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Bwrdd Iechyd Prifysgol
Aneurin Bevan
University Health Board

Charitable Funds Committee Terms of Reference – 2022/23

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1. Introduction

The Aneurin Bevan University Health Board's standing orders provide that *"The Board may and, where directed by the Welsh Government, must appoint Committees of the Health 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"*.

In line with standing orders and the Health Board's Scheme of Delegation, the Board shall nominate annually a committee to be known as the **Charitable Funds Committee**.

Aneurin Bevan University Local Health Board (ULHB) Charitable Fund and Other Related Charities, also known as Aneurin Bevan Health Charity, is registered with the Charity Commission following a Deed of Amendment dated 7th January 2011 with Aneurin Bevan University Local Health Board as the Corporate Trustee, registration number 1098728.

The Aneurin Bevan ULHB was appointed as corporate trustee of the charitable funds by virtue of the Supplemental Deed of Declaration and that its Board serves as its agent in the administration of the charitable funds held by the ULHB.

The detailed Terms of Reference and operating arrangements set by the Board in respect of this Committee are set out in this document. The Health Board, acting as trustee must approve any changes to these terms of reference.

2. Purpose of the Committee

The purpose of the **Charitable Funds Committee** ("the Committee") is to:

Ensure the stewardship and effective management of funds which have been donated, bequeathed and given to the Aneurin Bevan Health Charity for charitable purposes by making and monitoring arrangements for the control and management of the Health Board's Charitable Funds.

3. Delegated Powers and Authority

3.1. Authority

The Committee is authorised with the responsibility for

- Overseeing 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 trustee and the requirements of the ULHB's Standing Financial Instructions;

- Scrutinising requests for use of the charitable funds to ensure that any such use is in accordance with the aims and purpose of any charitable fund or donation and are clinically and ethically appropriate. Committee members will bear in mind due diligence to Charity Commission and ULHB guidance regarding the ethical use of funds and acceptance of donations;
- The appointment of an investment manager (where appropriate) to advise it on investment matters and 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:
- 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 the person is regulated under the Financial Services Act 1986;
- 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 Director of Finance and Performance;
- Ensuring that the banking arrangements for the charitable funds should be kept entirely distinct from the Health Board's NHS funds;
- Ensuring 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;
- Ensuring that the amount to be invested or redeemed from the sale of investments shall have regard to the requirements for immediate and future expenditure commitments;
- Ensuring 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 LHB Board for applying accrued income to individual funds in line with charity law and Charity Commissioner guidance;
- Regularly reviewing investments to see if other opportunities or investment services offer a better return.

The Committee may seek relevant information from any:

- employee (and all employees are directed to cooperate with any reasonable 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.

The Committee is authorised by the Board to obtain outside legal or other independent professional advice to support investment opportunities and to secure the attendance of outside representatives with relevant experience and expertise if it considers it necessary, in accordance with the Board's procurement, budgetary and other requirements.

The Committee may act on any particular matter or issue upon which the Board or the Accountable Officer may seek advice.

3.2. Sub-Committees

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.

4. Function and Work Programme

4.1. Delegated Powers and Duties of Director of Finance & Performance

The Director of Finance (as Financial Trustee) has prime responsibility for the Health Board's Charitable Funds as defined in the Health Boards Standing Financial Instructions. The specific powers, duties and responsibilities are:

- The administration of all existing charitable funds;
- To identify any new charity that may be created (of which the Health Board is trustee) and to deal with any legal steps that may be required to formalise the trusts of any such charity;
- To provide guidelines with respect to donations, legacies and bequests, fundraising and trading income;
- The responsibility for the management of investment of funds held on trust;
- To ensure appropriate banking services are available;
- To prepare reports to the LHB Board including the Annual Account.

4.2. Effective Assurance

The Committee's programme of work will be designed to provide assurance that:

- Within the budget, priorities and spending criteria determined by the Health Board 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.
- To ensure that the Health Board policies and procedures for charitable funds investments are followed.
- To 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:
 - Trustee Act 2000;
 - The Charities Act 1993;
 - The Charities Act 2006;
 - Terms of the fund's governing documents.
- To receive at least twice a year reports for ratification from the Director of Finance and investment decisions and action taken through delegated powers upon the advice of the Health Board's investment adviser.
- To oversee and monitor the functions performed by the Director of Finance as defined in Standing Financial Instructions.
- To monitor the progress of Charitable Appeal Funds where these are in place and considered to be material.
- To 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.

4.3. Access

The Chair of the Committee shall have reasonable access to Executive Directors and other relevant senior staff.

5. Membership

5.1. Members

The Committee shall comprise:

Chair:	Independent member of the Board
Vice Chair:	Independent member of the Board

Other Members: Chair of the Stakeholder Reference Group
Two (2) Executive Directors:
Chief Executive
Director of Finance and Performance (as Financial Trustee)

The committee may also co-opt additional independent 'external' members from outside the organisation to provide specialist skills, knowledge and expertise.

5.2. Attendees

Other officers of the Health Board will attend:

- Other Executive Directors will attend as required by the Committee

Others by invitation

The Committee Chair may invite any other Health Board officials and / or any others from within or outside the organisation to attend all or part of a meeting to assist it with its discussions on any particular matter. These may include:

- ~ Director of Corporate Governance
- ~ Assistant Director of Finance – Financial Systems & Services
- ~ Head of Financial Services & Accounting
- ~ Charitable Funds Manager
- ~ Health Board's Investment Advisor

5.3. Member Appointments

The membership of the Committee shall be determined by the Board, based on the recommendation of the Health Board 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.

Members shall be appointed to hold office for a period of one year at a time, up to a maximum of their term of office.

During their period of appointment a member may resign or be removed by the Board.

6. Support

6.1. Secretariat

Secretariat arrangements will be determined and arranged by the Director of Corporate Governance.

6.2. Advice and Member Support

The Director of Corporate Governance, 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 organisational development for committee members as part of the Health Board's overall OD programme developed by the Director of Workforce and Organisational Development.

7. Committee Meetings

7.1. Quorum

At least three of the selected members must be present to ensure the quorum of the Committee, one of whom should be the Committee Chair or Vice Chair, one other should be an Independent Member and one must be the Chief Executive or the Director of Finance

7.2. Frequency of Meetings

Meetings will be held **Quarterly** and otherwise as the Chair of the Committee deems necessary – consistent with the Health Boards plan of Board business.

7.3. Withdrawal of individuals in attendance

The Chairman may ask any or all of those who normally attend but who are not members of the Committee to withdraw to facilitate open and frank discussion of particular matters (an In Committee meeting).

7.4. Record of the Committee Meeting

A record of the meeting will be presented as notes and action points.

7.5. Public Meetings

The Committee will not routinely meet in public.

8. Relationship and Accountabilities with the Board and its Committees

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

The Committee, through its Chair and members, shall work closely with the Board and where appropriate its committees and groups, 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.

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.

9. Reporting and Assurance Arrangements

The Committee Chair shall:

- Report formally, regularly and on a timely basis to the Board (as Trustees) on the Committee's activities.
- Bring to the Board and the Accountable Officer's specific attention any significant matters under consideration by the Committee;
- Ensure appropriate escalation arrangements are in place to alert the Health Board Chair and Chief Executive (as Accountable Officer) of any urgent/critical matters that may affect the operation and/or reputation of the Health Board.

The Director of Corporate Governance, on behalf of the Board, shall oversee a process of annual self-assessment and evaluation of the Committee's performance and operation including that of any sub committees established. In doing so, account will be taken of the requirements set out in the NHS Wales Audit Committee Handbook.

10. Applicability of Standing Orders to Committee Business

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

These Terms of Reference shall be reviewed annually by the Committee with reference to the Board.