

Charitable Funds Committee



Terms of Reference and Operating Arrangements

1. INTRODUCTION

- 1.1. The Board shall establish a committee to be known as the Charitable Funds Committee. The detailed terms of reference and operating arrangements in respect of this Committee are set out below.

2. PURPOSE

- 2.1. The Betsi Cadwaladr University Health Board (BCUHB) was appointed as the corporate trustee of the charitable funds by virtue of Statutory Instrument and its Board (acting as The Board of Trustees) serves as its agent in the administration of the charitable funds held by BCUHB.
- 2.2. The purpose of the Committee is to make and monitor arrangements for the control and management of BCUHB's Charitable Funds.

3. DELEGATED POWERS

- 3.1. The Charitable Funds Committee is required by the Board, within the remit of the Committee to:
- 3.1.1. Provide evidenced based assurance that there is compliance with:
- Provide evidenced based assurance that there is compliance with The Equalities Act 2010.
 - In discharging its duty the Committee will have 'due regard' to the Public Sector Equality Duty, to eliminate discrimination, to advance equality of opportunities and foster good relations when carrying out all functions and day-to-day activities.
 - In discharging its duty the Committee will have 'due regard' to the Socio-economic Duty, to consider how strategic decisions might help reduce the inequalities associated with socio-economic disadvantage.
 - Provide evidenced based assurance that BCUHB Policies are compliant with relevant legislation.
- 3.1.2. Provide evidence based and timely advice to the Board on developing strategies.

- 3.1.3. Provide evidence based and timely advice to the Board on the delivery of strategies.
- 3.1.4. Oversee and provide evidence based and timely advice to the Board on relevant risks and concerns.
- 3.1.5. Receive the results of relevant audits (clinical and non-clinical) and any other relevant investigations and provide the Board with evidence based impact assessment of the implementation of the recommendations.
- 3.1.6. Within the budget, priorities and spending criteria determined by BCUHB as trustee and consistent with the requirements of the Charities Act 1993, Charities Act 2006 (or any modification of these acts) to apply the charitable funds in accordance with their respective governing documents, including the "Declaration of Trust" (Trust Deed).
- 3.1.7. To ensure that BCUHB policies and procedures for charitable funds investments are followed. To make decisions involving the sound investment of charitable funds, managing the risk of any loss in capital value alongside producing a return consistent with prudent investment in the long term and ensuring compliance with:-
 - Trustee Act 2000
 - The Charities Act 1993
 - The Charities Act 2006
 - Terms of the fund's governing documents
- 3.1.8. To receive at least four times per year reports for ratification from the Executive Director of Finance, and to make and enact investment decisions taken through delegated powers upon the advice of BCUHB's investment adviser.
- 3.1.9. To oversee and monitor the functions performed by the Executive Director of Finance as defined in Standing Financial Instructions.
- 3.1.10. To respond to, and monitor the level of, donations and legacies received, including the progress of any Charitable Appeal Funds.
- 3.1.11. To monitor and review BCUHB'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.
- 3.1.12. To ensure that funds are being utilised appropriately in line with both the instructions and wishes of the donor. To ensure such funding provides added value and benefit to patients and staff, and that all expenditure is reasonable, clinically and ethically appropriate.

- 3.1.13. To keep the reserve policy under review to ensure that balances are not inappropriately retained.
 - 3.1.14. To receive reports from the Chair of the Advisory Group at each Committee meeting for scrutiny and ratification.
 - 3.1.15. To ensure that there is a clear strategy and framework for decision making, agreed by the Board of Trustees, against which bids for funding can be evaluated by Fund Advisors, other Health Board staff, the Charitable Funds Advisory Group and the Committee.
 - 3.1.16. To receive, scrutinise and approve the Charity's Annual Report and Accounts on behalf of the Health Board.
- 3.2. The Charitable Funds Committee is authorised by the Board to seek assurance over the specific powers, duties and responsibilities delegated to the Executive Director of Finance namely to:
- 3.2.1. Administer of all existing charitable funds;
 - 3.2.2. Identify any new charity that may be created (of which BCUHB is trustee) and to deal with any legal steps that may be required to formalise the trusts of any such charity;
 - 3.2.3. Provide guidelines with respect to donations, legacies and bequests, fundraising and trading income;
 - 3.2.4. Responsibility for the management of investment of funds held on Trust;
 - 3.2.5. Ensure appropriate banking services are available to BCUHB;
 - 3.2.6. Prepare reports to the BCUHB Board including the Annual Accounts and Annual report;
 - 3.2.7. To monitor the balance of monies held within the Fund
 - 3.2.8. To ensure that all expenditure (where appropriate) is ordered through the procurement process

4. AUTHORITY

- 4.1. The Committee is empowered with the responsibility for:-
 - 4.1.1. 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 trustee and the requirements of the LHB's Standing Financial Instructions.
 - 4.1.2. The appointment of an investment manager to advise it on investment matters. The Committee may delegate day-to-day management of

some or all of the investments to that investment manager. In exercising this power the Committee must ensure that:

- 4.1.2..1. The scope of the power delegated is clearly set out in writing and communicated with the person or persons who will exercise it;
 - 4.1.2..2. There are in place adequate internal controls and procedures which will ensure that the power is being exercised properly and prudently;
 - 4.1.2..3. The performance of the person or persons exercising the delegated power is regularly reviewed;
 - 4.1.2..4. Where an investment manager is appointed, that the person is regulated under the Financial Services Act 1986;
 - 4.1.2..5. Acquisitions or disposal of a material nature must always have written authority of the Committee or the Chair of the Committee in conjunction with the Executive Director of Finance.
- 4.1.3. Ensuring that the banking arrangements for the charitable funds should be kept entirely distinct from the LHB's NHS funds.
 - 4.1.4. Separate current and deposit accounts should be minimised consistent with meeting expenditure obligations.
 - 4.1.5. The amount to be invested or redeemed from the sale of investments shall have regard to the requirements for immediate and future expenditure commitments.
 - 4.1.6. 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 Commissioner guidance.
 - 4.1.7. Obtaining appropriate professional advice to support its investment activities.
 - 4.1.8. Regularly reviewing investments to see if other opportunities or investment managers offer a better return.
- 4.2. The Committee may investigate or have investigated any activity (clinical and non-clinical) within its terms of reference. It may seek relevant information from any:
 - Employee - and all employees are directed to cooperate with any legitimate request made by the Committee; and,

- Other committee, sub-committee or group set up by the Board to assist it in the delivery of its functions.
- 4.3. It may also obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers it necessary, in accordance with the Board's procurement, budgetary and other requirements;
- 4.4. It may consider and where appropriate, approve on behalf of the Board any policy within the remit of the Committee's business.
- 4.5. It will review risks from the Board Assurance Framework and Corporate Risk Register that are assigned to the Committee by the Board and advise the Board on the appropriateness of the scoring and mitigating actions in place.

5. SUB-COMMITTEES

- 5.1. The Committee may, subject to the approval of the Health Board, establish sub-committees or task and finish groups to carry out on its behalf specific aspects of Committee Business.
- 5.1.1. The Committee shall establish and approve the Terms of Reference and Scheme of Delegation for a Charitable Funds Advisory Group to review specific funding applications.

6. MEMBERSHIP

6.1. Members

- 6.1.1. A minimum of seven (7) members of the committee comprising up to four (4) Independent Members, plus three (3) Executive Members
- 6.1.2. The Chair of the committee shall be an Independent Member of BCUHB.
- 6.1.3. Vice Chair of the committee shall be an Independent Member of BCUHB.
- 6.1.4. Executive members
- Executive Director of Finance (Lead Director)
 - Executive Director of Planning and Performance
 - Executive Medical Director

6.2. In attendance

- Charitable Funds Accountant
- Charitable Funds Fundraising Manager
- LHB Investment Advisor

6.3. Right of Attendance

6.3.1. Upon giving notice to the Committee Chair the following have the right to attend any meeting as an observer:

- Chair of the Board.
- Chair of the Audit Committee.
- Board Secretary.

6.4. By Invitation

- A patient representative.
- A staff representative.

6.4.2. Other Directors/Officers will attend as required by the Committee Chair, as well as any others from within or outside the organisation who the Committee considers should attend, taking into account the matters under consideration at each meeting.

6.4.3. Trade Union Partners are welcome to attend the public session of the Committee

6.5. Member Appointments

6.5.1. The membership of the Committee shall be determined by the Board of Trustees, based on the recommendation of the BCUHB Chair, taking account of 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. .

6.5.2. Appointed Independent Members shall hold office on the Committee for a period of up to **4** years. Tenure of appointments will be staggered to ensure business continuity. A member may resign or be removed by the Chair of the Board. Independent Members may be reappointed up to a maximum period of **8** years.

6.5.3. In order to demonstrate that that there is a visible independence in the consideration of decisions and management of charitable funds from the BCUHB's core functions, the Board of Trustees should consider extending membership to the Charitable Funds Committee to individuals outside of the Board.

6.6. Secretariat

6.6.1. The Secretariat will be determined by the Board Secretary.

6.7. Support to Group Members

6.7.1. The Board Secretary, on behalf of the Committee Chair, shall arrange the provision of advice and support to Committee members on any aspect related to the conduct of their role and ensure the provision of a

programme of development for Committee members as part of the overall Board Development programme.

7. COMMITTEE MEETINGS

7.1. Quorum

- 7.1.1. 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 Directors.
- 7.1.2. Independent Members must hold the majority of votes at a meeting:
- 7.1.2..1. Where there are an equal number of Independent Members and Executive Members, the Committee Chair shall cast a deciding vote in the event of a tied vote.
- 7.1.2..2. Where there are more Executive Members than Independent Members one or more Executive Members will relinquish their right to vote to create an equal number of Independent Members and Executive Members

7.2. Frequency of Meetings

- 7.2.1. Meetings shall normally be held quarterly, but may be convened at short notice if requested by the Chair.

7.3. Withdrawal of individuals in attendance

- 7.3.1. The Committee may ask any or all non-board members who would normally attend but who are not members to withdraw to facilitate open and frank discussion of particular matters.

7.4. Conduct of Meetings

- 7.4.1. Meetings may be held in person where it is safe to do so or by video-conferencing and similar technology.

8. RELATIONSHIP & ACCOUNTABILITIES WITH THE BOARD AND ITS COMMITTEES/GROUPS

- 8.1. The Committee is directly accountable to the Board for its performance in exercising the functions set out in these Terms of Reference,
- 8.2. The Committee, through its Chair and members, shall work closely with the Board's other Committees including joint committees/Advisory Groups to provide advice and assurance to the Board through the:
- Joint planning and co-ordination of Board and Committee business;
 - and

- Sharing of information

In doing so, contributing to the integration of good governance across the organisation, ensuring that all sources of assurance are incorporated into the Board's overall risk and assurance arrangements.

- 8.3. The Committee shall embed the corporate goals and priorities 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 Act.
- 8.4. Receive assurance and exception reports from
- Charitable Funds Advisory Group.

9. REPORTING AND ASSURANCE ARRANGEMENTS

9.1. The Committee Chair shall:

- 9.1.1. Report formally, regularly and on a timely basis to the Board on the Committee's activities via the Chair's assurance report and an annual report.
- 9.1.2. Ensure appropriate escalation arrangements are in place to alert the Health Board Chair, Chief Executive or Chairs of other relevant committees of any urgent/critical matters that may affect the operation and/or reputation of the Health Board.
- 9.1.3. The Board Secretary, on behalf of the Board, shall oversee a process of regular and rigorous self-assessment and evaluation of the Committee's performance and operation. In doing so account will be taken of the requirements set out in the NHS Wales Quality and Safety Committee Handbook.

10. APPLICABILITY OF STANDING ORDERS TO COMMITTEE BUSINESS

10.1. The requirements for the conduct of business as set out in the Standing Orders are equally applicable to the operation of the Committee, except in the following areas:

- Quorum

11. REVIEW

11.1. These terms of reference and operating arrangements shall be reviewed annually by the Committee and any changes recommended to the Board for approval.

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Committee	Date of approval
Charitable Funds Committee	
Audit Committee	
Health Board	15.7.21