

# Betsi Cadwaladr University Health Board Terms of Reference and Operating Arrangements

## CHARITABLE FUNDS COMMITTEE

### 1. INTRODUCTION

- 1.1 In accordance with standing orders (and the LHB scheme of delegation), the Board shall nominate a committee to be known as the **Charitable Funds Committee** “the Committee”. The detailed terms of reference and operating arrangements set by the Board in respect of this committee are set out below.

### 2. CONSTITUTION

- 2.1 The Betsi Cadwaladr University LHB 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 the LHB.
- 2.2 The purpose of the Committee” is to make and monitor arrangements for the control and management of the LHBs Charitable Funds.

### 3. SCOPE AND DUTIES

- 3.1 Within the budget, priorities and spending criteria determined by the LHB 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).
- 3.2 To ensure that the LHB 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
- 3.3 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 the LHB’s investment adviser.
- 3.4 To oversee and monitor the functions performed by the Executive Director of Finance as defined in Standing Financial Instructions.

- 3.5 To respond to, and monitor the level of, donations and legacies received, including the progress of any Charitable Appeal Funds.
- 3.6 To monitor and review the LHB'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.
- 3.7 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,,
- 3.8 To keep the reserve policy under review to ensure that balances are not inappropriately retained.
- 3.9 To establish and approve the Terms of Reference and Scheme of Delegation for a Charitable Funds Advisory Group to review specific funding applications. To receive reports from the Chair of the Advisory Group at each Committee meeting for scrutiny and ratification.
- 3.10 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.
- 3.11 To receive, scrutinise and approve the Charity's Annual Report and Accounts on behalf of the Health Board.

#### **4. DELEGATED POWERS AND DUTIES OF THE DIRECTOR OF FINANCE**

- 4.1 The Executive Director of Finance has prime responsibility for the LHB's Charitable Funds as defined in the LHB's Standing Financial Instructions. The specific powers, duties and responsibilities delegated to the Executive Director of Finance are:-
- Administration of all existing charitable funds;
  - To identify any new charity that may be created (of which the LHB is trustee) and to deal with any legal steps that may be required to formalise the trusts of any such charity;
  - Provide guidelines with respect to donations, legacies and bequests, fundraising and trading income;
  - Responsibility for the management of investment of funds held on Trust;
  - Ensure appropriate banking services are available to the LHB;
  - Prepare reports to the LHB Board including the Annual Accounts and Annual report;

- To monitor the balance of monies held within the Fund
- To ensure that all expenditure (where appropriate) is ordered through the procurement process

## **5. AUTHORITY**

5.1 The Committee is empowered with the responsibility for:-

- 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.
- 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:
  - a) The scope of the power delegated is clearly set out in writing and communicated with the person or persons who will exercise it;
  - b) There are in place adequate internal controls and procedures which will ensure that the power is being exercised properly and prudently;
  - c) The performance of the person or persons exercising the delegated power is regularly reviewed;
  - d) Where an investment manager is appointed, that the person is regulated under the Financial Services Act 1986;
  - e) 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.
- Ensuring that the banking arrangements for the charitable funds should be kept entirely distinct from the LHB's NHS funds.
- Separate current and deposit accounts should be minimised consistent with meeting expenditure obligations.
- The amount to be invested or redeemed from the sale of investments shall have regard to the requirements for immediate and future expenditure commitments.
- 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.

- Obtaining appropriate professional advice to support its investment activities.
- Regularly reviewing investments to see if other opportunities or investment managers offer a better return.

## 5.2 Authority

5.2.1 The Committee is authorised by the Board of Trustees to 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
- Any other committee, sub committee or group set up by the Board to assist it in the delivery of its functions.

5.2.2 The Committee is authorised by the Board of Trustees to 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 Boards procurement, budgetary and other requirements.

## 6. MEMBERSHIP

### 6.1 Members

Seven (7) Members

Members	Up to four (4) Independent Members including the Chair and Vice Chair of the committee, plus three (3) Executive Members
Chair	An Independent Member
Vice Chair	Another Independent Member of the Committee
Executive members	Executive Director of Finance (Lead Director) Executive Director of Strategy Executive Director Nursing and Midwifery
Secretary	As determined by the Board Secretary

### 6.2 In attendance

6.2.1 The Committee may require the attendance for advice, support and information routinely at meetings from:

Head of Financial Services  
Charitable Funds Accountant  
Charitable Funds Fundraising Manager  
LHB Investment Advisor

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

### **6.3 Member Appointments**

6.3.1 The membership of the Committee shall be determined by the Board of Trustees, based on the recommendation of the LHB 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.

6.3.2 Appointed Independent Members shall hold office on the Committee for a period of up to 2 years. Tenure of appointments will be staggered to ensure business continuity. Independent Members may be reappointed up to a maximum period of 4 years.

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

### **6.4 Secretariat**

6.4.1 Secretary: as determined by the Board Secretary.

### **6.5 Support to Committee Members**

6.5.1 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
- Co-ordinate the provision of a programme of organisational development for committee members.

## **7. COMMITTEE MEETINGS**

### **7.1 Quorum**

7.1.1 At least three members must be present to ensure the quorum of the Committee, one of whom should be the committee Chair or Vice-Chair and one Executive Director.

## 7.2 Frequency of Meetings

7.2.1 Meetings shall be held quarterly and otherwise as the Committee Chairs deems necessary - consistent with the LHB's annual plan of Board Business.

## 7.3 Withdrawal of individuals in attendance

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

## 8. RELATIONSHIP WITH THE BOARD AND ITS COMMITTEES/GROUPS

8.1 The Committee, through the Committee Chair and members, shall maximise cohesion and integration across all aspects of governance and assurance through the:

- joint planning and co-ordination of Board and Committee business; and
- sharing of information, as appropriate .

8.2 The Committee shall embed the LHBs corporate standards, priorities and requirements, 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 Act.

8.3 The requirements for conduct of business as set out in the LHBs Standing Orders and Board Standards are equally applicable to the operation of the Committee.

## 9. REPORTING AND ASSURANCE ARRANGEMENTS

9.1 The Committee Chair shall:

- report formally, regularly and on a timely basis to the Board of Trustees on the Committee's activities. This includes verbal updates on activity, the submission of committee minutes and written reports, as well as the presentation of an annual report;
- bring to the Board of Trustee's specific attention any significant matters under consideration by the Committee;
- ensure appropriate escalation arrangements are in place to alert the LHB Chair, Chief Executive or Chairs of other relevant committees of any urgent/critical matters that may affect the operation and/or reputation of the LHB.

- 9.2 The Board Secretary, on behalf of the Board of Trustees, shall oversee a process of regular and rigorous self assessment and evaluation of the Committee's performance and operation.

## **10. APPLICABILITY OF STANDING ORDERS TO COMMITTEE BUSINESS**

- 10.1 The requirements for the conduct of business as set out in the LHB/Trusts 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 Health Board for approval.

## **12. CHAIR'S ACTION ON URGENT MATTERS**

- 12.1 There may, occasionally, be circumstances where decisions which would normally be made by the Committee need to be taken between scheduled meetings. In these circumstances, the Committee Chair, supported by the Committee Secretariat as appropriate, may deal with the matter on behalf of the Board of Trustees – after first consulting with two other Members of the Committee, one of whom must be an Executive Member. The Secretariat must ensure that any such action is formally recorded and reported to the next meeting of the Committee for consideration and ratification.
- 12.2 Chair's action may not be taken where the Chair has a personal or business interest in the urgent matter requiring decision.

## **13. DATE OF ACCEPTING THE TERMS OF REFERENCE AND APPROVAL**

Date approved by Audit Committee 9.2.18

Date ratified by Board 5.4.18

V8.0