

## CHARITABLE FUNDS COMMITTEE

### Minutes of the meeting held on Friday 4<sup>th</sup> October 2019 in the Boardroom, Carlton Court

#### Present:

Ms Jackie Hughes	Independent Member (Chair)
Ms Lyn Meadows	Independent Member
Mr Mark Wilkinson	Executive Director of Planning and Performance
Mrs Sue Hill	Executive Director of Finance

#### In Attendance:

Ms Kirsty Thomson	Head of Fundraising
Ms Faye Pritchard	PA to Executive Director of Finance
Ms Rebecca Hughes	Charity Accountant
Ms Amanda Hughes	Audit Manager, Wales Audit Office
Mr David Tomalin	Graduate Trainee, Wales Audit Office

Agenda Item	Action
<p><b>CF19/31 Apologies for absence &amp; Declarations of interest</b></p> <p>Apologies for absence were noted for Mr David Fearnley (Executive Medical Director) and Ms Helen Wilkinson (Independent Member).</p> <p>No Declarations of interest were received.</p>	
<p><b>CF19/32 Minutes of the previous meeting held on 20<sup>th</sup> June 2019:</b></p> <p><b>CF19/32.1 Accuracy</b></p> <p>The minutes from the meeting held on 20<sup>th</sup> June 2019 were approved as an accurate record.</p> <p><b>CF19/32.2 Matters arising and review of summary action plan</b></p> <p>The committee reviewed the summary action plan in detail and updated accordingly.</p>	
<p><b>CF19/33 Charitable Funds Accounts 2018/19</b> <i>Amanda Hughes and Mr David Tomalin, Wales Audit Office in attendance for this item</i></p>	

The Charity Accountant informed the committee that the accounts were prepared and submitted to the Wales Audit Office (WAO) with the audit work taking place throughout August and September 2019.

The timing for the submission of the accounts had been brought forward from previous years as WAO have been able to accommodate an earlier audit.

The Charity Accountant reminded the committee that the Board (As Charitable Trustees) will formally receive the accounts at a meeting arranged for early January 2020. The audited Accounts will be submitted to the Charity Commission prior to 31<sup>st</sup> January 2020.

The Charity Accountant noted the key highlights to the committee of the paper.

Total income of £0.2m shows a decrease of 20% year on year (£2.5m in 2017/18). Of this, £0.2m relates to a fall in donations, £0.2m due to a decrease in legacies and £0.1m as a result of less fundraising income.

Expenditure of £2.2m was 29% lower year on year (£3.1m in 2017/18).

The funds of the charity at the end of the year totalled £7.8m, comprising £4.4m of unrestricted funds and £3.4m of restricted funds.

During 2018/19 gains on investments totalled £0.4m compared to a gain of £0.1m in 2017/18.

The Charity Accountant informed the committee of a Post Balance Sheet Event, which is included every year, and relates to a change in the value of the investments between the balance sheet date and the date of signing the accounts. There is also one unadjusted misstatement concerning recognition of grant commitments. The effect of this is not material to the 2018/19 financial statements and the costs have been recognised in 2019/20.

The Committee approved the Charitable Funds Annual Report and Financial Statements for 2018/19 and signed the Letter of Representation.

### **CF19/33.1 Annual Report, Financial Statements and Letter of Representation**

The committee were pleased with the improved quality, design and content of the Annual Report. The Head of Fundraising noted that Emma Louise Jones (Fundraising Support Manager) has led on the report on behalf of the charity.

The committee discussed the use of the report being a public document, and the Head of Fundraising confirmed that they have a shortened version for hard copy use and that details are within the internal and external Communications Plan as to which audiences this document will reach, such as to solicitors, undertakers, the carousel on the intranet, social media and team briefs across the Board.

For the next Annual Report, Independent Member Ms L Meadows suggested that an area on third sector grants be included, highlighting the close work carried out with the third sector.

<p>The Chair suggested a number of amendments to the Head of Fundraising to action in the Annual Report which were noted.</p> <p><b>CF19/33.2 Wales Audit Office ISA260 Report</b></p> <p>Audit Manager (WAO) presented the Audit of Financial Statements Report, confirming that an unqualified audit report on the financial statements will be issued, with the Auditor General in line to sign opinion on Wednesday 9<sup>th</sup> October 2019.</p> <p>Audit Manager (WAO) reiterated that the accounts were presented to the WAO at the end of July 2019 and were prepared to a good standard.</p> <p>There was one uncorrected misstatement in relation to grant commitments of £20,000 which weren't accrued in accordance with the Charity's accounting policy. The effect of this is not material to the 2018/19 financial statements. All other misstatements were corrected.</p> <p>Audit Manager (WAO) informed the committee that she will write to the Board Secretary regarding Related party transactions, to ask her to address the required change of wording in the Declaration of Interest (DOI) forms, which need to explicitly reference the charity.</p> <p>The signed letter of representation confirms that the charity made all of the appropriate disclosures, including why the charity chose not to correct the immaterial misstatement.</p> <p>The Charity Accountant informed the committee that the issue relates to orders that go through Oracle on a Charitable Funds subjective code. When the orders are approved on oracle, there's no accrual in the system until they have been receipted. Therefore, orders approved but not received have not been included in grant expenditure.</p> <p>The Executive Director of Finance recommended that the system way of recognising expenditure needs to be explored as opposed to changing the charity policy. The committee agreed for the policy to be reviewed and explored such as what other health boards do as we don't want to be an outlier.</p> <p>Audit Manager (WAO) and the Executive Director of Finance agreed to speak to other health boards about their governance arrangements around the processing and approval of charity business cases. <b>*ACTION*</b></p> <p>The Executive Director of Planning and Performance made a valid point regarding the potential of a tick box asking if you've considered Charitable Funds on business cases.</p> <p>Audit Manager (WAO) will talk to colleagues to find out how other welsh health board charities recognise expenditure. <b>*ACTION*</b></p>	<p>AH/ SH</p> <p>AH</p>
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<p>Audit Manager (WAO) stated that she is satisfied that we do not have material error in our accounts.</p> <p>The Chair thanked WAO on behalf of the committee and the health Board for all of their hard work.</p>	
<p><b>CF19/34 Charitable Funds Finance Report Q1 2019/20</b> <i>Ms R Hughes</i></p> <p>The Charity Accountant presented the Charitable Funds Finance report Q1 2019/20 report to the committee which is at the 30<sup>th</sup> June 2019. The Charity Accountant took the committee through the main highlights of the report.</p> <p>Income from Donations and Fundraising is £7,000 higher and legacy income is £55,000 higher than in Quarter 1 of 2018/19.</p> <p>Grant funded charitable expenditure of £689,000 is £270,000 (64%) higher than expenditure for the first quarter last year, which is promising to note as it's in line with the Charity's strategy.</p> <p>The gain on investments totals £237,000, which equates to 3% of the brought forward portfolio value.</p> <p>Commitments have increased by £301,000 (33%) compared to the end of the last financial year, reflecting the rise in grants awarded in the first quarter.</p> <p>Available unrestricted reserves total £4,470,000, compared to a target level of £3,060,000, and available General Funds totalled £159,000.</p> <p>The committee discussed the fund balances by division, and General funds only holds a small percentage (2%) of the charity's fund balances, with many designated holds lined to specific services. The top five funds make a quarter of the balances with four relating to cancer services.</p> <p>The committee discussed the idea of a newsletter being sent out across the organisation on behalf of the Executive Team to remind divisions about the charitable funds that are available to them. <b>*Action*</b></p> <p>The committee discussed the need to understand where funds are held and where they aren't being spent. They therefore requested that the Charity Accountant brings a matrix to the next committee meeting in December 2019 showing the number of funds in each value bracket by division. <b>*ACTION*</b></p> <p>In memory donations continue to be the charity's largest donation area to date in 2019/20, totalling £95,000. Quarter 1 has seen an increase in the percentage of donations from runs &amp; challenges, in aid of events and solicited events. The Charity</p>	<p>KT/ RH</p> <p>RH</p>

<p>Accountant informed the committee that the Fundraising Support Team will focus on further increasing these types of income.</p> <p>Independent Member Ms L Meadows raised her concern over gift aid being so low and that a more positive targeted action is needed to help boost gift aid.</p> <p>The Executive Director of Finance queried the amount of outstanding commitments listed, but the Charity Accountant clarified that outstanding commitments are continually monitored and all have valid reasons why they are delayed and the processes are being worked through.</p> <p>The Executive Director of Finance informed the Charity Accountant to withdraw funding if reasons are unrealistic as to why the money's not been spent in a timely manner.</p> <p>The committee want to be informed where issues lie when applicable so that they can intervene if needs be.</p> <p>The committee approved the report and the actions being taken.</p>	
<p><b>CF19/35 Charitable Funds Fundraising Report Q1 2019/20</b>  <i>Ms K Thomson</i>  <i>Ms R Willmot, PhD Student at Bangor University in attendance for this item</i></p> <p>The Head of Fundraising presented the Charitable Funds Fundraising Report Q1 2019/20 to the committee.  She went through the key highlights noted in the report, and with regard to the 'In aid events' the committee requested more precise data giving actual amounts, with no 'TBC' entries listed.</p> <p>The Chair confirmed that a discussion outside of the meeting will need to take place regarding the charity team organisation structure of process, costs and committee process. <b>*ACTION*</b></p> <p>The Head of Fundraising then presented a brief PowerPoint to the committee on the new support team, new grants, new application system, new ways of compiling priority projects and what it all means.</p> <p>The Head of Fundraising began by informing the committee of the new structure in the team. The new structure has been done following many 1:1 meetings as a lot of duplication work was being carried out across the geographical area.</p> <p>The new structure will minimise duplication, increase job satisfaction and allow the team to take ownership and engage with new audiences.</p> <p>The focus projects for 2020 are all detailed in the Awyr Las strategy and Communications plan with KPI's included.</p>	<p>JH/ KT</p>

<p><i>Ms R Wilmot entered the meeting, PhD Student at Bangor University. (The charity part funded Ms R Wilmot's PhD in collaboration with Bangor University).</i></p> <p>Independent Member Ms L Meadows noted the importance of successful collaborative work. The Chair agreed to make contact with Nichola Callow (Independent Member to the Board) to discuss the collaborative research and it's impact, and explore other potential ways in which the research carried out can have more of an impact. <b>*ACTION*</b></p> <p>The Chair noted the positive psychology and link to the research, with how we support them with healthy lifestyle and asked Ms R Wilmot to highlight to colleagues and friends where the funding came from.</p> <p>The committee thanked Ms R Wilmot and noted the outcomes.</p> <p>Ms F Pritchard to circulate both PowerPoint presentations mentioned above to all committee members. <b>*ACTION*</b></p>	<p>LM</p> <p>FP</p>
<p><b>CF19/36 Third Sector Groups Report</b> <i>Ms K Thomson</i></p> <p>The Chair expressed to the committee that it's the charity's responsibility to ensure all third sector groups' safety whilst on BCUHB property, therefore a risk assessment must be carried out. <b>*ACTION*</b></p> <p>The committee noted the Third Sector Groups Report.</p>	<p>KT</p>
<p><b>CF19/37 Legacy Strategy</b> <i>Ms K Thomson</i></p> <p>Independent Member Ms L Meadows expressed to the committee that it is positive to note the increase in legacies.</p> <p>Chair, Ms J Hughes requested that more narrative in the column is required to suggest what's been done. <b>*ACTION*</b></p> <p>The committee noted the Legacy Strategy.</p>	<p>KT</p>
<p><b>CF19/38 Charitable Funds Advisory Group:</b> <i>Ms R Hughes</i></p> <p><b>CF19/38.1 Minutes from 18<sup>th</sup> July 2019</b></p> <p>The Chair reiterated to the Charity Accountant to be mindful of quoracy of attendees at the Charitable Funds Advisory Group meetings.</p>	



<p><b>3. Olympus Stack and Diathermy Unit for Urology Diagnostic Unit at YGC</b></p> <p><b>4. Assessing the Mental Health of Patients on the Alaw Cancer Care Unit: 2 Year Project</b></p> <p>All of the above expenditure approvals were approved by the committee.</p> <p>The Chair raised a question as to what happens at the end of each fixed term contract and the implications for future working.</p>	
<p><b>ITEMS OF GOVERNANCE</b></p>	
<p><b>CF19/42 Committee Terms of Reference</b> <i>Ms R Hughes</i></p> <p>This agenda item is going to be picked up separately outside during an urgent meeting between the Chair and the Executive Director of Finance. <b>*ACTION*</b></p> <p>The Chair informed the committee that this can be ratified offline if necessary via Chairs action.</p>	<p>SH/ JH/ RH</p>
<p><b>ITEMS FOR INFORMATION</b></p>	
<p><b>CF19/43 Issues of significance to report to the Health Board</b></p> <p>N/A.</p>	
<p><b>CF19/44 Date of next meeting:</b></p> <p>Tuesday 10<sup>th</sup> December 2019 at 09:00am, Boardroom, Carlton Court.</p>	

*Betsi Cadwaladr University Health Board is the operational name of Betsi Cadwaladr University Local Health Board*