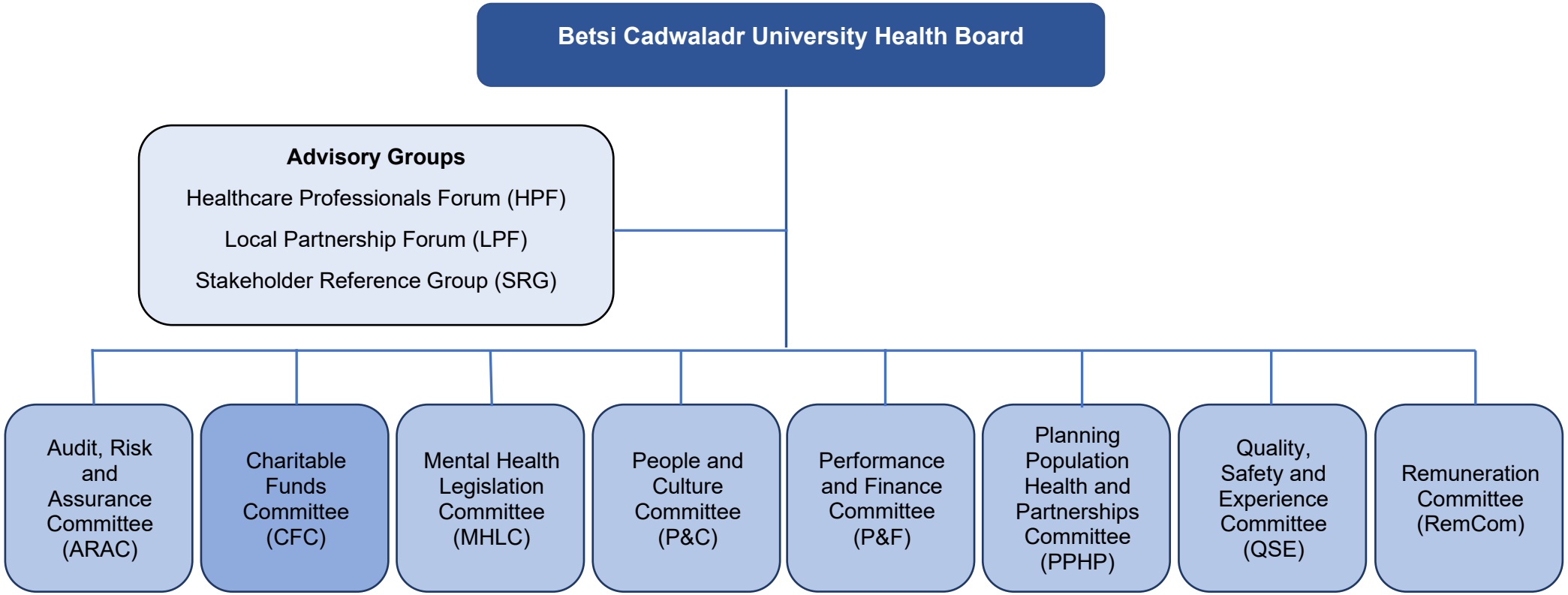
CHARITABLE FUNDS COMMITTEE

Terms of Reference & Operating Arrangements

(Schedule 3.5 of the Standing Orders)

Date approved by Health Board: 24 September 2026



Version Control

Version	Issued to	Date	Comments
V0.1	Charitable Funds Committee	02.09.25	Endorsed for approval at the September Board
V1.0	Health Board	25.09.25	Approved at the Health Board Meeting
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V2.0	Health Board	24.09.26	Approved at the Health Board Meeting

TERMS OF REFERENCE

1 INTRODUCTION

1.1 The Betsi Cadwaladr University Health Board (BCUHB) Standing Orders provide that "The Board may and, where directed by the Welsh Government must, appoint Committees of the Board either to undertake specific functions on the Board's behalf or to provide advice and assurance to the Board in the exercise of its functions. The Board's commitment to openness and transparency in the conduct of all its business extends equally to the work carried out on its behalf by committees.

1.2 In accordance with Standing Orders (and the BCUHB scheme of delegation), the Board shall nominate annually a committee to be known as the Charitable Funds Committee. The detailed terms of reference and operating arrangements set by the Board in respect of this committee are set in this document.

2 PURPOSE

The purpose of the Committee is to act on behalf of the Board 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 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 DELEGATED POWERS

With regard to its role in acting on behalf of the Board, and in providing advice and assurance to the Board, the Charitable Funds Committee will:

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 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 (such requests must report at least biennially back to the Committee to ensure the original request is still valid, and the purpose of the grant has not changed)

3.21 ensure that the following expenditure types also receive Charitable Funds Committee consideration and approval:

- Unusual or novel expenditure requests or any request which might create undue press interest under £5,000
- Overseas training requests including conferences and seminars requiring the attendance of participants outside the UK
- Higher award and academic studies over £1,500 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 AUTHORITY

4.1 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.

4.2 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.

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 perform specific aspects of Committee business as such the Grants Decision Making Group has been created which reports into the Charitable Funds Committee.

6 MEMBERSHIP

6.1 Formal membership of the Committee shall comprise of the following:

MEMBERS
Independent Member (Chair)
2 x Independent Members (one of whom will be designated as Vice Chair)
Executive Director of Finance (Executive Lead)
2 x Executive Members

All Members of the Board (as Corporate Trustees) are welcome to attend the Committee.

6.2 The following should attend Committee meetings:

IN ATTENDANCE
Executive Director of Transformation and Strategic Planning
Clinical Executive Director on a rotating basis
Director of Corporate Governance
Senior Financial Accountant
Head of Charity

6.3 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 two Independent Members.

6.4 Membership of the Committee will be reviewed on an annual basis.

6.5 In the event of a vote, the Chair will have the casting vote.

7 COMMITTEE MEETINGS

7.1 Quorum

- A quorum shall comprise no fewer than three of the membership, and these three must include as a minimum the Chair or Vice Chair of the Committee.

7.2 Frequency of meetings

- The Committee will meet quarterly and an annual schedule of meetings will be determined by the corporate calendar.

- 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.

7.3 Withdrawal of individuals in attendance

- 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.

7.4 Meeting arrangements

- The agenda and papers will be distributed/published seven days in advance of the meeting.

- The Director of Corporate Governance is to hold an agenda setting meeting with the Chair and/or Vice Chair and the Executive Director of Finance at least six weeks before the meeting date.

- 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.

8 REPORTING AND ASSURANCE ARRANGEMENTS

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.

8.1 The Committee Chair, supported by the Committee Secretary, shall:
Report formally, regularly and on a timely basis to the Board on the Committee's 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.

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

9 RELATIONSHIP WITH THE BOARD AND ITS COMMITTEES/GROUPS

Although the Board has delegated authority to the Committee for the exercise of certain functions as set out within these Terms of Reference, it retains overall responsibility and accountability for these matters.

9.1 The Committee is directly accountable to the Board for its performance in exercising the functions set out in these Terms of Reference.

9.2 The Committee, through its Chair and members, shall work closely with the Board's other committees, including joint (sub) committees and 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, it will contribute 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.

9.3 The Committee will consider the assurance provided through the work of the Board's other committees and sub groups to meet its responsibilities for advising the Board on the adequacy of the Health Board's overall system of assurance.

9.4 The Committee shall embed the Health Board's corporate standards, priorities and requirements, e.g. equality and human rights through the conduct of its business.

10 APPLICABILITY OF STANDING ORDERS TO COMMITTEE BUSINESS

10.1 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, except in the following areas:
• Quorum

11 REVIEW

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.

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 Director of Corporate Governance as appropriate, may deal with the matter on behalf of the Board – after first consulting with **all** Members of the Committee. 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.