by the Charitable Funds Committee. The application process is designed to be accessible, whilst ensuring projects receive rigorous scrutiny to ensure they are robust, innovative, and realistically able meet the objectives set out by the applicant.

Non-designated funds

These funds are given to the charity with no preference expressed by the donor. They are used to fund things that are needed either across the region, or in areas/services that do not have their own fund.

The Finance Director – Operational Finance acts as the Fund Advisor on non-designated funds and so can authorise expenditure up to £5,000. Non-designated funds have been decreasing in value significantly over recent years. This is an ongoing challenge for the charity as it limits the things that can be funded where there is no suitable designated fund.

Designated funds

Within Awyr Las, most donations sit in one of the 453 designated funds, which are aligned to specific wards and departments. Every fund has at least one Fund Advisor, who is the authorised signatory on the fund for purchases up to £5,000. Fund Advisors receive monthly statements outlining the income and expenditure on the fund. For all expenditure over £5,000, a scheme of delegation is in place whereby additional approvals are required from the senior team for that area in the Health Board and the Charitable Funds Committee. This ensures that applications are fully reviewed and assessed alongside the objectives of the charity.

Financial summary

The following figures are taken from the full accounts approved on 26th January 2023, which carry an unqualified audit report. The accounts should be viewed in full if more details are required. This part of the Trustee's annual report comments on key features of those accounts. The full accounts have also been logged with the Charity Commission. Almost all the charity's income comes from the voluntary efforts of NHS staff and the general public.

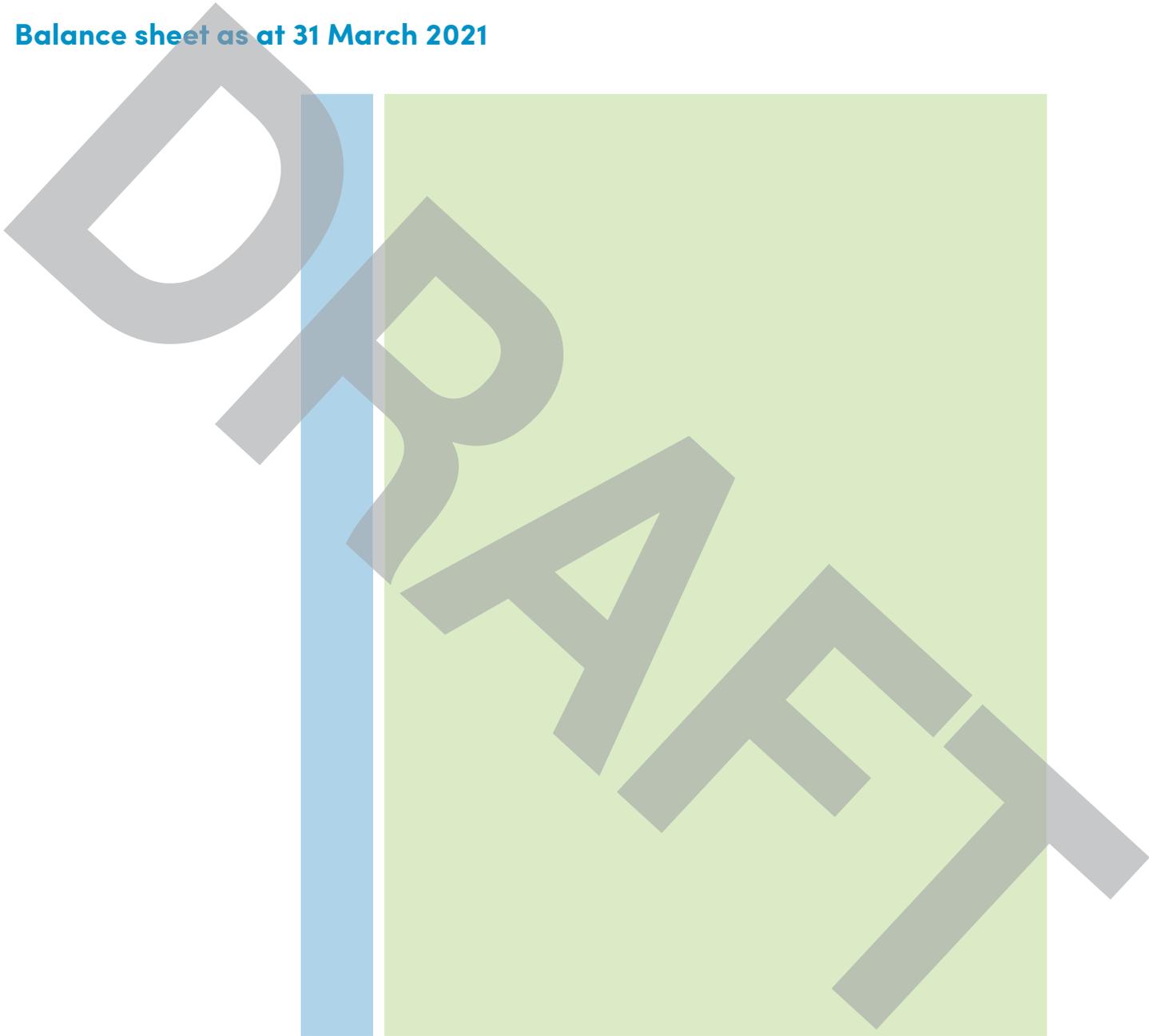


This year, donations generated £X - XX% of the charity's total income. Legacy gifts formed XX% of the charity's income (£checkXX). Fundraising accounted for XX% of the charity's total income (£XX,000). Investment of funds not immediately required by the charity has generated £XX in returns, equating to XX% of Awyr Las' total income.

Financial health

The assets and liabilities of Awyr Las as at 31st March 2021 are shown below, compared with the position at 31st March 2020. Find further details in the financial statements section.

Balance sheet as at 31 March 2021



Risk analysis

As part of the Charitable Funds Committee meetings, which usually take place at least four times a year, the trustees consider the major risks facing Awyr Las. In 2021/22 the Charitable Funds Committee met three times.

Managing risk

The main risks to the charity are reviewed by the Charitable Funds Committee on a quarterly basis, with the whole risk register being presented and reviewed annually in March. The charity's Risk Register was most recently reviewed on 18th October 2022 and is available to view here on pages 207 – 226: Bundle Charitable Funds Committee 18 October 2022 (nhs.wales). See below for the full URL. An individual risk analysis is completed for all Awyr Las events and activities, and for new processes and ways of working introduced by members of the Awyr Las Support Team.

Reserves

Both restricted and unrestricted funds are used to make grants through the charity. These funds are further split into non-designated (general) funds and designated (earmarked) funds.

Authorisation and levels of funding

Reserves are that part of a charity's unrestricted income funds which are freely available to spend on any of the charity's purposes. The reserves policy explains to existing and potential fundraisers, donors and other stakeholders why a charity is holding a particular amount of reserves.

A good reserves policy gives confidence to stakeholders that the charity's finances are being managed and can also provide an indicator of future funding needs. The reserves policy of a charity must be set out in its Annual Report. It should take into account the charity's financial circumstances and other relevant factors. It is good practice to keep the reserves policy under review to ensure it meets the changing needs and circumstances of the charity.

Deciding on the level of reserves that a charity needs to hold is an important part of financial management and forward financial planning. Reserves levels which are higher than needed may tie up money unnecessarily. However if reserves are too low then the charity's solvency and its future activities can be put at risk.

The charity, drawing on Charity Commission guidance and examples of best practice from other charities, has adopted a reserves policy which includes a target level of reserves. In accordance with best practice, the Committee should review its reserves policy and target level of reserves on an annual basis, recalculating the target based on the latest audited accounts. One of the charity's reserves can only be realised by disposing of tangible fixed assets (see tangible fixed assets, note X in the Accounts)

Target level of reserves

To establish the target level of reserves, a number of factors were considered:

- Anticipated levels of income for the current and future years
- Anticipated levels of expenditure for the current and future years
- Future needs, opportunities, commitments and risks – this includes looking at future plans, projects or other spending needs that cannot be met from the income of a single year's budget

The vast majority of the charity's income is from donations, fundraising and legacies. These are unreliable and unpredictable sources that can vary year to year. The Fundraising Team is working on diversifying and broadening the sources of income through identifying new potential donors and raising awareness of the charity in different spheres of influence. This should help provide more security of income; however, there can still be no guaranteed level of income for any year. The charity's expenditure is primarily driven by funding approvals awarded by the Charitable Funds Advisory Group and the Charitable Funds Committee. These are entirely within the charity's control and the level of approvals can be reduced or increased depending on the reserves available. The charity does have ongoing expenditure arising from the costs of the Fundraising Team and Finance staff, the Investment Manager fee and Audit fees.

The other large influence on the charity's reserves is fluctuations in the investments, which can rise or fall in value on a monthly basis. Taking the above into account and using average figures from the last three years' of audited accounts, the calculation of the target level of reserves is as follows: The reserves should include one year's administration costs (support costs, fundraising costs and investment management costs), which would allow the charity to continue to run for this period even if no income was received. The three-year rolling average is £check. To insure against the risk of a large fall in the investments, the reserves should include 25% of the three year rolling average value of the investments. This would allow for a significant fall in value and is based on 2008/09; the investments of the three predecessor charities fell by 26% (note that in 2019/20 they fell by 11%). The amount included in the target is £check.

To allow the charity to support larger projects that cannot be paid for with one year's worth of income and also to allow the Charity to continue to support projects if income was severely reduced, 25% of the grant funded activity expenditure should be included in reserves. Should income cease this would allow the charity to continue to fund projects at its current rate for three months, or at a reduced rate for six months. The three-year rolling average is £543,000. Based on the above figures, the target level of reserves for the charity is outlined below.

Reserves policy 2021/22

One year's administration costs (support costs, fundraising costs and investment management costs) 25% of the value of investments held 25% of the grant funded activity expenditure The reserves policy has the objective of ensuring that the charity has sufficient funds available to maintain liquidity, cover unforeseen risks and provide for future opportunities. The charity relies heavily on income from donations, fundraising and legacies. These are unpredictable sources that can vary year to year. Therefore the charity needs sufficient reserves to be able to continue its activities in the event of fluctuations in its income. The charity has a target level of reserves of £check. This is based on the following calculation, with average figures taken from the last three years' of audited accounts: The target level of reserves will be reassessed on an annual basis. The Trustee will review the actual reserves held against the target throughout the year, to ensure that sufficient funds are held within the charity, whilst also continuing to utilise funds within a reasonable period of receipt. The available unrestricted reserves as at the 31st December 2021 totalled £Check final Bethan. Compared to the target level of reserves of £check, the charity is holding higher reserves than it should be. The charity's Reserves Policy calculation will be changed in 2022 using forecasted operational and charitable expenditure figures, and the charity plans to increase expenditure rates. The new strategy will see the charity bring the amount of reserves it holds into line with the level of reserves identified by the trustees as appropriate given their plans for the future activities of the charity.

DRAFT



**The address of the charity and
the Corporate Trustee's principal office is:**

Awyr Las
Ysbyty Gwynedd
Penrhosgarnedd
Bangor
Gwynedd
LL57 2PW

Awyr Las: The North Wales NHS Charity

Registered Charity Number 1138976

www.awyrilas.org.uk



Registered with
**FUNDRAISING
REGULATOR**



Member of
**NHS
CHARITIES
TOGETHER**



Teitl adroddiad: <i>Report title:</i>	Committee Work Plan for 2022/23			
Adrodd i: <i>Report to:</i>	Charitable Funds Committee			
Dyddiad y Cyfarfod: <i>Date of Meeting:</i>	Wednesday, 18 January 2023			
Crynodeb Gweithredol: <i>Executive Summary:</i>	<p><i>This paper is presented at all Charitable Fund Committee meetings for information unless amendments have been made, in which case it is brought for Charitable Funds Committee approval. This plan is approved annually in March. This document, approved in March 2022, has been updated to reflect changes in meeting dates and to include additional annual business.</i></p> <p><i>The Charitable Funds Committee are asked to:</i></p> <ol style="list-style-type: none"> <i>Note the changes made to meeting dates</i> <i>Approve the addition of the Strategy Progress Report as a new item for decision and approve the rescheduling of items for decision</i> 			
Argymhellion: <i>Recommendations:</i>	<p><i>The Board is asked to:</i></p> <p><i>Approve the paper</i></p>			
Arweinydd Gweithredol: <i>Executive Lead:</i>	Helen Stevens-Jones, BCUHB Director of Partnerships, Engagement and Communications			
Awdur yr Adroddiad: <i>Report Author:</i>	Kirsty Thomson, Head of Fundraising			
Pwrpas yr adroddiad: <i>Purpose of report:</i>	<p>I'w Nodi <i>For Noting</i></p> <input type="checkbox"/>	<p>I Benderfynu arno <i>For Decision</i></p> <input checked="" type="checkbox"/>	<p>Am sicrwydd <i>For Assurance</i></p> <input type="checkbox"/>	
Lefel sicrwydd: <i>Assurance level:</i>	<p>Arwyddocaol <i>Significant</i></p> <input checked="" type="checkbox"/> <p>Lefel uchel o hyder/tystiolaeth o ran darparu'r mecanweithiau / amcanion presennol</p> <p><i>High level of confidence/evidence in delivery of existing mechanisms/objectives</i></p>	<p>Derbyniol <i>Acceptable</i></p> <input type="checkbox"/> <p>Lefel gyffredinol o hyder/tystiolaeth o ran darparu'r mecanweithiau / amcanion presennol</p> <p><i>General confidence / evidence in delivery of existing mechanisms / objectives</i></p>	<p>Rhannol <i>Partial</i></p> <input type="checkbox"/> <p>Rhywfaint o hyder/tystiolaeth o ran darparu'r mecanweithiau / amcanion presennol</p> <p><i>Some confidence / evidence in delivery of existing mechanisms / objectives</i></p>	<p>Dim Sicrwydd <i>No Assurance</i></p> <input type="checkbox"/> <p>Dim hyder/tystiolaeth o ran y ddarpariaeth</p> <p><i>No confidence / evidence in delivery</i></p>

<p>The 'significant' assurance level has been selected because this paper demonstrates that the workplan set out at the start of the financial year is regularly monitored and that members are made aware of changes to the proposed plan when necessary.</p>	
<p>Cyswllt ag Amcan/Amcanion Strategol: <i>Link to Strategic Objective(s):</i></p>	<p>All Strategic Objectives (About the Health Board - Betsi Cadwaladr University Health Board (nhs.wales))</p>
<p>Goblygiadau rheoleiddio a lleol: <i>Regulatory and legal implications:</i></p>	<p>Charity Commission Guidance, HMRC regulation</p>
<p>Yn unol â WP7, a oedd EqIA yn angenrheidiol ac a gafodd ei gynnal? <i>In accordance with WP7 has an EqIA been identified as necessary and undertaken?</i></p>	<p>No</p>
<p>Yn unol â WP68, a oedd SEIA yn angenrheidiol ac a gafodd ei gynnal? <i>In accordance with WP68, has an SEIA identified as necessary been undertaken?</i></p>	<p>No</p>
<p>Manylion am risgiau sy'n gysylltiedig â phwnc a chwmpas y papur hwn, gan gynnwys risgiau newydd (croesgyfeirio at y BAF a'r CRR) <i>Details of risks associated with the subject and scope of this paper, including new risks(cross reference to the BAF and CRR)</i></p>	<p>Key Risks:</p> <ul style="list-style-type: none"> ▪ Without a defined work plan the Charitable Funds Committee cannot operate effectively
<p>Goblygiadau ariannol o ganlyniad i roi'r argymhellion ar waith <i>Financial implications as a result of implementing the recommendations</i></p>	<p>N/A</p>
<p>Goblygiadau gweithlu o ganlyniad i roi'r argymhellion ar waith <i>Workforce implications as a result of implementing the recommendations</i></p>	<p>N/A</p>
<p>Adborth, ymateb a chrynodeb dilynol ar ôl ymgynghori <i>Feedback, response, and follow up summary following consultation</i></p>	
<p>Cysylltiadau â risgiau BAF: (neu gysylltiadau â'r Gofrestr Risg Gorfforaethol) <i>Links to BAF risks:</i></p>	

<i>(or links to the Corporate Risk Register)</i>	
Rheswm dros gyflwyno adroddiad i fwrdd cyfrinachol (lle bo'n berthnasol) <i>Reason for submission of report to confidential board (where relevant)</i>	N/A
Rhestr o Atodiadau: <i>List of Appendices:</i> <i>CF22.32 Committee Work Plan 2022/23: Appendix 1</i>	

Appendix 1 – Work Plan 2022/23

Agenda Item	September 2022	October 2022	December 2022 POSTPONED	January 2023 (Extraordinary meeting)	March 2023
Opening Business					
Apologies & declarations of interest	X	X	X	X	X
Minutes of the previous meeting	X	X	X	X	X
Matters arising and action plan	X	X	X	X	X
Standing Items					
Invited speaker	X	X			X
Finance report	X	X	X	X	X
Strategy Progress Report					
Charity and Charitable Partnerships Support Team Report	X		X		X
Third Sector Partnerships Report	X		X		X
Charitable Funds Advisory Group minutes ((CFAG)	X		X		
Charity Risk Register	X	X	X		X
Investment manager's portfolio report	X	X	X		X
Overview of expenditure approvals (pre-approved applications for information)	X	X		X	
Items for Decision					
Request for expenditure approvals (applications considered by CFAG requiring decision)			X		X
Budget for forthcoming year			X		X
Audited Accounts and Annual report				X	
Charity Strategy – Annual Review			X		X
Wales Audit Office ISA 260 report				X	
Review of Charity Financial Procedures					X

Appendix 1 – Work Plan 2022/23

Internal Audit Report				X	
Items of Governance					
Investment manager presentation					X
Review of reserves policy					X
Committee work plan for forthcoming year	X	X	X		X
Closing Business					
Issues of significance	X	X	X	X	X
Date of next meeting	X	X	X	X	X
Planning / agenda setting for next meeting	X	X	X	X	X
In Year / Ad hoc items					

Teitl adroddiad:	2022/23 Charitable Funds Finance Report – Quarter 2			
Report title:				
Adrodd i:	Charitable Funds Committee			
Report to:				
Dyddiad y Cyfarfod:	Wednesday, 18 January 2023			
Date of Meeting:				
Crynodeb Gweithredol:	<p>The Charitable Funds Committee has responsibility for overseeing the financial management and stewardship of the charitable funds. This is the Finance Report for the charity for the 6 months ending 30th September 2022, reporting the financial position up to the end of the second quarter of 2022/23.</p> <p>The figures presented in this report are draft figures as the opening balances figures for 2022/23 are subject to audit completion of the 2021/22 final accounts by Audit Wales.</p> <p>Audit Wales have commenced their audit work in November. The accounts will be submitted to the Charity Commission, ahead of the 31st January 2023 deadline.</p>			
Executive Summary:				
Argymhellion:	The Charitable Funds Committee is asked to note the report.			
Recommendations:				
Arweinydd Gweithredol:	Steve Webster, Interim Executive Director of Finance			
Executive Lead:				
Awdur yr Adroddiad:	Bethan Roberts, Principal Finance Manager - Financial Reporting			
Report Author:				
Pwrpas yr adroddiad:	Purpose of report: I'w Nodi <i>For Noting</i> <input type="checkbox"/>	I Benderfynu arno <i>For Decision</i> <input type="checkbox"/>	Am sicrwydd <i>For Assurance</i> <input checked="" type="checkbox"/>	
Lefel sicrwydd:	Arwyddocaol <i>Significant</i> <input checked="" type="checkbox"/>	Derbyniol <i>Acceptable</i> <input type="checkbox"/>	Rhannol <i>Partial</i> <input type="checkbox"/>	Dim Sicrwydd <i>No Assurance</i> <input type="checkbox"/>
Assurance level:	Lefel uchel o hyder/tystiolaeth o ran darparu'r mecanweithiau / amcanion presennol <i>High level of confidence/evidence in delivery of existing mechanisms/objectives</i>	Lefel gyffredinol o hyder/tystiolaeth o ran darparu'r mecanweithiau / amcanion presennol <i>General confidence / evidence in delivery of existing mechanisms / objectives</i>	Rhywfaint o hyder/tystiolaeth o ran darparu'r mecanweithiau / amcanion presennol <i>Some confidence / evidence in delivery of existing mechanisms / objectives</i>	Dim hyder/tystiolaeth o ran y ddarpariaeth <i>No confidence / evidence in delivery</i>
Cyfiawnhad dros y gyfradd sicrwydd uchod. Lle bo sicrwydd 'Rhannol' neu 'Dim Sicrwydd' wedi'i nodi uchod, nodwch gamau i gyflawni sicrwydd 'Derbyniol' uchod, a'r terfyn amser ar gyfer cyflawni hyn: Justification for the above assurance rating. Where 'Partial' or 'No' assurance has been indicated above, please indicate steps to achieve 'Acceptable' assurance or above, and the timeframe for achieving this:				
Cyswllt ag Amcan/Amcanion Strategol:	Aligned to the Awyr Las Charity Strategy.			
Link to Strategic Objective(s):				

Goblygiadau rheoleiddio a lleol:	Not applicable
<i>Regulatory and legal implications:</i>	
Yn unol â WP7, a oedd EqIA yn angenrheidiol ac a gafodd ei gynnal?	Equality Impact (EqIA) and a socio-economic (SED) impact assessments not applicable.
<i>In accordance with WP7 has an EqIA been identified as necessary and undertaken?</i>	
Yn unol â WP68, a oedd SEIA yn angenrheidiol ac a gafodd ei gynnal?	Equality Impact (EqIA) and a socio-economic (SED) impact assessments not applicable.
<i>In accordance with WP68, has an SEIA identified as necessary been undertaken?</i>	
Manylion am risgiau sy'n gysylltiedig â phwnc a chwmpas y papur hwn, gan gynnwys risgiau newydd (croesgyfeirio at y BAF a'r CRR)	The risks of the charity are reviewed by the Committee on an annual basis, every March and are included as a separate agenda item.
<i>Details of risks associated with the subject and scope of this paper, including new risks(cross reference to the BAF and CRR)</i>	
Goblygiadau ariannol o ganlyniad i roi'r argymhellion ar waith	
<i>Financial implications as a result of implementing the recommendations</i>	See below report – Section 3.
Goblygiadau gweithlu o ganlyniad i roi'r argymhellion ar waith	
<i>Workforce implications as a result of implementing the recommendations</i>	Not applicable – paper is for information on the financial position of the charity.
Adborth, ymateb a chrynodeb dilynol ar ôl ymgynghori	
<i>Feedback, response, and follow up summary following consultation</i>	Not applicable – paper is for information on the financial position of the charity.
Cysylltiadau â risgiau BAF: (neu gysylltiadau â'r Gofrestr Risg Gorfforaethol)	
<i>Links to BAF risks:</i> <i>(or links to the Corporate Risk Register)</i>	
Rheswm dros gyflwyno adroddiad i fwrdd cyfrinachol (lle bo'n berthnasol)	Amherthnasol
<i>Reason for submission of report to confidential board (where relevant)</i>	Not applicable
Camau Nesaf: Gweithredu argymhellion <i>Next Steps:</i> <i>Implementation of recommendations</i>	The Committee is asked to note the report.
Rhestr Atodiadau List of Appendices:	<u>Appendix 1: Legacies</u> <u>Appendix 2: Income and expenditure</u> <u>Appendix 3: Outstanding commitments</u> <u>Appendix 4: Analysis of funds by service</u> <u>Appendix 5: Glossary of terms</u>

2022/23 CHARITABLE FUNDS COMMITTEE FINANCE REPORT – QUARTER 1

1. Cyflwyniad / Introduction

The Charitable Funds Committee has responsibility for overseeing the financial management and stewardship of the charitable funds. This is the Finance Report for the charity reporting the financial position for the 6 months ending 30th September 2022.

The opening balances figures for 2022/23 are draft figures as they are subject to audit of the 2021/22 accounts by Audit Wales.

Audit Wales have commenced their audit work in November, with the final accounts and annual report to be presented to the Charitable Funds Committee meeting for approval further to completion of audit. The accounts will be submitted to the Charity Commission, ahead of the 31st January 2023 deadline.

2. Cefndir / Background:

NHS charitable funds are defined as all monies donated to the Health Board for purposes related to the NHS and include voluntary donations, legacies and fundraising. Awyr Las's objects, as recorded with the Charity Commission, are *'for any charitable purpose or purposes relating to the National Health Service'*.

The vision of the Charity expands on this further: *'To use Charitable Funds to make a real difference to our patients, their families and staff across North Wales in the delivery of safe and effective healthcare'*. The Charity's focus is always on the ultimate patient benefit and funding items that go over and above the core NHS service.

3. Goblygiadau Ariannol / Financial Implications

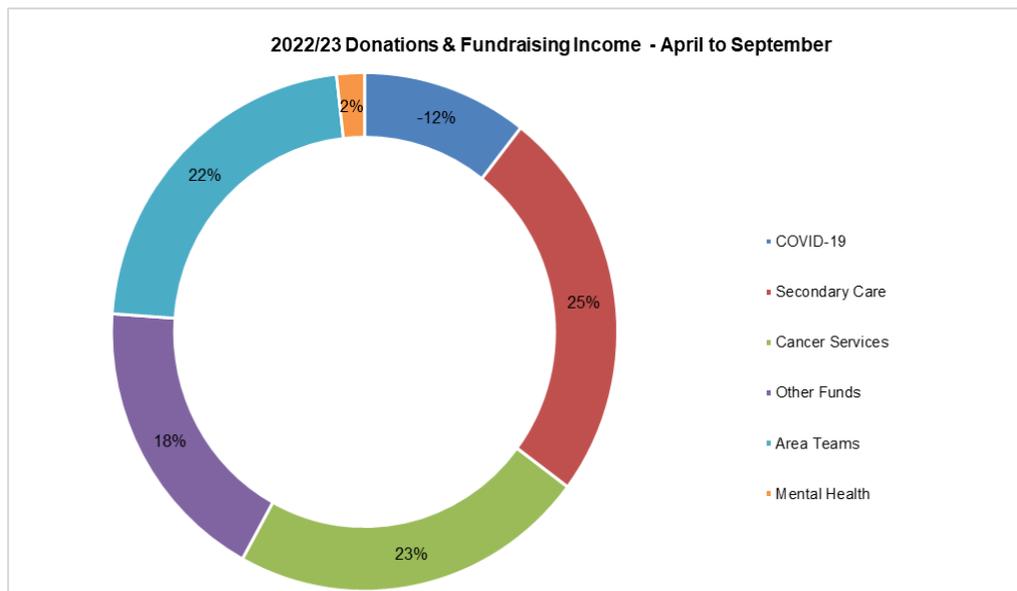
The below table summarises the Statement of Financial Activities for the 2nd quarter of 22/23 from 1st July to 30th September and the year to date position for the first six months from 1st April 2022 to 30th September 2022.

Statement of Financial Activities

	Quarter ended 30 th September 2022 £'000	Year to 30 th September 2022 £'000	Quarter ended 30 th June 2022 £000
Donations & fundraising	338	628	290
Legacies	0	1	1
Investment income	39	97	58
Total income	377	726	349
Grants funded	(292)	(942)	(650)
Governance & support costs	(26)	(55)	(29)
Fundraising costs	(75)	(128)	(53)
Investment management	(9)	(10)	(1)
Total expenditure	(402)	(1,135)	(733)
Gain/(loss) on investments	(165)	(1,217)	(1,052)
Gain/(loss) on revaluation of financial assets			
Net movement in funds	(190)	(1,626)	(1,436)

Income

- Donation and fundraising income for the quarter ending 30th September 2022 is £338,000, which is £48,000 (16%) higher than reported for the previous quarter. Year to date (April – September) Donations and fundraising income was £628,000.
- No legacy income has been received for the quarter ending September 2022. Total Year to date (April – September) Legacy income is £1,000. Further details on legacies are included in Appendix 1.



Expenditure

- Grant funded expenditure is £292,000 for Quarter 2, a reduction of £358,000 from the previous quarter. Year to Date spend to end of September is £942,000. Grant expenditure is particularly variable depending on projects approved, which can have a significant impact on the grants awarded in any one year.
- Investment Management costs to end of quarter 2 is £10,000.
- Further detail on items of income and expenditure over £25,000 is included in Appendix 2.

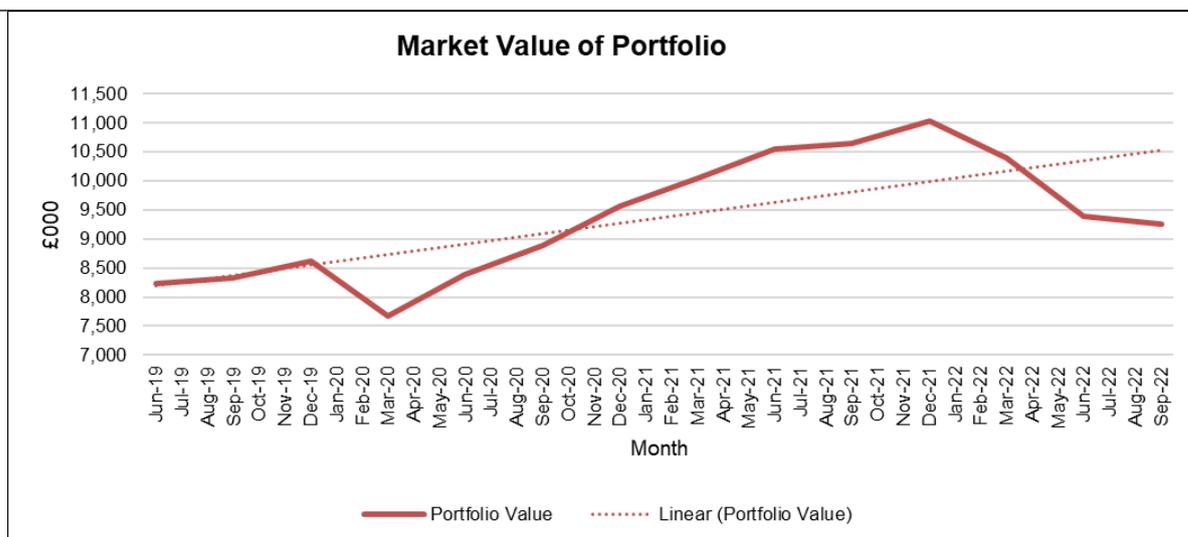
Fundraising Costs

- Quarter 2 Fundraising expenditure is £75,000, an increase of £22,000 from the previous quarter. Year to Date spend to end of September is £128,000 and includes the costs of fundraising by individual wards and departments, as well as the pay and non-pay costs of the Fundraising Team to date.
- The Fundraising Team costs are £83,000 under spent up to end of September, of which Pay is £34,000 underspent and non-pay is £36,000 underspent. The underspend against Pay is due to vacancies.
- The Fundraising Team Non Pay costs includes costs of fundraising for events organised by fundraisers from outside of the team totalled £13,000 to end of September.

	2022/23 Annual Budget £000	2022/23 April – Sept Year to Date Budget £000	2022/23 April – Sept Year to Date Actual £000	2022/23 April – Sept Year to Date Variance £000
Fundraising Team Pay Costs	297	149	115	(34)
Fundraising Team Non-Pay Costs	98	49	13	(36)
Total Fundraising Team	395	198	128	(70)

Investments

- The investments have reported a loss of £165,000 in Quarter 2. Total loss of investments reported to end of September is £1,217,000. The investment portfolio is a separate agenda item as per papers presented by Brewin Dolphin.



Balance Sheet

	As at 30/09/22 £000	As at 31/3/22 £000
Long term investments	9,257	10,387
Land	150	150
Total fixed assets	9,407	10,537
Debtors	1,504	1,821
Cash at bank and in hand	1,163	1,120
Total current assets	2,667	2,941
Creditors	(80)	(352)
Net current (liabilities)/assets	2,587	2,589
Creditor for commitments	(1,239)	(745)
Net assets	10,755	12,381
Unrestricted fund balances	4,649	7,002
Restricted fund balances	6,106	5,379
Revaluation Reserve	0	0
Net assets	10,755	12,381

Assets and liabilities

- Total cash held at end of September 2022 was £1,163,000, which has increased by £43,000 since 31st March 2022. It is forecast that the cash held is sufficient to meet current needs.
- The provision for commitments in September 2022 is £1,239,000, which has increased by £494,000 compared to the end of March 2022. The increase is mainly due to new commitments being set up in April. The 22/23 Charity Budget Commitment was £580,000 which is then reduced as expenditure is incurred. Applicants with outstanding approvals that have not progressed have also been contacted to determine their status. Grants that have not progressed and have no plan to restart have been cancelled. Further details of outstanding commitments are included in Appendix 3.

Reserves

- Available unrestricted fund balances is £4,649,000 compared to a target level of £3,754,000.
- The opening General Funds Balance as at April 2022 was £813,000, however the closing General Funds balance as at end of September 2022 has reduced to a negative balance of £775,000. This is mainly due to the deterioration in the performance of investments. The Loss on investments reported in the first 6 months from April to September 2022 was a loss of £1,217,000. In addition the 2022/23 Charity Budget Commitment of £484,000 has also been charged against General Funds to fund the charity running costs and Fundraising budget for 2022/23.

Funds Analysis

- An analysis of funds by service is included in Appendix 4.
- A glossary of terms used in this report is included in Appendix 5.

Dadansoddiad Risk / Risk Analysis

The risks of the charity are reviewed by the Committee on an annual basis, every March and are included as a separate agenda item.

Aseiad Effaith / Impact Assessment

Not applicable.

Appendix 1 - Legacies

Name	Date of Notification	Pecuniary / Residuary	Fund to benefit	Received in period	Total received	Current Status
				£	£	
Open legacies						
NC	May-20	Residuary	Cancer Centre, YGC/Ophthalmology, ABH, Audiology YGC - Each to receive 10% of half of the residual value of the Estate	0	108,000	The Accountants have been liaising with H M Revenue & Customs to finalise the deceased's tax affairs, however the Revenue have now confirmed that they require a final tax Return to be filed by the estate and provided a deadline for the filing of the same. The required information has been sent and the Tax Return will be filed with H M Revenue & Customs so that the estate can be finalised and the final distribution payment can be made. Last correspondence - March 2022
RH	Oct-21	Residuary	Cancer Centre, YGC	0	0	Grant of Probate has been granted. The NWCTC has been left 15% of the residual estate. Estate accounts have been finalised. Last correspondence September 2022
EH	Jun-22	Residuary	Urology Department & Cardiology Unit, YGC	0	0	The Urology and Cardiology Department in YGC have been left 25% of the residual legacy. MH passed away on the 3rd June 2022, so the administration of the estate is in the early stages. A completed beneficiary detail form has been completed and returned to the solicitors. Last correspondence - October 2022
EJ	Oct-21	Pecuniary	Coronary Care Unit - Glan Clwyd Hospital	0	0	Grant of Probate has been granted on the 14.05.21. A letter has been sent to the solicitors confirming that we are able to accept the legacy and bank details have been provided. Last correspondence June 2022
EJ	Feb-22	Residuary	Glan Clwyd Hospital	0	0	Grant of Probate has been granted. An interim payment will be made in the near future. Last correspondence - October 2022
GJ	Jan-21	Residuary	Alaw Unit, YG	0	0	Grant of Probate has been granted on 11.06.21. A letter has been sent to the executing solicitors from Mark Polin. Last correspondence - July 2022
RM	Sep-21	Residuary	Renal Unit, Wrexham Maelor	0	0	Grant of probate granted 09.08.21. Property has been sold and sale proceeds in the solicitors' clients' account. A letter has been sent requesting an update. Last Correspondence - October 2022

Appendix 1 - Legacies

Name	Date of Notification	Pecuniary / Residuary	Fund to benefit	Received in period	Total received	Current Status
				£	£	
Open legacies						
JM	Aug-21	Residuary	Wrexham Maelor Hospital	0	8,750	The solicitors are still waiting for the arrears of pension that are due to the estate from the Ford Pension scheme. They have raised a formal complaint with the pension provider. HM Revenue & Customs and have now finalised the income tax position. Last correspondence - July 2022
ST	Sep-21	Residuary	Renal Unit, Glan Clwyd Hospital	0	0	Letter received from the executing solicitors. 50% of the residuary estate to the Renal Unit in Glan Clwyd. Grant of Probate was granted 26.03.22. A letter has been sent requesting an update. Last correspondence - October 2022
GR	Jan-21	Residuary	Llandudno General Hospital	0	0	There is an Inheritance Tax liability in respect of the Estate. The Solicitors are dealing with this and will update once the issue is resolved. A letter has been sent requesting an update. Last correspondence - October 2022
BW	Mar-22	Residuary	Friends of Colwyn Bay Hospital	0	0	Letter received from the solicitors. 5% of the residuary estate has been left to the Friends of Colwyn Bay Hospital. Probate has been granted. The property is yet to be placed on the market. A letter has been sent requesting an update. Last correspondence - October 2022
LW	Jan-20	Residuary	Parents and Friends of Rhuddlan Children's Centre	0	0	Letter received from the solicitors. The legatee is used to work at the centre. She has bequeathed the proceeds of the sale of her house. Grant of Probate has been granted. A letter has been sent requesting an update. Last correspondence - October 2022
GW	May-21	Residuary	Cancer Centre, YGC	0	57,500	Administration of the account is nearing completion. There are shareholdings that still need to be sold. Last correspondence - October 2022
JW		Residuary	Wrexham Maelor Hospital	0	0	The Trust is a Life interest Trust created under the terms of the will of the late Dr J WJ. The trust is to his daughter, and on her death the trust is to be divided equally between the Wrexham Maelor Hospital and St Dunstons in London. The Trust consists of stocks and shares and a property. Last correspondence - May 2018
			Total	0	174,250	

Appendix 1 - Legacies

Closed Legacies - Quarter 2 2022/23				
Name	Pecuniary / Residuary	Fund to benefit	Received in period £	Total received £
BM	Residuary	Friends of Llandudno Hospital/Llandudno General Purposes Fund/Glan Clwyd General Purposes Fund	250,821	250,821
TM	Pecuniary	North Wales Cancer Appeal	1,000	1,000
Total Closed Legacies			251,821	251,821

Appendix 2 – Income and Expenditure

Items Over £25,000 2022-23: Quarter 2

Income & Expenditure Items Over £25,000 - Quarter 2				
Division	Fund	Income £'000	Expenditure £'000	Description
Income				
Central Area	8F10 - Dawn Elizabeth House Fund - Centre	130		Cash Donation: Ty Croeso - Dawn Elizabeth House
Central Area	9T26 - Friends of Llandudno Hospital - Centre	84		Legacy: B A Masters
Central Area	8T05 - General Funds - Centre	84		Legacy: B A Masters
Central Area	9T21 - General Funds Llandudno - Centre	84		Legacy: B A Masters
Expenditure				
Total		252	0	

Appendix 3 – Outstanding Commitments

Approval Expiry	Description	Fund No	Fund Name	Amount Approved	Amount Paid	Amount Outstanding	CFC Note
31/07/2021	Nasal Mucous Collection - Study 2	8T28	General Funds - Awyr Las	5,700	2,589	3,111	Ongoing project. Project now planned to cover three hayfever seasons and so take longer than originally anticipated. Two year extension awarded.
31/03/2023	Advancing the Primary Care Nursing Workforce across North Wales	8T48	Staff Development Fund	50,000	23,629	26,371	Difficulty with booking courses due to Procurement regulations around block booking. This has delayed the project. The first cohort of courses took place in September and October 2019. The pandemic delayed the programme; it restarted in August 2020, but has had to be put on hold again due to the rise in COVID-19 cases and the inability to release staff to attend this training. Eighteen month extension awarded.
30/09/2022	Additional Equipment – Hybrid Theatre	8B66	Livsey Fund	75,300	2,349	72,951	This is linked to the main Hybrid Theatre application and the approval expiry date has been set to match. Orders are raised in line with the project plan.
30/06/2021	Staff Experience Application	8T48	Staff Development Fund	24,000		24,000	Small grants scheme administered by the Fundraising Team. This was put on hold due to COVID-19, but will be restarting shortly. One year extension awarded.
31/07/2022	Minor Works Scheme - Ysbyty Alltwen	9B10	Madog Community and Hospital Fund	29,700	2,860	26,840	Estates have confirmed that due to other priority COVID-19 works the contractor has been undertaking, the job has been delayed. It is scheduled to start end of February and the materials required have been ordered. One year extension awarded.
31/07/2022	Assessing the mental health of patients on the Alaw Cancer Care Unit - Yr 1	9Q18	#TeamIrfon	26,019		26,019	Project was put on hold due to COVID-19. Discussions have now started about when the project can commence.

Appendix 3 – Outstanding Commitments

31/07/2022	Assessing the mental health of patients on the Alaw Cancer Care Unit - Yr 2	9Q18	#TeamIrfon	26,019		26,019	Project was put on hold due to COVID-19. Discussions have now started about when the project can commence.
31/05/2020	Gwynt Y Mor Community Fund - Motiv8 Project - Year 1	8D12	Motiv8 North West Wales	23,595	18,889	4,706	Due to COVID-19 the project was put on hold. However, the project has now recommenced and the person appointed to lead it started in mid-February.
31/05/2021	Gwynt Y Mor Community Fund - Motiv8 Project - Year 2	8D12	Motiv8 North West Wales	23,595		23,595	Due to COVID-19 the project was put on hold. However, the project has now recommenced and the person appointed to lead it started in mid-February.
31/04/2021	Wet Rooms - Enfys Ward - See Approval 06/20	8Q02	Cancer Charitable Fund - Glan Clwyd	11,231	6,507	4,724	The communal wet room has been completed, but the bathrooms in the single rooms are still outstanding. Work has been delayed due to COVID-19. Nine month extension awarded.
31/03/2024	Study - Correlation between novel biomarker expression and interventional treatment in chronic back pain – Pain Management, Wrexham	8T28	General Funds - Awyr Las	17,000		17,000	
30/04/2021	Hearts & Minds Regular Grants Scheme	8T28	General Funds - Awyr Las	20,000		20,000	Small grants scheme for 2020/21.
30/05/2021	Bereavement Support Provision	8T52	COVID-19 Response Fund	20,000	14,147	5,853	Ongoing project that has been delayed due to COVID-19 pressures. Six month extension awarded.
31/07/2022	Virtual Hospital Scoping Project	8T52	COVID-19 Response Fund	5,000		5,000	Ongoing project.

Appendix 3 – Outstanding Commitments

28/02/2021	BAME NHSCT Grant	8T52	COVID-19 Response Fund	50,000	36,799	13,201	COVID-19 grant from NHS Charities Together to be used for BAME projects. Individual projects are being identified and when approved, they will be set up as separate projects and this ring-fenced amount reduced accordingly.
30/06/2021	Cultural Competence Training	8T52	COVID-19 Response Fund	2,800	1,750	1,050	COVID-19 grant from NHS Charities Together to be used for BAME projects. There have been difficulties in staff being released for awareness sessions, due to COVID-19 pressures. The Equality and Human Rights Strategic Forum have agreed sessions will be delayed to April. Six month extension awarded.
31/10/2021	Cultural Competence Training - Dietetics	8T52	COVID-19 Response Fund	500		500	
31/10/2020	CV-19 Funding Requests - £101 to £4,999 - Apr to Jul	8T52	COVID-19 Response Fund	79,171	75,480	3,691	COVID-19 grants awarded and not yet spent.
30/11/2020	CV-19 Funding Requests - £101 to £4,999 - August	8T52	COVID-19 Response Fund	13,593	9,267	4,326	COVID-19 grants awarded and not yet spent.
31/05/2022	Neuro Physio Equipment	8T52	COVID-19 Response Fund	9,240	4,449	4,791	
31/07/2022	Diagnosis of Meningitis in newborn babies - Equipment	8T28	General Funds - Awyr Las	13,473	1,285	12,188	Ongoing research project.
30/06/2021	PALS Hub, YG	8T28	General Funds - Awyr Las	6,819		6,819	
31/07/2021	Conwy CMHT Garden Project	8D06	Nant-y-Glyn MHRC Patient Amenities	6,940	3,639	3,301	
30/04/2023	KESS 2 Transplant Decliners Research - Emma Jones - Yr 3	7B43	Renal Dept Trainee Grants - YMW	1,000	666	334	

Appendix 3 – Outstanding Commitments

30/04/2023	KESS 2 Transplant Decliners Research - Emma Jones - Yr 3	8T11	Friends of Renal Care Glan Clwyd Hospital - Centra	1,000	666	334	
30/04/2023	KESS 2 Transplant Decliners Research - Emma Jones - Yr 3	9B71	Renal Unit - YG	1,000	666	334	
30/04/2023	KESS 2 Transplant Decliners Research - Emma Jones - Yr 4	7B43	Renal Dept Trainee Grants - YMW	518		518	
30/04/2023	KESS 2 Transplant Decliners Research - Emma Jones - Yr 4	8T11	Friends of Renal Care Glan Clwyd Hospital - Centra	518		518	
30/04/2023	KESS 2 Transplant Decliners Research - Emma Jones - Yr 4	9B71	Renal Unit - YG	518		518	
31/07/2021	CV-19 Funding Requests - £101 to £4,999 - April	8T52	COVID-19 Response Fund	10,541	5,616	4,925	
31/01/2022	Bone Density Unit - Alterations to Toilet Facilities	9T26	Friends of Llandudno Hospital	10,000	8,294	1,706	
28/02/2022	Outdoor activity sessions with National Outdoor Centre	8T53	COVID-19 Staff Support Fund	10,000	2,600	7,400	
31/07/2021	Parkinsons Study - PhD Student	8T28	General Funds - Awyr Las	16,500		16,500	
31/07/2021	Parkinsons Study - Elisa Kits	8T28	General Funds - Awyr Las	10,000		10,000	
31/07/2021	Parkinsons Study - Chemicals & Disposables	8T28	General Funds - Awyr Las	5,500		5,500	

Appendix 3 – Outstanding Commitments

31/07/2021	Parkinsons Study - Dissemination costs	8T28	General Funds - Awyr Las	3,000		3,000	
31/07/2021	Parkinsons Study - Agilent pump	8T28	General Funds - Awyr Las	14,252	11,877	2,375	
31/07/2021	Parkinsons Study - Maintenance and Service	8T28	General Funds - Awyr Las	3,485		3,485	
31/05/2022	Staff Development - Brian Laing	8T28	General Funds - Awyr Las	2,400	1,980	420	
31/08/2022	Patient Wigs - Oncology	7Q02	Cancer Support Group - YMW	25,000	8,370	16,630	
31/08/2022	Patient Wigs - Oncology	8Q02	Cancer Charitable Fund - Glan Clwyd	25,000	11,610	13,390	
31/08/2022	Patient Wigs - Oncology	9Q04	Janet Jones (Alaw) - YG	25,000	5,490	19,510	
31/08/2022	Patient Wigs - Dermatology - East	8T28	General Funds - Awyr Las	13,000	6,650	6,350	
31/08/2022	Patient Wigs - Dermatology - West	8T28	General Funds - Awyr Las	13,000	8,460	4,540	
31/08/2022	Patient Wigs - Dermatology - Central	8T28	General Funds - Awyr Las	13,000	8,280	4,720	
31/03/2023	Llandudno Nature Project	9T26	Friends of Llandudno Hospital	4,062	2,281	1,780	
30/06/2022	YGC Court Yards , Environmental	8T53	COVID-19 Staff Support Fund	4,800	3,519	1,281	

Appendix 3 – Outstanding Commitments

	gardens and Well Being Areas						
31/03/2023	Research Project - Infec & Mild Sepsis - Tuition Fee - Yr 1	8T28	General Funds - Awyr Las	3,350		3,350	
31/03/2024	Research Project - Infec & Mild Sepsis - Tuition Fee - Yr 2	8T28	General Funds - Awyr Las	3,350		3,350	
31/03/2025	Research Project - Infec & Mild Sepsis - Tuition Fee - Yr 3	8T28	General Funds - Awyr Las	3,350		3,350	
31/03/2026	Research Project - Infec & Mild Sepsis - Tuition Fee - Yr 4	8T28	General Funds - Awyr Las	3,500		3,500	
31/03/2027	Research Project - Infec & Mild Sepsis - Tuition Fee - Yr 5	8T28	General Funds - Awyr Las	3,500		3,500	
31/03/2027	Research Project - Infec & Mild Sepsis - Supervision Time	7N17	Urology Fund - YMW	7,620		7,620	
31/03/2027	Research Project - Infec & Mild Sepsis - Supervision Time	8T28	General Funds - Awyr Las	17,130		17,130	
31/03/2023	Research Project - Infec & Mild Sepsis - Chemicals & Disposables	8T28	General Funds - Awyr Las	26,400		26,400	
31/03/2023	Research Project - Infec & Mild Sepsis - Kits	8T28	General Funds - Awyr Las	3,500		3,500	
31/03/2027	Research Project - Infec & Mild Sepsis - Dissemination Costs	8T28	General Funds - Awyr Las	4,500		4,500	
31/03/2023	Research Project - Breast Cancer - Tuition Fee - Yr 1	8T28	General Funds - Awyr Las	4,370		4,370	

Appendix 3 – Outstanding Commitments

31/03/2024	Research Project - Breast Cancer - Tuition Fee - Yr 2	8T28	General Funds - Awyr Las	4,370		4,370	
31/03/2025	Research Project - Breast Cancer - Tuition Fee - Yr 3	8T28	General Funds - Awyr Las	4,370		4,370	
31/03/2026	Research Project - Breast Cancer - Tuition Fee - Yr 4	8T28	General Funds - Awyr Las	4,370		4,370	
31/03/2023	Research Project - Breast Cancer - Testing kits	8T28	General Funds - Awyr Las	26,640		26,640	
31/03/2023	Research Project - Breast Cancer - Chemicals & Disposables	8T28	General Funds - Awyr Las	5,500		5,500	
31/03/2026	Research Project - Breast Cancer - Dissemination Costs	8T28	General Funds - Awyr Las	3,000		3,000	
31/07/2022	Syringe Drivers	9Q08	Palliative Care - West	6,624		6,624	
31/03/2023	Colwyn Bay Hospital Nature Project	8B23	Friends of Colwyn Bay Hospital	4,860	4,288	572	
31/03/2023	Charity Budget 2022/23	8T28	General Funds - Awyr Las	580,485	191,841	388,644	
31/10/2022	Replacement of posture management bath with hydro spa	8Q02	Cancer Charitable Fund - Glan Clwyd	15,112		15,112	
31/03/2023	Audiology Mobile Unit	8K01	Audiology CPG Fund	50,000		50,000	
31/03/2023	Audiology Mobile Unit	8T28	General Funds - Awyr Las	24,000		24,000	

Appendix 3 – Outstanding Commitments

31/03/2023	Mental Health Stakeholder Training - Grant WA Rd10_40	9T27	Betsi-Quthing Fund	66,063	19,289	46,774	
31/10/2022	Cold Caps	7Q02	Cancer Support Group - YMW	34,916		34,916	
31/10/2022	Cold Caps	8Q02	Cancer Charitable Fund - Glan Clwyd	34,916		34,916	
31/10/2022	Cold Caps	9Q04	Janet Jones (Alaw) - YG	17,458		17,458	
31/10/2022	Cold Caps	9Q18	#TeamIrfon	17,458		17,458	
31/10/2022	Pressure relieving Chairs for Colwyn Bay Wards	8B21	Conwy East Locality GP Fund	12,120		12,120	
31/03/2023	NHS Charities Together (NHSCT) Funded Project: 100 Stories	8T52	COVID-19 Response Fund	75,000		75,000	
			Total	1,820,622	506,080	1,314,543	

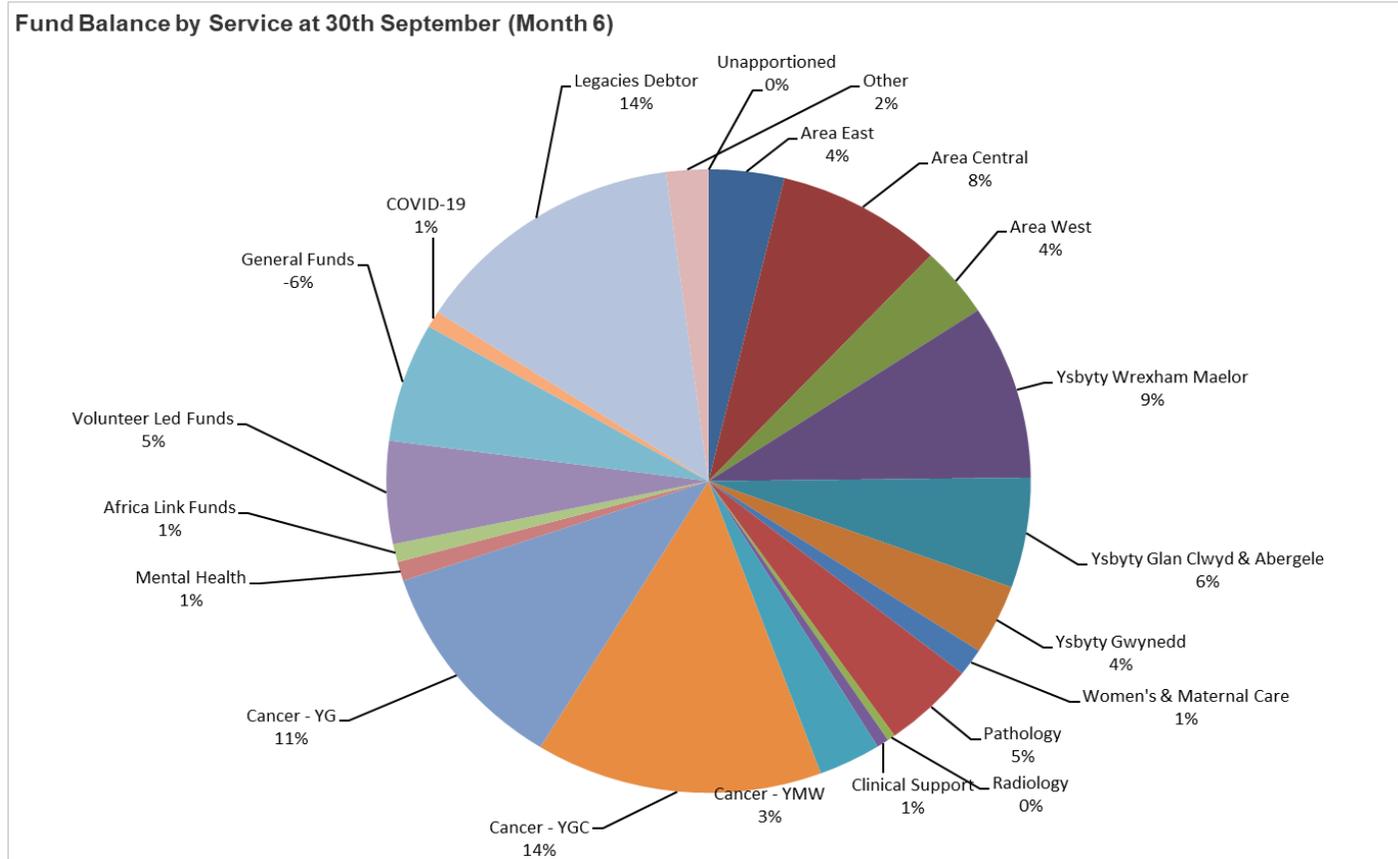
Appendix 4 – Analysis of Funds by Service

	Opening position M01 £000	Income £000	Expenditure £000	New Unspent Commitments £000	Closing position M3 (June) £000
Area East	484	28	(30)	(7)	476
Area Central	1,053	229	(35)	(12)	1,235
Area West	451	22	(20)	0	453
Area Teams	1,988	279	(85)	(19)	2,164
Ysbyty Wrexham Maelor	1,128	51	(39)	0	1,140
Ysbyty Glan Clwyd & Abergelē	727	13	(33)	0	707
Ysbyty Gwynedd	457	20	(24)	0	453
Women's & Maternal Care	173	6	(2)	0	177
Pathology	580	1	(1)	0	580
Radiology	50	0	0	0	50
Clinical Support	76	0	0	(50)	26
Secondary Care	3,191	91	(99)	(50)	3,133
Cancer - YMW	397	16	(21)	(35)	357
Cancer - YGC	1,792	37	(6)	(50)	1,773
Cancer - YG	1,213	212	(21)	(35)	1,369
Cancer Services	3,402	265	(48)	(120)	3,499
Mental Health	126	7	(11)	0	122
Africa Link Funds	122	0	(30)	(47)	45
Volunteer Led Funds	633	71	(4)	0	700
General Funds	813	(1,047)	(131)	(413)	(778)
COVID-19 Funds	106	3	0	0	109
Legacies Debtor	1,766	(292)	0	0	1,474
Other	234	132	(79)	0	287
Other Funds	3,674	(1,133)	(244)	(460)	1,837
Total Charity Balance	12,381	(491)	(487)	(649)	10,755

Appendix 4 – Analysis of Funds by Service

Service Type	£000	%
Area Teams	2,164	20%
Secondary Care	3,133	29%
Cancer Services	3,499	33%
Mental Health	122	1%
Other	1,837	17%
Total	10,755	

Health Economy	£000	%
East	1,973	18%
Centre	3,715	35%
West	2,275	21%
BCU Wide	2,792	26%
Total	10,755	



Donations

Donations include all income received by the charity as gifts made to it on a voluntary basis.

Fundraising income

This includes income from all fundraising activities, events and sponsorship.

Governance and support costs

These include the recharge from the Health Board for Finance and administration support, external audit fees, software fees, bank costs and other admin charges.

Fundraising costs

This is the total costs of fundraising. It includes the costs of fundraising by individual wards and departments, as well as the pay and non-pay costs of the Fundraising Team.

Long term investment

Fixed asset investments are held to generate income and for their investment potential. For the charity, this consists of the investment portfolio managed by Rothschild.

Unrealised gains

An unrealised gain is a potential profit that exists on paper, resulting from an investment. It is an increase in the value of an asset that has yet to be sold for cash, such as a stock position that has increased in value but still remains open. The gains and losses reported in the charity's accounts are unrealised as the investments are still held. They would only become realised if the assets were sold and converted to cash.

Commitments

The value of all the grants that have been approved by the charity, but not yet spent.

Unrestricted funds

Unrestricted funds are spent or applied at the discretion of the trustees to further any of the charity's purposes. Trustees may choose to set up designated funds that remain part of the unrestricted funds of the charity. This is because the designation has an administrative purpose only and does not legally restrict the trustees' discretion in how to apply the unrestricted funds that they have earmarked.

Restricted funds

Funds held on specific trusts under charity law are classed as restricted funds. The resources of each restricted fund are held and maintained separately from other funds. This is in recognition of the circumstances in which the resources were originally received, and/or the restrictions on the fund that determine the way those resources are subsequently to be treated. Restricted funds in Awyr Las primarily come from legacies. However there are also some specific designated funds that are wholly restricted.

Reserves

Reserves are the funds that the charity has which can be freely spent on any of its charitable purposes. This therefore excludes restricted income funds, but includes unrestricted designated funds.

Designated Funds

Funds that are aligned to specific wards, departments and services. They can be restricted or unrestricted. These funds are managed by Fund Advisors.

General Funds

These are the funds held by the charity that are not designated. They can be restricted (where there is a broad restriction to the Health Board rather than a particular service) or unrestricted. General Funds receive the unrealised gains or losses on the investments. General Funds pay for the running costs of the charity – all governance and support costs, plus the costs of the Fundraising Team.

Legacies Debtor Fund

This fund holds the accruals for legacies where probate has been granted, but we have not yet received the cash. This fund is used to protect the designated funds from fluctuations in the final legacy received. When the legacy is received, it will be credited to the designated fund specified in the Will and the accrual will be reversed out from the Legacies Debtor fund.

Dormant Funds

These are designated funds, which have not had any income or expenditure in the preceding year.

Semi-dormant Funds

These are designated funds, which have not had any expenditure in the preceding year, but have received income.

Teitl adroddiad: <i>Report title:</i>	Investment Manager's Presentation and Portfolio Report			
Adrodd i: <i>Report to:</i>	Charitable Funds Committee			
Dyddiad y Cyfarfod: <i>Date of Meeting:</i>	Wednesday, 18 January 2023			
Crynodeb Gweithredol: <i>Executive Summary:</i>	<p>This paper is a regular paper prepared by Brewin Dolphin, brought to the Charitable Funds Committee.</p> <p>The author of the report will not be in attendance at the Charitable Funds Committee. The Charitable Funds Committee are asked to scrutinise the report and note the key themes within the paper.</p>			
Argymhellion: <i>Recommendations:</i>	The Committee is asked to note the Investment Manager's Portfolio Report			
Arweinydd Gweithredol: <i>Executive Lead:</i>	Steve Webster, Interim Executive Director of Finance			
Awdur yr Adroddiad: <i>Report Author:</i>	Paul Mathias, Investment Manager, Brewin Dolphin			
Pwrpas yr adroddiad: <i>Purpose of report:</i>	I'w Nodi <i>For Noting</i> <input checked="" type="checkbox"/>	I Benderfynu arno <i>For Decision</i> <input type="checkbox"/>	Am sicrwydd <i>For Assurance</i> <input type="checkbox"/>	
Lefel sicrwydd: <i>Assurance level:</i>	Arwyddocaol <i>Significant</i> <input checked="" type="checkbox"/> Lefel uchel o hyder/tystiolaeth o ran darparu'r mecanweithiau / amcanion presennol <i>High level of confidence/evidence in delivery of existing mechanisms/objectives</i>	Derbyniol <i>Acceptable</i> <input type="checkbox"/> Lefel gyffredinol o hyder/tystiolaeth o ran darparu'r mecanweithiau / amcanion presennol <i>General confidence / evidence in delivery of existing mechanisms / objectives</i>	Rhannol <i>Partial</i> <input type="checkbox"/> Rhywfaint o hyder/tystiolaeth o ran darparu'r mecanweithiau / amcanion presennol <i>Some confidence / evidence in delivery of existing mechanisms / objectives</i>	Dim Sicrwydd <i>No Assurance</i> <input type="checkbox"/> Dim hyder/tystiolaeth o ran y ddarpariaeth <i>No confidence / evidence in delivery</i>
Cyfiawnhad dros y gyfradd sicrwydd uchod. Lle bo sicrwydd 'Rhannol' neu 'Dim Sicrwydd' wedi'i nodi uchod, nodwch gamau i gyflawni sicrwydd 'Derbyniol' uchod, a'r terfyn amser ar gyfer cyflawni hyn: <i>Justification for the above assurance rating. Where 'Partial' or 'No' assurance has been indicated above, please indicate steps to achieve 'Acceptable' assurance or above, and the timeframe for achieving this:</i>				
Cyswllt ag Amcan/Amcanion Strategol:	Aligned to the Awyr Las Charity Strategy			
Link to Strategic Objective(s):				
Goblygiadau rheoleiddio a lleol: <i>Regulatory and legal implications:</i>				
Yn unol â WP7, a oedd EqIA yn angenrheidiol ac a gafodd ei gynnal?	Equality Impact (EqIA) and a socio-economic (SED) impact assessments not applicable.			

<i>In accordance with WP7 has an EqIA been identified as necessary and undertaken?</i>	
Yn unol â WP68, a oedd SEIA yn angenrheidiol ac a gafodd ei gynnal? <i>In accordance with WP68, has an SEIA identified as necessary been undertaken?</i>	Equality Impact (EqIA) and a socio-economic (SED) impact assessments not applicable.
Manylion am risgiau sy'n gysylltiedig â phwnc a chwmpas y papur hwn, gan gynnwys risgiau newydd (croesgyfeirio at y BAF a'r CRR) <i>Details of risks associated with the subject and scope of this paper, including new risks(cross reference to the BAF and CRR)</i>	The risks of the charity are reviewed by the Committee on a quarterly basis. Key Risks: ▪ Without an investment management plan and regular scrutiny of its investments, the corporate trustee cannot fulfil its duty (The essential trustee: what you need to know, what you need to do - GOV.UK)
Goblygiadau ariannol o ganlyniad i roi'r argymhellion ar waith <i>Financial implications as a result of implementing the recommendations</i>	
Goblygiadau gweithlu o ganlyniad i roi'r argymhellion ar waith <i>Workforce implications as a result of implementing the recommendations</i>	Not applicable.
Adborth, ymateb a chrynodeb dilynol ar ôl ymgynghori <i>Feedback, response, and follow up summary following consultation</i>	Not applicable.
Cysylltiadau â risgiau BAF: (neu gysylltiadau â'r Gofrestr Risg Gorfforaethol) <i>Links to BAF risks:</i> (<i>or links to the Corporate Risk Register</i>)	See Risk Register
Rheswm dros gyflwyno adroddiad i fwrdd cyfrinachol (lle bo'n berthnasol) <i>Reason for submission of report to confidential board (where relevant)</i>	Not applicable
Camau Nesaf: Gweithredu argymhellion <i>Next Steps:</i> <i>Implementation of recommendations</i>	The Committee is asked to note the report.
Rhestr Atodiadau List of Appendices:	None

Investment Manager's Presentation and Portfolio Report
Charitable Funds Committee, In public
Thursday 29th December, 2022

1. Introduction/Background

Brewin Dolphin provides the Investment Management services for the charity. The key objective of the portfolio is to preserve and grow its value in 'real' terms, in order to continue to support charitable grantmaking over the long term.

Brewin Dolphin provide a quarterly investment portfolio report and attend the Charitable Funds Committee meeting twice a year to present this report.

2. Corff yr adroddiad / Body of report

See Appendices:

Appendix A: Presentation

Appendix B: Brewin Dolphin Market Commentary

3. Goblygiadau Cyllidebol / Ariannol / Budgetary / Financial Implications

There are budgetary implications associated with this paper, though these are not explicit.

4. Rheoli Risg / Risk Management

The risks associated with the Investments are included in the Charity Risk Register

5. Goblygiadau Cydraddoldeb ac Amrywiaeth / Equality and Diversity Implications

This report relates to a 'strategic decision', i.e. the outcome will affect how the Charity fulfils its purpose over a significant period of time. It is not considered to be a 'day to day' decision. A Socio-economic Duty (SED) Impact Assessment (SEIA) as well as a completed Equality Impact (EqIA) were completed when the Tender (BCU-OJEU-43739) was issued for the provision of investment manager services for the charity.



Brewin
Dolphin



Awyr Las
Blue Sky

Elusen GIG Gogledd Cymru
The North Wales NHS Charity

Prepared by:

Paul Mathias, Assistant Director

As at 13 December 2022

Confirmation of Mandate & Investment Criteria

- **Strategic aim:** To enhance Awyr Las' ability to improve the health and wellbeing of people across North Wales and deliver excellent care.
- **Funds available for investment:** c. £9.8m at 30 November 2022. [Note proposal to withdraw funds]
- **Investment objectives:** To preserve and grow the portfolio against inflation.
- **Attitude to risk:** Moderate, with the ability to tolerate short-term volatility.
- **Time horizon:** Long-term (greater than 10 years).
- **Income requirement:** There is no specific requirement, anticipating a balance of growth and income. [Note proposal to withdraw income generated – currently c. £181k per annum but to fall if funds withdrawn]
- **Reserves policy:** The Charity has a target level of reserves of c.£2.9m (based on a three-year average of one year's administration costs, 25% of the value of the investments held and 25% of the grant funded activity expenditure). [Note: this is potentially being revised to be forward-looking.]
- **Ethical policy:** Negative screening is to be applied to exclude companies manufacturing and distributing alcoholic products, tobacco products and any products which may be considered in conflict with the Health Board's activities [now interpreted to mean armaments, civilian firearms, adult entertainment and gambling]. Investment in companies which have a poor record in human rights and child exploitation or which derive their profits from countries with poor human rights records should not be permitted. Direct investment in Russian or Belarussian securities is excluded.

Investment philosophy & cycle

- Inflation and recession risks remain at the top of investors' concerns.
- Markets continue to fluctuate based on the latest data on inflation and whether it might have reached its peak, and central bank pronouncements on the likely direction of interest rates.
- The sustained period of inflation at multi-decade highs will act as a drag on economic growth, particularly as higher prices, most notably for energy and food, and increased borrowing costs (such as mortgages) weigh on household net incomes. Companies will similarly see their profit margins squeezed as costs increase and demand is reduced.
- These factors mean a recession looks to be inevitable, which markets have, to a certain extent at least, 'priced in' accordingly.
- Data however show the labour market remains tight, with very low levels of unemployment and job openings in abundance. Financial institutions are well capitalised, governments around the world are shielding the most vulnerable from the surge in energy costs and households did build up savings over the course of the pandemic that will cushion the blow of the cost-of-living crisis.
- This suggests the length and depth of the recession is likely to be relatively mild, and very different from 2008 and 2020.
- As such, we carry a more 'neutral' position to equities. Sentiment remains negative as markets 'price in' the bad news detailed above and valuations are more reasonable.
- Whilst we do not believe we have reached the peak in interest rates yet that would cause us to be bullish on the bond markets, the UK's mini-budget presented a considerable opportunity to add low risk assets at returns well in excess of those available on cash.
- We continue to believe markets will remain volatile in the near term, but with inflation set to ease, interest rates set to peak and a recession expected to be relatively mild, 2023 could prove to be a brighter year for market sentiment.

Investment philosophy & cycle

Asset Class	Very Underweight	Underweight	Neutral	Overweight	Very Overweight
Bonds		■			
Government Bonds				●	
Corporate Bonds		●			
Equities			■		
UK			●		
Overseas:			●		
North America			●		
Europe ex UK			●		
Japan			●		
Asia ex Japan			●		
Emerging Markets*			●		
Alternatives				■	
Property		●			
Other Alternatives				●	
Cash				■	

Please note the portfolio is currently 'overweight' in North America and 'underweight' in the UK, reflecting a rebalancing of the portfolio that was transferred to us. This can be seen further in the chart on p.7. Further, Ferguson plc (c.1.4%) was reclassified from UK to US equity following change of listing on 19 May 2022.

*Emerging Markets are not held within the portfolio to mitigate exposure to Russian and Belarussian companies.

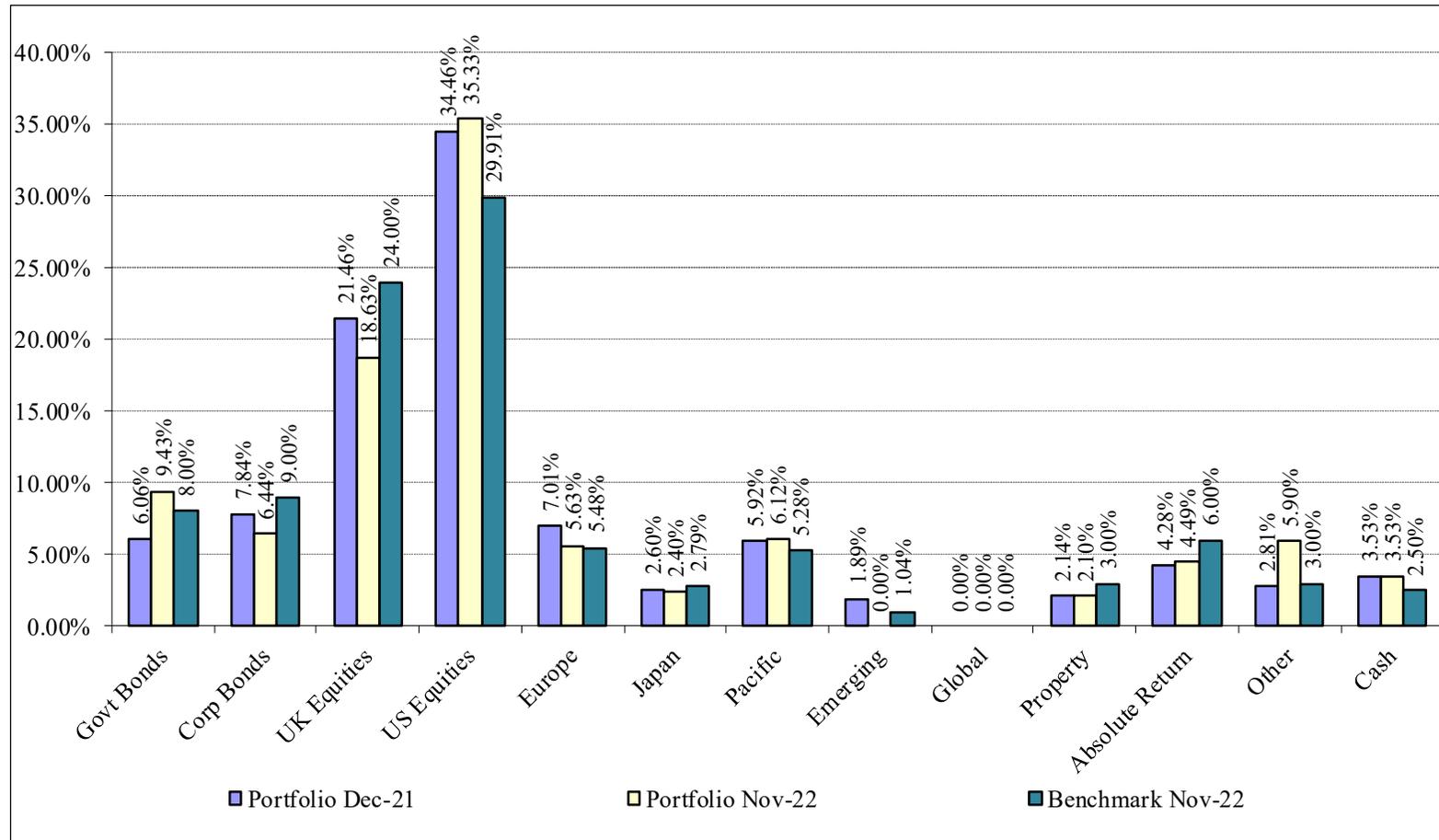
Portfolio overview

Brewin Dolphin Investment Portfolio Summary							
30 November 2022							
		Book Cost	Market Value	% Holding	Benchmark	Yield	Gross Income
Fixed Interest	Govt Bonds	£ 1,027,402.48	£ 925,082.44	9.41%	8.00%	2.62%	£ 24,231.56
	Corp Bonds	£ 757,107.57	£ 631,511.52	6.42%	9.00%	2.21%	£ 13,965.31
	Accrued Interest	£ -	£ 2,933.96	0.03%	0.00%	0.00%	£ -
	Total Fixed Interest	£ 1,784,510.05	£ 1,559,527.92	15.86%	17.00%	2.45%	£ 38,196.87
UK Equities	UK	£ 1,955,393.89	£ 1,850,901.61	18.82%	24.00%	3.21%	£ 59,326.90
Overseas Equities	US	£ 2,593,575.22	£ 3,468,756.83	35.27%	29.91%	1.00%	£ 34,838.40
	Europe	£ 566,147.07	£ 562,393.60	5.72%	5.48%	0.00%	£ -
	Japan	£ 289,591.17	£ 238,506.00	2.43%	2.79%	1.71%	£ 4,073.69
	Pacific	£ 634,392.41	£ 627,635.52	6.38%	5.28%	1.29%	£ 8,090.22
	Emerging	£ -	£ -	0.00%	1.04%	0.00%	£ -
	Global	£ -	£ -	0.00%	0.00%	0.00%	£ -
	Total Overseas	£ 4,083,705.87	£ 4,897,291.95	49.80%	44.50%	0.96%	£ 47,002.31
Alternatives	Property	£ 205,723.20	£ 201,361.13	2.05%	3.00%	2.70%	£ 5,444.38
	Absolute Return	£ 469,229.85	£ 430,381.48	4.38%	6.00%	2.58%	£ 11,094.99
	Other	£ 595,765.58	£ 562,066.62	5.72%	3.00%	3.59%	£ 20,194.71
	Total Alternatives	£ 1,270,718.63	£ 1,193,809.23	12.14%	12.00%	3.08%	£ 36,734.08
Cash	Total Investments	£ 9,094,328.44	£ 9,501,530.71	96.62%		1.91%	£ 181,260.16
	Deposit Ledger	£ 325,765.07	£ 325,765.07	3.31%	2.50%	0.00%	£ -
	Income Ledger	£ 6,950.23	£ 6,950.23	0.07%		0.00%	£ -
	Total Fund	£ 9,427,043.74	£ 9,834,246.01	100.00%			
	Ex Accrued Interest	£ 9,420,093.51	£ 9,824,361.82	100.00%	100.00%	1.85%	£ 181,260.16
		Monthly	Quarterly	Six Monthly	Annual	Inception	
Portfolio		3.74%	0.20%	-0.91%	-8.93%	05/07/2021	-6.55%
Benchmark		4.25%	0.91%	0.52%	-1.86%		1.04%
FT All Share		7.14%	3.98%	0.28%	6.54%		6.29%
FT All Stocks		2.82%	-2.50%	-9.27%	-22.69%		-20.21%
BofE Base Rate (less 0.75%)		0.19%	0.43%	0.60%	0.62%		0.62%
Bank of England Base Rate		3.00%					
FTSE 100 Value		7573.05					

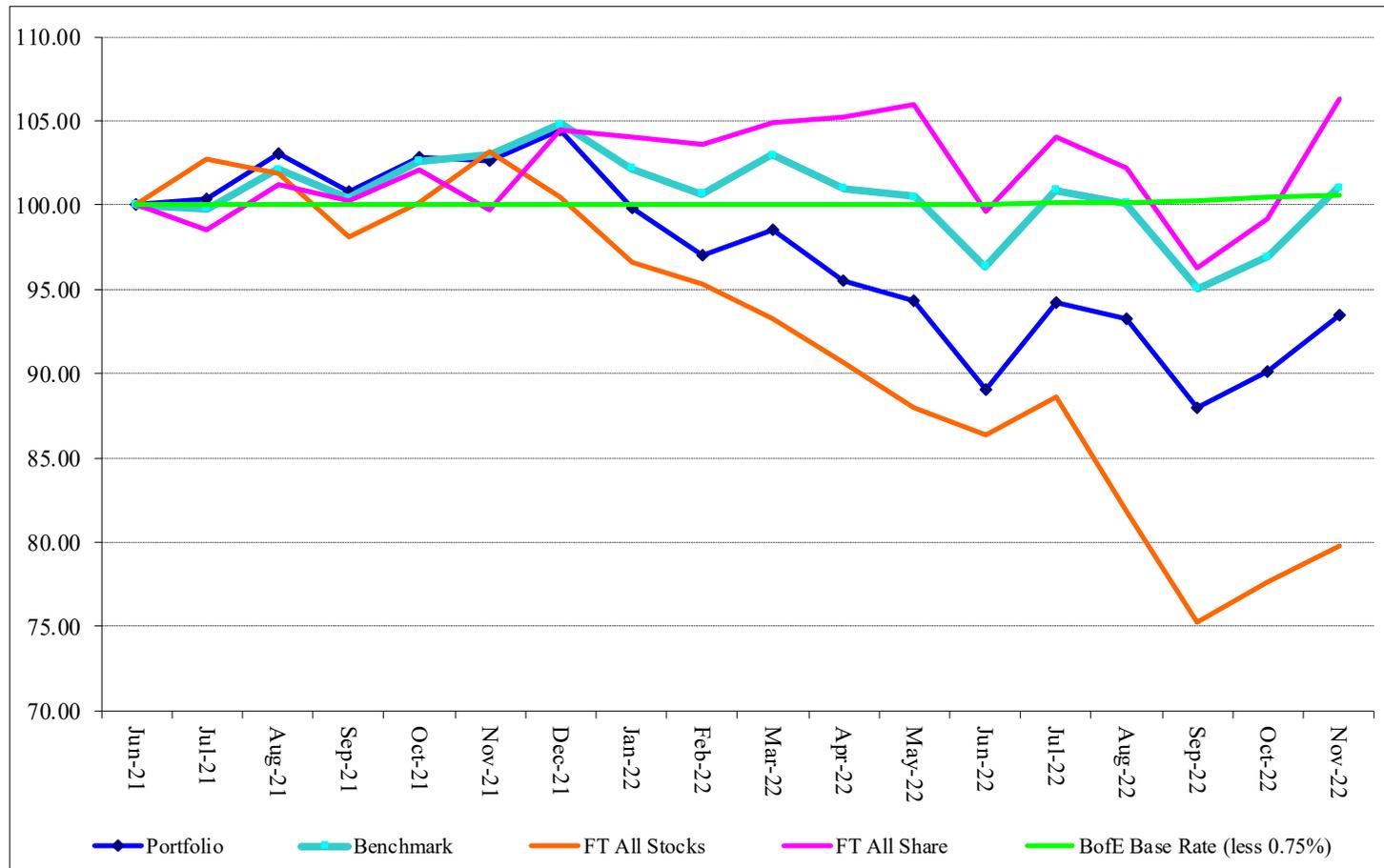
Performance commentary

- Relative performance has disappointed in the year to date. Central banks rapidly pivoted to stressing inflation risks, which has had a knock-on effect on many sectors and styles of investing.
- A big factor is due to the nature of the sectors of the market that have performed best during such a period of geopolitical uncertainty. Whilst they are represented in the benchmark, we are precluded from investing in them under your ethical policy.
- Amongst the best performing sectors in the year to date have been oil and gas (beneficiaries of a higher oil price), aerospace and defence (outbreak of war) and tobacco sectors (long track record of inflationary pricing) respectively.
- Further, funds with more of an ESG-focus tend to invest more in companies with higher valuation multiples. These have been worst hit in the face of potentially rising interest rates as investors discount their future growth using a higher risk-free rate of return (i.e. a government bond with a much higher yield than 6 months ago).
- We believe their underlying quality and focus on sustainability factors will win out as long-term investors, which the Charity are.

Fund structure through the year



Fund performance



Trading

Q2 2022

- We moderated our overweight equity position in reflection of the increased balance of risks as described on p.3. We trimmed exposure to our larger regional allocations: US and Europe by trimming the positions in Vanguard S&P500 ETF and Comgest Growth Europe Fund respectively.
- In June, we disposed of Taylor Wimpey, Hiscox and trimmed Jupiter Mid Cap Fund to reduce the portfolio's sensitivity to a downturn in economic growth. We used part of the proceeds to introduce National Grid as a more defensive, larger company.
- Finally, we introduced a small position in iShares Physical Gold ETC to increase the portfolio's defensiveness and increase the portfolio's hedge against inflation. We left the remaining proceeds in cash to increase the portfolio's defensiveness and provide 'dry powder' in readiness for opportunities arising.

Q4 2022

- In October, we invested part of the cash we were retaining on deposit into the 5% March 2025 Treasury Stock. Due to mature in c. 2.5 years, the gilt market presented an attractive opportunity to purchase a relatively low-risk asset yielding nearly 5% and significantly exceeding the returns available from cash.
- Similarly, in November, we used some cash to introduce the 4.125% January 2027 Treasury Stock to add further to short-dated gilts.

CLIENT REPORT



**Brewin
Dolphin**

BETSI CADWALADR UHB CHARITY PORTFOLIO

For the period from 01/12/2021 to 30/11/2022
Generated on 08/12/2022

PORTFOLIO INFORMATION

Portfolio Number	BETSI0001
Management Type	Discretionary
Risk Profile	Risk Level 6
Investment Objective	Income and Capital Growth
PRC6 Code	651651

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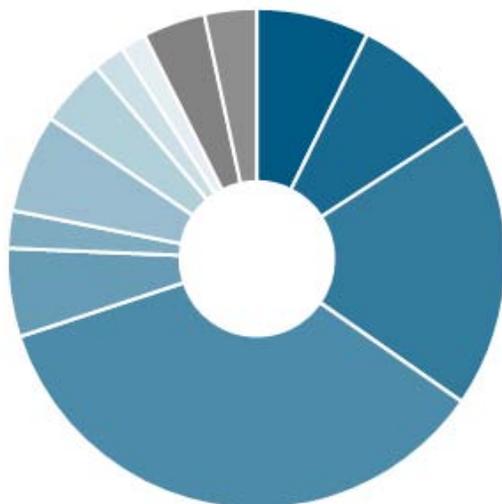


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Client report for BETSI CADWALADR UHB CHARITY PORTFOLIO
For the period from 01/12/2021 to 30/11/2022
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Asset Allocation

Asset Allocation



Asset Allocation	Market Value at 30/11/2022	% of Holdings
UK Bonds	718,755.56	7.31
Overseas Bonds	840,772.36	8.55
UK Equities	1,850,901.61	18.82
North American Equities	3,468,756.83	35.27
European Equities	562,393.60	5.72
Japanese Equities	238,506.00	2.43
Asia Pacific Equities	627,635.52	6.38
Absolute Return	430,381.48	4.38
Property	201,361.13	2.05
Commodities	163,935.30	1.67
Other Investments	398,131.32	4.05
Cash	332,715.30	3.38
TOTAL	9,834,246.01	100.00



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Holdings Summary

Quantity	Security Name	SubPortfolio ID	Price	Accrued Interest	Book Cost	Market Value	Est. Gross Income	Est. Gross Yield %	Ptf %	
UK Bonds										
Government Bonds										
147,435	INSIGHT INV DISCRE II UK GOVT ALL MAT BD GR P2	BETSI0001	0.8644 GBP		163,122.99	127,442.81	1,397.98	1.10	1.30	
184,550 GBP	UK(GOVT OF) 4.125% BDS 29/01/27 GBP1000	BETSI0001	102.9165 %	845.85	188,774.35	190,778.25	7,612.69	3.99	1.94	
179,975 GBP	UK(GOVT OF) 5% SNR 07/03/2025 GBP1000	BETSI0001	103.823 %	2,088.11	183,790.47	188,943.55	8,998.75	4.76	1.92	
Bond Funds										
218,135	ROYAL LONDON BOND RL ETHICAL BOND Z GBP DIS	BETSI0001	0.97 GBP		258,723.38	211,590.95	7,292.25	3.45	2.15	
Sub Total UK Bonds					2,933.96	794,411.19	718,755.56	25,301.67	3.52	7.31
Overseas Bonds										
Government Bonds										
2,067	VANGUARD INVS SRS US GOVT BOND IDX GBP DIS	BETSI0001	88.9966 GBP		218,692.73	183,955.97	3,292.73	1.79	1.87	
Index Linked Bonds										
48,905	ISHARES II PLC USD TIPS UCITS ETF GBP DIS	BETSI0001	4.844 GBP		273,021.94	236,895.82	2,929.41	1.24	2.41	
Bond Funds										
265,965	JANUS HEND FXD INT JH FXD INT MTHLY INC GQ GBP	BETSI0001	0.4737 GBP		146,774.65	125,987.62	6,673.06	5.30	1.28	
2,985	ROBECO CAP GTH FDS ROBECOSAM GBL SDG CREDIS IH	BETSI0001	98.47 GBP		351,609.54	293,932.95	0.00	0.00	2.99	
Sub Total Overseas Bonds					990,098.86	840,772.36	12,895.20	1.53	8.55	



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UK Equities									
Chemicals									
1,970	CRODA INTL ORD GBP0.10609756	BETSI0001	67.94 GBP		135,300.60	133,841.80	2,038.95	1.52	1.36
Support Services									
3,270	ASHTED GROUP ORD GBP0.10	BETSI0001	49.75 GBP		69,831.70	162,682.50	2,177.17	1.34	1.65
Household Goods and Home Construction									
9,830	HALEON PLC ORD GBP0.01	BETSI0001	2.841 GBP		25,284.68	27,927.03	0.00	0.00	0.28
Personal Goods									
3,915	UNILEVER PLC ORD GBP0.031111	BETSI0001	41.44 GBP		155,190.43	162,237.60	5,695.15	3.51	1.65
Pharmaceuticals & Biotechnology									
7,864	GSK PLC ORD GBP0.3125	BETSI0001	14.068 GBP		107,932.48	110,630.75	4,816.70	4.35	1.12
Media									
5,860	RELX PLC GBP0.1444	BETSI0001	23.12 GBP		111,057.82	135,483.20	3,000.32	2.21	1.38
Travel & Leisure									
6,835	COMPASS GROUP ORD GBP0.1105	BETSI0001	18.72 GBP		108,771.95	127,951.20	2,153.02	1.68	1.30
Gas, Water & Multiutilities									
8,705	NATIONAL GRID ORD GBP0.12431289	BETSI0001	10.145 GBP		90,432.89	88,312.23	4,491.78	5.09	0.90



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UK Equities									
Banks									
47,045	BARCLAYS PLC ORD GBP0.25	BETSI0001	1.6124 GBP		82,831.79	75,855.36	2,940.31	3.88	0.77
232,360	LLOYDS BANKING GP ORD GBP0.1	BETSI0001	0.46905 GBP		137,084.88	108,988.46	4,949.27	4.54	1.11
Life Insurance									
50,810	LEGAL & GENERAL GP ORD GBP0.025	BETSI0001	2.516 GBP		139,351.42	127,837.96	9,506.55	7.44	1.30
7,280	ST JAMES'S PLACE ORD GBP0.15	BETSI0001	11.495 GBP		104,452.08	83,683.60	4,076.80	4.87	0.85
General Financial									
4,215	ADMIRAL GROUP ORD GBP0.001	BETSI0001	20.26 GBP		68,200.76	85,395.90	6,204.48	7.27	0.87
Open Ended Collectives									
48,210	ES RIVER AND MERCA ES R&M UK LISTED SMLR COS S	BETSI0001	3.166892 GBP		176,880.81	152,675.86	3,253.45	2.13	1.55
242,055	JUPITER INV MGT S1 JUPITER UK MID CAP U2 GBP D	BETSI0001	1.1047 GBP		442,789.60	267,398.16	4,022.95	1.50	2.72
Sub Total UK Equities					1,955,393.89	1,850,901.61	59,326.90	3.21	18.82



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North American Equities									
Industrial Engineering									
835	DEERE & CO COM USD1	BETSI0001	440.8 USD		50,142.03	309,067.09	3,169.20	1.03	3.14
Support Services									
1,380	FERGUSON PLC ORD GBP0.10	BETSI0001	117.355 USD		133,172.00	135,989.50	3,186.67	2.34	1.38
Health Care Equipment & Services									
350	THERMO FISHER SCIE COM USD1	BETSI0001	560.525 USD		166,199.93	164,735.70	352.67	0.21	1.68
Mobile Telecommunications									
5,275	COMCAST CORP COM USD0.01 CL A	BETSI0001	36.645 USD		149,384.75	162,316.21	4,783.78	2.95	1.65
Banks									
6,195	WELLS FARGO & CO COM USD1.666	BETSI0001	47.915 USD		183,901.96	249,251.35	6,242.34	2.50	2.53
Non-Life Insurance									
2,045	BROWN & BROWN INC COM USD0.10	BETSI0001	59.565 USD		106,439.09	102,284.35	789.91	0.77	1.04
Life Insurance									
1,295	BERKSHIRE HATHAWAY COM USD0.0033 CLASS'B'	BETSI0001	318.255 USD		79,023.75	346,074.59	0.00	0.00	3.52



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Holdings Summary

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North American Equities									
General Financial									
1,485	AMER EXPRESS CO COM USD0.20	BETSI0001	157.53 USD		72,240.38	196,432.99	2,593.67	1.32	2.00
1,860	INTERCONT EXCHANGE COM USD0.01	BETSI0001	108.3 USD		162,884.23	169,147.70	2,374.00	1.40	1.72
750	MASTERCARD INCORPO COM USD0.0001 CLASS A	BETSI0001	356.12 USD		122,587.52	224,275.76	1,234.36	0.55	2.28
Software & Computer Services									
1,560	ALPHABET INC CAP STK USD0.001 CL A	BETSI0001	101.015 USD		160,588.14	132,322.95	0.00	0.00	1.35
65	BOOKING HLDGS INC COM USD0.008	BETSI0001	2,079.005 USD		86,387.85	113,473.28	0.00	0.00	1.15
745	MICROSOFT CORP COM USD0.00000625	BETSI0001	255.095 USD		160,899.87	159,581.64	1,701.57	1.07	1.62
565	S&P GLOBAL INC COM USD1	BETSI0001	352.69 USD		77,018.08	167,327.11	1,613.07	0.96	1.70
Miscellaneous Equities									
347	CHARTER COMMUN INC COM USD0.001 CLASS A	BETSI0001	391.42 USD		82,684.55	114,050.50	0.00	0.00	1.16
660	MOODYS CORP COM USD0.01	BETSI0001	298.145 USD		72,472.00	165,232.77	1,551.77	0.94	1.68
1,550	SCHWAB(CHARLES)CP COM USD0.01	BETSI0001	82.525 USD		106,229.11	107,409.31	1,145.35	1.07	1.09
Open Ended Collectives									
16,310	BAILLIE GIFF OSEAS BG AMERICAN FUND W1 DIS	BETSI0001	8.957 GBP		320,165.30	146,088.67	0.00	0.00	1.49
4,850	VANGUARD FUNDS PLC S&P 500 UCITS ETF USD DIS	BETSI0001	62.6176 GBP		301,154.68	303,695.36	4,100.04	1.35	3.09
Sub Total North American Equities					2,593,575.22	3,468,756.83	34,838.40	1.00	35.27



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Holdings Summary

Quantity	Security Name	SubPortfolio ID	Price	Accrued Interest	Book Cost	Market Value	Est. Gross Income	Est. Gross Yield %	Ptf %
European Equities									
Travel & Leisure									
14,810	RYANAIR HOLDINGS ORD EURO.006	BETSI0001	12.8225 EUR		112,335.87	164,189.20	0.00	0.00	1.67
Open Ended Collectives									
37,320	COMGEST GROWTH PLC GROWTH EUROPE EX UK Y GBP D	BETSI0001	10.67 GBP		453,811.20	398,204.40	0.00	0.00	4.05
Sub Total European Equities					566,147.07	562,393.60	0.00	0.00	5.72
Japanese Equities									
Open Ended Collectives									
15,650	BAILLIE GIFF OSEAS BG JAPANESE FD W1 DIS	BETSI0001	15.24 GBP		289,591.17	238,506.00	4,073.69	1.71	2.43
Sub Total Japanese Equities					289,591.17	238,506.00	4,073.69	1.71	2.43
Asia Pacific Equities									
Open Ended Collectives									
110,560	FIRST SENTIER INV STEWART INVRS APAC LDRS SUS	BETSI0001	3.1129 GBP		341,672.85	344,162.22	913.78	0.27	3.50
112,933.07	INVESCO FAR ESTRN INVESCO ASIAN UK D DIS	BETSI0001	2.5101 GBP		292,719.56	283,473.30	7,176.44	2.53	2.88
Sub Total Asia Pacific Equities					634,392.41	627,635.52	8,090.22	1.29	6.38



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Holdings Summary

Quantity	Security Name	SubPortfolio ID	Price	Accrued Interest	Book Cost	Market Value	Est. Gross Income	Est. Gross Yield %	Ptf %
Absolute Return									
Bond Funds									
469,490	BNY MELLON INV FDS BNYM SUST GBL DYN BD NW IN3	BETSI0001	0.9167 GBP		469,229.85	430,381.48	11,094.99	2.58	4.38
Sub Total Absolute Return					469,229.85	430,381.48	11,094.99	2.58	4.38
Property									
Closed Ended Collectives									
114,720	BLACKROCK COLLECT ISHS GBL PROP SECS EQ IDX D	BETSI0001	1.75524 GBP		205,723.20	201,361.13	5,444.38	2.70	2.05
Sub Total Property					205,723.20	201,361.13	5,444.38	2.70	2.05
Commodities									
Precious Metal Commodities									
5,730	ISHARES PHYSICAL M ISHS PHYS GOLD ETC USD(GBP)	BETSI0001	28.61 GBP		165,914.04	163,935.30	0.00	0.00	1.67
Sub Total Commodities					165,914.04	163,935.30	0.00	0.00	1.67
Other Investments									
Absolute Return (non AIC sector) Inv Trust									
120,695	HICL INFRASTRUCTU. ORD GBP0.0001	BETSI0001	1.64 GBP		205,295.14	197,939.80	9,957.34	5.03	2.01
133,997	INT PUBLIC PARTNER ORD GBP0.0001	BETSI0001	1.494 GBP		224,556.40	200,191.52	10,237.37	5.11	2.04
Sub Total Other Investments					429,851.54	398,131.32	20,194.71	5.07	4.05



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Cash									
Cash									
0 GBP	Dealing	BETSI0001		0.00	0.00	0.00			0.00
325,765.07 GBP	Deposit	BETSI0001		0.00	325,765.07	325,765.07			3.31
6,950.23 GBP	Income	BETSI0001		0.00	6,950.23	6,950.23			0.07
Sub Total Cash				0.00	332,715.30	332,715.30			3.38
TOTAL IN GBP				2,933.96	9,427,043.74	9,834,246.01	181,260.16	1.84	100.00



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Transaction Details (from 01/12/2021 to 30/11/2022)

BETSI0001

Date	Transaction	Quantity	Security Name	Price	Net Amount
BETSI0001					
04/11/2022	PURCHASE	184,550.00	UK(GOVT OF) 4.125% BDS 29/01/27 GBP1000	102.29 %	-188,774.35
13/10/2022	PURCHASE	179,975.00	UK(GOVT OF) 5% SNR 07/03/2025 GBP1000	102.12 %	-183,790.47
19/07/2022	CONSOLIDATION 4 FOR 5	9,830.00	GSK PLC ORD GBP0.25	0.00 GBP	107,932.48
19/07/2022	CONSOLIDATION 4 FOR 5	7,864.00	GSK PLC ORD GBP0.3125	0.00 GBP	-107,932.48
18/07/2022	DEMERGER 1 FOR 1	0.00	GSK PLC ORD GBP0.25	0.00 GBP	25,284.68
18/07/2022	DEMERGER 1 FOR 1	9,830.00	HALEON PLC ORD GBP0.01	0.00 GBP	-25,284.68
18/07/2022	STOCK SPLIT 20 FOR 1	1,482.00	ALPHABET INC CAP STK USD0.001 CL A	0.00 USD	0.00
30/06/2022	EXCESS REPORTABLE INCOME	0.00	ROBECO CAP GTH FDS ROBECOSAM GBL SDG...	0.00 GBP	-3,755.14
24/06/2022	PURCHASE	8,705.00	NATIONAL GRID ORD GBP0.12431289	10.39 GBP	-90,432.89
24/06/2022	PURCHASE	5,730.00	ISHARES PHYSICAL M ISHS PHYS GOLD ETC...	28.96 GBP	-165,914.04
21/06/2022	SALE	98,145.00	JUPITER INV MGT S1 JUPITER UK MID CAP...	1.18 GBP	116,292.01
17/06/2022	SALE	5,945.00	HISCOX ORD GBP0.065 (DI)	9.32 GBP	55,377.68
17/06/2022	SALE	93,720.00	TAYLOR WIMPEY ORD GBP0.01	1.22 GBP	114,665.42
01/06/2022	EQUALISATION	0.00	JANUS HEND FXD INT JH FXD INT MTHLY INC...	0.00 GBP	1,022.10
19/05/2022	CROSS BORDER 1 FOR 1	1,380.00	FERGUSON PLC ORD GBP0.10	0.00 GBP	133,172.00
19/05/2022	CROSS BORDER 1 FOR 1	1,380.00	FERGUSON PLC ORD GBP0.10	0.00 USD	-133,172.00
04/05/2022	OPEN OFFER 1 FOR 12 @ 159.5 PENCE	10,307.00	INT PUBLIC PARTNER ORD GBP0.0001	0.00 GBP	-16,439.67



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BETSI0001

Date	Transaction	Quantity	Security Name	Price	Net Amount
04/05/2022	OPEN OFFER 1 FOR 12 @ 159.5 PENCE	10,307.00	INT PUBLIC PARTNER NEW ORD GBP0.0001...	0.00 GBP	0.00
30/04/2022	EQUALISATION	0.00	BAILLIE GIFF OSEAS BG JAPANESE FD W1 DIS	0.00 GBP	1,054.28
14/04/2022	SALE	1,335.00	VANGUARD FUNDS PLC S&P 500 UCITS ETF...	64.10 GBP	85,571.83
14/04/2022	SALE	9,350.00	COMGEST GROWTH PLC GROWTH EUROPE EX UK...	10.89 GBP	101,821.50
11/04/2022	OPEN OFFER 1 FOR 12 @ 159.5 PENCE	0.00	INT PUBLIC PARTNER ORD GBP0.0001	0.00 GBP	0.00
11/04/2022	OPEN OFFER 1 FOR 12 @ 159.5 PENCE	10,307.00	INT PUBLIC PARTNER NEW ORD GBP0.0001...	0.00 GBP	0.00
18/03/2022	SALE	900.00	LINDE PLC COM EUR0.001	306.73 USD	209,790.26
18/03/2022	SALE	145,670.00	FIDELITY INV FUNDS FIDELITY EMG MKTS R...	1.20 GBP	174,804.00
18/03/2022	SALE	240,020.00	JUPITER STRAT BOND JUPITER STRAT BOND X...	0.94 GBP	225,642.80
18/03/2022	PURCHASE	1,550.00	SCHWAB(CHARLES)CP COM USD0.01	89.99 USD	-106,229.11
18/03/2022	PURCHASE	1,385.00	UNILEVER PLC ORD GBP0.031111	33.87 GBP	-46,916.82
18/03/2022	PURCHASE	31,680.00	TAYLOR WIMPEY ORD GBP0.01	1.41 GBP	-44,804.44
18/03/2022	PURCHASE	33,475.00	INT PUBLIC PARTNER ORD GBP0.0001	1.66 GBP	-55,435.60
18/03/2022	PURCHASE	36,325.00	JUPITER INV MGT S1 JUPITER UK MID CAP...	1.45 GBP	-52,515.05
18/03/2022	PURCHASE	29,625.00	HICL INFRASTRUCTU. ORD GBP0.0001	1.70 GBP	-50,343.65
18/03/2022	PURCHASE	265,965.00	JANUS HEND FXD INT JH FXD INT MTHLY INC...	0.56 GBP	-147,796.75
18/03/2022	PURCHASE	2,045.00	BROWN & BROWN INC COM USD0.10	68.34 USD	-106,439.09



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Brewin
Dolphin

Risk guide

Understanding risk

RBC Brewin Dolphin Domestic Strategy

Important information

All of the investment solutions we offer involve some form of investment risk. You should be aware that the value of investments and any income from them can fall and you may get back less than originally invested.

If you invest in currencies other than your own, fluctuations in currency value will mean that the value of your investment will move independently of the underlying asset.

Our services are not suitable for everyone, but we can advise you on the specific services that are suitable for you.

We may provide guidance on using tax-efficient structures such as making use of tax allowances. You should be aware that tax structures are subject to changes in legislation and depend on your personal circumstances. Your adviser will be happy to discuss any of these in greater detail.

You have sole responsibility for the management of your tax and legal affairs including all applicable tax filings and payments for complying with applicable laws and regulations. We are not specialist tax advisers and will not provide you with tax or legal advice and recommend that you obtain your own independent tax and legal advice, tailored to your individual circumstances.

Past performance is not an indication of future performance. In this document performance is quoted before fees, charges, levies and taxes and these may have the effect of reducing the illustrated performance. All performance shown is based upon any income generated being re-invested, except for the Average Capital Return and Average Yield figures.

The expected returns shown are based on our long-term forecasts, for a mix of assets similar to a portfolio suitable for an investor aligned to the Risk Category indicated.

The data in our sample charts is based on reasonable assumptions which are in turn based on objective data. There are no guarantees that these levels of performance will be achieved, in which case any returns will differ from those illustrated.

All data as at 30 June 2022

Contact us

T: 020 3201 3900

W: www.brewin.co.uk



Facebook: www.facebook.com/brewindolphin



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Overview

Introduction

This document provides a brief overview of the risk categories used by RBC Brewin Dolphin to determine an investment mandate. We set out the types of investments a portfolio is likely to be composed of and we also give an indication of the level of risk and potential return.

We provide example charts – based on our Domestic Strategy – to help you understand the financial concepts involved and what could happen to the portfolio.

How long should you invest for?

In general terms, the longer the time horizon the better, particularly if you need to maximise your capital growth. Investing with a longer-term view – for example, 10 years or more – gives more time to recover losses on the portfolio which may be caused by periods of market volatility and therefore sits relatively well with higher-risk investment strategies. Investing on a shorter-term view, such as three to five years reduces the time available to recover losses and costs. Investing with a higher-risk investment strategy over the short-term will require a greater ability to withstand volatility.

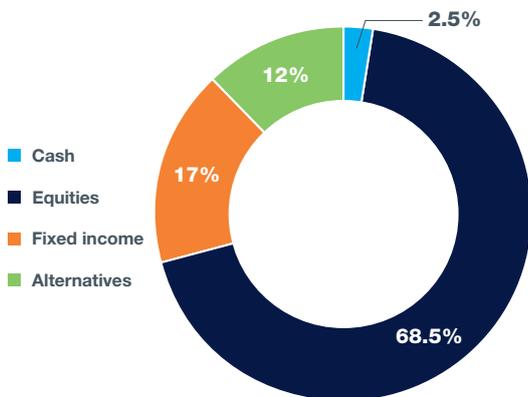
What will your portfolio be invested in?

How the portfolio is constructed will depend on the investment mandate, and we will consider how much return you are trying to achieve in the context of your willingness and ability to accept risk.

We will agree a mandate with you to help achieve your objectives by investing in a mix of asset classes such as fixed income, equities, cash and alternative investments. The mix of assets is important as it influences the possible return and the amount of risk within the portfolio.

Please refer to the appendix for more information.

Example asset mix (Risk Category 6)



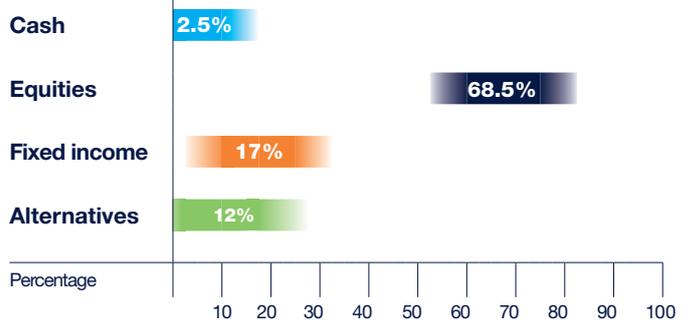
We set limits on this mix of assets to control risk and over time we will review these to ensure that they are still appropriate.

The sample chart below shows our Strategic Asset Allocation for a risk category 6 portfolio. Our Investment Managers can adjust the asset mix and weightings in accordance with RBC Brewin Dolphin tactical asset allocation views to take account of both the specific investment objectives and the prevailing market conditions.

Example asset mix range (Risk Category 6)



Asset mix range



We have three broad categories of investment objectives to choose from:

- **Income** (where your priority is to generate an income from your investments)
- **Capital growth** (where you have a priority to grow your investments)
- **Income and capital growth** (where you require a combination of both income and capital growth from your investments).

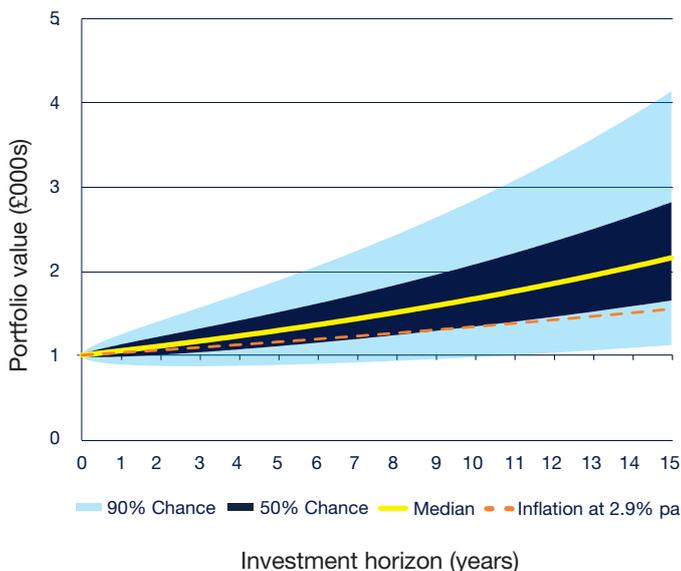
How much could the portfolio grow?

The market changes a great deal but your investment manager, supported by our research team, will endeavour to manage the portfolio to achieve your investment objectives. The longer the period you invest for, the more chance the portfolio has to grow.

For illustrative purposes, the following chart shows the range of likely returns, based on a risk category 6 mandate. As you can see, in the early years the range of returns is smaller but easier to predict. In the long term, the returns are greater, but more difficult to predict as shown by the widening shaded area on the chart.

Example projected accumulation of wealth (Risk Category 6)

The potential value of a portfolio of £1,000 over a projected 15-year period from 30 June 2022



Source: Brewin Dolphin Limited, Refinitive Datastream as at 30 June 2022
Please note, in the example chart above, we have used a market-based rate of 2.9% for inflation. Forecasts are not a reliable indicator of future performance. Performance is quoted before charges which will reduce illustrated performance.

The yellow line on the chart represents the mid-point of the range of forecast outcomes. This means that there is an equal probability of the value of the portfolio either being above or below the yellow line at any point in time.

The expected returns detailed in the above sample chart are based on RBC Brewin Dolphin's return forecasts for a mix of assets similar to a portfolio Risk Category 6. The size of the shaded bands is based on historical market data covering the previous 15 years up to 30 June 2022.

The sample chart shows the expected amount of return that could be created in a portfolio over a 15-year period with an initial investment of £1,000. For illustrative purposes, the chart shows the total return assuming that all income generated by the portfolio is reinvested.

Two key points that sample charts like these aim to illustrate are:

- The longer the period invested, the less predictable the returns achieved will be
- The more investment risk accepted, the less predictable the returns achieved will be.

The shaded areas of the chart represent various forecasts showing the likelihood of achieving a level of asset accumulation, as follows:

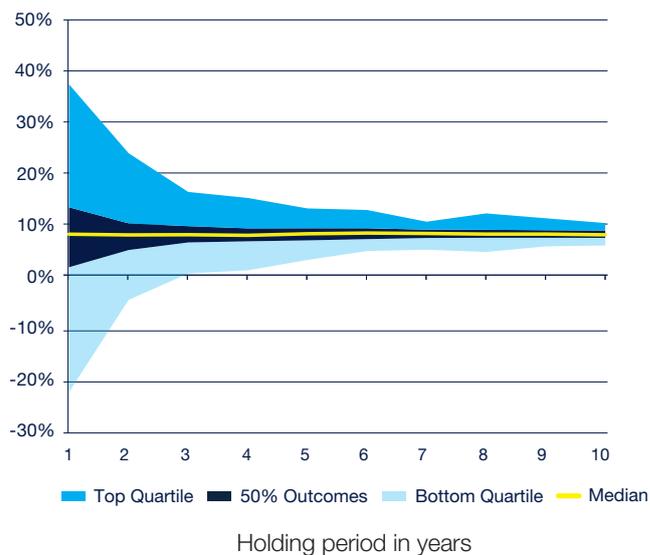
- The dark blue area shows 50% of all forecasts
- The lighter coloured areas represent less likely outcomes with 90% of all forecasts falling within this illustration. For example, we believe that there is 90% probability that the accumulated assets in the portfolio shown would range between £1,100 and £4,050 after 15 years.
- There is a further 10% probability that the value of the portfolio could be outside of the ranges shown in this illustration – either above or below the ranges shown.

Please see the Important information on page 2

What is the advantage of investing over a longer time horizon?

Example annualised historical returns for Risk Category 6

The chart below illustrates the range of annualised returns that an investor would have historically received over different periods. For shorter periods there is a wider range of outcomes, but as the time held lengthens, the range narrows. The shorter-term variability of returns is smoothed over time. The chart shows holding periods covering data up to 10 years.



Source: Brewin Dolphin Limited, Refinitive Datastream as at 30 June 2022
Neither simulated nor actual past performance are reliable indicators of future performance. Performance is quoted before charges which will reduce illustrated performance.

RBC Brewin Dolphin's risk categories

The following table provides a brief description of the 10 risk categories we have identified, including the level of investment risk represented by each category.

We consider that the risks posed by our Discretionary Investment Management services are suitable for clients placed in the risk categories from 3 to 8. We judge our Wealth Management and Financial Planning services to be suitable for clients generally in the risk categories from 2 to 9.

Risk Category	Description
1	You are completely averse to any investments that could put your capital at risk. You accept that, in light of inflation, this is highly likely to have the effect of eroding the purchasing power of your capital. This typically means that your money will be held in cash, building society accounts or national savings.
2	Preservation of capital remains important to you and you accept that investment returns may not meet or exceed the rate of inflation. You are prepared to accept only a very limited risk of loss to your capital. As a result, your portfolio will typically comprise of cash and cash like investments, meaning that the value of the portfolio may experience a small degree of fluctuation
3	You place a higher priority on preserving the value of your investments over investment returns and typically will be sensitive to large negative movements in the value of your investment. You are looking to maintain the real value of your investments against inflation and are happy to accept a small degree of fluctuation in the value of the portfolio to achieve this. As a result, the portfolio will hold a greater proportion in lower risk asset classes, such as cash, fixed income and alternatives, relative to the higher risk asset class of equities.
4	Preserving the value of your investments remains important to you and you would like to maintain the real value of your investments against inflation. Your portfolio is likely to be more evenly balanced between equities and fixed income investments. The amount invested in equities is such that your portfolio is likely to experience some market volatility in exchange for the potential of increased levels of return.
5	You are looking to maintain the real value of your investments by achieving returns above inflation. Preserving the value of your investment remains important, but you are willing to accept short term volatility to generate potentially higher long-term investment returns. The portfolio will be more evenly balanced between equities and the combined asset classes of cash, fixed interest and alternatives.
6	You are prepared to have a greater proportion of your investment held in equities with the aim of achieving a higher investment return over the long-term. The greater allocation to equities means the portfolio may experience heightened levels of volatility over the investment term. The portfolio will typically include two thirds of the assets invested in equities whilst the remainder will be split between cash, fixed income and alternatives. You are prepared to accept fluctuations in the value of the portfolio to achieve your investment goals.
7	You are seeking to generate higher investment returns through an increased exposure to equities to help achieve your long-term investment goals. The portfolio will typically have a very high proportion of the investment held in equities and very low levels of fixed income, cash and alternative asset classes. A larger proportion invested in equities increases the likelihood of volatility and degree of change in the overall value of the portfolio.
8	You are looking to maximise your investment returns by having a portfolio invested almost entirely in equities. Significant levels of volatility and more frequent changes in the value of the investments can be expected, but you are willing to accept these risks to achieve your investment goals.
9	You are willing to invest in higher-risk and speculative investments to achieve high possible returns and accept the risk of losing all, or a substantial part of, your investment. Typically, this could include very high-risk investments such as venture capital trusts, enterprise investment schemes and other specialist investments.
10	You are prepared to make wholly speculative investments, fully aware of and accepting the possibility of losing all of your capital. This could typically be in the form of derivatives and contingent liability investments, which often include gearing which means you could lose more than your initial capital investment. You are totally insensitive to risk.

What is the difference between the risk categories?

The following pages show the difference between Risk Categories 3 to 8. Investments classified as Risk Category 2 generally consist of liquidity funds as part of a wider investment strategy, whilst investments classified as Risk Category 9 often benefit from HM Revenue & Customs (HMRC) reliefs such as those provided by Venture Capital Trusts (VCTs) and Enterprise Investment Schemes (EIS). As such, they do not have dedicated pages in this document. Typically, they form part of an overall investment plan for higher earners and sophisticated clients with significant assets. Tax relief is provided to encourage investment into certain areas such as regeneration projects, renewable energy and forestry. Whilst to some the tax benefits can be very attractive, this must be balanced with a higher risk of loss and reduced liquidity.

What is the RBC Brewin Dolphin Risk Measure?

The method we use for measuring risk in a portfolio of assets is called the RBC Brewin Dolphin Risk Measure (RBCBDRM), which is calculated according to an industry standard for risk estimation. By considering what has happened in the past, it aims to provide a reasonable indicator of what could happen in the future. While we expect the value of the portfolio to increase over the longer term, it is important that you understand your investment will be exposed to risk.

Simply put, the RBCBDRM is a way of giving a feel for how much the portfolio value could fall over a single month. We consider the worst 1% of actual historical price movements for each of the asset classes in the portfolio and we assess the impact that these would have on the portfolio value.

Example RBCBDRM range (Risk Category 6)

RBC Brewin Dolphin Risk Measure 10.2% - 17.2%

We use RBCBDRM as a guide for our Investment Managers to monitor the amount of risk within a client portfolio across RBC Brewin Dolphins Risk Categories. Each Risk Category has its own unique RBCBDRM range and wherever possible our Investment Managers will endeavor to build and manage a portfolio that operates within these ranges. For example, if we are managing a portfolio for a client in Risk Category 3, then the RBCBDRM parameters will be at a lower level than in Risk Category 8 and so on. In short, we will be taking less investment risk for a client in Risk Category 3 than for a client in Risk Category 8. The RBCBDRM enables us to monitor this effectively.

How much might the portfolio reduce in value?

We cannot say with certainty how much a portfolio value could change. However, we can estimate the possible change based upon historical data. Although the past performance of financial markets is not a reliable guide to how any investment will perform in the future, it can provide a useful guide to help you understand the changes that the portfolio might experience.

In the illustration shown, we can see a significant drop in the value of the asset mix. The fall took the portfolio value to £763. However, as you can see the value of the portfolio then increased over time and would have been worth £2,607 over the full 15-year period.

How long could the portfolio take to recover?

The following table shows the biggest falls in value and the longest period to recover the value of the portfolio in the example chart.

Example historical asset mix characteristics for the last 15 years (Risk Category 6)

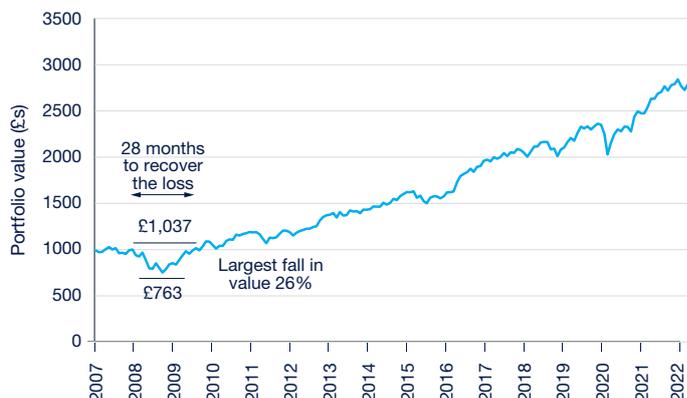
Average total return per year	6.6%
Average capital return per year	4.1%
Average yield	2.4%
Gain over the period*	160.7%
Largest fall in value during the period*	26.4%
Longest time to recover (months)*	28

Source: Brewin Dolphin Limited, Refinitive Datastream as at 30 June 2022

* Based on total return

Example historical 15 year performance

The past performance of a mix of assets similar to a portfolio suitable for an investor in Risk Category 6.



Source: Brewin Dolphin Limited, Refinitive Datastream from 30 June 2007 to 30 June 2022

LOWER RISK

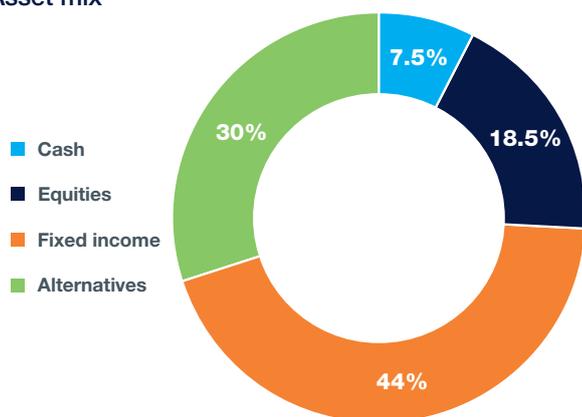
HIGHER RISK

RISK CATEGORY 3
RBC Brewin Dolphin Domestic Strategy

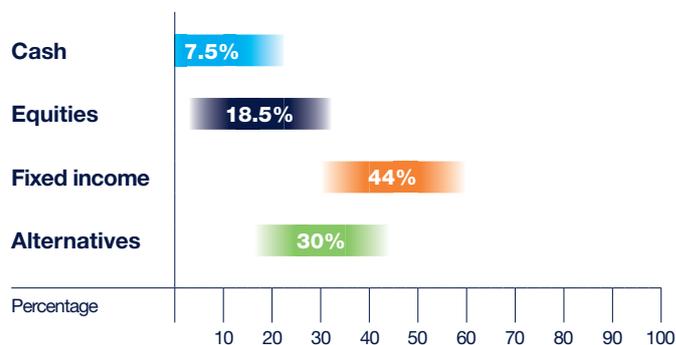
RBC Brewin Risk Measure 2.9% - 9.9%

You place a higher priority on preserving the value of your investments over investment returns and typically will be sensitive to large negative movements in the value of your investment. You are looking to maintain the real value of your investments against inflation and are happy to accept a small degree of fluctuation in the value of the portfolio to achieve this. As a result, the portfolio will hold a greater proportion in lower risk asset classes, such as cash, fixed income and alternatives, relative to the higher risk asset class of equities.

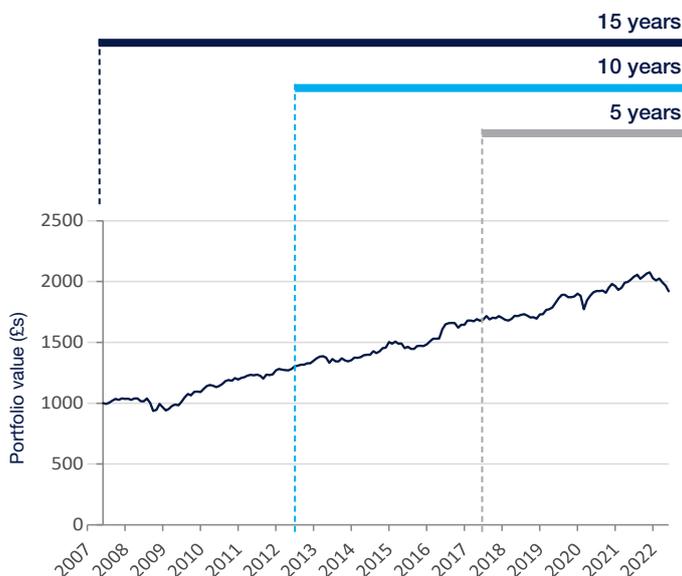
Asset mix



Asset mix range



Performance for this asset mix over the past 15 years



For more information about our performance benchmarks, please refer to the section entitled 'Our domestic performance benchmarks' on page 14.

Source: Brewin Dolphin Limited, Refinitive Datastream from 30 June 2007 to 30 June 2022

Please see the Important information on page 2

Historical asset mix characteristics for the past 15 years

Average total return per year	4.4%
Average capital return per year	2.8%
Average yield	1.7%
Gain over the period*	92.1%
Largest fall in value during the period*	9.9%
Longest time to recover (months)*	15

Historical asset mix characteristics for the past 10 years

Average total return per year	4.1%
Average capital return per year	2.7%
Average yield	1.3%
Gain over the period*	49.9%
Largest fall in value during the period*	7.4%
Longest time to recover (months)*	13

Historical asset mix characteristics for the past 5 years

Average total return per year	2.7%
Average capital return per year	1.4%
Average yield	1.2%
Gain over the period*	14.5%
Largest fall in value during the period*	7.4%
Longest time to recover (months)*	7

* Based on total return

LOWER RISK

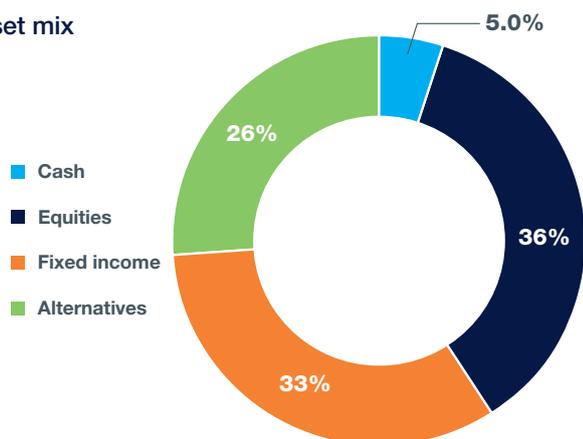
HIGHER RISK

RISK CATEGORY 4
RBC Brewin Dolphin Domestic Strategy

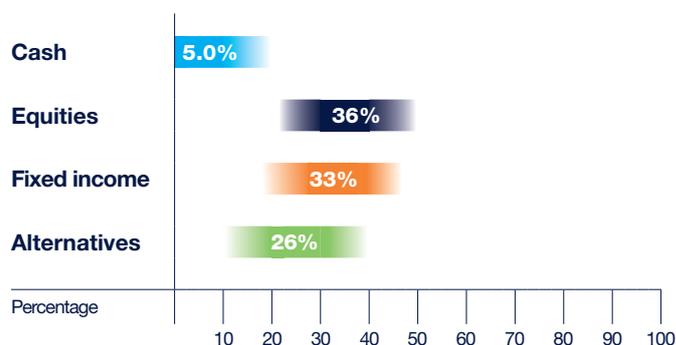
RBC Brewin Risk Measure 5.5% - 12.5%

Preserving the value of your investments remains important to you and you would like to maintain the real value of your investments against inflation. Your portfolio is likely to be more evenly balanced between equities and fixed income investments. The amount invested in equities is such that your portfolio is likely to experience some market volatility in exchange for the potential of increased levels of return.

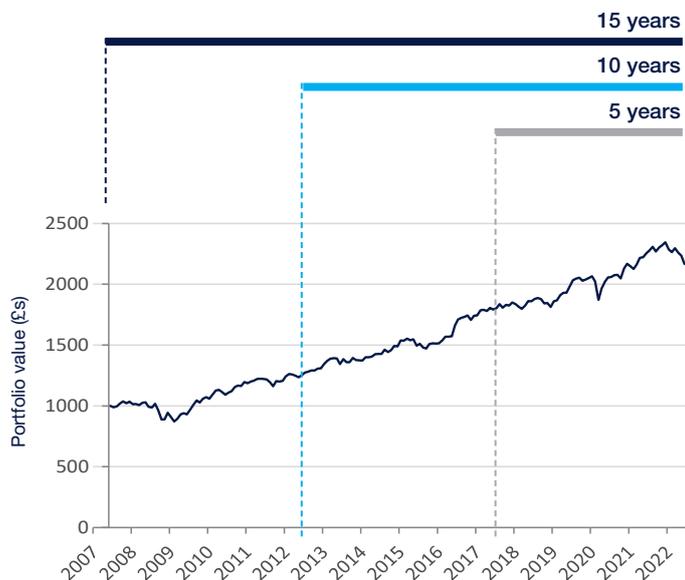
Asset mix



Asset mix range



Performance for this asset mix over the last 15 years



For more information about our performance benchmarks, please refer to the section entitled 'Our domestic performance benchmarks' on page 14.

Source: Brewin Dolphin Limited, Refinitive Datastream from 30 June 2007 to 30 June 2022

Please see the Important information on page 2

Historical asset mix characteristics for the past 15 years

Average total return per year	5.3%
Average capital return per year	3.4%
Average yield	1.9%
Gain over the period*	116.7%
Largest fall in value during the period*	15.9%
Longest time to recover (months)*	23

Historical asset mix characteristics for the past 10 years

Average total return per year	5.6%
Average capital return per year	3.9%
Average yield	1.6%
Gain over the period*	72.9%
Largest fall in value during the period*	9.4%
Longest time to recover (months)*	12

Historical asset mix characteristics for the past 5 years

Average total return per year	3.9%
Average capital return per year	2.3%
Average yield	1.5%
Gain over the period*	21.0%
Largest fall in value during the period*	9.4%
Longest time to recover (months)*	7

* Based on total return

LOWER RISK

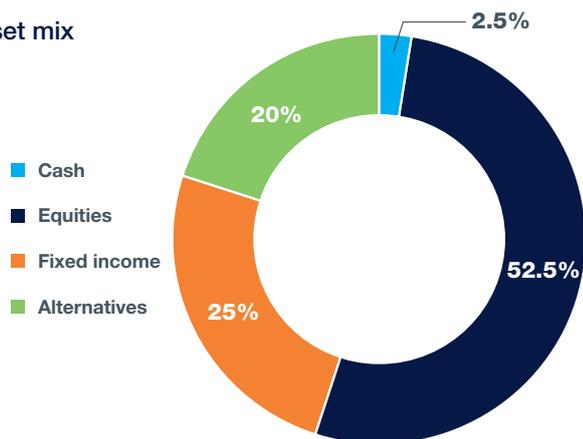
HIGHER RISK

RISK CATEGORY 5
RBC Brewin Dolphin Domestic Strategy

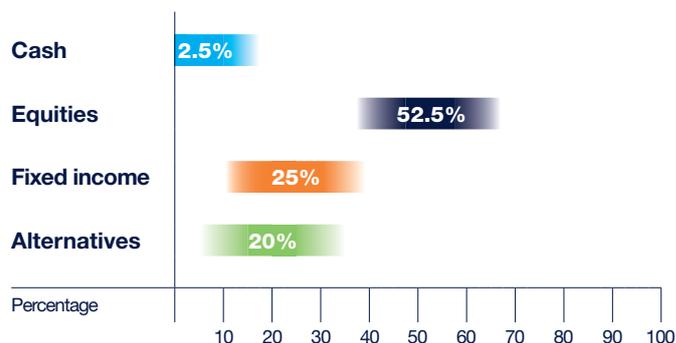
RBC Brewin Risk Measure 7.8% - 14.8%

You are looking to maintain the real value of your investments by achieving returns above inflation. Preserving the value of your investment remains important, but you are willing to accept short term volatility to generate potentially higher long-term investment returns. The portfolio will be more evenly balanced between equities and the combined asset classes of cash, fixed interest and alternatives.

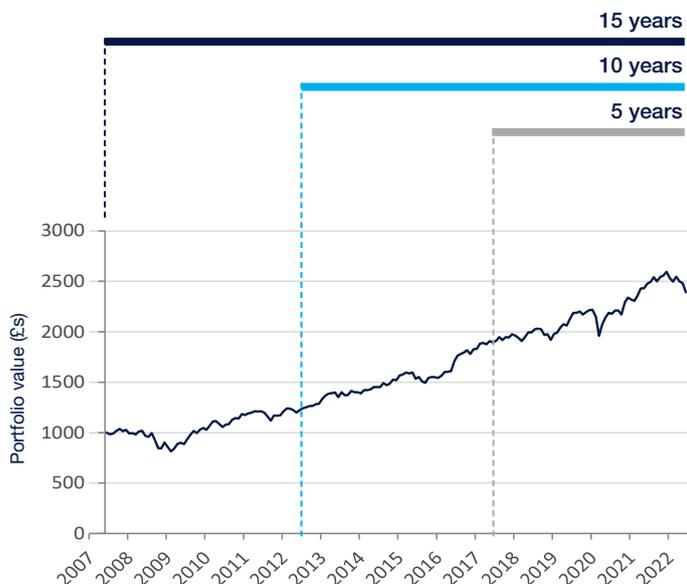
Asset mix



Asset mix range



Performance for this asset mix over the last 15 years



For more information about our performance benchmarks, please refer to the section entitled 'Our domestic performance benchmarks' on page 14.

Source: Brewin Dolphin Limited, Refinitive Datastream from 30 June 2007 to 30 June 2022

Please see the Important information on page 2

Historical asset mix characteristics for the past 15 years

Average total return per year	6.0%
Average capital return per year	3.8%
Average yield	2.2%
Gain over the period*	139.2%
Largest fall in value during the period*	21.5%
Longest time to recover (months)*	26

Historical asset mix characteristics for the past 10 years

Average total return per year	6.9%
Average capital return per year	4.9%
Average yield	1.9%
Gain over the period*	95.6%
Largest fall in value during the period*	11.6%
Longest time to recover (months)*	10

Historical asset mix characteristics for the past 5 years

Average total return per year	4.8%
Average capital return per year	2.9%
Average yield	1.8%
Gain over the period*	26.3%
Largest fall in value during the period*	11.6%
Longest time to recover (months)*	10

* Based on total return

LOWER RISK

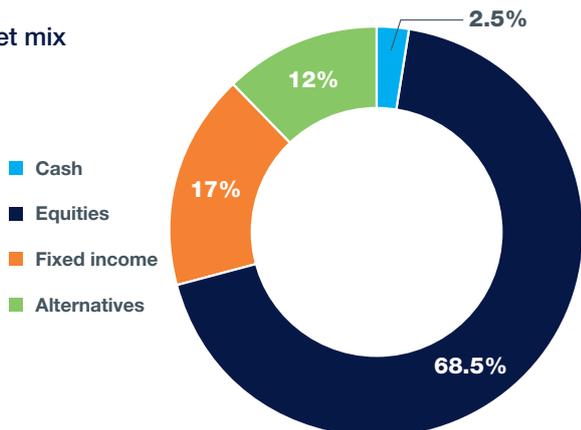
HIGHER RISK

RISK CATEGORY 6
RBC Brewin Dolphin Domestic Strategy

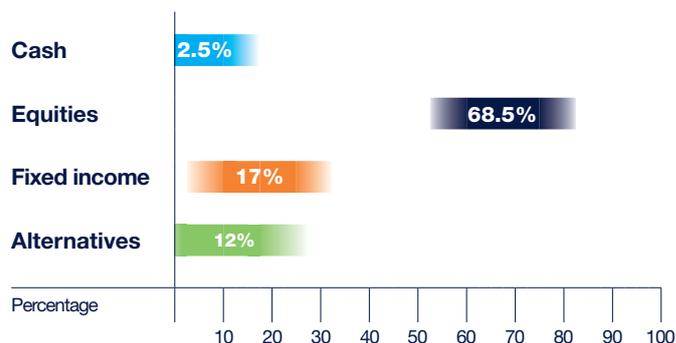
RBC Brewin Risk Measure 10.2% - 17.2%

You are prepared to have a greater proportion of your investment held in equities with the aim of achieving a higher investment return over the long-term. The greater allocation to equities means the portfolio may experience heightened levels of volatility over the investment term. The portfolio will typically include two thirds of the assets invested in equities whilst the remainder will be split between cash, fixed income and alternatives. You are prepared to accept fluctuations in the value of the portfolio to achieve your investment goals.

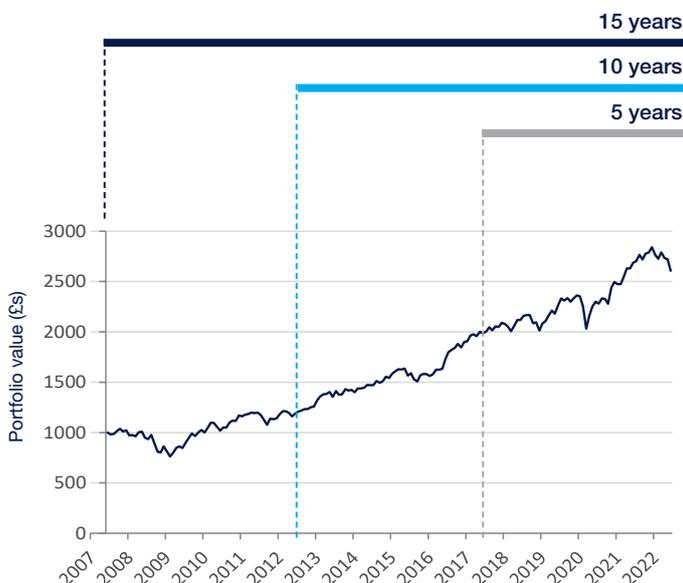
Asset mix



Asset mix range



Performance for this asset mix over the last 15 years



For more information about our performance benchmarks, please refer to the section entitled 'Our domestic performance benchmarks' on page 14.

Source: Brewin Dolphin Limited, Refinitive Datastream from 30 June 2007 to 30 June 2022

Historical asset mix characteristics for the past 15 years

Average total return per year	6.6%
Average capital return per year	4.1%
Average yield	2.4%
Gain over the period*	160.7%
Largest fall in value during the period*	26.4%
Longest time to recover (months)*	28

Historical asset mix characteristics for the past 10 years

Average total return per year	8.2%
Average capital return per year	5.8%
Average yield	2.2%
Gain over the period*	119.1%
Largest fall in value during the period*	14.0%
Longest time to recover (months)*	13

Historical asset mix characteristics for the past 5 years

Average total return per year	5.6%
Average capital return per year	3.4%
Average yield	2.1%
Gain over the period*	31.3%
Largest fall in value during the period*	14.0%
Longest time to recover (months)*	11

* Based on total return

Please see the Important information on page 2

LOWER RISK

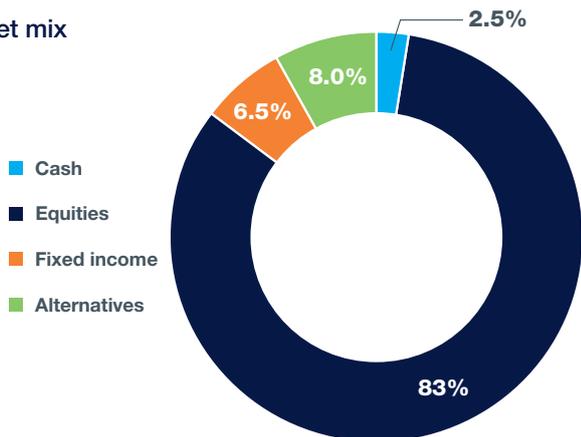
HIGHER RISK

RISK CATEGORY 7
RBC Brewin Dolphin Domestic Strategy

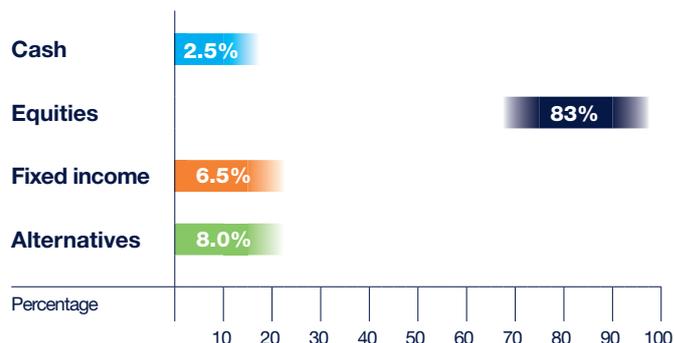
RBC Brewin Risk Measure 12.6% - 19.6%

You are seeking to generate higher investment returns through an increased exposure to equities to help achieve your long-term investment goals. The portfolio will typically have a very high proportion of the investment held in equities and very low levels of fixed income, cash and alternative asset classes. A larger proportion invested in equities increases the likelihood of volatility and degree of change in the overall value of the portfolio.

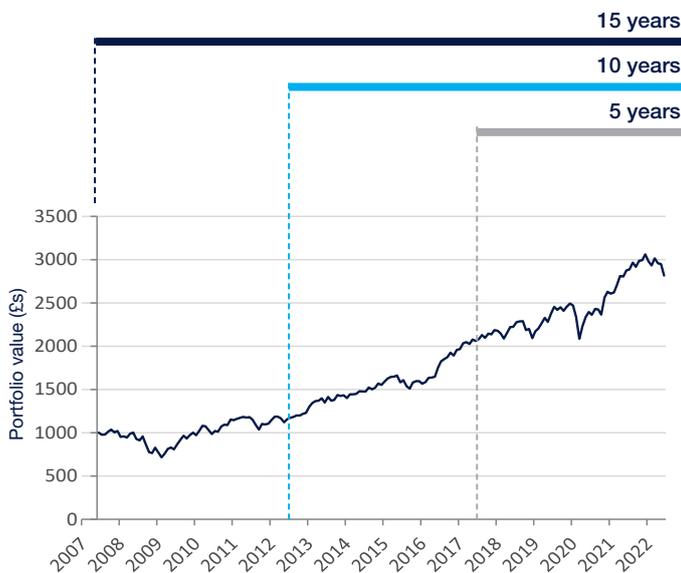
Asset mix



Asset mix range



Performance for this asset mix over the last 15 years



For more information about our performance benchmarks, please refer to the section entitled 'Our domestic performance benchmarks' on page 14.

Source: Brewin Dolphin Limited, Refinitive Datastream from 30 June 2007 to 30 June 2022

Please see the Important information on page 2

Historical asset mix characteristics for the past 15 years

Average total return per year	7.1%
Average capital return per year	4.4%
Average yield	2.6%
Gain over the period*	181.5%
Largest fall in value during the period*	30.8%
Longest time to recover (months)*	29

Historical asset mix characteristics for the past 10 years

Average total return per year	9.3%
Average capital return per year	6.7%
Average yield	2.4%
Gain over the period*	143.7%
Largest fall in value during the period*	16.3%
Longest time to recover (months)*	13

Historical asset mix characteristics for the past 5 years

Average total return per year	6.4%
Average capital return per year	3.9%
Average yield	2.4%
Gain over the period*	36.6%
Largest fall in value during the period*	16.3%
Longest time to recover (months)*	11

* Based on total return

LOWER RISK

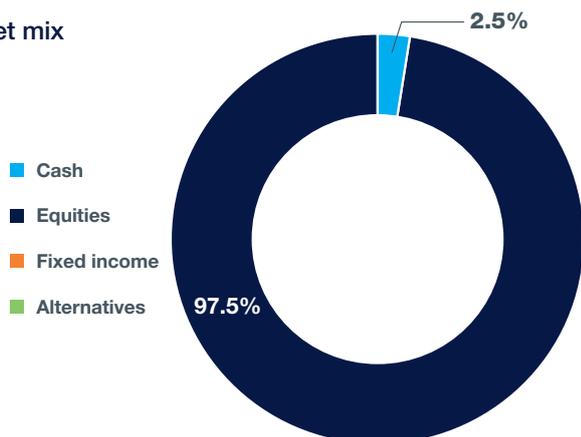
HIGHER RISK

RISK CATEGORY 8
RBC Brewin Dolphin Domestic Strategy

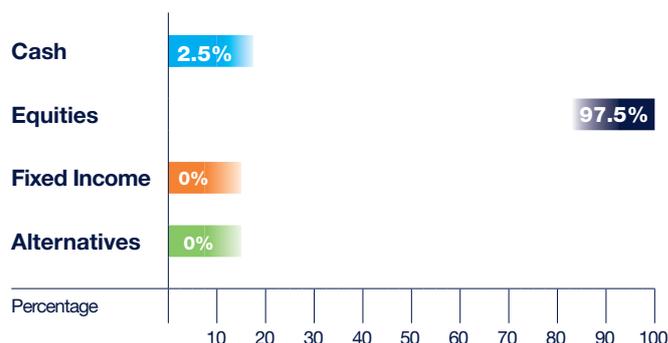
RBC Brewin Risk Measure 14.8% - 21.8%

You are looking to maximise your investment returns by having a portfolio invested almost entirely in equities. Significant levels of volatility and more frequent changes in the value of the investments can be expected, but you are willing to accept these risks to achieve your investment goals.

Asset mix



Asset mix range



Performance for this asset mix over the last 15 years



For more information about our performance benchmarks, please refer to the section entitled 'Our domestic performance benchmarks' on page 14.

Source: Brewin Dolphin Limited, Refinitive Datastream from 30 June 2007 to 30 June 2022

Please see the Important information on page 2

Historical asset mix characteristics for the past 15 years

Average total return per year	7.6%
Average capital return per year	4.7%
Average yield	2.8%
Gain over the period*	199.9%
Largest fall in value during the period*	35.0%
Longest time to recover (months)*	29

Historical asset mix characteristics for the past 10 years

Average total return per year	10.4%
Average capital return per year	7.4%
Average yield	2.7%
Gain over the period*	168.0%
Largest fall in value during the period*	18.5%
Longest time to recover (months)*	13

Historical asset mix characteristics for the past 5 years

Average total return per year	7.1%
Average capital return per year	4.3%
Average yield	2.7%
Gain over the period*	40.7%
Largest fall in value during the period*	18.5%
Longest time to recover (months)*	11

* Based on total return

Our domestic performance benchmarks

Each investment mandate has its own performance benchmark (a yardstick to measure the performance of a portfolio) which we construct from a combination of market indices which represent the asset classes that make up each mandate (Equities, Fixed Income, Alternatives and Cash). For example, for Equities we use two indices – the FTSE All Share for UK equities and the FTSE All World ex UK for overseas equities.

The weighting of each of the individual indices in the overall benchmark for each Risk Category will depend on the asset mix

for that particular Risk Category. For example, for Risk Category 6, the asset mix includes 68.5% in Equities, broken down into 24.0% in UK equities and 44.5% in overseas equities. This means that 68.5% of the benchmark will be made up of equity indices – 24.0% in the FTSE All Share for the UK equity component and 44.5% in the FTSE All World ex UK for the overseas equity component. Please see the table below for details of the individual indices for each asset class (on the right hand side of the table) and their weightings in the bespoke benchmark for each Risk Category.

Please note that the benchmark composition numbers in the table below are based on the strategic asset allocations for each Risk Category and that the benchmark for the portfolio may be tailored to meet its individual needs.

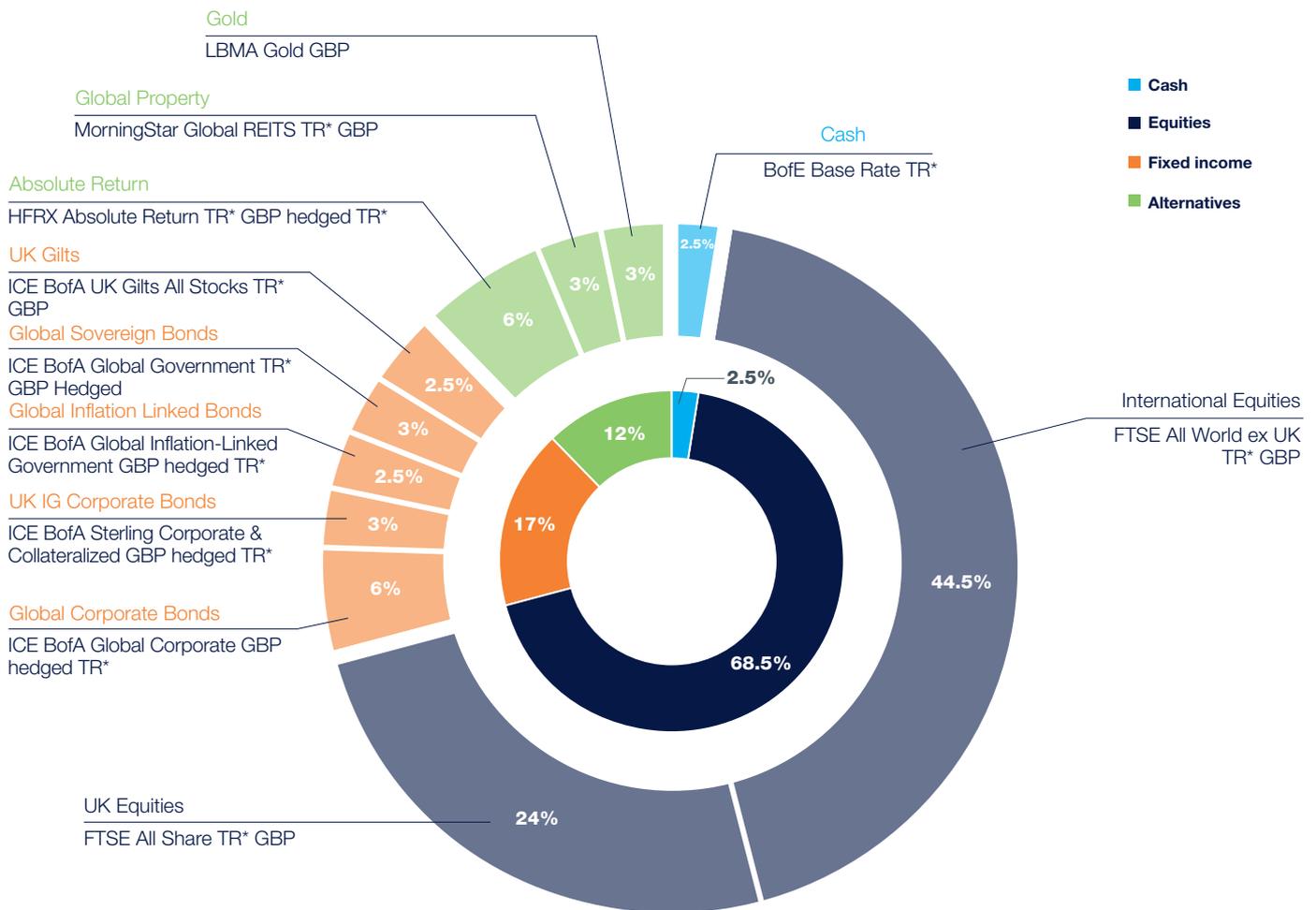
Composition of domestic benchmarks for each Risk Category

Asset class	Sub asset class	Risk Category 3	Risk Category 4	Risk Category 5	Risk Category 6	Risk Category 7	Risk Category 8	Index
Cash	Cash	7.50%	5.00%	2.50%	2.50%	2.50%	2.50%	BofE Base Rate TR*
Equities	UK Equities	6.50%	12.50%	18.50%	24.00%	29.00%	34.00%	FTSE All Share TR* GBP
	International Equities	12.00%	23.50%	34.00%	44.50%	54.00%	63.50%	FTSE All World ex UK TR* GBP
Fixed Income	UK Gilts	7.50%	5.50%	4.00%	2.50%	1.00%	0.00%	ICE BofA UK Gilts All Stocks TR* GBP
	Global Sovereign Bonds	8.50%	5.00%	5.00%	3.00%	2.00%	0.00%	ICE BofA Global Government TR* GBP Hedged
	Global Inflation Linked Bonds	5.00%	5.00%	2.50%	2.50%	0.00%	0.00%	ICE BofA Global Inflation-Linked Government GBP hedged TR*
	UK IG Corporate Bonds	8.00%	6.50%	5.00%	3.00%	1.00%	0.00%	ICE BofA Sterling Corporate & Collateralized GBP hedged TR*
	Global Corporate Bonds	15.00%	11.00%	8.50%	6.00%	2.50%	0.00%	ICE BofA Global Corporate GBP hedged TR*
Alternatives	Absolute Return	15.00%	13.00%	10.00%	6.00%	4.00%	0.00%	HFRX Absolute Return TR* GBP hedged TR*
	Global Property	7.50%	6.50%	5.00%	3.00%	2.00%	0.00%	MorningStar Global REITS TR* GBP
	Gold	7.50%	6.50%	5.00%	3.00%	2.00%	0.00%	LBMA Gold GBP

*TR – Total Return is the return an investor receives when income is reinvested

Please see the Important information on page 2

Example composite of domestic benchmark for Risk Category 6



*TR – Total Return is the return an investor receives when income is reinvested

Appendix

A description of assets and a guide to their risks

Most of the solutions we offer involve some form of investment risk and you should be aware that the value of investments and any income from them can fall and you may get back less than the amount invested.

Our services provide exposure to financial assets – such as equities and bonds – all of which are subject to some form of investment risk. It is important to understand that the level of return you can expect from an investment that is made is related to the amount and type of risk for that investment.

Below we discuss in detail the many types of risk that can impact upon the performance of an investment. First, we will look at the broad categories of investment risk and second at the different types of investment asset and the specific risks that apply to each.

Please note that this does not necessarily mean that the portfolio(s) will contain these types of investment directly.

Types of investment risk

Volatility risk

'Volatility' is a measure of the relative rate at which the price of a particular investment moves up and down. If the price of an investment moves up and down rapidly over short time periods it can be described as having high volatility. If the price changes relatively infrequently, it can be described as having low volatility.

The movements in price of an investment could be caused by events in the domestic or global economy, changes in interest rates or currency exchange rates, general political factors or company or investment-specific factors. Some investments are more volatile than others – for example, equities would generally be more volatile than government bonds, and cash would be the least volatile.

However, it is important to understand that there is a 'trade-off' between the level of volatility you are prepared to accept and the return you can expect to achieve from an investment. As a general rule, the higher the volatility of an asset, there is not only the greater potential for positive returns but also the greater potential for losses. This is often referred to as the trade-off between risk and reward. Overall, it is important to remember that investments and the income from them may go down and you may get back less than the amount invested.

Inflation risk

If you are investing over a long period of time, you need to be aware of the long-term impact of inflation. Inflation erodes the 'purchasing power' of assets – i.e. it reduces how much they will be able to buy at future price levels. Of course, inflation risk can have an impact on all types of investment but some types are more at risk than others. For example, cash is among the asset classes most vulnerable to inflation risk. If the interest rate payable on a cash deposit in a bank or building society is consistently below the rate of inflation over time, then the 'real' value (after inflation) of that cash will be eroded. This is particularly relevant to the market conditions we have experienced in the last few years, where interest rates available on deposit accounts have been generally lower than the prevailing level of inflation for some time.

Currency risk

This form of risk relates to all investments denominated in foreign currency, for example US government bonds or Continental European company shares. These assets will generally be priced in the currency of the country of origin – US government bonds will generally be denominated in US dollars and Continental European company shares will generally be priced in euros. UK investors – whose investment portfolios will usually be priced in sterling – therefore need to be aware that the value of the foreign assets that they own will depend not only on the price movements of the assets themselves in the local foreign currency but also on the movements of the exchange rate of the currencies against sterling. This can mean that investments denominated in foreign currency can be more volatile than those denominated in sterling. Movements in exchange rates may cause the value of an investment to fluctuate either in a favourable or unfavourable manner and also independently of the value of the underlying asset.

Liquidity risk

The investment term 'liquidity' essentially means the ease with which an investment can be bought and sold. For example, the shares of large companies in developed countries such as the UK have a relatively high level of liquidity – there are typically a large number of buyers and sellers in these markets and these shares can usually be bought and sold readily. They can therefore be said to have a low level of liquidity risk – should you want to 'cash in' the investment held in the shares of a large UK company you will generally be able to do so easily and relatively quickly. On the other hand, there are a number of assets which can be described as having a relatively high level of liquidity risk. These could include the shares of very small, relatively unknown companies where there is a narrow market for the shares (i.e. a relatively small number of potential buyers and sellers) and they are therefore infrequently traded. An investor who owns such 'illiquid' shares and wants to sell them may find that it takes a considerable amount of time to find a buyer, or that they will need to reduce the price they are prepared to sell the shares for in order to sell them quickly. It is this latter point particularly that you should be aware of when considering investing in relatively illiquid assets – it can sometimes prove difficult to sell these investments in a timely way and there may be a significant risk of capital loss. In extreme cases an investment may become 'non-readily realisable'. In this case the investment may not be easily tradable, and it may be difficult to obtain any reliable independent information about the value and risks associated with such an investment.

Leverage/gearing risk

Collective funds (such as investment trusts) and companies may make use of borrowing in order to enhance returns. This is known as leverage or gearing and increases both the volatility and the risk level of an investment. It applies if a company has borrowed

significant amounts of money, or if an investment vehicle (such as an investment trust) otherwise allows an investor to gain much greater exposure to an asset than is paid for at the point of sale (i.e. money is borrowed to obtain the increased exposure to that asset). It also applies if an investor borrows money for the specific purpose of investing.

The impact of leverage can mean that movements in the price of an investment lead to much greater volatility in the value of the leveraged position, and this could lead to sudden and large rises and falls in value. The impact of interest costs from borrowing may also lead to an increase in any rate of return required to break even while there is also a risk that the investor may receive nothing back once the leverage is repaid if there are significantly large falls in the value of the investment.

Stabilisation

This activity enables the market price of a security to be maintained artificially during the period when a new issue of securities is sold to the public. Stabilisation may affect not only the price of the new issue but also the price of other securities relating to it. Stabilisation can help to counter the fact that, when a new issue comes onto the market for the first time, the price can sometimes drop for a time before buyers are found due to the excess supply of shares. Stabilisation is carried out by a 'stabilisation manager' (normally the firm chiefly responsible for bringing a new issue to market). As long as the stabilisation managers follow a strict set of rules, they are entitled to buy back securities that were previously sold to investors or allotted to institutions which have decided not to keep them. The effect of this may be to keep the price at a higher level than it would otherwise have been during the period of stabilisation.

Settlement risk

This is the risk that one counterparty to a transaction does not deliver a security or its value in cash as agreed when the security was traded after the counterparty has delivered either the cash or security as per the trade agreement.

Legal risk

We instruct various agents and third parties to provide us with a service or product to enable us to administer your account such as a market counterparty to buy or sell a stock in the market. Another example is client money held by a bank instructed by us. We take great care in selecting reputable agents and third parties, however, should they default or be unable to perform their obligations by reason of any cause beyond our control, this may mean that you will bear the loss of the default to your account or change to our service. Your investments will be pooled with investments owned by other clients, therefore your individual investments are not separately identifiable. Stocks are regularly reconciled but in the unlikely event that there is an irreconcilable shortfall, you may not receive your full entitlement and share in the shortfall in proportion to your holding. The majority of our clients' pooled investments in the UK are held by one of our wholly-owned nominee companies for which we would be responsible if it acted wrongly.

There is an additional risk of investing in overseas stocks as they are held by an overseas custodian or sub-custodian which may be pooled and subject to different rules and laws governing investment. We take care in appointing the custodian and perform periodic reviews on the custodian but should it become insolvent, this may cause delay in settling a transaction or transferring investments or worse, a loss to your investment. Unless we have been negligent in appointing the custodian, we will not be responsible for the custodian's insolvency.

Investment-specific risks

In the following, we look at the various asset classes and the investment risks that are specific to each.

Equities

Company shares – attributes

Equities or company shares – and collective funds that invest in them – are commonly used by investors seeking longer-term capital growth.

- Each company share represents a stake in the ownership of that firm. In most cases, the company will be listed on a stock exchange (such as the London Stock Exchange)
- Most large company shares can be readily bought and sold under most market conditions. They entitle the shareholder to the payment of dividends – a regular payment made out of the company's profits
- Although a company is not obliged to pay a dividend its management can be held accountable by shareholders if they do not provide a reasonable return
- Over the longer term company shares have historically provided a reasonable return together with a degree of inflation protection. Although past performance is not a guide to future performance.

Specific risks

- Returns on company shares cannot be guaranteed. The price of a company's shares can go up and down and you may get back less than you originally invested
- The price variability of international shares denominated in a currency other than sterling may be higher or lower than that of UK shares once foreign currency exchange rates are taken into account
- As ownership of an equity represents a direct stake in the company concerned this will give you full exposure to the economic risks faced by the company and its value can therefore fall as well as rise. The price volatility of equity markets can change quickly and cannot be assumed to follow historic trends
- In times of particularly difficult market conditions, there is the potential to suffer irrecoverable capital losses. In the worst case, a company could fail and, if this happens, its equity can become worthless.

Examples of typical company characteristics which could mean a heightened level of equity investment risk are:

- The company's market value is relatively low (otherwise known as the 'market capitalisation')
- The products that the company offers are undiversified (i.e. it relies on one or a few product lines or services for the bulk of its profits) or the company relies on a single market as a major source of income
- A significant reliance on borrowing as a source of finance
- A significant level of up-front fixed costs to pay (for example, payments for the leasing of business premises) which are not directly related to the company's level of production
- Major income sources which are seasonal or 'cyclical' (i.e. they vary according to prevailing economic conditions) in nature
- Companies trading primarily in developing countries, particularly during poor market conditions, or in countries where legal property rights may be difficult to enforce.

Most shares that we would buy for you can be readily bought and sold under most market conditions, although this might not always be the case with shares from some very small companies. The shares of some smaller companies may trade in very low volumes, and an investment in these kinds of shares will usually involve a proportionately large difference between the market buying and selling price. This could mean that a purchase of shares of this kind followed by an immediate sale may lead to a significant loss. Some smaller companies may not be subject to the rules of a listing authority (for example, the London Stock Exchange). Such companies are likely to be higher-risk ventures and may have an unproven trading history or management team. These shares may not be readily sold, and it could be difficult to value them independently as they are not easily tradable.

Overall, the risks involved in investing in company shares can often be managed by using collective funds (such as unit trusts and investment trusts) which have a diversified portfolio of holdings or by investing directly in a wide range of shares which give exposure to a variety of industries, countries and currencies.

Collective investment schemes – attributes

A collective investment scheme is a form of investment fund that enables a number of investors to ‘pool’ their assets and invest in a professionally managed portfolio of investments – typically company shares and fixed income investments.

- Collective funds are an easy way for investors to obtain diversity in a portfolio or exposure to a particular sector
- A reduction in risk is achieved because the wide range of investments in a collective investment scheme reduces the effect that any one investment can have on the overall performance of the portfolio
- By pooling the assets of many investors, collective funds offer ‘economies of scale’. The collective fund will buy and sell investments in large amounts and the costs of this will be shared by all of the investors in the fund. The costs of investing would therefore usually be lower for each individual investor than if they were investing privately
- Investors may benefit from the skills, experience and resources a professional management company can offer
- Collective investments may be more expensive due to additional fund management fees.

Specific risks

- The price of a collective investment scheme is determined by the price of the underlying assets of the fund. Therefore the price of a fund may rise or fall in line with the underlying rise or fall of underlying asset values
- Returns on company shares, and therefore the investment funds that invest in them, are not guaranteed
- As with company shares, in times of particularly difficult market conditions, there is the potential to suffer irrecoverable capital losses
- Some collective investments may be in unquoted investments or property and therefore potentially higher risk and illiquid and therefore not easily realisable
- There may be exposure to foreign currency fluctuations which could amplify losses that may be incurred on typical investments.

As the underlying components of collective investment schemes are chiefly company shares and fixed income investments, please see these sections for fuller explanations of their attributes and the associated risks to which you may be exposed.

Investment trusts – attributes

Investment trusts (specialist companies set up for the purpose of investment that are listed on a stock exchange) are a type of collective fund – an equity investment that pools money from many different investors.

- Investment trusts are known as ‘closed ended’ – that is, they have a set number of shares that can be traded on a stock exchange (although investment trusts do occasionally issue more shares or buy some of their shares back)
- The share price of an investment trust is determined by supply and demand for the shares and can be higher or lower than the value per share of the underlying assets (this is called the ‘net asset value’ or NAV). When the share price is higher than the NAV, the investment trust will be trading at a ‘premium’ but when the share price is lower than the NAV it will be trading at a discount. The concept of investment trust discounts and premiums is a key risk for investors to be aware of – it is important that you refer to the specific risks set out below for further information
- Investment trusts can make use of borrowing in order to enhance returns (known as ‘leverage’ or ‘gearing’) or may invest in other companies that may use gearing.

Specific risks

- While gearing can potentially produce stronger investment returns if used successfully it also increases both the volatility (a measure of the relative rate at which the price of a particular investment moves up and down) and the overall risk level of an investment in investment trust shares
- As a result, movements in the value of the leveraged position (the investments purchased using the borrowed funds) may be more volatile than the movements in the price of the underlying investment. The value of the leveraged position may be subject to sudden and large falls in value and you may get back nothing at all if the fall in value is sufficiently large
- Investing in the shares of an investment trust is subject to similar risks to investing in company shares, although the share price can also be impacted by the performance of the underlying investments
- While the share price of an investment trust may be influenced by the performance of the underlying investments and thus the NAV, there is no guarantee that a discount will close or that an investment trust will move to a premium even if the underlying investments are performing well.

Structured products – attributes

A structured product is the generic term for manufactured investment products used by investors to provide exposure to a wide range of underlying asset classes (for example, equities).

- Generally they have a limited lifespan and a maturity date
- An investor in structured products should be aware of both the nature of the underlying assets and the extent of the exposure to those assets. In some cases, structured products may offer a high income or a high level of access to the capital growth of the underlying assets

- Structured products are generally issued by investment banks. The solvency of these institutions is crucial for not only the investment return but also for the ability of investors to buy and sell structured products (i.e. their 'liquidity')
- The level of income and/or capital growth provided by a structured product is usually linked in some way to the performance of a specified underlying asset class. Some structured products aim to at least return the initial capital invested at the end of the term
- Structured products can also come in the form of credit-linked notes, where product performance is linked to a fixed income index or a particular bond. This type of product is more likely to behave like an ordinary bond that pays a regular coupon and so should be categorised in the fixed income asset class. However, structured product returns are never guaranteed
- The investment return (i.e. the level of income and/or capital growth) is usually linked in some way to the performance of the relevant underlying assets
- Structured products can be complex – supported by our Research Team, we will examine closely the precise details of an individual product before investing.
- It is important to be aware that the product terms for a structured product will only apply to investors who invest at launch and who hold the product until final maturity. Early redemption or purchase after launch could result in a capital loss, even where the product aims to return the amount purchased. These products may also not be readily realisable, which means that it may be difficult to sell a product of this type
- Investors should only invest in structured capital at risk products if they are prepared to accept the risk of sustaining a total or substantial loss of the money they have invested, plus any commission or other transaction charges. Furthermore, some structured products may not be covered by the Financial Services Compensation Scheme or the Financial Ombudsman Service
- The payoff of a structured product can be linked to the performance of any asset class such as equities, fixed income or commodities. The type of asset will largely determine the risk/return profile of the structure. If the product performance is linked to an equity index such as the FTSE 100 then the structure will exhibit equity-like risk-return characteristics and so it should be allocated to the equity asset class. Some structured products with partial capital protection may be linked to more than one asset class at the same time. An example of this would be a 'geared supertracker' where the product performance is linked to the gold price while the capital protection is linked to an equity index.

Specific risks

- You should be aware that the return of capital invested at the end of the investment period is not guaranteed, and therefore you may get back less than was originally invested
- Structured products can expose you to a range of different investment risks. We will monitor these risks and associated risks on an ongoing basis. This is crucial as the risk of structured products evolves as time passes
- Structured capital-at-risk products (known as SCARPs) aim to return the original money invested at the end of the term unless the index or asset price to which the product is linked has fallen below a predetermined threshold. If this happens you can quickly lose all or part of the original capital invested
- Prices can fluctuate below the level at which originally invested, due to market forces such as interest rates. If the product is sold before its maturity date the return may be less than invested, irrespective of the performance of the underlying asset
- Structured products will not necessarily outperform the underlying asset to which they are linked
- In a similar way to bonds and debt instruments, most structured product strategies are exposed to the credit risk of the product issuer, meaning that investments could be entirely lost if the issuer is not able to repay the sums due under the terms of the product
- Structured products generally include leverage (i.e. borrowing), and their value can be subject to sudden and large falls if conditions arise which mean that the product is unable to repay the full amount invested
- Investors should review detailed product information and other literature carefully for details of any factors which might impact how the payout from a structured product may change under different economic or market conditions. In particular, where a product aims to repay the amount invested, which is subject to certain conditions being met, the value of an investment will be exposed to the full risk of the underlying assets if these conditions are not met

Fixed income bonds and bond funds – attributes

A fixed income investment is a security that pays a known return, often with lower risk than equities. Bonds are the most common form of fixed income security – these are loans mainly issued by governments, companies or other organisations.

- The bond issuer promises to repay the amount borrowed at the end of the bond's life and also promises to make predetermined interest payments during the life of the bond
- There are various types, ranging from bonds issued by robust governments/countries, where the risk that an investor will not be repaid tends to be very low, to corporate bonds (bonds issued by companies) where the risk is generally higher
- Government bonds can generally be bought and sold easily while corporate bonds vary more in terms of the ease with which they can be traded
- The price of bonds often moves inversely to changes in cash interest rates.

Specific risks

- Bonds issued by major governments (e.g. UK government bonds, often referred to as 'gilts') or supranational bodies (for example, the European Investment Bank) tend to be lower-risk investments
- The risks of other types of bonds (such as those issued by developing countries or individual companies) can vary greatly
- For example, if an issuer is in financial difficulty, there is an increased risk that they may be unable to meet the payments to bondholders that they are due to make. In this event, little or no capital may be recovered and any amounts repaid may take a significant amount of time to obtain
- The payments received from bonds are typically fixed (hence the term 'Fixed Income') which means that inflation can erode their 'real' value to some extent.

The value of bonds can generally be expected to be more stable than that of company shares. However, in some circumstances the value of most bonds can also be volatile and prices can go up or down. The factors which are likely to have an impact on the value of a bond are:

- The financial position of the bond issuer
- Changes to market interest rate expectations
- The bond issuer's credit rating (which reflects their ability to repay the amounts payable when they fall due)
- The amount of interest payable (otherwise known as the 'coupon')
- The length of time until the debt falls due for repayment
- Where the bond ranks in terms of the issuer's other liabilities (referred to as the 'seniority'), and the quality of any security available. Should a company be wound up, bonds rank above equities in terms of claims on the company's assets and are therefore less risky.

Government bond investments can generally be sold easily to release funds if required. Corporate bond investments (loans to companies) vary more in terms of the ease with which they can be bought or sold. Holding bonds in an investment portfolio can partially reduce the level of risk in a portfolio as bonds often make gains when company share prices fall. However, the price of bonds often moves inversely to changes in cash interest rates.

Cash – attributes

The main form of cash for investment purposes is savings or deposit accounts which generally (but not always) pay interest on the amount deposited.

- Our investment managers will generally hold a certain amount of cash in a portfolio to enable them to take advantage of investment opportunities as and when they arise
- Cash is also used to reduce the volatility of a portfolio and this can be of particular use in terms of helping to protect its value during periods of falling markets.

Specific risks

- Broadly speaking, cash has virtually no short-term risk of capital loss (other than due to a default by the institution taking the cash deposit) and can be readily accessed (e.g. an instant access deposit account will allow you to withdraw cash whenever you want to)
- However, cash frequently provides a return that is below the prevailing rate of inflation – particularly in recent years as interest rates have been at historically low levels – meaning that the 'real' value, i.e. buying power, of cash is eroded over time.

Alternative investments

'Alternative investments' are a range of assets which have different characteristics from equities, bonds and cash and may be used by our investment managers for diversification and risk management purposes. Diversifying through alternative investments may be used to further mitigate against the investment risks within a portfolio.

These investments may involve unique or unusual risks as a result of providing alternative sources of return for a portfolio. It is important that investors understand the properties of the particular type of assets they are planning to use before making such an investment. Many alternative investments are structured as unregulated funds. This

means that standards of operation, administration and management are determined privately by the operator of the fund, rather than being driven by regulation. It is important to understand that it may be difficult to sell an investment of this type, or to obtain an independently determined fair valuation for a holding in this kind of investment.

In addition, investors may not be protected by financial regulations or compensation schemes in the event that a company operating an alternative investment scheme acts unlawfully and causes a loss to investors when managing fund assets. Such risks can be mitigated by conducting thorough research prior to investment, or through investment via a professionally managed fund of funds.

You should only invest in these products if you are prepared to sustain a total or substantial loss of the money invested, plus any commission or other transaction charges. The term 'alternative investments' covers a very wide range of investment products – the attributes and risks specific to the most widely used categories of these products are set out here.

Absolute Return – attributes

Absolute Return funds aim to deliver positive returns in any market condition, but returns are not guaranteed. Absolute Return is a very broad category that encompasses most asset classes and investment techniques.

- An Absolute Return fund may invest in any asset class such as equities, bonds, currencies, commodities or derivatives
- Absolute Return funds employ various investment strategies, many of which are similar to the strategies employed by hedge funds. Below are some examples:
 - Short selling – selling securities and buying them back at a later date if a security price is expected to fall
 - Relative value trades – selling one security whilst simultaneously buying another one with similar characteristics
 - Trend/Momentum trades – buying or selling securities based on their recent performance
 - Curve/Duration trades – buying or selling bonds with different maturities according to portfolio managers' interest rate expectations
- Absolute Return funds can be complex – supported by our Research Team, we will examine the details of individual funds to try and reduce the risk of investing.

Specific risks

- Although Absolute Return funds aim to achieve positive returns, this objective is not guaranteed
- Absolute Return funds often invest in derivatives which can have additional risks associated with them
- Selling assets ('going short') exposes the investors to a higher level of risk than buying securities. This is because the losses are potentially unlimited as the price of sold securities can go up perpetually. Additionally there is a regulatory risk, e.g. the Financial Conduct Authority (FCA) may place a ban on short sales
- Absolute Return funds may employ leverage either through borrowing or through derivative positions. Whilst it can enhance the potential returns it also exaggerates potential losses
- Often Absolute Return funds take positions in exotic or thinly traded assets to earn extra returns from holding illiquid assets.

Property – attributes

The main type of property that is typically purchased for investment portfolios is commercial property – this encompasses shops, offices and other types of business premises and is usually acquired via units in a property fund.

- Investment in commercial property entitles the holder to rents paid by the tenant as well as the disposal proceeds if property is sold
- Over longer periods the capital growth and income returns it can generate have historically provided a level of protection against inflation. Although past performance is not a guide to future performance.

Specific risks

- The rental income from and value of a given property will be impacted by demand, although it is important to emphasise that property can be difficult to value independently. There is no guarantee that the underlying properties invested in by a property fund will remain occupied and they may incur significant maintenance or restoration costs which could impact on the returns available. All property is subject to local risks which may be unique in nature and may be caused by factors such as prevailing legal, economic, environmental or political circumstances
- One of the key risks of investing in property is that it is the least 'liquid' of the main asset types – that is to say the relatively long time it can take to buy and sell property means that direct investment in this asset class will generally not offer quick access to your money if you want to sell. In weak market conditions it may prove more difficult to sell a property
- Our investment managers use specialist property collective investment schemes (funds) such as Real Estate Investment Trusts (REITs) or Property Authorised Investment Funds (PAIFs) that invest in property, meaning they can usually sell holdings on any working day. However, there have historically been a few examples of funds having to suspend investors' rights to withdraw money, sometimes for a substantial period of time, in order to balance the interests of investors exiting a property fund with those staying in the fund
- These delays can be up to six months in duration in the case of funds which invest directly or indirectly in buildings or land
- Investment in property development funds carries additional risks related to the successful completion of the development project both on time and according to budget. Even if a project is successfully completed, there is no guarantee that properties will either be sold or become occupied with tenants at the intended price or within the intended timeframe
- Commercial property is also subject to risks related to the type of use associated with the property, and the prosperity of the local or national economy relevant to the tenants and their business. Returns available from property funds may also be affected by leverage where borrowing is used to finance either construction or purchase.

Hedge funds – attributes

Hedge funds are pooled investments which, in contrast to conventional collective funds, will use a wide variety of different trading strategies in order to produce returns.

- One example of this is 'short selling' – an investment technique that enables a fund to potentially benefit from falling share prices
- The type of strategies and investments used by a hedge fund will be a key determinant of how risky the investment will be
- Our investment managers may use absolute return funds and funds of hedge funds in client portfolios (these offer diversified exposure to a range of types of hedge fund and are managed by specialists dedicated to hedge fund analysis).

Specific risks

- Strategies may range from lower-risk funds which aim to deliver a positive return regardless of market conditions (known as 'absolute return funds') to high-risk or speculative funds which make use of borrowing (or 'leverage') in an attempt to maximise returns
- While this borrowing will serve to magnify positive returns it will also make losses larger than they would have been had the borrowed money not been invested
- Investments made by hedge funds may also be narrowly based around a specific type of asset or trading strategy and the returns experienced by investors in these funds may be adversely affected by very specific market or industry circumstances. It is therefore important to understand the type of strategy and investment to be used
- Potential for high volatility
- Returns on hedge funds are not guaranteed, you may get back less than you invested.

Infrastructure – attributes

The term infrastructure refers to investment in vital economic assets including roads, railways, airports, oil and gas storage and transportation facilities, marine ports and electricity and water utilities.

- Investing in infrastructure offers the potential for capital growth as well as a degree of protection from inflation – broadly speaking, infrastructure investments tend to generate relatively stable levels of income (although this cannot be guaranteed).

Specific risks

- A key risk to investing in this sector is that companies involved in infrastructure-related industries are subject to environmental considerations and government regulation, which may impact on returns to investors.

Commodities-linked products – attributes

This broad term refers to natural resources that are either mined, extracted or harvested. Commodities encompass energy (i.e. oil, coal and natural gas), 'soft' commodities (i.e. agricultural goods such as coffee and wheat), 'hard' commodities (i.e. industrial metals such as copper and tin) and precious metals such as gold.

- A key reason for investing in commodities is that it can offer some protection from inflation. Virtually everything that is produced, bought and sold makes either a direct or indirect use of commodities of one form or another so a general rise in prices is likely to be associated with a rise in the price of at least some key commodities. Therefore, getting exposure to commodities should in theory help to maintain the purchasing power of an investment portfolio

- Investment in commodities (including precious metals) is often achieved either via a structured product based on a commodities index or basket of different commodities, or by using a commodity derivative (a financial contract which derives its value from the performance of an underlying asset or market index), or by the use of an Exchange-Traded Fund (ETF) which aims to track the price of the commodity itself
- Precious metals have their own distinct characteristics and a key reason for using these in a portfolio (indirectly through an ETF) is that their value is generally not connected to the performance of the other more mainstream asset classes such as company shares or bonds
- In particular, gold and other precious metals are seen as more likely to hold or even increase their value during times of severe economic and social turbulence as theoretically investors will flock to them as 'safe havens' and this has proved to be the case on a number of occasions in history.
- A further risk is that as private companies do not have to meet the requirements of a company that lists on a stock exchange, there is a risk of a lower level of scrutiny of the management of these companies. As a result, the management may be less accountable to shareholders for decisions that they make than the management teams of public companies
- One of the features of private equity fund investment is a concept called 'capital commitment'. This is an agreement between an investor and a private equity fund under which the investor is obliged to contribute money to the fund. The investor may pay all of the committed capital at one time or over a period of time (known as the 'capital commitment period'). Investors must therefore be capable of making payments to satisfy the requests for capital made throughout the commitment period
- Private equity investment may involve a focused portfolio of investments, which could lead to exposure to undiversified underlying assets. It may also involve the use of significant leverage or borrowing, which amplifies potential risks

Specific risks

- A key risk to be aware of is that commodity prices can be extremely volatile – that is the price can change dramatically from month to month or over very short time periods
- They can also be very difficult to predict – commodities may be affected by a variety of political, economic, environmental and seasonal factors which impact on the demand for or the available supply of the given commodity. For example, the prices of agricultural goods will be impacted if severe weather events affect crop yields, while the price of oil has historically been strongly linked to global political events such as tensions in the Middle East.

Private Equity – attributes

This term refers to investment in companies that are not traded on a public stock exchange (for example, the London Stock Exchange), but can offer access to strong growth potential.

- These companies raise finance privately and are not subject to the stringent requirements faced by companies that do list on a stock exchange
- The type of unlisted companies that a private equity fund may invest in could range from small start-up companies to larger firms with a long and established trading history
- By definition private equity is not dealt on public stock exchanges and is therefore generally difficult to trade in. Our investment managers tend to access private equity through collective investments which are usually dealt on a daily basis.

Specific risks

- As private equity investments are not traded on public stock exchanges, there is a risk that they may prove difficult to sell as it may take time to find a buyer – i.e. they can be significantly less 'liquid' than other investments
- This may also affect the price at which the investment can be sold (i.e. you may have to accept a price that is lower than fair value in order to achieve a sale)

- Payments to investors from private equity funds are generally made in cash. However, if a fund is unable to sell its interest in a private company, it may instead distribute holdings in these companies to investors in the fund.

Overall, it is important that you are familiar with the terms of, and risks associated with, any private equity fund that you invest in.

Other investment products and their risks

Derivatives for hedging and income enhancement – attributes

In some circumstances, derivatives (securities whose price is dependent upon or derived from one or more underlying assets – the derivative itself is a contract between two or more parties) may be used to offset certain risks that may exist in a portfolio. This is known as 'hedging'.

- For instance, a holding in a foreign company exposes an investor to the movements of the currency that the company is denominated in, as well as the economic risks of the company. It is possible to offset some of the currency risk by purchasing an appropriate derivative contract
- Similarly, derivative contracts which aim to cover risks associated with interest rate movements, company defaults or falls in equity values can also be purchased.

Specific risks

- The cost of the derivative contract may lower the returns that a portfolio might have otherwise earned if the risk was left 'unhedged'
- The derivative contract may not perfectly offset the risk that it is intended to offset
- The counterparty which issues the derivative may default and not be able to honour the contract
- The price of a derivative can move independently of underlying assets
- The use of derivatives may amplify losses.

In some instances derivatives may be used to enhance the income of a portfolio and the same risks are applicable.

Exchange Traded Funds (ETFs) and Exchange Traded Notes (ETNs) – attributes

ETFs and ETNs are exchange traded funds which try to match a specified benchmark index. There are a number of different structures that are used to create these funds.

Specific risks

- The risks that an investor is exposed to depend partly on the structure of the fund and partly on the index that the fund is designed to track
- If the benchmark index is an equity index then an investor is exposed to the same risks as those for equity funds. Similarly, if the benchmark index is a bond index then an investor is exposed to the same risks as those for bond funds
- The benchmark index could instead be related to commodities or some other index which may have its own idiosyncratic risks
- Further to the risks inherent in the benchmark, the structure of the ETF or ETN may give rise to the following risks:
 - A fund may not fully replicate the benchmark index and may therefore not produce the intended results
 - The fund may engage in securities lending. Securities lending involves the risk that the fund may lose money because the borrower of the loaned securities fails to return them in a timely manner or at all
 - Where a fund uses derivatives to recreate the benchmark index returns, there is a risk that the counterparty which issues the derivative may default and not be able to honour the contract.

Non-Mainstream Pooled Investments (NMPI) – attributes

Non Mainstream Pooled Investments (NMPIs) are pooled investments or funds, which are characterised by unusual, speculative or complex assets, product structures, investment strategies and/or terms and features.

- NMPIs are a particular type of pooled investment vehicle and are generally regarded as high-risk products that often invest in assets which are typically not traded in established markets and which are therefore difficult to value and may be highly illiquid
- The investments are often complex and difficult to understand and performance information may be unavailable or unreliable
- NMPIs may invest in one or more volatile assets, such as property, emerging market stocks, renewable energy or fine wine, and therefore the risk of an investor losing all or part of their money are much higher than other investment types
- A NMPI encompasses:
 - Units in an Unregulated Collective Investment Scheme (UCIS)
 - Units in a Qualified Investor Scheme (QIS)
 - Securities issued by special purpose vehicles (SPVs) (other than excluded securities)
 - Traded life policy investments (TLPs); and Rights to or interests in investments in any of the above.

- NMPIs are unlikely to be suitable for the average or ordinary retail investor; they are more likely to be appropriate for professional or institutional investors and to those clients who are sophisticated investors, and have significant investment experience of investing in these types of investments, and understand all the associated risks
- While our investment managers may make occasional use of UCIS in client portfolios, these are not a core investment type.

Specific risks

- High risk and illiquid
- A client investing in a NMPI could lose some or all of their investment
- Unlike regulated CIS, NMPI may not be subject to investment and borrowing restrictions aimed at ensuring a prudent spread of risk, therefore the risk of a total or partial loss of capital is much higher. As a result they are generally considered to be a high-risk investment and you should always ensure that you understand the risks before investing
- You may not be covered by the Financial Ombudsman Service (FOS), should you have a complaint about the fund, or the Financial Services Compensation Scheme (FSCS) should you need to seek compensation
- Some investments do not have cancellation rights
- UCIS are not regulated by the UK (or other) authorities and therefore do not provide the same protections as regulated investment funds. Furthermore, their holdings are difficult to value because of the lack of market pricing.

Investment bond products – attributes

An investment bond is a medium to long-term investment contract which is issued by an insurance company.

- An investment will be subject to the ability of the insurance company to repay the sums owing to an investor when they fall due for payment
- This means that the creditworthiness of the insurance company is important, much in the same way as for any other bond
- Investment bond providers generally maintain a range of collective investment funds with different asset allocations and market exposure.

Specific risks

- In some cases, the returns available from an investment bond are linked directly to a specific pool of assets held by the insurance company
- In other cases, the returns could be linked more generally to the profits of the insurance company in general, which reduces the overall transparency of returns.

If you wish to invest in an investment bond, you will be presented with specific information about the type of contract, its terms, charges and more general information about the insurer and its financial strength. Please refer to this information for specific details about the policy and a more detailed description of the risks.

Warrants – attributes

A warrant is a security that entitles the holder to buy the underlying stock of the issuing company at a fixed exercise price until the expiry date.

- A relatively small movement in the price of the underlying security can result in a disproportionately large movement, unfavourable or favourable, in the price of the warrant
- Warrants may appear in clients' portfolios after the process of an initial public offering of an investment trust as they are often issued with ordinary shares at the same time
- It is however, unlikely that an investment manager would include warrants in a client's portfolio.

Specific risks

- The price of warrants can be volatile
- It is essential for anyone who is considering purchasing warrants to understand that the right to subscribe which a warrant confers is invariably limited in time – should the investor fail to exercise this right within the predetermined time-scale then the investment becomes worthless.

Warrants are usually only appropriate for clients with the willingness and ability to take a high degree of risk with their investments – you should not buy a warrant unless you are prepared to sustain a total loss of the money you have invested plus any commission or transaction fees.

The value of investments and any income from them can fall and you may get back less than you invested.

Information is provided only as an example and is not a recommendation to pursue a particular strategy.

If you invest in currencies other than your own, fluctuations in currency value will mean that the value of your investment will move independently of the underlying asset.

Please note that this document was prepared as a general guide only and does not constitute tax or legal advice. While we believe it to be correct at the time of writing, RBC Brewin Dolphin is not a tax adviser and tax law is subject to frequent change.

Tax treatment depends on your individual circumstances; therefore you should not rely on this information without seeking professional advice from a qualified tax adviser.

Past performance is not an indication of future performance. In this document performance is quoted before fees, charges, levies and taxes and these may have the effect of reducing the illustrated performance. All performance shown is based upon any income generated being re-invested, except for the Average Capital Return and Average Yield figures.

The expected returns shown are based on our long-term forecasts, for a mix of assets similar to a portfolio suitable for an investor aligned to the Risk Category indicated.

The data in our sample charts is based on reasonable assumptions which are in turn based on objective data. There are no guarantees that these levels of performance will be achieved, in which case any returns will differ from those illustrated.



Teitl adroddiad:	Audit Correspondence 2022			
Report title:				
Adrodd i:	Charitable Funds Committee			
Report to:				
Dyddiad y Cyfarfod:	Wednesday, 18 January 2023			
Date of Meeting:				
Crynodeb Gweithredol:	<p>This paper is a one off paper which has two appendices which need to be considered, brought to the Charitable Funds Committee for noting.</p> <p>In March 2022 the Audit Lead for Audit Wales asked the Executive Director of Finance to provide evidence of management process and assurance on a number of governance areas that impact on the audit of the charity's financial statement. The Executive Director of Finance provided a response in April 2022. These two documents are appended to this paper.</p> <p>The letter from Audit Wales formally seeks documented consideration and understanding of a number of governance areas that are relevant to the Charitable Funds Committee and requests that 'responses should be formally considered and communicated to us on behalf of both management and those charged with governance'. Given the delegated powers to the Charitable Funds Committee, the Charitable Funds Committee are asked to note the enquiries to management and responses that were provided to Audit Wales and confirm they agree with the responses provided.</p>			
Executive Summary:				
Argymhellion:	<p>The Committee is asked to note the correspondence included in the Appendices of this Audit Enquiries: Governance and Management. Response April 2022 paper and discuss the formal response provided by the Executive Director of Finance.</p> <p>It is recommended that the Charitable Funds Committee confirm that they agree with the responses provided by the Executive Director of Finance.</p>			
Recommendations:				
Arweinydd Gweithredol:	Steve Webster, Interim Executive Director of Finance			
Executive Lead:				
Awdur yr Adroddiad:	Kirsty Thomson, BCUHB Head of Fundraising			
Report Author:				
Pwrpas yr adroddiad:	<p>I'w Nodi <i>For Noting</i></p> <p><input checked="" type="checkbox"/></p>	<p>I Benderfynu arno <i>For Decision</i></p> <p><input type="checkbox"/></p>	<p>Am sicrwydd <i>For Assurance</i></p> <p><input type="checkbox"/></p>	
Purpose of report:				
Lefel sicrwydd:	<p>Arwyddocaol <i>Significant</i></p> <p><input checked="" type="checkbox"/></p> <p>Lefel uchel o hyder/tystiolaeth o ran darparu'r mecanweithiau / amcanion presennol</p> <p><i>High level of confidence/evidence in delivery of existing mechanisms/objectives</i></p>	<p>Derbyniol <i>Acceptable</i></p> <p><input type="checkbox"/></p> <p>Lefel gyffredinol o hyder/tystiolaeth o ran darparu'r mecanweithiau / amcanion presennol</p> <p><i>General confidence / evidence in delivery of existing mechanisms / objectives</i></p>	<p>Rhannol <i>Partial</i></p> <p><input type="checkbox"/></p> <p>Rhywfaint o hyder/tystiolaeth o ran darparu'r mecanweithiau / amcanion presennol</p> <p><i>Some confidence / evidence in delivery of existing mechanisms / objectives</i></p>	<p>Dim Sicrwydd <i>No Assurance</i></p> <p><input type="checkbox"/></p> <p>Dim hyder/tystiolaeth o ran ddarpariaeth</p> <p><i>No confidence / evidence in delivery</i></p>
Assurance level:				

<p>Cyfiawnhad dros y gyfradd sicrwydd uchod. Lle bo sicrwydd 'Rhannol' neu 'Dim Sicrwydd' wedi'i nodi uchod, nodwch gamau i gyflawni sicrwydd 'Derbyniol' uchod, a'r terfyn amser ar gyfer cyflawni hyn:</p> <p><i>Justification for the above assurance rating. Where 'Partial' or 'No' assurance has been indicated above, please indicate steps to achieve 'Acceptable' assurance or above, and the timeframe for achieving this:</i></p> <p>This paper provides Audit Wales and the Charitable Funds Committee with evidence of management process and assurance on a number of governance areas that impact on the audit of the charity's financial statement.</p>	
<p>Cyswilt ag Amcan/Amcanion Strategol:</p> <p><i>Link to Strategic Objective(s):</i></p>	<p>Aligned to the Awyr Las Charity Strategy.</p>
<p>Goblygiadau rheoleiddio a lleol:</p> <p><i>Regulatory and legal implications:</i></p>	<p>Charity Commission and HMRC regulation</p>
<p>Yn unol â WP7, a oedd EqIA yn angenrheidiol ac a gafodd ei gynnal?</p> <p><i>In accordance with WP7 has an EqIA been identified as necessary and undertaken?</i></p>	<p>Equality Impact (EqIA) and a socio-economic (SED) impact assessments not applicable.</p>
<p>Yn unol â WP68, a oedd SEIA yn angenrheidiol ac a gafodd ei gynnal?</p> <p><i>In accordance with WP68, has an SEIA identified as necessary been undertaken?</i></p>	<p>Equality Impact (EqIA) and a socio-economic (SED) impact assessments not applicable.</p>
<p>Manylion am risgiau sy'n gysylltiedig â phwnc a chwmpas y papur hwn, gan gynnwys risgiau newydd (croesgyfeirio at y BAF a'r CRR)</p> <p><i>Details of risks associated with the subject and scope of this paper, including new risks(cross reference to the BAF and CRR)</i></p>	<p>The risks of the charity are reviewed by the Committee on a quarterly basis.</p>
<p>Goblygiadau ariannol o ganlyniad i roi'r argymhellion ar waith</p> <p><i>Financial implications as a result of implementing the recommendations</i></p>	
<p>Goblygiadau gweithlu o ganlyniad i roi'r argymhellion ar waith</p> <p><i>Workforce implications as a result of implementing the recommendations</i></p>	<p>Not applicable.</p>
<p>Adborth, ymateb a chrynodeb dilynol ar ôl ymgynghori</p> <p><i>Feedback, response, and follow up summary following consultation</i></p>	<p>Not applicable.</p>
<p>Cysylltiadau â risgiau BAF: (neu gysylltiadau â'r Gofrestr Risg Gorfforaethol)</p> <p><i>Links to BAF risks:</i> (or links to the Corporate Risk Register)</p>	<p>See Risk Register</p>

<p>Rheswm dros gyflwyno adroddiad i fwrdd cyfrinachol (lle bo'n berthnasol)</p> <p><i>Reason for submission of report to confidential board (where relevant)</i></p>	<p>Not applicable</p>
<p>Camau Nesaf: Gweithredu argymhellion</p> <p><i>Next Steps: Implementation of recommendations</i></p>	<p>The Committee is asked to note the report and the formal response provided by BCUHB in April 2022.</p>
<p>Rhestr Atodiadau List of Appendices:</p>	<p>Appendix 1: Letter March 2022 from Audit Wales for the attention of the BCUHB Executive Director of Finance.</p> <p>Appendix 2: Letter April 2022 from the BCUHB Executive Director of Finance for the attention of Audit Wales.</p>

24 Cathedral Road / 24 Heol y Gadeirlan
Cardiff / Caerdydd
CF11 9LJ
Tel / Ffôn: 029 2032 0500
Fax / Ffacs: 029 2032 0600
Textphone / Ffôn testun: 029 2032 0660
info@audit.wales / post@archwilio.cymru
www.audit.wales / www.archwilio.cymru

Sue Hill
Executive Director of Finance
Betsi Cadwaladr University Health Board
Block 5 Carlton Court
St Asaph Business Park
St Asaph LL17 0JG

Date 03 March 2022
Tel No 02920 829394
E-mail Simon.monkhouse@audit.wales

Dear Sue,

Betsi Cadwaladr University Local Health Board 2021-22 - Audit enquiries to those charged with governance and management

In our 2022 Audit Plan, we are responsible for obtaining reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether caused by fraud or error. We also set out the respective responsibilities of auditors, management and those charged with governance.

This letter formally seeks documented consideration and understanding on a number of governance areas that impact on my audit of your financial statements. These considerations are relevant to both the management of the Betsi Cadwaladr University Local Health Board (the Health Board) and 'those charged with governance' (the Audit Committee and the Charitable Funds Committee (for the Charity)).

We have set out below the areas of governance on which we are seeking views.

1. Management processes in relation to:

- undertaking an assessment of the risk that the financial statements may be materially misstated due to fraud;
- identifying and responding to risks of fraud in the organisation;
- communication to employees of views on business practice and ethical behaviour; and
- communication to those charged with governance the processes for identifying and responding to fraud.

2. Management's awareness of any actual or alleged instances of fraud.

3. How management gain assurance that all relevant laws and regulations have been complied with.

4. Whether there is any potential litigation or claims that would affect the financial statements.

5. Management processes to identify, authorise, approve, account for and disclose related party transactions and relationships.

The information you provide will inform our understanding of the Health Board and its business processes and support our work in providing an audit opinion on your 2021-22 financial statements and those of the Charity.

I would be grateful if you could complete the attached tables in Appendices 1-3. I have included the responses you provided in 2020-21 for ease of reference.

Your responses should be formally considered and communicated to us on behalf of both management and those charged with governance by 30 April 2022. In the meantime, if you have queries, please contact me on 02920 829394 or by e-mail simon.monkhouse@audit.wales.

Yours sincerely

A handwritten signature in black ink, appearing to read 'S Monkhouse', written in a cursive style.

Simon Monkhouse
Audit Lead



GIG
CYMRU
NHS
WALES

Bwrdd Iechyd Prifysgol
Betsi Cadwaladr
University Health Board

Mrs. Sue Hill
Executive Director of Finance
BCUHB
Carlton Court,
St Asaph Business Park,
St Asaph,
LL17 0JL

Simon Monkhouse
Audit Lead
Audit Wales
24 Cathedral Road
Cardiff
CF11 9LJ

30 April 2022

Dear Simon,

RE: Betsi Cadwaladr University Local Health Board 2021-22 – Audit enquiries to those charged with governance and management.

Further to your letter of 3rd March 2022, please find attached the Health Board's responses to the 2021-22 audit enquiry letter in respect of the following areas:

- Appendix 1 - Matters in relation to fraud
- Appendix 2 - Matters in relation to laws and regulations
- Appendix 3 - Matters in relation to related parties

The responses provided cover both the management of the Betsi Cadwaladr University Local Health Board as well as those charged with governance (the Audit Committee and the Charitable Funds Committee).

Please contact Simon Weaver on Simon.Weaver2@wales.nhs.uk if you require any further information.

Yours Sincerely,

Sue Hill
Cyfarwyddwr Gweithredol Cyllid
Executive Director of Finance

Appendix 1

Enquiries of management – in relation to fraud		
Question	2020-21 Response	2021-22 Response
<p>1. What is management's assessment of the risk that the financial statements may be materially misstated due to fraud and what are the principal reasons?</p>	<p>Management's assessment is that material risk of misstatement due to fraud is low for the following reasons:</p> <ul style="list-style-type: none"> • Principle assurance is provided through the conduct and performance of a professional finance function and through the design and implementation of extensive financial systems that provide the Health Board's financial data; • The financial systems have been designed to satisfy the requirements of the Standing Orders, Scheme of Delegation, Standing Financial Instructions and BCU Finance policies and procedures; • The financial statements are compiled from information provided from the financial systems, which must also comply with the requirements of the relevant accounting concepts and conventions, International Accounting Standards, the Welsh Government Manual of Accounts and HM Treasury's Financial Reporting Manual; • The year-end financial statements are produced using the same data and transactions that are used for management reporting and accounting throughout the year; • There is extensive review and monitoring of the financial position throughout the year, including the 	<p>Management's assessment is that material risk of misstatement due to fraud is low for the following reasons:</p> <ul style="list-style-type: none"> • Principle assurance is provided through the conduct and performance of a professional finance function and through the design and implementation of extensive financial systems that provide the Health Board's financial data; • The financial systems have been designed to satisfy the requirements of the Standing Orders, Scheme of Delegation, Standing Financial Instructions and BCU Finance policies and procedures; • The financial statements are compiled from information provided from the financial systems, which must also comply with the requirements of the relevant accounting concepts and conventions, International Accounting Standards, the Welsh Government Manual of Accounts and HM Treasury's Financial Reporting Manual; • The year-end financial statements are produced using the same data and transactions that are used for management reporting and accounting throughout the year; • There is extensive review and monitoring of the financial position throughout the year, including the



Enquiries of management – in relation to fraud

investigation of variances between budget and trend, analysis of anomalies or unexpected expenditure, providing regular management information to budget holders and the investigation of budget queries from budget managers;

- There is a regular review of Balance Sheet transactions and material balances;
- Reviews and reports are produced by senior members of the Finance Department with high level monthly reports being reviewed by the Finance Directors. A monthly Finance Report is produced for the Finance and Performance Committee providing details of the current financial position. Staff performing a review function are not involved in the detailed entries and hence there is a segregation of duties. There is scrutiny of the reported position through the year via the completion of the Welsh Government's Monthly Financial Monitoring Returns;
- Internal Audit provides regular audits of key financial systems each year. A programme of audit work has been delivered in accordance with public sector internal audit standards by the NHS Wales Shared Services Partnership. The scope of this work is agreed with the Audit Committee and is focussed on significant risk areas and local improvement priorities;
- The financial statements are prepared by senior accountants; the draft Accounts are reviewed by the Finance Director: Operational Finance;
- Assurance of misstatement in the financial statements

investigation of variances between budget and trend, analysis of anomalies or unexpected expenditure providing regular management information to budget holders and the investigation of budget queries from budget managers;

- There is a regular review of Balance Sheet transactions and material balances;
- Reviews and reports are produced by senior members of the Finance Department with high level monthly reports being reviewed by the Finance Directors. A monthly Finance Report is produced for the Finance and Performance Committee providing details of the current financial position. Staff performing a review function are not involved in the detailed entries and hence there is a segregation of duties. There is scrutiny of the reported position through the year via the completion of the Welsh Government's Monthly Financial Monitoring Returns;
- Internal Audit provides regular audits of key financial systems each year. A programme of audit work has been delivered in accordance with public sector internal audit standards by the NHS Wales Shared Services Partnership. The scope of this work is agreed with the Audit Committee and is focused on significant risk areas and local improvement priorities;
- The financial statements are prepared by senior accountants; the draft Accounts are reviewed by the Finance Director: Operational;
- Assurance of misstatement in the financial statements



Enquiries of management – in relation to fraud		
	<p>is also provided through the Audit Wales audit and review of the Annual Accounts and supporting technical papers;</p> <ul style="list-style-type: none"> • There is an active counter-fraud department. 	<p>is also provided through the Audit Wales audit and review of the Annual Accounts and supporting technical papers;</p> <ul style="list-style-type: none"> • There is an active counter-fraud department.
<p>2. What processes are employed to identify and respond to the risks of fraud more generally and specific risks of misstatement in the financial statements?</p>	<ul style="list-style-type: none"> • The NHS Counter Fraud Authority (NHS CFA) requires the Health Board to complete a formal fraud risk assessment exercise on an annual basis via the completion of a Self-Review Tool which is submitted to the NHS CFA for formal review. The last Self-Review Tool assessment was submitted in April 2020. Which was assessed with an overall green assessment rating. A Full Assessment Audit was undertaken in July 2017 by Senior Quality Assessors with all key working areas being reported with an overall green assessment rating; • The basis of the fraud risk assessment is used to inform the Health Board’s Local Counter Fraud Work plan, which is submitted to Audit Committee for approval. The Head of Local Counter Fraud Services attends the Audit Committee on a regular basis and is available to be questioned on any issues by the Independent Board Members, the Executive Board Directors, External Audit, Internal Audit and the Chair of the Audit Committee; • The LCFS team have commenced using fraud risk assessments as a live resource and fraud risks have been integrated within the Health Board’s general risk management framework, to ensure that these risks are appropriately managed and escalated as necessary. 	<ul style="list-style-type: none"> • The NHS Counter Fraud Authority (NHS CFA) requires the Health Board to complete an Annual Return in compliance with the UK Government Cabinet Office, “Government Functional Standard 013 for Counter Fraud”. This was completed and submitted to the NHS CFA for formal review on 31st May 2021. • This “Government Functional Standard 013 for Counter Fraud” return, was submitted to the Health Board’s Audit Committee in the Counter Fraud Annual Report in June 2021 and showed an overall green assessment rating, for all key working areas. • The “Government Functional Standard 013 for Counter Fraud”, places a strong focus on Fraud Risk, with the NHS CFA have issued Fraud Prevention Notices (FPN’s) on various areas of fraud risk which have been identified at a National level. These are: <ul style="list-style-type: none"> ➢ Time Sheet Overpayments. ➢ Credit Card Management (Corporate Credit Card). ➢ Payroll Fraud – Misrepresentation of Qualifications, Skills and Experience. ➢ Bank Mandate Fraud.



Enquiries of management – in relation to fraud

- Fraud Risks have been entered into the Risk Register and are updated and reviewed on a regular basis by the LCFS and Risk Management staff.
- The Welsh NHS counter-fraud community both nationally and at a local level share all fraud alerts in real time, (this includes scams and fraud alerts relating to the Covid-19 pandemic). The fraud alerts are shared with the relevant staff and stakeholders;
- Counter Fraud Progress Reports are produced for the Audit Committee on a quarterly basis;
- The Local Counter Fraud Service produces an annual report to the Audit Committee of the work that has been undertaken within the financial year; this allows the Audit Committee to monitor progress of the Local Counter Fraud work which has been undertaken by the Health Board;
- The controls listed in response to Question 1, and the monthly forecasting of the year end position leading to organisational awareness of the financial situation address the risk of potential misstatement of the financial statements.

- Cyber Enabled Salary Diversion.
- Agency Staff.
- Continence Services.
- Hospital Mortality Process.
- For each of the above risk areas, an appropriate Risk Assessment has been recorded on the Health Board's general risk management framework, to ensure that these risks are appropriately managed and escalated as necessary. The risks are updated and reviewed on a regular basis by the Head of Local Counter Fraud Services and the Risk Management Team.
- Actions which have been undertaken to mitigate the risks, have been recorded and these have been reported to the Health Board's Audit Committee on a quarterly basis in the Counter Fraud Progress Reports.
- The basis of the fraud risk assessment is used to inform the Health Board's Local Counter Fraud Workplan, which is submitted to Audit Committee for approval. The Head of Local Counter Fraud Services attends the Audit Committee on a regular basis and is available to be questioned on any issues by the Independent Board Members, the Executive Board Directors, External Audit, Internal Audit and the Chair of the Audit Committee;
- For each of the above notified FPN's a Counter



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Enquiries of management – in relation to fraud		
		<p>Fraud Local Proactive Exercise has been recorded on the NHS CFA Case Management System “CLUE” and these will be included in the Counter Fraud Workplan for 2022-23.</p> <ul style="list-style-type: none"> • The Welsh NHS counter-fraud community both nationally and at a local level share all fraud alerts in real time, (this includes scams and fraud alerts relating to the Covid-19 pandemic). The fraud alerts are shared with the relevant staff and stakeholders. • The Local Counter Fraud Service produces an annual report to the Audit Committee of the work that has been undertaken within the financial year; this allows the Audit Committee to monitor progress of the Local Counter Fraud work which has been undertaken by the Health Board. • The controls listed in response to Question 1, and the monthly forecasting of the year end position leading to organisational awareness of the financial situation address the risk of potential misstatement of the financial statements.
3. What arrangements are in place to report fraud issues and risks to the Audit Committee?	<ul style="list-style-type: none"> • Regular reporting by Counter Fraud to the Audit Committee and Board via the Chair’s assurance report from the Audit Committee; • The Head of Local Counter Fraud Services meets with the Chair of the Audit Committee on a quarterly basis for a private one to one meeting to discuss fraud issues and risks. 	<ul style="list-style-type: none"> • Regular reporting by Counter Fraud to the Audit Committee and Board via the Chair’s assurance report from the Audit Committee. • The Head of Local Counter Fraud Services meets with the Chair of the Audit Committee on a quarterly basis for a private one to one meeting to discuss fraud issues and risks.
4. How has management	An electronic system to record declarations of interest,	An electronic system to record declarations of interest,



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Enquiries of management – in relation to fraud

communicated expectations of ethical governance and standards of conduct and behaviour to all relevant parties, and when?

gifts and hospitality was introduced across the Health Board in Autumn 2016.

In the case of Board members, declarations are required to be published in the Health Board's Annual Report in line with the commitment to openness and transparent governance.

All Board Members submitted declarations of interest for 2020/21 using the electronic reporting system and these were reported as part of the 2020/21 return. They will also be included in the Annual Report which is to be presented to the Board at its Annual meeting in July 2021.

During meetings, Board members are also obliged to declare any ad-hoc potential conflicts of interest as and when they arise, and these are recorded in the minutes.

The electronic declaration forms contain the Internal Audit recommended counter-fraud statement. In addition to this, changes to the electronic pro-forma have previously been made following feedback from External Audit to strengthen Board Member declarations to support the completion of the Related Party Disclosures. Board Members continue to be reminded that their declarations of interest submissions should be completed in as much detail as possible, particularly disclosing any positions on Committees or outside bodies that they might hold even if these appointments are in connection with another organisation. Whilst disclosure is the responsibility of individuals, examples of what might be considered relevant areas for disclosure are provided within the guidance and Board Members are advised that if in doubt it is better to make a disclosure.

gifts and hospitality was introduced across the Health Board in Autumn 2016.

In the case of Board members, declarations are required to be published in the Health Board's Annual Report in line with the commitment to openness and transparent governance.

All Board Members submitted declarations of interest for 2021/22 using the electronic reporting system and these will also be included in the Annual Report which is to be presented to the Board at its Annual meeting in July 2022.

During meetings, Board members are also obliged to declare any ongoing and ad-hoc potential conflicts of interest pertaining to the agenda as and when they arise, and these are recorded in the minutes.

The electronic declaration forms contain the Internal Audit recommended counter-fraud statement. In addition to this, changes to the electronic pro-forma have previously been made following feedback from External Audit to strengthen Board Member declarations to support the completion of the Related Party Disclosures. Board Members continue to be reminded that their declarations of interest submissions should be completed in as much detail as possible, particularly disclosing any positions on Committees or outside bodies that they might hold even if these appointments are in connection with another organisation. Whilst disclosure is the responsibility of individuals, examples of what might be considered relevant areas for disclosure are provided within the guidance and Board Members are advised that if in doubt it is better to make a disclosure.



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Enquiries of management – in relation to fraud

All Directorates/Departments are now using the new electronic system for Declarations of Interest and offers of Gifts and Hospitality. Leads have been identified for each Directorate/Department who are responsible for ensuring compliance.

In accordance with the Scheme of Reservation and Delegation, operational management, through named key contacts are responsible and accountable for ensuring that declarations are recorded and reviewed and that all staff required to complete declarations of interest returns do so.

The Health Board has specified that all Consultants and officers at Band 8c and above complete declarations annually. This now also includes all those on Band 7 and above in Pharmacy, Estates and Facilities and Capital Planning so that they fall in the mandatory requirement section.

Reminders to all staff about the requirements for submitting, declarations of interest, gifts and hospitality are issued via the Corporate Bulletin in addition to targeted emails to individuals and reminders via the electronic pay slips.

The support network of appointed directorate / department leads assists with chasing returns and reviewing declarations, with gift and hospitality declarations since the end of July 2018 being routed via the Deputy Board Secretary for sign off.

All Directorates/Departments have access to the electronic system for Declarations of Interest and offers of Gifts and Hospitality. Leads have been identified for each Directorate/Department who are responsible for ensuring compliance.

This process is undergoing an extensive review as part of the process of implementing the internal audit recommendations from the 2021/22 review of declarations, in order to increase the declarations compliance rate



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A review of the Standards of Business Conduct Policy was undertaken during 2019 to ensure the policy was aligned to the new electronic system including any upgrades and enhancements which have been made as the system has developed and become further embedded.

Registers of Director's Interests are also uploaded to the Health Board's external web-site, <https://bcuhb.nhs.wales/about-us/health-board-meetings-and-members/health-board-members>

The Charitable Funds Committee ensures that the Investment Managers (Rothschild) are aware of the ethical expectations and remind them of the need to avoid buying shares in companies whose aims are contrary to those of the NHS e.g. weapons/tobacco manufacturers. Rothschild reflect their understanding of this investment approach by referencing these constraints at the beginning of each report they present to the Committee.

The Funding Application form, which is completed for all expenditure over £5,000, requires consideration of the impact that the proposed expenditure would have on health inequalities.

Regular fraud awareness presentations are delivered to Health Board staff at induction training sessions through the Effectively Managing Finance training courses as well as to ad-hoc groups as Fraud Awareness presentations are delivered to Health Board Staff at Staff Induction training and when required. The Fraud Awareness presentations include information on how to report fraud,

The Charitable Funds Committee ensures that the Investment Managers (Brewin Dolphin) are aware of the ethical expectations and remind them of the need to avoid buying shares in companies whose aims are contrary to those of the NHS e.g. weapons/tobacco manufacturers. Brewin Dolphin reflect their understanding of this investment approach by referencing these constraints at the end of each report they present to the Committee.

The Funding Application form, which is completed for all expenditure over £5,000, requires consideration of the impact that the proposed expenditure would have on health inequalities.

The Health Board has from April 2021 included Counter Fraud training in its Mandatory Training Programme for all staff, via the completion of a Counter Fraud eLearning module. The latest figures available as at 31st December 2021 indicate that 10,091 staff member had completed the Mandatory Training Programme.



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Enquiries of management – in relation to fraud

	<p>bribery and corruption.</p> <p>The Health Board has an Anti-Fraud, Bribery and Corruption Policy in place that has been approved by the Audit Committee, is publicised in the electronic staff newsletter and is available on the Health Board's website.</p> <p>Those who wish to report fraud may do so anonymously via the NHS Protect Fraud and Corruption Reporting Line.</p> <p>Local Counter Fraud messages are regularly included in staff payslips.</p> <p>Regular reports and news articles are also reported in the Health Board's electronic staff bulletins.</p>	<p>The Health Board has an Anti-Fraud, Bribery and Corruption Policy in place that has been approved by the Audit Committee, is publicised in the electronic staff newsletter and is available on the Health Board's website.</p> <p>Those who wish to report fraud may do so anonymously via the NHS Protect Fraud and Corruption Reporting Line or an On-Line Fraud Reporting Tool.</p> <p>Local Counter Fraud messages are regularly included in staff payslips.</p> <p>Regular reports and news articles are also reported in the Health Board's electronic staff bulletins.</p>
<p>5. Are you aware of any instances of actual, suspected or alleged fraud within the audited body since 1st April 2021?</p>	<p>The Health Board's Local Counter Fraud team receives a number of referrals each year, which are appropriately investigated. A quarterly report is provided to the Audit Committee that details ongoing work by the team.</p> <p>There are no ongoing investigations which are material in nature and need to be raised as part of this response.</p> <p>There are currently four alleged fraud cases being investigated by the NHS Wales Counter Fraud Services Team.</p>	<p>The Health Board's Local Counter Fraud Services team receives a number of referrals each year, which are appropriately investigated. A quarterly report is provided to the Audit Committee that details ongoing work by the team.</p> <p>There are no ongoing investigations which are material in nature and need to be raised as part of this response.</p> <p>There are currently eight alleged fraud cases being investigated by the NHS Wales Counter Fraud Services Team.</p>



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Enquiries of those charged with governance – in relation to fraud		
Question	2020-21 Response	2021-22 Response
<p>1. How do the Audit Committee and the Charitable Funds Committee, exercise oversight of management's processes for identifying and responding to the risks of fraud within the UHB and the internal control that management has established to mitigate those risks?</p>	<p>The Audit Committee approves the Local Counter Fraud Work plan and monitors the progress of work undertaken throughout the year by reviewing regular progress reports. The Committee also receives an Annual Report of the Local Counter Fraud work.</p> <p>The Audit Committee may approve changes to the work plan at any time throughout the year to reflect any changes that may be required to counter new risks which may develop.</p> <p>The Head of Local Counter Fraud Services meets with the Chair of the Audit Committee on a quarterly basis for a private one to one meeting to discuss fraud issues and risks.</p>	<p>The Audit Committee approves the Local Counter Fraud Work plan and monitors the progress of work undertaken throughout the year by reviewing regular progress reports. The Committee also receives an Annual Report of the Local Counter Fraud work.</p> <p>The Audit Committee may approve changes to the work plan at any time throughout the year to reflect any changes that may be required to counter new risks which may develop.</p> <p>The Head of Local Counter Fraud Services meets with the Chair of the Audit Committee on a quarterly basis for a private one to one meeting to discuss fraud issues and risks.</p>
<p>2. Are you aware of any instances of actual, suspected or alleged fraud within the audited body since 1st April 2021?</p>	<p>The Audit Committee has been informed of all actual, suspected or alleged fraud within the Health Board via the quarterly Local Counter Fraud progress reports.</p> <p>NHS Wales Counter Fraud Services do not report to the Health Board's Audit Committee and Wales Audit Office are advised to seek separate confirmation from NHS Wales Counter Fraud Services Team.</p>	<p>The Audit Committee has been informed of all actual, suspected or alleged fraud within the Health Board via the quarterly Local Counter Fraud Progress reports.</p> <p>NHS Wales Counter Fraud Services do not report to the Health Board's Audit Committee and Wales Audit Office are advised to seek separate confirmation from NHS Wales Counter Fraud Services Team.</p>



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Appendix 2

Matters in relation to laws and regulations

International Standard for Auditing (UK and Ireland) 250 covers auditors responsibilities to consider the impact of laws and regulations in an audit of financial statements.

Management, with the oversight of those charged with governance which for the Health board is the Audit Committee and Charitable Funds Committee, is responsible for ensuring that the Health Board's operations are conducted in accordance with laws and regulations, including compliance with those that determine the reported amounts and disclosures in the financial statements.

As external auditors, we are responsible for obtaining reasonable assurance that the financial statements are free from material misstatement due to fraud or error, taking into account the appropriate legal and regulatory framework. The ISA distinguishes two different categories of laws and regulations:

- laws and regulations that have a direct effect on determining material amounts and disclosures in the financial statements;
- other laws and regulations where compliance may be fundamental to the continuance of operations, or to avoid material penalties.

What are we required to do?

As part of our risk assessment procedures we are required to make inquiries of management, the Audit Committee and the Charitable Funds Committee as to whether the Health Board is in compliance with relevant laws and regulations. Where we become aware of information of non-compliance or suspected non-compliance we need to gain an understanding of the non-compliance and the possible effect on the financial statements.



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Enquiries of management – in relation to laws and regulations

Question	2020-21 Response	2021-22 Response
<p>1. How have you gained assurance that all relevant laws and regulations have been complied with?</p>	<p>The Health Board gains assurance primarily through a variety of sources which include:-</p> <ul style="list-style-type: none"> • established systems within its departments, policies, self-assessments and its network of groups and Executive reporting; • performance and accountability reviews; • internal and external audit reviews; • feedback from inspections and external reports e.g. HIW, Royal Colleges, CHC reports; • the Office of the Board Secretary monitoring Board business to ensure compliance with Standing Orders (NHS Wales Act 2006); • the Office of the Board Secretary circulating Welsh Health Circulars and requiring confirmation from the relevant Director that action has been taken to ensure compliance with the requirements; • the Financial Conformance Report submitted to the Audit Committee monitors compliance with Standing Financial Instructions (NHS Wales Act 2006); • a range of groups monitor compliance with legislation and regulations relevant to specific aspects of the Health Board's business. In addition to this the Office of the Board Secretary has developed a legislation assurance framework. This is a managed system, which captures compliance information coordinated via the Compliance & Assurance Manager within the Office of the Board Secretary (OBS). The system 	<p>The Health Board gains assurance primarily through a variety of sources which include:-</p> <ul style="list-style-type: none"> • established systems within its departments, policies, self-assessments and its network of groups and Executive reporting; • performance and accountability reviews; • internal and external audit reviews; • feedback from inspections and external reports e.g. HIW, Royal Colleges, CHC reports; • the Office of the Board Secretary monitoring Board business to ensure compliance with Standing Orders (NHS Wales Act 2006); • the Office of the Board Secretary circulating Welsh Health Circulars and requiring confirmation from the relevant Director that action has been taken to ensure compliance with the requirements; • the Financial Conformance Report submitted to the Audit Committee monitors compliance with Standing Financial Instructions (NHS Wales Act 2006); • a range of groups monitor compliance with legislation and regulations relevant to specific aspects of the Health Board's business. In addition to this the Office of the Board Secretary has developed a legislation assurance framework. This is a managed system, which captures compliance information coordinated via the Compliance & Assurance Manager within the Office of the Board Secretary (OBS). The system provides the Board and its Committees with an oversight of all legislative liabilities, the assurance level, the impact of non-compliance and



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Enquiries of management – in relation to laws and regulations		
	provides the Board and its Committees with an oversight of all legislative liabilities, the assurance level, the impact of non-compliance and the control measures in place for each.	the control measures in place for each.
2. Are there any potential litigations or claims that would affect the financial statements?	No.	No.
3. Have there been any instances of non-compliance or suspected non-compliance with relevant laws and regulations since 1st April 2021, or earlier with an ongoing impact on the 2021-22 financial statements?	<p>There has not been any instances of non-compliance or suspected non-compliance with relevant laws and regulation since 1st April 2020, or earlier, with an on-going impact on the 2020-21 financial statements.</p> <p>The Health Board's close down procedures include consideration of potential liabilities that are uncertain in nature, including formal litigation claims arising from alleged negligence (clinical and non-clinical). These are accounted for in accordance with the relevant reporting standard with losses being approved by the Audit Committee on a quarterly basis.</p> <p>The Health Board also follows national guidance in relation to the accounting for potential liabilities arising from retrospective claims for Funded Nursing Care and Continuing Healthcare.</p>	<p>There has not been any instances of non-compliance or suspected non-compliance with relevant laws and regulation since 1st April 2021, or earlier, with an on-going impact on the 2021-22 financial statements.</p> <p>The Health Board's close down procedures include consideration of potential liabilities that are uncertain in nature, including formal litigation claims arising from alleged negligence (clinical and non-clinical). These are accounted for in accordance with the relevant reporting standard with losses being approved by the Audit Committee on a quarterly basis.</p> <p>The Health Board also follows national guidance in relation to the accounting for potential liabilities arising from retrospective claims for Funded Nursing Care and Continuing Healthcare.</p>
4. Have there been any reports from other regulatory bodies, such as HM Revenues and Customs which indicate non-compliance?	No	No



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Enquiries of management – in relation to laws and regulations

5. Are you aware of any non-compliance with laws and regulations within (service organisation) since 1st April 2021?

No

No

Enquiries of those charged with governance – in relation to laws and regulations

Question	2020-21 Response	2021-22 Response
1. How do the Audit Committee and the Charitable Funds Committee, in its role as those charged with governance, obtain assurance that all relevant laws and regulations have been complied with?	<p>The Committees take assurance from the Health Board's established systems, policies, self-assessments, network groups and Executive reporting mechanisms as described above.</p> <p>New, novel or contentious issues are reported to the Audit Committee or Charitable Funds Committee as appropriate.</p>	<p>The Committees take assurance from the Health Board's established systems, policies, self-assessments, network groups and Executive reporting mechanisms as described above.</p> <p>New, novel or contentious issues are reported to the Audit Committee or Charitable Funds Committee as appropriate.</p>
2. Are you aware of any instances of non-compliance with relevant laws and regulations?	<p>The Health Board is not aware of any instances of non-compliance with relevant laws and regulations.</p> <p>The Audit Committee would be made aware of any such instances via the Financial Conformance Report.</p>	<p>The Health Board is not aware of any instances of non-compliance with relevant laws and regulations.</p> <p>The Audit Committee would be made aware of any such instances via the Financial Conformance Report.</p>



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Appendix 3

Matters in relation to related parties

International Standard for Auditing (UK and Ireland) 550 covers auditors responsibilities relating to related party relationships and transactions.

The nature of related party relationships and transactions may, in some circumstances, give rise to higher risks of material misstatement of the financial statements than transactions with unrelated parties.

Because related parties are not independent of each other, many financial reporting frameworks establish specific accounting and disclosure requirements for related party relationships, transactions and balances to enable users of the financial statements to understand their nature and actual or potential effects on the financial statements. An understanding of the entity's related party relationships and transactions is relevant to the auditor's evaluation of whether one or more fraud risk factors are present as required by ISA (UK and Ireland) 240, because fraud may be more easily committed through related parties.

What are we required to do?

As part of our risk assessment procedures, we are required to perform audit procedures to identify, assess and respond to the risks of material misstatement arising from the entity's failure to appropriately account for or disclose related party relationships, transactions or balances in accordance with the requirements of the framework.



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Enquiries of management – in relation to related parties		
Question	2020-21 Response	2021-22 Response
<p>1. Confirm that you have disclosed to the auditor:</p> <ul style="list-style-type: none">the identity of any related parties, including changes from the prior period;the nature of the relationships with these related parties;details of any transactions with these related parties entered into during the period, including the type and purpose of the transactions.	<p>The related party disclosures for senior managers and Independent Members are recorded within the Annual Accounts.</p> <p>The accounts note discloses each declared interest and the value of the Health Board's transactions with the interest during the financial year.</p>	<p>The related party disclosures for senior managers and Independent Members are recorded within the Annual Accounts.</p> <p>The accounts note discloses each declared interest and the value of the Health Board's transactions with the interest during the financial year.</p>
<p>2. What controls are in place to identify, authorise, approve, account for and disclose related party transactions and relationships?</p>	<p>The Health Board requires all Senior Managers (8c and above) to complete a declaration of interests form which records all relevant related parties. When preparing the annual accounts, the information disclosed for Executives and Independent Members is cross-referenced to all known sources to ensure completeness.</p> <p>Registers of Director's Interests are also uploaded to the Health Board's external web-site, https://bcuhb.nhs.wales/about-us/health-board-meetings-and-members/health-board-members</p>	<p>The Health Board requires all Senior Managers (8c and above) to complete a declaration of interests form which records all relevant related parties. When preparing the annual accounts, the information disclosed for Executives and Independent Members is cross-referenced to all known sources to ensure completeness.</p> <p>Registers of Director's Interests are also uploaded to the Health Board's external web-site, https://bcuhb.nhs.wales/about-us/health-board-meetings-and-members/health-board-members</p>



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Enquiries of the Audit Committee and the Charitable Funds Committee – in relation to related parties

Question	2020-21 response	2021-22 Response
1. How do the Audit Committee and the Charitable Funds Committee, in its role as those charged with governance, exercise oversight of management's processes to identify, authorise, approve, account for and disclose related party transactions and relationships?	The Audit Committee receives an annual report on declarations of interest / gifts and hospitality from the Office of the Board Secretary and confirms to the Board the adequacy of the system in place.	The audit committee received a related party disclosure extract in September 2021, and subsequently a limited assurance internal audit report, which indicated gaps and weaknesses in the systems and processes, which are being remediated during the course of the 2022/23 period. One of the recommendations now requires the Office of the Board Secretary to report a detailed report on the DOI compliance rates



Teitl adroddiad: <i>Report title:</i>	Expenditure Approvals (summary of recently approved applications)			
Adrodd i: <i>Report to:</i>	Charitable Funds Committee			
Dyddiad y Cyfarfod: <i>Date of Meeting:</i>	Wednesday, 18 January 2023			
Crynodeb Gweithredol: <i>Executive Summary:</i>	<p><i>This paper is presented at all Charitable Fund Committee (CFC) meetings for noting.</i></p> <p><i>This paper lists the 6 funding applications and 1 request to sell land which were submitted to the Charitable Funds Advisory Group Panel (CFAG) for scrutiny and to the Charitable Funds Committee for approval. The decisions taken by the Charitable Funds Committee at the Grants Meeting held on Tuesday 10th January are formally recorded in this report.</i></p>			
Argymhellion: <i>Recommendations:</i>	<p><i>The Board is asked to:</i></p> <p><i>Note this paper</i></p>			
Arweinydd Gweithredol: <i>Executive Lead:</i>	Steve Webster, Interim Executive Director of Finance			
Awdur yr Adroddiad: <i>Report Author:</i>	Kirsty Thomson, Head of Fundraising			
Pwrpas yr adroddiad: <i>Purpose of report:</i>	<p>I'w Nodi <i>For Noting</i></p> <p><input checked="" type="checkbox"/></p>	<p>I Benderfynu arno <i>For Decision</i></p> <p><input type="checkbox"/></p>	<p>Am sicrwydd <i>For Assurance</i></p> <p><input type="checkbox"/></p>	
Lefel sicrwydd: <i>Assurance level:</i>	<p>Arwyddocaol <i>Significant</i></p> <p><input checked="" type="checkbox"/></p> <p>Lefel uchel o hyder/tystiolaeth o ran darparu'r mecanweithiau / amcanion presennol</p> <p><i>High level of confidence/evidence in delivery of existing mechanisms/objectives</i></p>	<p>Derbyniol <i>Acceptable</i></p> <p><input type="checkbox"/></p> <p>Lefel gyffredinol o hyder/tystiolaeth o ran darparu'r mecanweithiau / amcanion presennol</p> <p><i>General confidence / evidence in delivery of existing mechanisms / objectives</i></p>	<p>Rhannol <i>Partial</i></p> <p><input type="checkbox"/></p> <p>Rhywfaint o hyder/tystiolaeth o ran darparu'r mecanweithiau / amcanion presennol</p> <p><i>Some confidence / evidence in delivery of existing mechanisms / objectives</i></p>	<p>Dim Sicrwydd <i>No Assurance</i></p> <p><input type="checkbox"/></p> <p>Dim hyder/tystiolaeth o ran y ddarpariaeth</p> <p><i>No confidence / evidence in delivery</i></p>
<p>The 'significant' assurance level has been selected because this paper demonstrates that the workplan set out at the start of the financial year is regularly monitored and that members are made aware of changes to the proposed plan when necessary.</p>				

<p>Cyswllt ag Amcan/Amcanion Strategol:</p> <p><i>Link to Strategic Objective(s):</i></p>	<p>All Strategic Objectives (About the Health Board - Betsi Cadwaladr University Health Board (nhs.wales))</p>
<p>Goblygiadau rheoleiddio a lleol:</p> <p><i>Regulatory and legal implications:</i></p>	<p>Charity Commission Guidance, HMRC regulation</p>
<p>Yn unol â WP7, a oedd EqIA yn angenrheidiol ac a gafodd ei gynnal?</p> <p><i>In accordance with WP7 has an EqIA been identified as necessary and undertaken?</i></p>	<p>No – individual applications carry out an EqIA as required</p>
<p>Yn unol â WP68, a oedd SEIA yn angenrheidiol ac a gafodd ei gynnal?</p> <p><i>In accordance with WP68, has an SEIA identified as necessary been undertaken?</i></p>	<p>No – individual applications carry out an SEIA as required</p>
<p>Manylion am risgiau sy'n gysylltiedig â phwnc a chwmpas y papur hwn, gan gynnwys risgiau newydd (croesgyfeirio at y BAF a'r CRR)</p> <p><i>Details of risks associated with the subject and scope of this paper, including new risks(cross reference to the BAF and CRR)</i></p>	<p>Key Risks:</p> <ul style="list-style-type: none"> All risks associated with the charity are included in the Risk Register and risks associated with the different applications are included in the applications
<p>Goblygiadau ariannol o ganlyniad i roi'r argymhellion ar waith</p> <p><i>Financial implications as a result of implementing the recommendations</i></p>	<p>The financial implications of these applications were included within the individual applications which were circulated to all Charitable Funds Committee members for comments and decision.</p>
<p>Goblygiadau gweithlu o ganlyniad i roi'r argymhellion ar waith</p> <p><i>Workforce implications as a result of implementing the recommendations</i></p>	<p>Included in the individual applications</p>
<p>Adborth, ymateb a chrynodeb dilynol ar ôl ymgynghori</p> <p><i>Feedback, response, and follow up summary following consultation</i></p>	<p>N/A</p>
<p>Cysylltiadau â risgiau BAF: (neu gysylltiadau â'r Gofrestr Risg Gorfforaethol)</p> <p><i>Links to BAF risks:</i> (or links to the Corporate Risk Register)</p>	<p>N/A</p>
<p>Reason for submission of report to confidential board (where relevant)</p>	<p>N/A</p>

The below table provides a summary of all of the applications submitted for approval in November and December 2022 and the decisions taken on 10/01/23.

Ref:	Description	Department	Site	Fund	Amount	CFAG Recommendation	Charitable Funds Committee Decision
CA22/33	Conversion of courtyard into a peaceful/rest area for Emergency Department staff at Ysbyty Gwynedd.	Emergency Department	Ysbyty Gwynedd	8T53	£13,037.19	Recommendation to Approve from: Lynne Joannou, Ian Donnelly, Steven Grayston, Rob Atenstaedt	In principle approval given only. Caveat to approval: application must go through the competitive Staff Wellbeing grant process. This Staff Wellbeing grant scheme will be established in April 2023 once the funding has been received by NHS Charities Together (NHSCT), and the grant criteria and grants panel has been established. The funding for this can only come from the NHSCT funding as there is insufficient funding available in undesignated funds for this currently.
CA22/36	Image viewing equipment at Breast MDT x 3	Radiology	Cancer Services	7Q02, 8Q02 & 9Q04	£43,706.07	Recommendation to Approve from: Lynne Joannou, Ian Donnelly, Steven Grayston, Rob Atenstaedt	Jackie confirmed a potential conflict of interest because she is a radiology staff member, but she was not involved in the application submission and nor does she stand to benefit from the funding granted.

							This application has been approved. No specified caveats to this approval.
CA22/38	Arts and Minds: mental health and arts with prisoner populations	MH & LD	Bryn Y Neuadd	8T27	£28,440.00	Recommendation to Approve from: Lynne Joannou, Ian Donnelly, Steven Grayston, Rob Atenstaedt (Rob Atenstaedt declared an interest in the arts and minds as this has come from member of local public health team)	This application has been approved. No specified caveats to this approval.
CA22/40	BCUHB Staff Wellbeing Grant Scheme	Workforce and Organisational Development	Pan-BCUHB	8T48/8T53 & NHSCT Funding	£328,000.00	Recommendation to Approve from: Ian Donnelly, Rob Atenstaedt	Approval was given for the receipt of the £243,000 (2 x instalments: 31/01/23 145,800, 31/01/24 £97,200) funding from NHSCT. It was also decided that three separate staff grant schemes should be established: Staff Wellbeing, Staff Development, Staff Hardship. The NHSCT funding will be committed to staff wellbeing support. All

							remaining funds from the 8T53 Covid-19 Staff Support Fund (@ 31/10/22: £37,970.64) will be committed to staff hardship support. All funds within 8T48, the Staff Development Fund (@ 31/10/22: £65,850.77) will be made available for staff development support (additional training and education) once the grant schemes have been established.
CA22/41	BCUHB Volunteering Scoping Exercise	Workforce and Organisational Development & Partnerships, Engagement and Communications	Pan-BCUHB	NHSCT Funding	£30,000.00	Recommendation to Approve from: Ian Donnelly, Rob Atenstaedt	This application has been approved. No specified caveats to this approval.
CA22/42	Ty Enfys redevelopment: capital improvements to the parental accommodation and facilities for staff, patients and their families and carers in Ysbyty Gwynedd	Children's Services	Ysbyty Gwynedd	9F01/9F20/NHSCT Funding/Gafael Llaw/Public Appeal	£484,599.00	Recommendation to Approve from: Ian Donnelly, Rob Atenstaedt	<p>Approval was given for Phase 1 of the project to begin IF / WHEN there are sufficient funds to do so. Phase 2 of the project cannot begin until all necessary funds have been secured.</p> <p>It was agreed that the funds cannot be guaranteed because there aren't sufficient undesignated funds for this to happen. This is due to the current set of circumstances and not because of a lack of will.</p> <p>Approval to launch a fundraising appeal was granted, though the Head of Fundraising explained that resource</p>

							would be needed in order for this to happen. N.B. Updates on this will be provided at the CFC meetings and further approvals sought as necessary.
SBAR	Request to sell land in Porthmadog which has been donated to the charity	IHC West / Estates	IHC West, Community based	N/A	N/A	Recommendation to Approve from: Ian Donnelly, Rob Atenstaedt	Approval was given. It was agreed that this request does not need to go to PFIG for further approval and the SBAR has been updated to reflect that.

There are no appendices for this paper.