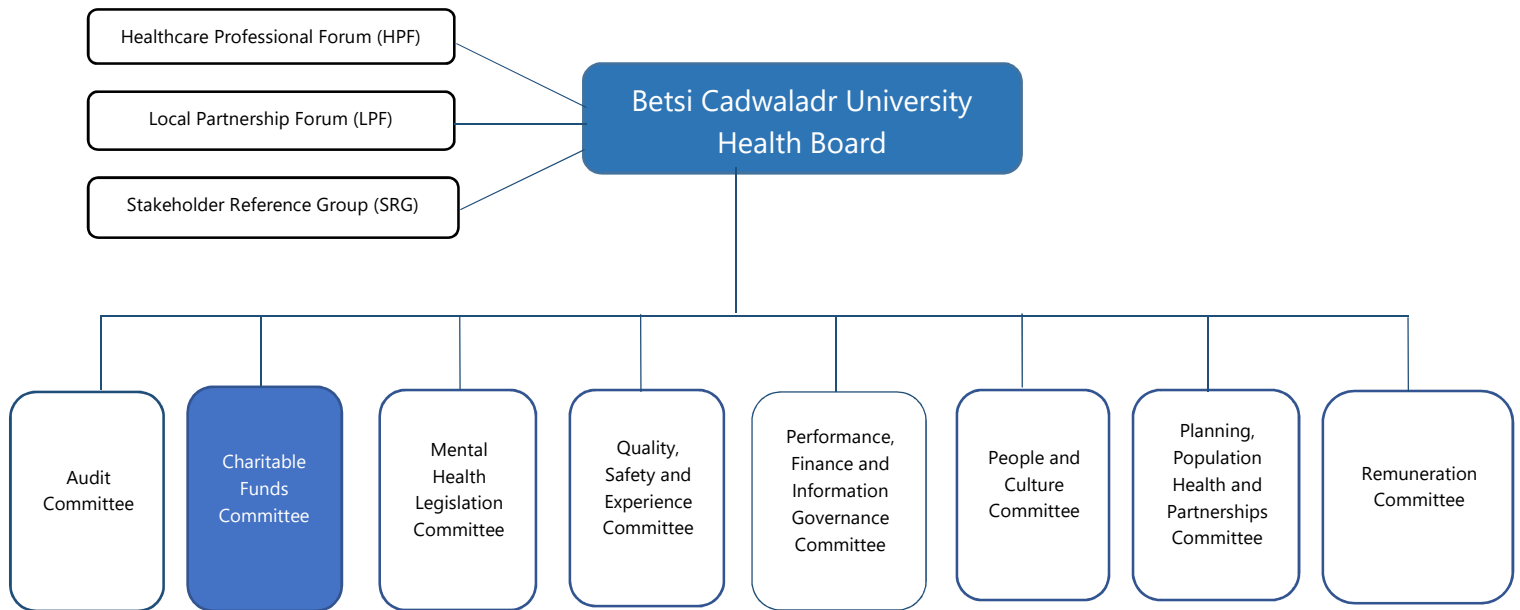


CHARITABLE FUNDS COMMITTEE

TERMS OF REFERENCE



Version	Issued to	Date	Comments
V0.01 Draft	Audit Committee	16/11/23	Developed as a first draft for review by Audit Committee on 16/11/23
V0.02 Draft	ToR meeting with Committee Chair & Executive Lead	18/12/23	Developed as a draft for review with Committee Chair and Executive Lead. The ToR were also reviewed at the Charitable Funds Committee held on 11/01/24
V0.03 Draft	Health Board	18/01/24	Final Draft for consideration by the Health Board to be held on 25/01/24
V13.00 Approved		25/01/24	Approved by the Health Board

1) Introduction

- 1.1 The Betsi Cadwaladr University Health Board (BCUHB) shall establish a Committee to be known as the Charitable Funds Committee. The Committee is an independent Committee of the Board and has no executive powers, other than those specifically delegated in these terms of reference. The detailed operating arrangements in respect of this Committee are set out below.

2) Purpose

The purpose of the Charitable Funds Committee is to:

- 2.1 make and monitor arrangements for the control and management of the Health Board's Charitable Funds, within the budget, priorities and spending criteria determined by the Board and consistent with the legislative framework and that these decisions are made with the interest of the Charity in conjunction with the overarching strategy deployed by the Health Board;
- 2.2 provide assurance to the Board in its role as corporate trustee of the charitable funds held and administered by the Health Board. This includes an engagement and liaison role with charitable partnerships which operate with the Health Board;
- 2.3 receive an assurance on delivery against relevant Planning Objectives aligned to the Committee, in accordance with Board approved timescales, as set out in the Health Board's Annual Plan;
- 2.4 agree issues to be escalated to the Board with recommendations for action;
- 2.5 recommend endorsement to the Trustees with regards to the annual report, annual account and strategy and to monitor this through the Charitable Funds Committee; and
- 2.6 ensure that, before charitable funds are applied towards service delivery, there has been a clear and open decision making process which is independent of the Health Board's decisions concerning the use of its exchequer funds.

3) Responsibilities of the Committee and Delegated Powers

The Charitable Funds Committee is required by the Board to:

- 3.1 apply the charitable funds in accordance with its governing documents within the budget, priorities and spending criteria determined by the Health Board as Corporate trustee, and consistent with the requirements of the Charities Act 2011 (or any modification of these acts);
- 3.2 devise, implement and approve appropriate procedures and policies to ensure that fundraising, accounting systems and grant making are robust, donations are received and

coded as instructed and that all expenditure is reasonable, clinically and ethically appropriate;

- 3.3 ensure that the Health Board policies and procedures for charitable funds investments are followed;
- 3.4 make decisions involving the sound investment of charitable funds in a way that both preserves their value and produces a proper return consistent with prudent investment and ensuring compliance with:
 - 3.4.1 Trustee Act 2000
 - 3.4.2 The Charities Act 2011
 - 3.4.3 The Charities Act 2022
 - 3.4.4 Terms of the fund's governing documents;
- 3.5 receive at least twice a year reports for ratification from the Executive Director of Finance, and investment decisions and action taken through delegated powers upon the advice of the Health Board's investment adviser;
- 3.6 oversee and monitor the functions performed by the Executive Director of Finance as defined in the Health Board's Standing Financial Instructions;
- 3.7 monitor the progress of fundraising appeals where these are in place and considered to be material;
- 3.8 seek assurance on delivery against Planning Objectives aligned to the Committee, considering and scrutinising the programmes and processes that are developed and implemented, supporting and endorsing these as appropriate;
- 3.9 monitor and review the Health Board's scheme of delegation for charitable funds expenditure and to set and reflect in financial procedures the approved delegated limits for expenditure from charitable funds;
- 3.10 oversee the day-to-day management of the investments of the charitable funds in accordance with the investment strategy set down from time to time by the Corporate Trustees, and in accordance with the requirements of the Health Board's Standing Financial Instructions. This will include engagement, liaison and co-ordination with charitable partnerships so that the Committee is informed on relevant arrangements. The Committee is not constituted to make decisions on commercial arrangements with those charitable partnerships; and
- 3.11 appoint an investment manager (where appropriate) to advise it on investment matters and the delegation of day-to-day management of some or all of the investments to that investment manager. The investment manager, if appointed, must actively manage the charitable fund on behalf of the Corporate Trustee. In exercising this power, the Committee must ensure that:
 - the scope of the power delegated is clearly set out in writing and communicated with the person or persons who will exercise it;

- there are in place adequate internal controls and procedures which will ensure that the power is being exercised properly and prudently;
 - the performance of the person or persons exercising the delegated power is regularly reviewed;
 - where an investment manager is appointed, that person is regulated under the Financial Services Act 1986; and
 - acquisitions or disposal of a material nature outside the terms of agreement must always have written authority of the Committee or the Chair of the Committee in conjunction with the Executive Director of Finance.
- 3.12 ensure that the banking arrangements for the charitable funds should be kept entirely distinct from the Health Board's NHS funds;
- 3.13 ensure that arrangements are in place to maintain current account balances at minimum operational levels consistent with meeting expenditure obligations, the balance of funds being invested in interest bearing deposit accounts;
- 3.14 ensure the amount to be invested or redeemed from the sale of investments shall have regard to the requirements for immediate and future expenditure commitments;
- 3.15 ensure the operation of an investment pool when this is considered appropriate to the charity in accordance with charity law and the directions and guidance of the Charity Commission. The Committee shall propose the basis to the Health Board for applying accrued income to individual funds in line with charity law and Charity Commission guidance;
- 3.16 obtain appropriate professional advice to support its investment, fundraising and grant making activities;
- 3.17 regularly review investments to see if other opportunities or investment services offer a better return;
- 3.18 review alternative sources of funding to donations and legacies which could provide the Committee with additional leverage and access to additional funds;
- 3.19 monitor and review BCUHB's scheme of delegation for charitable funds expenditure and set and reflect in financial procedures the approved delegated limits for expenditure from charitable funds. The following thresholds are approved in the Charitable Funds Procedure: "Expenditure less than £5,000 shall only need approval by the nominated fund manager. All expenditure in excess of £5,000 will require the approval of the Charitable Funds Committee. All expenditure relating to contracts and in excess of £1,000,000 will require the approval of the Health Board in line with Welsh Government requirements";
- 3.20 ensure that the following expenditure types regardless of value require Charitable Funds Committee consideration and approval:
- Research & development expenditure
 - Pay expenditure
 - Requests of any nature resulting in ongoing charitable funds/grants commitment;

- 3.21 ensure that the following expenditure types also receive Charitable Funds Committee consideration and approval:
- Unusual or novel expenditure requests under £5,000
 - Overseas training requests including conferences and seminars requiring the attendance of participants outside the UK
 - Higher award and academic studies for which significant benefit to the Health Board can be quantified through training and development objectives;
- 3.22 ensure that Chair's Actions are by strict exception only. The Chair's decision on which items can be approved outside the Committee will be final and all items approved outside the full Committee will be reported to the next Committee meeting for ratification;
- 3.23 ensure that before applying charitable funds towards service delivery there has been a clear and open decision-making process which is independent of the Health Board's decisions concerning the use of its exchequer funds;
- 3.24 seek assurance on the management of principal risks within the Board Assurance Framework and Corporate Risk Register allocated to the Committee and provide assurance to the Health Board that risks are being managed effectively and report any areas of significant concern e.g. where risk tolerance is exceeded, lack of timely action, etc;
- 3.25 recommend acceptance of risks that cannot be brought within the Health Board's risk appetite/tolerance to the Board through the Committee Update Report; and
- 3.26 assure the Board in relation to its compliance with relevant national practice, mandatory guidance, healthcare standards and duties, including Duty of Quality, Duty of Candour, Quality Standards and Quality Management ensuring the Board is supported to make strategic decisions from a quality perspective.

4) Membership

- 4.1 Formal membership of the Committee shall comprise of the following:

MEMBERSHIP
Independent Member (Chair)
2 x Independent Members (one of whom will be designated as Vice Chair)

- 4.2 The following should attend Committee meetings:

IN ATTENDANCE
Executive Team Members that are In Attendance and a Trustee
Executive Director of Finance (Executive Lead)
Executive Director of Transformation, Strategic Planning and Commissioning
In Attendance
At least one Clinical Executive (Rotated between the Executive Clinical Executive Directors)
Director of Partnerships, Engagement and Communications
Other Attendees

Other Executive Directors as required by the Chair
Other Senior Managers as required by the Chair
Head of Charitable Funds and Charitable Partnerships

- 4.3 The membership of the Committee shall be determined by the Board, based on the recommendation of the Health Board Chair, taking into account the balance of skills and expertise necessary to deliver the Committee’s remit, and subject to any specific requirements or directions made by the Welsh Government and the Charity Commission. There must be no fewer than 2 Independent Members.
- 4.4 Membership of the Committee will be reviewed on an annual basis.
- 4.5 In the event of a vote, the Chair will have the casting vote.

5) Quorum and Attendance

- 5.1 A quorum shall consist of no fewer than three members of the Committee to include the Chair of the Committee.
- 5.2 Any senior officer of the Health Board or partner organisation may, where appropriate, be invited to attend, for either all or part of a meeting, to assist with discussions on a particular matter.
- 5.3 The Committee may also co-opt additional independent external ‘experts’ from outside the organisation to provide specialist skills.
- 5.4 Should any “in attendance Trustee member” be unavailable to attend, he or she may nominate a deputy to attend in his or her place, subject to the agreement of the Chair.
- 5.5 The Committee may ask any or all of those who normally attend but who are not members to withdraw in order to facilitate open and frank discussion of particular matters.

6) Agenda and Papers

- 6.1 The Committee Secretary is to hold an agenda setting meeting with the Chair and/or Vice Chair and the Executive Lead (Executive Director of Finance) at least six weeks before the meeting date.
- 6.2 The agenda will be based on the Committee work plan, identified risks, matters arising from previous meetings, issues emerging throughout the year, and requests from Committee members. Following approval, the agenda and timetable for request of papers will be circulated to all Committee members.
- 6.3 All papers must be approved by the Executive Lead.
- 6.4 The agenda and papers will be distributed/published seven days in advance of the meeting.

- 6.5 A draft table of actions will be issued within two days of the meeting. The minutes and table of actions will be circulated to the Committee Chair and Executive Lead within seven days to check the accuracy, prior to sending to Members to review within the next seven days.
- 6.6 Members must forward amendments to the Committee Secretary within the next seven days. The Committee Secretary will then forward the final version to the Committee Chair for final review.

7) In Committee

- 7.1 The Committee can operate with an In-Committee function to receive updates on the management of sensitive and/or confidential information.

8) Meetings

- 8.1 The Committee will meet quarterly and an annual schedule of meetings will be determined by the corporate calendar.
- 8.2 The Committee may be convened at short notice if requested by the Chair.
- 8.3 Any additional meetings will be arranged under exceptional circumstance and shall be determined by the Chair of the Committee in discussion with the Executive Lead.
- 8.4 The Committee may, subject to the approval of the Health Board, establish Groups to carry out on its behalf specific aspects of Committee business.
- 8.5 Meetings may be held in person where it is safe to do so or by video-conferencing and similar technology.
- 8.6 The Committee Secretary shall be determined by the Director of Corporate Governance.

9) Reporting

- 9.1 The Committee, through its Chair and members, shall work closely with the other Committees to provide advice and assurance to the Board through joint planning and co-ordination of Board and Committee business including sharing information.
- 9.2 The Committee Chair, supported by the Committee Secretary, shall:
- report formally, regularly and on a timely basis to the Board on the Committees activities;
 - bring to the Board's specific attention any significant matter under consideration by the Committee; and

- ensure appropriate escalation arrangements are in place to alert the Health Board's Chair, Chief Executive and/or Chairs of other relevant Committee, of any urgent/critical matters that may affect the operation and/or reputation of the Health Board.

9.3 The Committee will undertake an annual review on the effectiveness of its arrangements and responsibilities. The Director of Corporate Governance will oversee this review.

10) Accountability, Responsibility and Authority

10.1 Although the Board has delegated authority to the Committee for the exercise of certain functions, as set out in these Terms of Reference, it retains overall responsibility and accountability for ensuring the quality and safety of healthcare for its citizens through the effective governance of the organisation.

10.2 The Committee is directly accountable to the Board for its performance in exercising the functions set out in these terms of reference.

10.3 The requirements for the conduct of business as set out in the Health Board's Standing Orders are equally applicable to the operation of the Committee.

10.4 The Committee shall embed the corporate goals and priorities, e.g. equality and human rights through the conduct of its business and, in doing and transacting its business, shall seek assurance that adequate consideration has been given to the sustainable development principle and in meeting the requirements of the well-being of Future Generations (Wales) Act.

11) Review Date

11.1 These Terms of Reference and operating arrangements shall be reviewed on at least an annual basis by the Committee for approval by the Board.