

# Aneurin Bevan University Health Board Meeting - Supporting Papers (Charitable Funds Accounts)

Wed 25 January 2023, 09:30 - 10:00



## Agenda

---

### 1. Item 3.1 Charitable Funds Annual Accounts & Annual Report 2021-22

*Attachment*

*Director of Finance, Procurement and VBHC*

#### 1.1. Charitable Funds Accounts 2021-22

 3.1 a App 1 ABUHB Final Charitable Funds Accounts 2021-22.pdf (21 pages)

#### 1.2. Charitable Funds Annual Report 2021-22

 3.1 b App 2 Charitable Funds Annual Report 2021-22 Final.pdf (31 pages)


#### 1.3. Letter of Representation

 3.1 c Letter of Representation 2021-22.pdf (3 pages)

#### 1.4. 2022 Audit Plan

 3.1 d \_Aneurin\_Bevan\_Charitable\_Funds\_2022\_Audit\_Plan\_final.pdf (10 pages)

#### 1.5. Audit of Accounts

 3.1 e \_abuhb\_cf\_audit\_of\_accounts\_report\_2021-22\_final.pdf (22 pages)

<p>Aneurin Bevan University Local Health Board Charitable Fund and Other Related Charities</p>
--

The accounts for Funds Held on Trust.

## **FOREWORD**

The Charity's accounts and annual report for the year ended 31st March 2022 have been prepared by the Corporate Trustee in accordance with the Charities Act 2011 and the Charities (Accounts and Reports) Regulations 2008.

## **STATUTORY BACKGROUND**

Aneurin Bevan University Local Health Board is the Corporate Trustee of the Funds Held on Trust under the National Health Service (Wales) Act 2006.

The Aneurin Bevan University Local Health Board and Other Related Charities registered with the Charity Commission on 7th January 2011, registration number 1098728.

**Statement of Financial Activities for the year ended 31 March 2022**

	Note	Unrestricted funds £000	Restricted Income funds £000	Total Funds 2021-22 £000
<b>Incoming resources from generated funds:</b>				
Donations, legacies and grants	4	399	269	668
Charitable activities	5	126	0	126
Investments	7	149	38	187
<b>Total incoming resources</b>		<b>674</b>	<b>307</b>	<b>981</b>
<b>Expenditure on:</b>				
Raising Funds	8	8	0	8
Charitable activities	9	716	206	922
<b>Total expenditure</b>		<b>724</b>	<b>206</b>	<b>930</b>
Net gains / (losses) on investments	16	539	38	577
<b>Net income / (expenditure)</b>		<b>489</b>	<b>139</b>	<b>628</b>
Transfers between funds	22	0	0	0
<b>Net Movement in funds</b>		<b>489</b>	<b>139</b>	<b>628</b>
<b>Reconciliation of Funds</b>				
Total Funds brought forward	23	4,313	1,103	5,416
<b>Total Funds carried forward</b>		<b>4,802</b>	<b>1,242</b>	<b>6,044</b>

**Statement of Financial Activities for the year ended 31 March 2021**

	Note	Unrestricted funds £000	Restricted Restricted Income funds £000	Total Total Funds 2020-21 £000
<b>Incoming resources from generated funds:</b>				
Donations, legacies and grants	4	685	218	903
Charitable activities	5	87	0	87
Investments	7	145	36	181
<b>Total incoming resources</b>		<b>917</b>	<b>254</b>	<b>1,171</b>
<b>Expenditure on:</b>				
Raising Funds	8	5	0	5
Charitable activities	9	954	282	1,236
<b>Total expenditure</b>		<b>959</b>	<b>282</b>	<b>1,241</b>
Net gains / (losses) on investments	16	526	145	671
<b>Net income / (expenditure)</b>		<b>484</b>	<b>117</b>	<b>601</b>
Transfers between funds	22	(7)	7	0
<b>Net Movement in funds</b>		<b>477</b>	<b>124</b>	<b>601</b>
<b>Reconciliation of Funds</b>				
Total Funds brought forward	23	3,836	979	4,815
<b>Total Funds carried forward</b>		<b>4,313</b>	<b>1,103</b>	<b>5,416</b>

**Balance Sheet as at 31 March 2022**

		<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>	<b>Total</b>
	<b>Note</b>	<b>funds</b>	<b>Income</b>	<b>31 March</b>	<b>31 March</b>
		<b>£000</b>	<b>funds</b>	<b>2022</b>	<b>2021</b>
			<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Fixed assets:</b>					
Investments	16	4,580	1,247	<b>5,827</b>	5,250
<b>Total fixed assets</b>		<b>4,580</b>	<b>1,247</b>	<b>5,827</b>	<b>5,250</b>
<b>Current assets:</b>					
Debtors	17	211	20	<b>231</b>	188
Cash and cash equivalents	18	288	85	<b>373</b>	238
<b>Total current assets</b>		<b>499</b>	<b>105</b>	<b>604</b>	<b>426</b>
<b>Liabilities:</b>					
Creditors: Amounts falling due within one year	19	277	110	<b>387</b>	260
<b>Net current assets / (liabilities)</b>		<b>222</b>	<b>(5)</b>	<b>217</b>	<b>166</b>
<b>Total net assets / (liabilities)</b>		<b>4,802</b>	<b>1,242</b>	<b>6,044</b>	<b>5,416</b>
<b>The funds of the charity:</b>					
Restricted income funds	23	0	1,242	<b>1,242</b>	1,103
Unrestricted income funds	23	4,802	0	<b>4,802</b>	4,313
<b>Total funds</b>		<b>4,802</b>	<b>1,242</b>	<b>6,044</b>	<b>5,416</b>

The notes on pages 5 to 17 form part of these accounts

Approved by the Trustees on 25 January 2023 and signed on its behalf by:

Signed : .....

Name : ..... (Chair of Trustees)



**Statement of Cash Flows for the year ending 31 March 2022**

	<b>Note</b>	<b>Total Funds 2021-22 £000</b>	<b>Total Funds 2020-21 £000</b>
<b>Cash flows from operating activities:</b>			
<b>Net cash provided by (used in) operating activities</b>	21	<b>(52)</b>	<b>(100)</b>
<b>Cash flows from investing activities:</b>			
Dividend, interest and rents from investments	7	187	181
Proceeds from the sale of investments	16	0	28
<b>Net cash provided by (used in) investing activities</b>		<b>187</b>	<b>209</b>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>135</b>	<b>109</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>	18	238	129
<b>Cash and cash equivalents at the end of the reporting period</b>	18	<b>373</b>	<b>238</b>

## **Note on the accounts**

### **1 Accounting Policies**

#### **(a) Basis of preparation**

The financial statements have been prepared under the historic cost convention, with the exception of investments which are included at market value.

The accounts (financial statements) have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2019.

The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern. There are no material uncertainties affecting the current year's accounts.

In future years, the key risks to the Charity are a fall in income from donations or investment income but the trustees have arrangements in place to mitigate those risks (see the risk management and reserves sections of the annual report for more information).

The Charity meets the definition of a public benefit entity under FRS 102.

#### **(b) Funds structure**

Where there is a legal restriction on the purpose to which a fund may be put, the fund is classified as a restricted fund.

Restricted funds are those where the donor has provided for the donation to be spent in furtherance of a specified charitable purpose. The Charity's restricted funds tend to result from appeals, grants and legacies for specified purposes.

Those funds which are not restricted income funds, are unrestricted income funds which are sub analysed between designated (earmarked) funds where the Trustees have set aside amounts to be used for specific purposes or which reflect the non-binding wishes of donors and unrestricted funds which are at the Trustees' discretion, including the general fund which represents the Charity's reserves. The major funds held in each of these categories are disclosed in note 23.

**(c) Incoming resources**

Income consists of donations, legacies, grants, income from charitable activities and investment income.

Donations are accounted for when received by the charity. All other income is recognised once the Charity has entitlement to the resources, it is probable (more likely than not) that the resources will be received and the monetary value of incoming resources can be measured with sufficient reliability.

Where there are terms or conditions attached to incoming resources, particularly grants, then these terms or conditions must be met before the income is recognised as the entitlement condition will not be satisfied until that point. Where terms or conditions have not been met or uncertainty exists as to whether they can be met then the relevant income is not recognised in the year but deferred and shown on the balance sheet as deferred income.

**(d) Incoming resources from legacies**

Legacies are accounted for as incoming resources either upon receipt or where the receipt of the legacy is probable.

Receipt is probable when:

- Confirmation has been received from the representatives of the estate(s) that probate has been granted
- The executors have established that there are sufficient assets in the estate to pay the legacy and
- All conditions attached to the legacy have been fulfilled or are within the Charity's control.

If there is uncertainty as to the amount of the legacy and it cannot be reliably estimated then the legacy is shown as a contingent asset until all of the conditions for income recognition are met.

**(e) Resources expended and irrecoverable VAT**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to each category of expense shown in the Statement of Financial Activities. Expenditure is recognised when the following criteria are met:

- There is a present legal or constructive obligation resulting from a past event
- It is more likely than not that a transfer of benefits (usually a cash payment) will be required in settlement
- The amount of the obligation can be measured or estimated reliably.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

**(f) Support costs**

Support costs are those costs which do not relate directly to a single activity. These include staff costs, costs of administration, internal and external audit costs. Support costs have been apportioned between fundraising costs and charitable activities on an appropriate basis. The analysis of support costs and the bases of apportionment applied are shown in note 12.

**(g) Fundraising costs**

The costs of generating funds are those costs attributable to generating income for the charity, other than those costs incurred in undertaking charitable activities or the costs incurred in undertaking trading activities in furtherance of the charity's objects. The costs of generating funds consists of expenses for fundraising activities.

**(h) Charitable activities**

Costs of charitable activities comprise all costs incurred in the pursuit of the charitable objects of the charity. These costs, where not wholly attributable, are apportioned between the categories of charitable expenditure in addition to the direct costs. The total costs of each category of charitable expenditure include an apportionment of support costs as shown in note 9.

**(i) Fixed Asset Investments**

Ethical Fund Investments are stated at mid-market value as at the balance sheet date, and Property Fund investments are stated at net asset value. Investment properties are included at their open market valuation. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

Quoted stocks and shares are included in the balance sheet at mid-market price, excluding dividend.

Other assets are valued on an open market basis by a professional valuer.

**(j) Debtors**

Debtors are amounts owed to the charity. They are measured on the basis of their recoverable amount.

**(k) Cash and cash equivalents**

Cash at bank and in hand is held to meet the day to day running costs of the charity as they fall due.

**(l) Creditors**

Creditors are amounts owed by the charity. They are measured at the amount that the charity expects to have to pay to settle the debt.

**(m) Realised gains and losses**

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening carrying value (purchase date if later). Unrealised gains and losses are calculated as the difference between the market value at the year end and opening carrying value (or purchase date if later).

## 2. Key Judgements and Assumptions

Average fund balances are used to apportion certain balances between restricted and unrestricted funds, which is deemed to be the most appropriate methodology to use.

There are no material assumptions judged to affect the 2021/22 accounts.

As at 31st March 2022, there is no other information to show that assets/liabilities would need to be materially adjusted during 2022/23.

## 3. Related party transactions

The Aneurin Bevan University Local Health Board is the sole beneficiary of the charity.

The charity had significant material transactions with Aneurin Bevan University Local Health Board as follows:

	2021-22		As at 31st March 2022	
	Expenditure to related party	Income from related party	Amounts owed to related party	Amounts due from related party
	£000	£000	£000	£000
Aneurin Bevan University Local Health Board	930	24	175	5

The Corporate Trustee has interests in related parties as follows:

Member	Related Organisation	Relationship with Related Party	2021-22		As at 31st March 2022	
			Expenditure to related party	Income from related party	Amounts owed to related party	Amounts due from related party
			£000	£000	£000	£000
Robert Holcombe	JW Bowkett (Electrical Installation) Ltd	Son is an Employee of the Company	1	0	0	0
Emrys Elias	Velindre NHS Trust	Spouse is Employee (Seconded to Health Inspectorate Wales)	0	0	0	0
Richard G Clark	Torfaen County Borough Council	County Borough Councillor, Deputy Leader and Elected Member	0	0	0	0
Prof Helen Sweetland	Cardiff University	Employed	6	1	6	1

The Corporate Trustee has interests in a number of related parties. All transactions with those related parties have been reviewed and there are nil transactions except for those listed above.

**3. Related party transactions (continued)**

In 2020-21 the charity had significant material transactions with Aneurin Bevan University Local Health Board as follows:

	2020-21		As at 31st March 2021	
	Expenditure to related party	Income from related party	Amounts owed to related party	Amounts due from related party
	£000	£000	£000	£000
Aneurin Bevan University Local Health Board	1,170	17	25	32

The Corporate Trustee had interests in related parties as follows:

Member	Related Organisation	Relationship with Related Party	2020-21		As at 31st March 2021	
			Expenditure to related party	Income from related party	Amounts owed to related party	Amounts due from related party
			£000	£000	£000	£000
Glyn Jones	NHS Wales Informatics Service (Hosted by Velindre NHS Trust)	Sister is Project Manager	1	0	0	0
	Swansea Bay University Health Board	Niece is on the NHS Wales Graduate Finance Training Scheme	0	21	0	0
David Street	Caerphilly County Borough Council	Corporate Director, Social Services and Housing	0	1	0	0

The Corporate Trustee has interests in a number of related parties. All transactions with those related parties have been reviewed and there are nil transactions except for those listed above.

#### 4. Income from donations, legacies and grants

	Unrestricted funds £000	Restricted Income funds £000	Total 2021-22 £000	Total 2020-21 £000
Donations	399	0	399	685
Legacies	0	170	170	42
Grants	0	99	99	176
	<b>399</b>	<b>269</b>	<b>668</b>	<b>903</b>

#### 5. Income from charitable activities

	Unrestricted funds £000	Restricted Income funds £000	Total 2021-22 £000	Total 2020-21 £000
Course income	101	0	101	73
Other income	25	0	25	14
	<b>126</b>	<b>0</b>	<b>126</b>	<b>87</b>

#### 6. Role of volunteers

Volunteers have the trust and understanding of the community and are invaluable in engaging with our patients and providing support to paid professionals. The services they provide include:

- welcome services at our hospitals, directing patients and visitors
- befriending service for patients in our hospitals and nursing homes
- end of life companion support for patients in our hospitals
- operating buffet /coffee bars through volunteer organisations such as the League of Friends
- raising funds to purchase equipment across our hospitals.

Due to the pandemic and in order to comply with Government guidelines and hospital infection control measures, some of these volunteer services were suspended during the year.

In accordance with the SORP, due to the absence of any reliable measurement basis, the contribution of these volunteers is not recognised in the accounts.

#### 7. Gross investment income

	Unrestricted funds £000	Restricted Income funds £000	Total 2021-22 £000	Total 2020-21 £000
Fixed asset equity and similar investments	149	38	187	181
Short term investments, deposits and cash on deposit	0	0	0	0
	<b>149</b>	<b>38</b>	<b>187</b>	<b>181</b>

**8. Analysis of expenditure on raising funds**

	Unrestricted funds £000	Restricted Income funds £000	Total 2021-22 £000	Total 2020-21 £000
Fundraising office	0	0	0	0
Fundraising events	3	0	3	1
Investment management	0	0	0	0
Support costs	5	0	5	4
	<b>8</b>	<b>0</b>	<b>8</b>	<b>5</b>

The fundraising office costs relate to the new Breast Care unit and are no longer being incurred by the Charity  
The investment management fee is shown as nil as this is deducted from capital held by the investment management company.

**9. Analysis of charitable activity**

	Grant funded activity £000	Support costs £000	Total 2021-22 £000	Total 2020-21 £000
Medical research	3	0	3	10
Purchase of new equipment	339	58	397	505
Building and refurbishment	31	5	36	18
Staff education and welfare	224	38	262	371
Patient education and welfare	191	33	224	332
	<b>788</b>	<b>134</b>	<b>922</b>	<b>1,236</b>

**10. Analysis of grants**

The majority of grants are made to the Health Board to provide for the care of NHS patients in furtherance of our charitable aims. The charity makes grants to individuals from one specific fund which is used to support nominated medical students from deprived areas. The total cost of making grants, including support costs, is disclosed on the face of the Statement of Financial Activities and the actual funds spent on each category of charitable activity is disclosed in note 9.

The trustees operate a scheme under which Fund Account Managers control how the Charity's designated funds should be spent. The day to day disbursements are in accordance with the directions set out by the trustees in the Charity's Standing Orders and Financial Instructions.

Where undesignated funds exist, the trustees do make grant awards based on applications from across the Health Board.



**11. Movements in funding commitments**

	<b>Current liabilities</b>	<b>Non-current liabilities</b>	<b>Total 31 March 2022</b>	<b>Total 31 March 2021</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Opening balance at 1 April	406	0	<b>406</b>	501
Movement in funding commitments	(132)	0	<b>(132)</b>	(95)
<b>Closing balance at 31 March 2022</b>	<b>274</b>	<b>0</b>	<b>274</b>	<b>406</b>

As described in notes 9 and 10, the charity awards a number of grants in the year. Many grants are awarded and paid out in the same financial year. However, some grants are paid over a longer period.

**12. Apportionment of support costs**

Support and overhead costs are allocated between fundraising activities and charitable activities. Governance costs are those support costs which relate to the strategic and day to day management of a charity.

	<b>Raising funds</b>	<b>Charitable activities</b>	<b>Total 2021-22</b>	<b>Total 2020-21</b>	<b>Basis</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	
<b>Governance</b>					
External audit	0	16	<b>16</b>	9	Average fund balance
Finance and administration	4	61	<b>65</b>	61	Average fund balance
<b>Total governance</b>	<b>4</b>	<b>77</b>	<b>81</b>	<b>70</b>	
Finance and administration	1	57	<b>58</b>	56	Average fund balance
<b>Total Finance and Administration</b>	<b>1</b>	<b>57</b>	<b>58</b>	<b>56</b>	
	<b>5</b>	<b>134</b>	<b>139</b>	<b>126</b>	

	<b>Unrestricted funds</b>	<b>Restricted Income funds</b>	<b>Total Funds 2021-22</b>	<b>Total Funds 2020-21</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Raising funds	5	0	<b>5</b>	4
Charitable activities	106	28	<b>134</b>	122
	<b>111</b>	<b>28</b>	<b>139</b>	<b>126</b>

**13. Trustees' remuneration, benefits and expenses**

The charity does not make any payments for remuneration nor to reimburse expenses to the charity trustees for their work undertaken as trustee.

**14. Analysis of staff costs**

The charity has no employees. Staff services are provided to the charity by Aneurin Bevan University Local Health Board, the Corporate Trustee of the charity, which has received reimbursement of £200,198 (2020-21: £359,974) for these services.

**15. Auditors remuneration**

The auditors remuneration of £16,314 (2020-21: £9,000) related solely to the audit of the statutory annual report and accounts.

**16. Fixed asset investments****Movement in fixed assets investments**

	<b>Investment Properties £000</b>	<b>Investments Listed on Stock Exchange £000</b>	<b>Cash Held in Investment Portfolio £000</b>	<b>Other Assets £000</b>	<b>Total 2021-22 £000</b>	<b>Total 2020-21 £000</b>
Market value brought forward	221	5,004	0	25	<b>5,250</b>	4,607
Add: additions to investments at cost	0	0	0	0	<b>0</b>	0
Less disposals at carrying value	0	0	0	0	<b>0</b>	(28)
Add any gain / (loss) on revaluation	97	480	0	0	<b>577</b>	671
Movement of cash held as part of the investment portfolio	0	0	0	0	<b>0</b>	0
<b>Market value as at 31st March 2022</b>	<b>318</b>	<b>5,484</b>	<b>0</b>	<b>25</b>	<b>5,827</b>	<b>5,250</b>

All investments are carried at their market value.

The investment valuation has been performed by CCLA Investment Management Limited.

The valuation of investment properties, consisting of a freehold ground rent and a small parcel of land, is based on a professional assessment of market value, by independent RICS (Royal Institute of Chartered Surveyors) qualified valuers at least every five years.

The significance of financial instruments to the ongoing financial sustainability of Aneurin Bevan University Health Board Charitable Fund is considered in the risk management section of the trustees' annual report.

The Charity receive the majority of their income in the form of donations. However, significant investments are made and are the source of the main financial risk.

Interest rate risk - the Charity is exposed to fluctuations in interest rates on the monies invested in deposits and the stock market.

Liquidity risk - the majority of expenditure is financed from donations and legacies and there are no borrowings. The Charity is not, therefore, exposed to significant liquidity risk.

**17. Analysis of current debtors**

<b>Debtors under 1 year</b>	<b>Total 31 March 2022 £000</b>	<b>Total 31 March 2021 £000</b>
Accrued income	71	96
Trade Debtors	133	81
Prepayments	27	11
	<b>231</b>	<b>188</b>

**18. Analysis of cash and cash equivalents**

	<b>Total 31 March 2022 £000</b>	<b>Total 31 March 2021 £000</b>
Current Accounts	372	237
Petty Cash	1	1
	<b>373</b>	<b>238</b>

No cash or cash equivalents or current asset investments are held in non-cash investments or outside of the UK.

All of the amounts held on interest bearing deposit are available to spend on charitable activities.

**19. Analysis of liabilities**

<b>Creditors under 1 year</b>	<b>Total 31 March 2022 £000</b>	<b>Total 31 March 2021 £000</b>
Trade creditors	259	59
Deferred Income	125	200
Accruals	3	1
<b>Total creditors</b>	<b>387</b>	<b>260</b>

**20. Analysis of Deferred Income**

	<b>Total 1 April 2021 £000</b>	<b>Deferred £000</b>	<b>Released £000</b>	<b>Total 31 March 2022 £000</b>
Grant Income	184	12	(112)	84
Other Income	16	41	(16)	41
	<b>200</b>	<b>53</b>	<b>(128)</b>	<b>125</b>

**21. Reconciliation of net income / expenditure to net cash flow from operating activities**

	<b>Total 2021-22 £000</b>	Total 2020-21 £000
<b>Net income / (expenditure) (per Statement of Financial Activities)</b>	<b>628</b>	601
<b>Adjustment for:</b>		
(Gains) / losses on investments	<b>(577)</b>	(671)
Dividends, interest and rents from investments	<b>(187)</b>	(181)
(Increase) / decrease in debtors	<b>(43)</b>	45
Increase / (decrease) in creditors	<b>127</b>	106
<b>Net cash provided by (used in) operating activities</b>	<b><u>(52)</u></b>	<b><u>(100)</u></b>

**22. Transfer between funds**

Transfers have been actioned between Unrestricted funds during 2021/22 to streamline the number of funds in line with the Charitable Funds Committee plans to merge and reduce the number of Charitable Funds.

**23. Analysis of funds****a. Analysis of restricted fund movements**

	<b>Balance 1 April 2021</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfers</b>	<b>Gains and losses</b>	<b>Balance 31 March 2022</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Royal Gwent Childrens Ward Legacy	153	5	(13)	0	5	150
Royal Gwent Coronary Care Legacy	112	3	(3)	0	4	116
ABUHB Calcraft Legacy Fund	0	100	0	0	0	100
Nevill Hall Rheumatology Legacy	96	3	(2)	0	3	100
Renal Unit Legacy	82	2	(12)	0	3	75
Nevill Hall Coronary Care Legacy	75	2	(5)	0	3	75
Royal Gwent Haematology Legacy	58	2	(1)	0	2	61
Royal Gwent Breast Care Legacy	58	2	(1)	0	2	61
Chepstow General Legacy	50	1	(1)	0	2	52
Other - 56 restricted designated funds	419	187	(168)	0	14	452
	<b><u>1,103</u></b>	<b><u>307</u></b>	<b><u>(206)</u></b>	<b><u>0</u></b>	<b><u>38</u></b>	<b><u>1,242</u></b>

The material funds specified in the above note will vary from year to year dependent on the closing year end balance.

We consider that a closing fund balance of £50,000 or greater are material for disclosure in these accounts.

### 23. Analysis of funds (continued)

The objects of each of the restricted funds are as follows:

The Royal Gwent Hospital Children's Ward Legacy Fund was bequeathed to the charity for the benefit of the Children's Ward. A proposal for the purchase of various equipment to improve patient care and access was approved by the Charitable Funds Committee.

The Royal Gwent Hospital Coronary Care Unit Legacy Fund was bequeathed to the charity for the provision of medical facilities, towards the cost of providing equipment for the heart unit at the hospital.

The ABUHB Calcraft Legacy fund was bequeathed to the charity to assist in colonoscopy practices within the Health Board.

The Nevill Hall Rheumatology Legacy Fund was bequeathed to the charity for the use of the Rheumatology department at the hospital.

The Renal Unit Legacy Fund was bequeathed to the charity for the purpose connected with the research and treatment of patients under haemodialysis treatment (kidney unit).

The Nevill Hall Coronary Care Legacy Fund was bequeathed to the charity for the use of the heart unit at the hospital.

The Royal Gwent Haematology Fund was bequeathed to the charity for the Haematology Unit at the Royal Gwent Hospital.

The Royal Gwent Breast Care Legacy Fund was bequeathed to the charity for the Breast Care Unit at the Royal Gwent Hospital.

The Chepstow General Legacy was bequeathed to the charity for the Chepstow Community Hospital.

The other 56 restricted funds also related to monies bequeathed to the charity for various wards and departments.

**23. Analysis of funds (continued)****b. Analysis of unrestricted and material designated fund movements**

	Balance 1 April 2021	Income	Expenditure	Transfers	Gains and losses	Balance 31 March 2022
	£000	£000	£000	£000	£000	£000
ABUHB Charitable Funds Committee	186	12	(22)	216	7	399
ABUHB Breast Centre	171	57	(8)	10	6	236
Royal Gwent Property, 13 Clytha Square	117		0	36	97	250
St Woolos Springfield Fund	107	3	(3)		4	111
ABUHB Post Graduate Fund	106	5	(8)	0	4	107
Royal Gwent Casting Techniques Course	87	18	(5)		3	103
ABUHB Covid-19	85	51	(28)	(10)	3	101
Nevill Hall Voluntary Body	96	3	(7)		3	95
Royal Gwent Post Grad Eye	39	3	(2)	45	3	88
ABUHB Employee Well Being Service	60	27	(3)		2	86
Grange Critical Care Unit	110	8	(38)		3	83
ABUHB C.H.A.aT Volunteer Service	75	3	(18)	20	3	83
ABUHB Ffrind I Mi Volunteer Service	95	3	(18)		3	83
Nevill Hall Oncology Rehabilitation	73	2	(2)		3	76
Monmouth Chippenham Community Nurses	78	2	(11)		3	72
Royal Gwent Breast Care Unit	69	2	(2)		3	72
Royal Gwent Property, TP Price	54	2	(33)	45	0	68
Royal Gwent Prostate Cancer Fund	60	2	(2)		2	62
ABUHB Volunteering (Corporate)	42	16	(1)		1	58
ABUHB Rheumatology	56	2	(2)		2	58
Ysbyty Ystrad Fawr Adult Medicine	55	2	(4)		2	55
Nevill Hall Windsor Suite	32	20	(1)		1	52
Other - 343 unrestricted designated funds	2,460	431	(506)	(362)	381	2,404
	<b>4,313</b>	<b>674</b>	<b>(724)</b>	<b>0</b>	<b>539</b>	<b>4,802</b>

The trustees have delegated all unrestricted funds as designated funds to the ward or department the donations were intended for.

The material funds specified in the above note will vary from year to year dependent on the closing year end balance.

We consider that a closing fund balance of £50,000 or greater are material for disclosure in these accounts.

**24. Events after the reporting period**

Our CCLA investments have increased in value to pre-pandemic levels but growth in the year ahead is expected to be challenging as a result of the war in Ukraine and a slow down in the global economy.

## Statement of Trustee's Responsibilities

The law applicable to charities in England and Wales requires the Trustee to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the year and its financial position at the end of the year. In preparing financial statements giving a true and fair view, the Trustee should follow best practice and :

- select suitable accounting policies and apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustee is responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to ascertain the financial position of the charity and which enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. The Trustee is responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustee confirms that they have complied with the above requirements.

### By order of the trustee

Ann Lloyd  
Trustee

Rob Holcombe  
Financial Trustee

Dated:

## **The independent auditor's report of the Auditor General for Wales to the trustee of Aneurin Bevan University Local Health Board Charitable Fund and Other Related Charities**

### **Opinion on financial statements**

I have audited the financial statements of Aneurin Bevan University Local Health Board Charitable Fund and Other Related Charities for the year ended 31 March 2022 under the Charities Act 2011. These comprise the Statement of Financial activities, Balance Sheet, Statement of Cash Flows and related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In my opinion the financial statements:

- give a true and fair view of the state of affairs of the charity as at 31 March 2022 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Charities Act 2011.

### **Basis for opinion**

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the charity in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the trustee with respect to going concern are described in the relevant sections of this report.

### **Other information**

The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. The trustee is responsible for the other information contained within the annual report. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon. My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.



## **Report on other requirements**

### **Matters on which I report by exception**

I have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require me to report to you if, in my opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report;
- sufficient accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my team;
- the financial statements are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit.

## **Responsibilities**

### **Responsibilities of the trustee for the financial statements**

As explained more fully in the statement of trustee's responsibilities set out on page 18, the trustee is responsible for preparing the financial statements in accordance with the Charities Act 2011, for being satisfied that they give a true and fair view, and for such internal control as the trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustee is responsible for assessing the charity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

### **Auditor's responsibilities for the audit of the financial statements**

I have been appointed as auditor under section 150 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

- Enquiring of management, including obtaining and reviewing supporting documentation relating to Aneurin Bevan University Local Health Board Charitable Fund and Other Related Charities' policies and procedures concerned with:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances on non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.

- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition and posting of unusual journals.
- Obtaining an understanding of Aneurin Bevan University Local Health Board Charitable Fund and Other Related Charities' framework of authority as well as other legal and regulatory frameworks that the Aneurin Bevan University Local Health Board Charitable Fund and Other Related Charities operated in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of Aneurin Bevan University Local Health Board Charitable Fund and Other Related Charities.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- reading minutes of meetings of those charged with governance and the trustee; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Aneurin Bevan University Local Health Board Charitable Fund and Other Related Charities' control, and the nature, timing and extent of audit procedures performed.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my auditor's report.

Adrian Crompton  
Auditor General for Wales  
27 January 2023

24 Cathedral Road  
Cardiff  
CF11 9LJ



**GIG**  
CYMRU  
**NHS**  
WALES

Bwrdd Iechyd Prifysgol  
Aneurin Bevan  
University Health Board

# **Aneurin Bevan University Local Health Board Charitable Fund and Other Related Charities**

## **Trustee's Annual Report and Accounts 2021-2022**

**Registered Charity No: 1098728**





## Aneurin Bevan Health Charity

## About Us

We receive monies given to Aneurin Bevan University Local Health Board from grateful patients, their loved ones and the wider community; thanking us for the NHS care and treatment we provide.

## Our Partner NHS Health Board

Aneurin Bevan University Local Health Board was established in October 2009 and achieved 'University' status in December 2013.

It delivers healthcare services to people in Blaenau Gwent, Caerphilly, Monmouthshire, Newport, Torfaen and provides some services to the people of South Powys.



Serving an estimated population of more than 639,000 people, which is around 21% of the total Welsh population, it has approximately 14,000 staff and a budget of £1.6 billion.



# Introduction

On behalf of the corporate trustee, we present the Aneurin Bevan University Local Health Board Charitable Fund and Other Related Charities Annual Report together with the audited financial accounts for the year ended 31<sup>st</sup> March 2022.

## Message from our Chair

*It has been another tough year for all of us. Your donations continue to help us improve the care and treatment our patients receive and support our staff in delivering exceptional healthcare.*

*Please discover the story of our financial year and see the snapshot of the year below as a reminder of all that we have achieved.*



***You made it possible!***

*Thank You!*

*Katija Dew, Chair  
Charitable Funds Committee*

## Message from our Chief Executive



*As we reflect on the past year, my heartfelt thanks goes out to all those dedicated and generous donors who have supported us.*

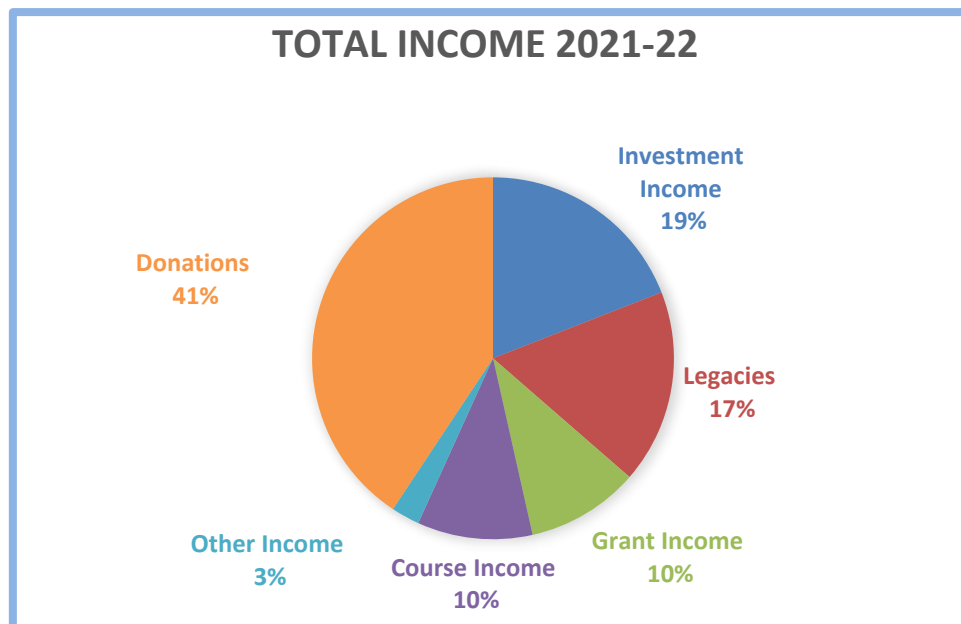
*I am delighted to share our highlights with you*

*Glyn Jones  
Interim Chief Executive*

## Snapshot of 2021-22

### INCOME – How we received our money

This year we received £981,000



#### **Donations £399,000**

The donations we received is thanks to the generosity of patients, their relatives and friends in recognition of the care and treatment received from Aneurin Bevan University Local Health Board.

#### **Courses and Other Income £126,000**

We received £126,000 from course fees and sponsorship. These are run mainly through our Postgraduate department.

#### **Income from Investments £187,000**

We received £187,000 from our investment portfolio.

#### **Legacies £170,000**

We received s legacies totalling £170,000. We are extremely grateful to those individuals who have had the generosity to leave a gift to us in their will.

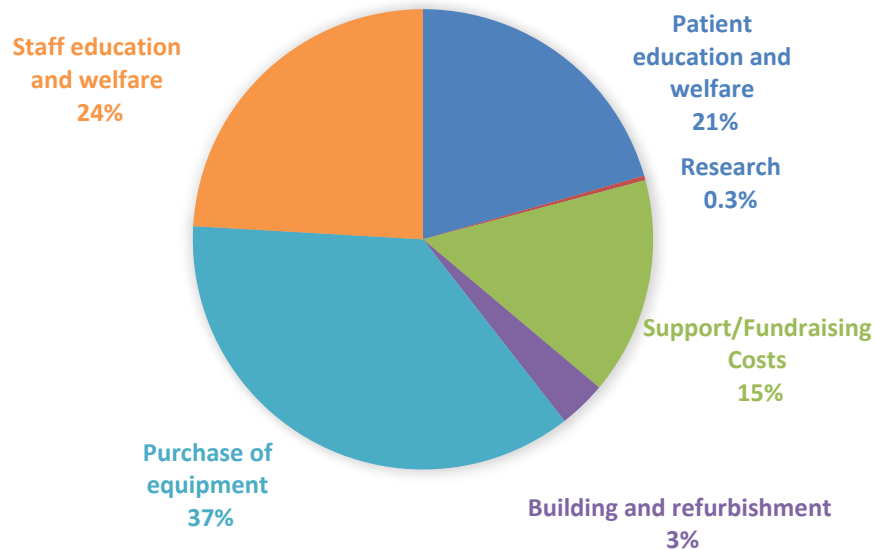
#### **Grant Income £99,000**

We have received £99,000 from external organisations to fund specific schemes / projects. Some of this funding was received from NHS Charities Together – monies raised by Captain Sir Tom Moore and others.

## EXPENDITURE – How we spent our money

This year we spent £930,000

### TOTAL EXPENDITURE 2021-22



### Patient Education and Welfare £191,000

This year we have used this money to continue services including:

- an End-of-Life Companion service which enables trained volunteers to sit with patients who may be at risk of dying alone.
- The continued support of the Robins services, who assist patients with menu choices on the wards, mealtime support, contributing to their wellbeing and dignity, to Nevill Hall Hospital and the Grange University Hospital, providing an equitable service across our hospitals.

### Building and Refurbishment £31,000

We spent this mainly on establishing a research office in Nevill Hall Hospital and improving the environment, making better use of our rooms for our patients and staff.

### Research £3,000

This was used to pay for the cost of analysing samples for a research study.

### **Staff Education and Welfare £224,000**

This was spent on additional support for our Employee Well-being Service and continued support for training, where it has been possible and the purchase of educational materials to develop our staff.

It was agreed to use charitable funds to purchase Hydration Bottles which were presented to staff to say thank you to all our staff and to recognise the exemplary contribution our staff have made and continue to make during the Covid-19 pandemic.

### **Support Costs £139,000**

This covers the cost of the Charitable Funds Team, Corporate support and auditor fee in administering the funds.

### **Equipment £339,000**

You have made it possible for us to purchase numerous items of much needed equipment for various wards and departments across the Health Board, such as pulse oximeters, bladder scanners and ECG machines.

Other items include a simulation training suite for students and volunteers, defibrillators and cabinets for the community, MacBooks for students, laptops for staff and furniture for our new medical education centre at the Grange University Hospital

A list of key purchases follows.



## You made it possible ....

.... for us to provide these key purchases

***Charitable Funds are spent in line with the Charity's objects and are intended to provide those additional amenities that will improve the conditions under which patients are cared for and treated or staff work.***

- **RITA Dementia Packages x 2, Ysbyty Aneurin Bevan**



Reminiscence Interactive Therapy Activities (RITA) software is aimed at augmenting the care delivered to older people, those living with Dementia, Alzheimer's and learning difficulties as a means of supporting them and

reducing their agitation, isolation, depression and delirium. This equipment is particularly useful in this hospital where there are single bedded rooms.

- **Bladder scanner for Monmouth District Nurses**

Bladder scanners are portable, handheld ultrasound devices which can perform quick, easy and non-invasive scans of the bladder and painless for the patient. It can be used to help identify bladder distension, causes of urinary frequency and bladder irritability and is useful assisting with accurate assessments of hydration status. The purchase of these additional bladder scanners has enabled the nursing staff to use them at the patient's bedside which is beneficial to both patients and staff.



is  
in

- **Thera Trainer, Renal Unit**



The Thera Trainer is used as part of the treatment for patients to enhance their overall rehabilitation in a cohort of patients where achieving aerobic activity can be challenging.

- **ECG Systems x 2 for Cardiology Services at Grange University Hospital**

Additional machines to check the heart's rhythm and electrical activity

- **PH Manometry Equipment for General Surgery, Nevill Hall Hospital**

PH Manometry equipment tests the functionality of the oesophagus i.e., can it move food to your stomach normally.

- PH – is a test that measures the amount and severity of acidic stomach contents that may be leaking from the stomach into the oesophagus
- Mano – a test that measures the pressure activity within the oesophagus and the sphincters (ring like muscles which close a natural orifice or passage at either end of the oesophagus).

Whilst ABUHB provides the largest benign Upper GI surgery service in Wales, it is the only Health Board in Wales that does not offer an oesophageal manometry service. As a result, patients are referred to Cardiff. This equipment will allow us to provide this service in house. Overall, this new service will significantly improve care provided to patients with acid reflux disease (GORD - *Gastro-oesophageal reflux disease*).

*This equipment was funded from an outside charity, the Nevill Hall Hospital Thrombosis and General Research Fund which has supported the hospital for many years.*

**You made it possible ....**

**...for us to provide "Thank you" tokens to our staff.**



**"Thank you" Hydration Bottles**  
hydration bottles, which are a 'thank you' gift for our staff for the outstanding contribution they made and continue to make during the Covid-19 pandemic.

## You made it possible ....

...for the Person-Centred Care Team to Help Patients and Welsh Learners

The Health Board's Person-Centred Care Team, in collaboration with the Welsh Language Unit and local Welsh medium schools, have designed and created a brand-new bilingual card game, named *Casglu* (Welsh for *To Collect*).

The game was made possible by funding from the RCN Foundation and the Welsh Language Unit Charitable Fund and is suitable for all ages, with the aim being for players to collect as many sets of cards as possible. Children in Welsh Medium education in the Torfaen and Newport areas played a big part in designing the game's pictures and sentences.



The game was recently piloted with patients, Serenity and Caleb, on the Children's Unit at The Grange University Hospital, who enjoyed playing with their families.

In the first instance, *Casglu* will also be made available to:



- The Children's Unit at The Grange University Hospital
- Staff who are learning / fluent in Welsh to aid with Welsh language communication skills.
- Health Board volunteers to help them support patients with meaningful activities
- Local children who helped design the game, as well as other schools in the Health Board area.

Once restrictions allow, it will also be part of the resources available for Intergenerational Activity in Care Homes and Community Wards. We look forward to seeing the game played across our communities and generations, bringing a little bit of joy, and enhancing the use of the Welsh language.

**You made it possible ....**

**.... for us to say it with cards**

### **Little things make a Big Difference**



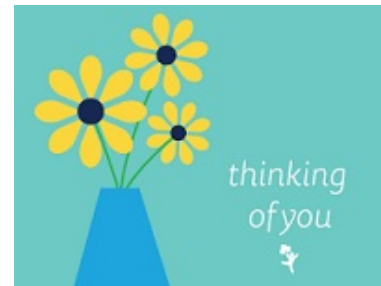
Staff at the Neonatal Unit, Grange University use your donations to purchase and send cards to those babies treated on the unit for their 1<sup>st</sup> Birthdays. While babies are in the unit, cards are sent from the babies to mums and dads, for Mother's Day and Father's Day.

### **While in hospital**

Recently a patient was given a card and stamp so he could write to his wife whom he had not been able to see for some time. Sadly, and unexpectedly, the patient died...

When his wife came to collect his belongings, she was carrying the card and said it had become one of her most treasured possessions.

Thankfully, many patients recover and return home, but this small gesture made a significant difference to a loved relative.



Cards and stamps are available free of charge from the Chaplaincy department for any patient that might appreciate being able to write to a loved one.

### **After...**



Staff at our Accident and Emergency Units write notes in sympathy cards to relatives of those loved ones that have been admitted to hospital suddenly and passed away. Staff find it helps give closure to those relatives who were unable to be there at the end.

**Your donations have made this possible.**

**You made it possible ....**

**.... for us to provide support at the End of Life**

## End of Life Companion Case Study

The End-of-Life Companion volunteer service commenced at the very start of the pandemic and both grants and donations have been used to pay for a Clinical Skills Trainer and a Volunteer Co-ordinator for this service.

Companions were recruited and trained so they were ready to support any patient that was at the end of their life and at risk of dying alone. End of Life Companions have supported patients both as befrienders and provided support to patients who are in the last days of their lives.

Late last year, the Person-Centred Care Team had a request for the End-of-Life Companions to support a family in providing some additional company for their relative. The family members were exhausted. They had been sitting with their relative 24-hours a day; however, they did not want their relative to be alone.

The End-of-Life Clinical Skills Trainer met with the family to explain the Companion role and then arranged for three Companions to visit the following day so that the family could have some much-needed rest. The Clinical Skills Trainer also met with the ward staff so that they were aware of the support that had been put in place.

The Companions know they may be contacted at short notice and were very pleased that they could support both the patient and the relatives. It was during one of the Companion visits that the patient peacefully died and importantly, they were not alone, which was a comfort to both the patient and their relatives.

The Health Board is so grateful to our End-of-Life Companions who provide a very special and unique companionship in the final hours and moments of peoples' lives.

**You made it possible ....**

**.... for us to continue supporting students to become doctors**

Our Care Fund Project is used to identify individuals from less privileged backgrounds, with a potential to become qualified doctors by supporting them with a programme of mentoring and financial support. The project looks at innovative ways to encourage and train these individuals with the necessary skills and knowledge to obtain a place in medical school and support them through the training process to hopefully lead to them becoming active doctors within the Health Board locality.



The following comments have been received from recipients of our Care Project Bursary Fund:



*"The generosity of the bursary I received has allowed me to experience the amazing opportunities I have had whilst completing a neuroscience degree. This is something that I did not think would be possible in my medical studies, as an extra year in university comes at a price that would not have been accessible to me without your support."*

*This year has allowed me to gain a greater appreciation for the research that underpins medicine and has allowed me to gain a qualification that will open many doors for myself in the future.*

*If I had taken this intercalated year without the support of the bursary I would have had to support myself with a job whilst studying. However, thanks to your generosity I have been able to put the time and effort into my studies required to gain a first-class degree, something I never thought would be possible.*

*I have further been very fortunate to have the time and opportunity to work with Public Health Wales and Cardiff University researchers to write and submit my first research paper for publication, as the first author. This opportunity has allowed me to turn what I have studied over the past year into something that will hopefully help others and add to the broader scientific community. To have the chance to work closely with incredible scientists and doctors that are advancing the knowledge of medicine has been a special experience.*

*Without your financial support, I do not believe this opportunity to better myself academically and as a future doctor would have been possible. I have to thank you dearly for the role you have played in this journey so far"*



*"The laptop given to me was incredibly beneficial. It is something I use every day and thus am very grateful to have a good and reliable device, to use for lectures, notes, assignments, as well as for online teaching sessions."*

*Furthermore, the money awarded to me has made a significant difference to my academic studies and personal life– It meant I did not have to work during term time, and could therefore fully focus on my studies, and dedicate myself to the course and its workload. It also allowed me to use my free time to pursue my hobbies and spend time with friends."*



*"Having now had first hand hospital experience through medical school placement I have never been more certain that a career of patient care in medicine is something that I am excited to be fully committed to pursuing. It is so*

*rewarding to interact with people every day and to be part of the team which aims to improve their lives.*

*Receiving the bursary meant that I didn't have to worry financially during the academic year which was a massive relief. I also continued using the laptop which was awarded the year prior, and this continues to be the most useful thing I have for my degree. A laptop like this would have absolutely been unattainable without your support."*



*"This bursary allowed me to focus solely on my studies without the stress of financial burden, ensuring I successfully passed all exams.*

*In addition to this, I was able to purchase resources such as textbooks and medical equipment as needed to aid revision.*

*Finally, I have been able to pursue areas of interest such as widening participation schemes."*

## You made it possible ....

...for us to enable the Patient Reported Experience Measures to be adopted

Following on from last year's trial of Patient Reported Experience Measures:

- We have implemented digital collection of experience measures
- We have a patient reference group to link with the wider Health Board person centred group.
- We have a Dashboard prototype created specifically for this information
- Data collected is accessible and or provided as evaluation to service teams and or quality and patient safety committee
- 12 Service areas have collected experience measures
- 7 hospital sites have instances of experience collection
- Total volume of experience measures collected: 4938

### Because of you ....

#### .... we were able to trial Patient Reported Experience Measures

We provided an analyst for one year to co-ordinate a pilot programme, where our Person-Centred Care and Partnership team tested the national Patient Reported Experience Measures (PREMs) across all hospital wards.



The Patients' perceptions of their health and experiences are key to providing excellent patient-centered care and allows clinicians to consider what needs to change and advance the patient experience and quality agenda.



Each test site allowed us to have face to face discussions with patients and families, reflect on those discussions and amend the questions we were asking before agreeing the most appropriate reportable outcomes and digital platform.

This post significantly supported the testing and roll out of PREMs, assisting pilot site areas, preparing an analysis of results and contributing to a digital platform model going forward. The feedback is used to improve the experience of patients, relatives and staff which is critical to excellence in health care.

We are hopeful that by the end of the project we will have robust questions to allow importing onto a digital platform that will allow for 'Ward to Board' real time reporting.

The Value Based Healthcare Team worked in partnership with the Director of Nursing Team to implement and embed the experience measure collection. The service areas with access to the dashboard can review and evaluate the results with the aim of making service improvements to benefit the patient experience.

**You made it possible ....**

**...by fundraising for us**

## **Fundraising with a Zip for Staff Wellbeing**

Around 30 staff from Complex Care and COVID-19 Testing completed a Zip Wire challenge to raise funds for Health Board's Employee Wellbeing Service.

The staff decided to take up the hair-raising challenge following the difficulties experienced during the pandemic, which has impacted the wellbeing of our staff.

If you would like to donate to their fundraising efforts, please visit their Just Giving page:

<https://www.justgiving.com/fundraising/ABUHB-Wellbeing>



## **Turn ABUHB Pink**

Could you be a Pink Champion and organise your teams #Turnpink event?

Every October, people all over the world show their support for people affected by breast cancer. After a very difficult year, Health Board staff are being urged to take part in the biggest #TurnABUHBpink has ever seen to raise money for the new Breast Care Centre at YYF.

We would like to expand on the previous year's success and get even more departments involved in helping us. We are aiming to get as many staff and community groups as possible to come together to wear pink and donate.

We will make sure you have everything you need to make your day fab and full of fun. Get in touch to see how you can "Turn Pink" leading up to a main event every October, which will take place across all our Health Board sites.

Local women gathered to create a 'tastefully topless' calendar to raise funds for The New Breast Care Unit. These courageous women have had breast cancer or experience of the breast service and feel passionate about having an improved service for all.



## You made it possible ....

### Fundraising and the new Breast Care Unit

**Unified Breast Unit at Ysbyty Ystrad Fawr** – The construction of new purpose built Breast Unit will bring together diagnostic, treatment and surgical services that are currently spread across three hospitals. It was anticipated that work would start on the site of this new unit in October 2022. Work actually commenced on the 17<sup>th</sup> October 2022, with completion expected in December 2023.

#### In the Spotlight



Name: Louise Davidson

JOB TITLE: **LEAD BREAST NURSE SPECIALIST**

"I am proud to be part of a passionate, caring, multidisciplinary team whose priority is to provide the best quality, individual service to those diagnosed with breast cancer. I'm excited for the future of breast services in the Health Board and centralisation in 2022 at YYF and a new purpose-built breast unit, a centre of excellence".

The Unit will support more than 5,000 women, and a number of men each year. The fundraising aims to support the patients and families to have a comfortable waiting room, counselling rooms with a sensitive design and décor to create a calm, light and dignified environment, where patients and their families can come to terms with their diagnosis and treatment.

"It's been a difficult few years with Covid restrictions having a direct effect on how we can continue to raise funds to support our NHS. The number of people continually getting involved in all departments raising money in innovative, tireless and sometimes virtual ways for our new breast unit makes you realise just how amazing people are."



## You made it possible ....

.... for us to reflect our experiences creatively

### Calling all Sewers and Scrubbers!

Did you pick up a needle and thread to lend a hand in 2020? Are you still sewing and donating now? Would you be interested in taking part in a free staff & community textile project that will reflect on the amazing efforts people made to provide PPE masks, scrubs, scrubs bags and everything else in 2020?



We (Gwent Arts in Health & ABUHB) have raised funding through NHS Charities and NESTA for a creative project that aims to reflect our experiences at that difficult time through a series of community textile murals that will be hung in our hospitals.

At this stage, we would like anyone who would like to contribute and take part – sharing stories, stitching a piece or two, sharing with others – to get in touch so we can start planning the project together. The project was due to commence in September 2022 but has been delayed due to staffing issues and is hoping to commence in 2023.

## You made it ALL possible ....



.... Thank You



## Other events

### Official Opening of the Grange University Hospital



First Minister Rt Hon Mark Drakeford led the official opening of The Grange University Hospital on Friday 27th August 2021. The Grange University Hospital is one of the key components of our Clinical Futures Strategy, which aims to revolutionise healthcare services in the Health Board area by providing care as close to patients' homes as possible.

The First Minister said: "The Grange University Hospital has already proved its value to the local community. My thanks go to everyone who worked hard to open the hospital earlier than planned. I'd also like to pay tribute to those NHS staff who work here for all their hard work during these difficult times."

### The Charitable Funds Team

Alison Griffiths – Charitable Funds Manager



Linda Proudman – Charitable Funds Officer

Wendy Keyte – Charitable Funds Officer



Sue Turley – Charitable Funds Officer

With visits to hospitals restricted and internal conferences cancelled, the Charitable Funds Team will continue to promote charitable funds across the Health Board albeit in a new way of working with visits replaced by Teams calls.

# Charity Governance, Audit and Finance

## 1. Reference and Administrative Details

**Charity Name:** Aneurin Bevan University Local Health Board Charitable Fund and Other Related Charities

**Charity Working Name:** Aneurin Bevan Health Charity

**Registered Charity No:** 1098728

**Address of Charity:** Headquarters  
St Cadoc's Hospital  
Lodge Road  
Caerleon  
Newport  
NP18 3XQ

### Administration of the Charitable Funds:

The accounting records and the day-to-day administration of the funds are undertaken by:

Charitable Funds Section  
Corporate Finance Department  
Aneurin Bevan University Local Health Board  
Block C, Mamhilad House  
Mamhilad Park Estate  
Pontypool, Torfaen  
South Wales NP4 0YP

Tel No: 01495 765431

E-mail: [Charitable.funds.ABB@wales.nhs.uk](mailto:Charitable.funds.ABB@wales.nhs.uk)

### Professional Advisors:

**Bankers:** National Westminster Bank PLC  
Government Banking Parklands  
De Havilland Way  
Horwich  
Boulton  
BL6 4YU

Santander  
Customer Services Centre  
Bootle  
Merseyside  
L30 4GB

<b>Investment Managers:</b>	CCLA Investment Management Limited 1 Angel Lane London EC4R 3AB
<b>External Auditors:</b>	The Auditor General for Wales 24 Cathedral Road Cardiff CF11 9LJ
<b>Internal Auditors:</b>	NHS Wales Shared Services Partnership Audit & Assurance Services 4-5 Charnwood Court Heol Billingsley Parc Nantgarw Cardiff CF15 7QZ
<b>VAT Advisor:</b>	Ernst & Young LLP The Paragon Counterslip Bristol BS1 6BX
<b>Legal advice for TP Price Estate:</b>	Jacklyn Dawson Solicitors Equity Chambers John Frost Square Newport South Wales NP20 1PW  Douglas-Jones Mercer Solicitors Axis Court 16 Mallard Way Swansea Vale Llansamlet Swansea SA7 0AJ
<b>Estate Management TP Price Estate:</b>	NHS Wales Shared Services Partnership <b>for</b> Specialist Estate Services 3 <sup>rd</sup> Floor, Companies House Crown Way Cardiff  Savills 2 Kingsway Cardiff CF10 3FD



**Valuations for  
13 Clytha Square:**

The District Valuer  
District Valuer Services  
Ty Rhodfa  
Ty Glas Road  
Llanishen  
Cardiff  
CF14 5GR

**Valuations for Painting:** Bonhams  
7-8 Park Place  
Cardiff  
CF10 3DP

## **2. Structure, Governance and Management of Charitable Funds**

### **Objects of the Charity**

The objects of the charity are as follows:

***The trustees shall hold the trust funds upon trust to apply income and at their discretion, so far as permissible, capital, for any charitable purpose or purposes relating to the National Health Service.***

The corporate trustee is Aneurin Bevan University Local Health Board. The executive directors and independent members of the Board share the responsibility for ensuring that the health board fulfils its duties as a corporate trustee in managing charitable funds.

The chair and independent members of the Board are appointed by the Welsh Government and the executive directors are appointed by the Health Board.

### **Trustee Arrangements**

Aneurin Bevan University Local Health Board is the corporate trustee of the Charity. The directors who served the Aneurin Bevan University Local Health Board during the year to 31<sup>st</sup> March 2022 were as follows:

Ann Lloyd CBE	Chair
Emrys Elias	Vice Chair (Until 30 <sup>th</sup> September 2021)
Pippa Britton	Independent Member (Community) (Until 17 <sup>th</sup> October 2021)
Pippa Britton	Interim Vice Chair (From 18 <sup>th</sup> October 2021)
Philip Robson	Special Advisor to the Board

Chris Koehli	Special Advisor to the Board (Until 17 <sup>th</sup> July 2021)
Judith Paget *	Chief Executive (Until 31 <sup>st</sup> October 2021)
Glyn Jones *	Director of Finance & Performance / Deputy Chief Executive (Until 31 <sup>st</sup> October 2021) Interim Chief Executive (From 1 <sup>st</sup> November 2021)
Robert Holcombe*	Interim Director of Finance, Procurement & Value (From 1 <sup>st</sup> November 2021)
Dr James Calvert	Medical Director
Rhiannon Jones	Director of Nursing
Geraint Evans	Director of Workforce and Organisational Development (Until 31 <sup>st</sup> August 2021)
Sarah Simmonds	Director of Workforce and Organisational Development (From 22 <sup>nd</sup> July 2021)
Peter Carr	Director of Therapies and Health Science
Dr Sarah Aitken	Director of Public Health & Strategic Partnerships
Dr Sarah Aitken	Interim Director of Primary, Community and Mental Health Services (From 6 <sup>th</sup> December 2021 to 28 <sup>th</sup> February 2022) in addition to substantive role of Director of Public Health & Strategic Partnerships
Nicola Prygodzicz	Director of Planning, Digital & IT (Until 31 <sup>st</sup> October 2021)
Nicola Prygodzicz	Director of Planning, Digital & IT/Deputy Chief Executive (From 1 <sup>st</sup> November 2021)
Nick Wood	Director of Primary, Community and Mental Health (Until 5 <sup>th</sup> December 2021)
Dr Chris O'Connor	Interim Director of Primary, Community and Mental Health (From 28 <sup>th</sup> February 2022)
Katija Dew *	Independent Member (Third Sector)
Prof. Helen Sweetland	Independent Member (University)
Richard G Clark	Independent Member (Local Authority)
Paul Deneen	Independent Member (Community)
Shelley Bosson	Independent Member (Community)
Louise Wright *	Independent Member (Trade Union)
Keith Sutcliffe *	Associate Independent Member (Chair, Stakeholder Reference Group)

\* Members of the Charitable Funds Committee.

### **Charitable Funds Committee**

The Board of Aneurin Bevan University Local Health Board, as the corporate trustee, delegates its governance work to the Charitable Funds

Committee which is a subcommittee of the Board. The Committee is required to:

- Control, manage and monitor the use of the fund's resources for the public benefit having regard for the guidance issued by the Charity Commission
- Provide support, guidance and encouragement for all its activities whilst managing and monitoring the receipt of all income
- Ensure that 'best practice' is followed in the conduct of all its affairs fulfilling all its legal responsibilities
- Ensure that the Investment Policy approved by the Health Board is adhered to and that performance is continually reviewed whilst being aware of ethical considerations
- Keep the Health Board fully informed on the activity, performance and risks of the charity

Membership of the Charitable Funds Committee is as follows:

Katija Dew	Independent Member (Chair)
Louise Wright	Independent Member
Keith Sutcliffe	Associate Independent Member
Judith Paget	Chief Executive (Until 31 <sup>st</sup> October 2021)
Glyn Jones	Director of Finance & Performance / Deputy Chief Executive (Until 31 <sup>st</sup> October 2021) Interim Chief Executive (From 1 <sup>st</sup> November 2021)
Robert Holcombe	Interim Director of Finance, Procurement & Value (From 1 <sup>st</sup> November 2021)

The following also attended the committee with other staff as appropriate for specific agenda items:

Mark Ross	Assistant Director of Finance, Financial Systems & Services (Until 31 <sup>st</sup> August 2021)
Gwen Kohler	Assistant Director of Finance, Financial Systems & Services (From 1 <sup>st</sup> September 2021)
Estelle Evans	Head of Financial Services and Accounting
Richard Howells	Board Secretary (Until 30 <sup>th</sup> November 2021)
Rani Mallison	Board Secretary (From 28 <sup>th</sup> November 2021 Until 13 <sup>th</sup> March 2022)
Rani Mallison	Director of Corporate Governance (From 14 <sup>th</sup> March 2022)
Bryony Codd	Head of Corporate Governance



Independent Members are appointed to hold office for a period of up to four years in any one term. During this time, a member may resign or be removed by the Board. The Chair of the Health Board keeps under review the membership of Board Committees to ensure changes are made regularly to refresh the membership of each committee and respond to circumstances when new members join the Board.

### **Trustee Induction and Training**

As part of their induction programme, new Executive and Independent Members of Aneurin Bevan University Local Health Board are made aware of their responsibilities as Board members and as a Corporate Trustee of Aneurin Bevan University Local Health Board Charitable Fund and Other Related Charities.

At each Charitable Funds Committee meeting, members are advised of any changes in legislation or other requirements relating to charities.

### **Public Benefit**

The objects of the charity are such that all expenditure from the charity is for the benefit of the National Health Service and as such is therefore for 'public benefit'. The Charitable Funds Committee is aware of its duties in relation to public benefit and ensures that all expenditure fulfils public benefit criteria. This is demonstrated further in this report in the Expended Resources Section of Item 7.

### **Management of Funds**

The Director of Finance is responsible for the day-to-day management and control of the administration of charitable funds and reports to the Charitable Funds Committee. The Director of Finance has responsibility for ensuring that:

- The spending is in accordance with the objects and priorities agreed by the Charitable Funds Committee
- The criteria for spending charitable monies are fully met
- All accounting records are maintained
- Devolved decision making or delegated procedures are in accordance with the policies and procedures set out by the Board on behalf of the corporate trustee

Within the charity there are 424 internal funds which are delegated to authorised fund holders to approve expenditure within predefined limits. All expenditure requests exceeding £25,000 are subject to Committee approval. A further 6 funds are controlled by the Charitable Funds Committee. The Health Board has a formal procedure that sets out guidance to delegated fund managers to aid them in the process of approving appropriate expenditure from funds.

### 3. Strategic Objectives & Activities

Charitable Funds received by the charity are accepted, held and administered as funds held on trust in accordance with the National Health Service (Wales) Act 2006.

The principal areas in which the funds are applied for the benefit of the public are:

- The purchase of medical equipment for use by Aneurin Bevan University Local Health Board
- The provision of patient welfare activities and amenities
- The education and welfare of staff

The corporate trustee fulfils its legal duty by ensuring that funds are spent in accordance with the objectives of each fund. The trustee respects the wishes of our generous donors to benefit patient care and advance good health and welfare of patients and staff.

The charity is constituted of 365 unrestricted and designated funds and 65 restricted funds as at 31<sup>st</sup> March 2022. Material fund details are shown in Note 22 to the accounts. The current structure of the individual funds reflects the fact that most of the income and expenditure is focused where patients receive services. Fund managers exercise control over the funds donated to their management area.

### 4. Risk Management

The main risks associated with the charity relate to:

- Financial controls risk
- Investment risk

#### **Financial Control Risk**

A financial control procedure has been developed for Charitable Funds and agreed with the Charitable Funds Committee to ensure that there are sufficient management controls in place to ensure regulatory compliance and minimise risk of fraud and error. Specifically, to:

- Ensure the spending is in accordance with the objects of the charity and the priorities agreed by the Charitable Funds Committee
- Ensure the criteria for spending charitable funds are fully met
- Ensure all accounting records are maintained
- Ensure devolved decision making is within specified parameters

All other Financial Control Procedures covering core financial systems within Aneurin Bevan University Local Health Board are also applied to the financial administration of the charity.

An internal audit is undertaken periodically, based on the assessment of risk, to evaluate the adequacy of procedures and controls in place and to test compliance against those procedures. Audit Reports are presented to both the Charitable Funds and Audit Committees of the Health Board and this is a key measure in mitigating control risk. The latest Internal Audit report carried out in November 2021 provided substantial assurance on controls covering charitable funds. This definition of assurance generally means there is substantial assurance that arrangements to secure governance, risk management and internal control are suitably designed and applied effectively and that few matters require attention and are compliance or advisory in nature.

Financial reports showing the income statement and balance sheet together with analysis of significant financial changes are reported to each Charitable Funds Committee meeting. In addition, the Charitable Funds Committee reviews the draft annual accounts while the Board approves the final annual accounts of the charity.

The external audit of the accounts is undertaken by the Auditor General for Wales. The accounts have this year and historically received an unqualified audit opinion.

### **Investment Risk**

This risk is mitigated by investing in a portfolio of investments through the professional advice of investment managers. Our investment managers, CCLA, usually attend the Charitable Funds Committee annually to present and discuss investment performance and strategy but due to Covid this was not possible this year, but we remain in regular contact with them.

## **5. Reserves Policy**

The Charitable Funds Committee reviewed the Charity's reserve policy, observing both Charity Commission guidance on reserves and the current level of funds held.

If reserves are too high, the charity is retaining funds without justification and this could constitute a breach of trust. If reserves are too low, the fund's ability to meet future commitments or needs may be at risk.

The Charity operates on the basis that it only spends what it has received and does not rely on future donations to meet its commitments.

Therefore, the reserves should be set at a level sufficient to cover the liabilities that face the charity, namely the cost of administering the funds and any unrealised losses and to hold some money in reserve to act as a buffer against stock market fluctuations.

The charity currently holds £266,000 in reserve (2020/2021 £246,000).

The corporate trustee recognises the need to regularly review the level of reserves and the charity's activities and operations so that future reserves can be maintained at a level which will mitigate the risk of significant fluctuations in the levels of donations and investments, and provide financial stability for the charity, to ensure that its aim of being able to apply charitable funds within a reasonable time is achieved.

## **6. Grant Making Policy**

The use of our funds is restricted by the governing document which established the charity for purposes connected with the NHS. Grants consist of:

### **General Funds**

This consists of donations received by the charity where no preference as to its expenditure has been expressed by donors. The Charitable Funds Committee decides on how these funds should be spent by receiving requests from across the Health Board. The value of general funds held is £399,000. There are also 3 property valuations totalling £343,000.

### **Designated Unrestricted Funds**

These consist of donations where a particular part of the hospital or activity was nominated by the donor at the time their donation was made. Whilst their nomination is not binding on the trustee, the designated funds reflect these nominations. The value of the designated unrestricted funds is £4.060 million.

### **Restricted Funds**

These consist of legacies and grants where a legal document and signed agreement restricts the use to the terms of the bequest/agreement. The value of restricted funds held is £1.242 million.

During the year the charity made grants of £788,000 representing 85% of the total charitable expenditure. In making grants the trustee requires

that the activity falls within the objectives of the charity and relate to the specific purpose of the individual funds from which it is being met.

## **7. Review of our Finances, Achievements and Performance**

The financial statements for 2021-22 are presented at the end of this report.

The net assets of the Charity as at 31<sup>st</sup> March 2022 were £6.044 million (2021 £5.416 million). Overall net assets increased by £628,000.

### **Incoming Resources**

Incoming resources when comparing against the 2020/21 position were £190,000 lower than the previous year. Donations decreased by £286,000, legacies increased by £128,000, investment income increased by £6,000, grant income decreased by £77,000 and income from charitable activities increased by £39,000.

The charity received seven legacies during the year, total value £170,000 (2020-2021 eight legacies, value £42,000).

The charity did not receive any new grants in 2021-2022 but has carried forward grants totalling £99,000 to cover related spend. (2020-2021 eight grant payments, value £176,000).

### **Expended Resources**

Charity expenditure for the year totalled £930,000, a decrease of £311,000 from the previous year. Expenditure for the year was across several categories as follows:

#### **I. Medical Research**

Total expenditure on medical research was £3,000.

#### **II. Purchase of Equipment**

Total expenditure on equipment was £339,000. This was on a range of varied equipment across the Health Board.

#### **III. Building and Refurbishment**

Total expenditure on building and refurbishment was £31,000.

#### **IV. Patients Education and Welfare**

Total expenditure on patients' welfare and amenities was £191,000. This consists of various therapies, seasonal activities, support groups and other items of expenditure to benefit patients.

#### **V. Staff Education and Welfare**

Total expenditure on staff education and welfare was £224,000. The main items consist of seminars, training course fees, textbooks, professional journals and related travelling, subsistence and accommodation expenditure.

#### **VI. Fundraising Costs**

Total expenditure on fundraising costs was £3,000. This mainly relates to events for the new Breast Care Unit at Ysbyty Ystrad Fawr which is due to be opened in December 2023.

#### **VII. Support Costs**

Total expenditure on support costs was £139,000. This includes the audit fee of £16,000 and costs of the charitable funds office and corporate support.

#### **Investment Properties**

Investment properties owned by the charity are the T P Price Estate £68,000 and 13, Clytha Square, Newport £250,000.

The T P Price Estate comprises a leasehold property and a small parcel of land.

13 Clytha Square, Newport is a large Victorian building in the centre of Newport which is rented to Aneurin Bevan University Local Health Board to use as offices.

Income from the investment properties was £16,000 (2020-2021 - £15,000).

#### **Investments on the Stock Exchange**

The charity's investments are managed by CCLA Investment Management Limited, with the aim of managing the funds to achieve a balance of growth and income.

The charity's investment policy does not allow managers to invest in those companies whose main business is related to the production or

sale of tobacco or alcohol, or those companies involved in the arms trade.

Details of the investments (including cash held as part of the investment portfolio) and investment performance for 2021-2022 are shown in the table below:

<b>Investment Performance 2021-22</b>	
	<b>CCLA</b>
	<b>£000</b>
Balance 1 April 2021	5,004
Acquisitions	0
Disposals	0
Movement of Cash	0
Realised Gains/(Loss)	0
Unrealised Gains/(Loss)	480
<b>Balance 31 March 2022</b>	<b>5,484</b>
<b>Income</b>	<b>171</b>
<b>Gains/(Loss) %</b>	<b>9.15%</b>
<b>Returns %</b>	<b>3.26%</b>

### Other Investments

"The Domestic Chaplain", a painting donated to the charity many years ago is valued at £25,000 and is currently on loan to the National Museum of Wales, Cardiff.



## 8. Key Achievements

### Funding

The charity supported many bids from across the organisation from its general funds and via the 430 delegated charitable fund accounts. This support significantly enhanced services for the patients and staff in the Aneurin Bevan University Local Health Board.

### Charitable Funds Strategy

Progress on streamlining funds has continued throughout the year.

## **Fundraising**

Our fundraising campaign to supplement a new Breast Care Centre due to be opened in December 2023 in Ysbyty Ystrad Fawr continues.

## **Investment Management**

CCLA continue to provide investment management services to the charity and we continue to invest in their ethical investment fund.

## **Governance Arrangements**

Historically the accounts and trustees annual report have been produced on time with unqualified audit opinions and filed on time with the Charities Commission.

## **Risks**

The Committee has used a considerable amount of its general funds which led to fewer bids being approved during the year, placing more pressure on the Health Board's internal capital programme.

## **9. Plans and Objectives for the Future**

Income continues to be received by the charity due to the generosity of the public in recognition of the care and treatment received from the Health Board. The charity will continue to use its funds to improve patient experience.

Other objectives for the forthcoming year are to:

- Consider the effectiveness of support to staff in working with partners to obtain grants from companies, external organisations and charities for identified equipment and projects.
- Explore the objectives of the charity to ensure they remain relevant and appropriate for the Health Board.
- Ensure that all accounting or charity regulatory requirements are fully complied with.
- Continue to review funds for the redesign of service, in line with Clinical Futures Strategy.
- Retender for Investment Management services.



## 10. Events since the Year End

- Our investment company believes that the equity market will remain challenging for the next few months as a result of the war in Ukraine and a slowdown in the global economy. There are indications that economic growth will stabilise later in the year rather than deteriorate further, however this remains uncertain and depends principally on whether the global economy avoids recession.

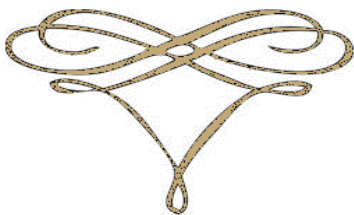
With the downturn in global economic markets, CCLA has adopted a defensive position, holding higher than normal cash balances and remaining cautious about future investments.

- As part of the fundraising led by Captain Sir Tom Moore, NHS Charities Together (NHSCT) have allocated money for supporting Covid-19 projects across the NHS in the UK to be accessed through individual bodies' charitable funds; we have successfully obtained a grant of £308,000.

### Approved on behalf of the Corporate Trustee

**Ann Lloyd CBE**  
**Chair**  
**Aneurin Bevan University Local Health Board**

**Date:**





GIG  
CYMRU  
NHS  
WALES

Bwrdd Iechyd Prifysgol  
Aneurin Bevan  
University Health Board

Our Ref MR/SG

Direct Line: 01495 765472

Auditor General for Wales  
Wales Audit Office  
24 Cathedral Road  
Cardiff  
CF11 9LJ

Date: 25 January 2023

## **Representations regarding the 2021-22 financial statements**

This letter is provided in connection with your audit of the financial statements of Aneurin Bevan University Local Health Board Charitable Fund and Other Related Charities for the year ending 31 March 2022 for the purpose of expressing an opinion on their truth and fairness and their proper preparation.

We confirm that to the best of our knowledge and belief, having made enquiries as we consider sufficient, we can make the following representations to you.

## **Management representations**

### **Responsibilities**

We have fulfilled our responsibilities for:

- The preparation of the financial statements in accordance with legislative requirements and the Charities Act 2011; in particular, the financial statements give a true and fair view in accordance therewith;
- The design, implementation, maintenance and review of internal control to prevent and detect fraud and error.

### **Information provided**

We have provided you with:

- Full access to:

#### **Bwrdd Iechyd Prifysgol Aneurin Bevan**

Pencadlys,  
Ysbyty Sant Cadog  
Ffordd Y Lodj  
Caerllion  
Casnewydd  
De Cymru NP18 3XQ  
Ffôn: 01633 436700  
E-bost: abhb.enquiries@wales.nhs.uk

#### **Aneurin Bevan University Health Board**

Headquarters  
St Cadoc's Hospital  
Lodge Road  
Caerleon  
Newport  
South Wales NP18 3XQ  
Tel No: 01633 436700  
Email: abhb.enquiries@wales.nhs.uk



Bwrdd Iechyd Prifysgol Aneurin Bevan yw enw gweithredol Bwrdd Iechyd Lleol Prifysgol Aneurin Bevan  
Aneurin Bevan University Health Board is the operational name of Aneurin Bevan University Local Health Board

- all information of which we are aware that is relevant to the preparation of the financial statements such as books of account and supporting documentation, minutes of meetings and other matters;
- additional information that you have requested from us for the purpose of the audit; and
- unrestricted access to staff from whom you determined it necessary to obtain audit evidence;
- The results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- Our knowledge of fraud or suspected fraud that we are aware of and that affects the Aneurin Bevan University Local Health Board Charitable Fund and Other Related Charities and involves:
  - management;
  - employees who have significant roles in internal control; or
  - others where the fraud could have a material effect on the financial statements;
- Our knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, regulators or others;
- Our knowledge of all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements;
- The identity of all related parties and all the related party relationships and transactions of which we are aware.

### **Financial statement representations**

All transactions, assets and liabilities have been recorded in the accounting records and are reflected in the financial statements.

The methods, the data and the significant assumptions used in making accounting estimates, and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.

Related party relationships and transactions have been appropriately accounted for and disclosed.

All events occurring subsequent to the reporting date which require adjustment or disclosure have been adjusted for or disclosed.

All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to the auditor and accounted for and disclosed in accordance with the applicable financial reporting framework.

The financial statements are free of material misstatements, including omissions. The effects of uncorrected misstatements identified during the audit are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

## **Representations by the Trustee of Aneurin Bevan University Local Health Board Charitable Fund and Other Related Charities**

We acknowledge that the representations made by management, above, have been discussed with us.

We acknowledge our responsibility for the preparation of true and fair financial statements in accordance with the applicable financial reporting framework. The financial statements were approved by Aneurin Bevan University Health Board on 25 January 2023.

We confirm that we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that it has been communicated to you. We confirm that, as far as we are aware, there is no relevant audit information of which you are unaware.

**Signed by:**  
**Nicola Prygodzicz**

**Chief Executive and  
Accountable Officer**

**Date: 25 January 2023**

**Signed by:**  
**Ann Lloyd**

**Board Chair**

**Date: 25 January 2023**

## 2022 Audit Plan – Aneurin Bevan University Local Health Board Charitable Fund

Audit year: 2021-22

Date issued: January 2023

Document reference: 3302A2022

This document has been prepared as part of work performed in accordance with statutory functions. Further information can be found in our [Statement of Responsibilities](#).

Audit Wales is the non-statutory collective name for the Auditor General for Wales and the Wales Audit Office, which are separate legal entities each with their own legal functions. Audit Wales is not a legal entity and itself does not have any functions.

No responsibility is taken by the Auditor General, the staff of the Wales Audit Office or, where applicable, the appointed auditor in relation to any member, director, officer or other employee in their individual capacity, or to any third party.

In the event of receiving a request for information to which this document may be relevant, attention is drawn to the Code of Practice issued under section 45 of the Freedom of Information Act 2000. The section 45 Code sets out the practice in the handling of requests that is expected of public authorities, including consultation with relevant third parties. In relation to this document, the Auditor General for Wales, the Wales Audit Office and, where applicable, the appointed auditor are relevant third parties. Any enquiries regarding disclosure or re-use of this document should be sent to the Wales Audit Office at [infoofficer@audit.wales](mailto:infoofficer@audit.wales).

We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

# Contents

2022 Audit Plan	
About this document	4
Audit of financial statements	4
Fee, audit team and timetable	5
Appendices	
Appendix 1 – other future developments	9

# 2022 Audit Plan

## About this document

- 1 This document sets out the work I plan to undertake during 2022 to discharge my statutory responsibilities as your external auditor and to fulfil my obligations under the Code of Audit Practice.

## Audit of financial statements

- 2 I am required to issue a report on the financial statements of Aneurin Bevan University Local Health Board Charitable Fund (the Charitable Fund) which includes an opinion on their 'truth and fairness'. In preparing such a report, I will:
  - give an opinion on your financial statements; and
  - assess whether the Trustee's Annual Report presented with the financial statements is prepared in line with guidance and consistent with the financial statements.
- 3 I will also report by exception on a number of matters which are set out in more detail in our Statement of Responsibilities, along with further information about our work.
- 4 I do not seek to obtain absolute assurance on the truth and fairness of the financial statements and related notes but adopt a concept of materiality. My aim is to identify material misstatements, that is, those that might result in a reader of the accounts being misled. The levels at which I judge such misstatements to be material will be reported to the Charitable Funds Committee prior to completion of the audit.
- 5 Any misstatements below a trivial level (set at 5% of materiality) I judge as not requiring consideration by those charged with governance and therefore will not report them.
- 6 There have been no limitations imposed on me in planning the scope of this audit.

## Audit of financial statement risks

- 7 The following table sets out the significant risks that have been identified for the audit of your financial statements.



## Exhibit 1: audit of financial statement risks

Financial audit risks	Proposed audit response
<b>Significant risks</b>	
The risk of management override of controls is present in all entities. Due to the unpredictable way in which such override could occur, it is viewed as a significant risk [ISA 240.31-33].	The audit team will: <ul style="list-style-type: none"><li>• test the appropriateness of journal entries and other adjustments made in preparing the financial statements;</li><li>• review accounting estimates for biases; and</li><li>• evaluate the rationale for any significant transactions outside the normal course of business.</li></ul>
<b>Other areas of audit attention</b>	
During our audit of the 2020-21 financial statements, we identified instances where income was treated incorrectly. Errors identified included income being overstated and classified incorrectly.	We will conduct additional testing to gain assurance that income has been accounted for correctly in the 2021-22 financial statements.

## Fee, audit team and timetable

- 8 My fees and planned timescales for completion of the audit are based on the following assumptions:
- the financial statements are provided to the agreed timescales, to the quality expected and have been subject to quality assurance review;
  - information provided to support the financial statements is appropriate and provided in a timely manner;
  - appropriate facilities and access to documents are provided to enable my audit team to deliver our audit in an efficient manner;
  - all appropriate officials will be available during the audit; and
  - you have all the necessary controls and checks in place to enable the Accounting Officer to provide all the assurances that I require in the Letter of Representation addressed to me.

## Fee

- 9 The estimated fee for 2022 is set out in **Exhibit 2**. The fee for the financial audit is driven by the skill mix required to deliver the work, together with the daily charge rate for each grade of staff member.
- 10 The fee has increased from last year's estimate following a review of the workload and skill mix required to complete the audit, along with our fee rates increasing this year given recent inflationary pressures.
- 11 In addition, we undertook an exercise to rebalance audit fees between the audit of the health board's financial statements and that of the charitable fund to correctly reflect the audit days required to undertake the charitable fund audit. This resulted in an increase in the audit fees for the charitable fund and a decrease in audit fees for the audit of the health board's financial statements (before applying the increase to our fee rates as set out in our [Fee Scheme 2022-23](#)).

### Exhibit 2: audit fee

This table sets out the proposed audit fee for 2022, by area of audit work, alongside the actual audit fee for 2021.

Audit area	Proposed fee for 2022 (£) <sup>1</sup>	Actual fee for 2021 (£)
Audit of financial statements	16,314	9,000

- 12 Planning will be ongoing, and changes to my programme of audit work and therefore my fee, may be required if any key new risks emerge. I shall make no changes without first discussing them with the Assistant Director of Finance, Financial Systems and Services.
- 13 Further information on my [fee scales and fee setting](#) can be found on our website.

## Audit team

- 14 The main members of my team, together with their contact details, are summarised in **Exhibit 3**.

### Exhibit 3: my audit team

This table lists the members of the local audit team and their contact details

<sup>1</sup> The fees shown in this document are exclusive of VAT, which is not charged to you.

Name	Role	Contact number	E-mail address
Richard Harries	Engagement Lead	07789 397018	<a href="mailto:Richard.Harries@audit.wales">Richard.Harries@audit.wales</a>
Tracy Veale	Audit Manager	07919 217438	<a href="mailto:Tracy.Veale@audit.wales">Tracy.Veale@audit.wales</a>
Neall Hollis	Audit Lead	02920 320657	<a href="mailto:Neall.Hollis@audit.wales">Neall.Hollis@audit.wales</a>

- 15 I can confirm that my team members are all independent of the Charity and its officers.

## Timetable

- 16 We will continue to undertake work remotely unless business need requires us to work on site.

### Exhibit 4: timetable

This table sets out the key milestones for the planned audit outputs

Planned output	Work undertaken	Report finalised
<b>2022 Audit Plan</b>	November to December 2022	January 2023
<b>Audit of financial statements work:</b> <ul style="list-style-type: none"> <li>• Audit of Financial Statements Report and Management Letter</li> <li>• Opinion on Financial Statements</li> </ul>	November to December 2022	January 2023

Planned output	Work undertaken	Report finalised
2023 Audit Plan	To be confirmed	To be confirmed

# Appendix 1

## Other future developments

### Future changes to UK GAAP

Following the introduction of the new UK GAAP accounting regime in 2015-16, and the replacement of the Financial Reporting Standard for Smaller Entities (FRSSE) by Section 1A of FRS 102 in 2016-17, there have been only limited changes to FRS 102 since.

More significant amendments are expected from 2022-23, reflecting recent changes in International Financial Reporting Standards, including accounting for financial instruments and leases.

### Good Practice Exchange

Audit Wales' Good Practice (GPX) helps public services improve by sharing knowledge and practices that work. Events are held where knowledge can be exchanged face to face and resources shared online. Further information on this can be found our [website](#).



Audit Wales  
24 Cathedral Road  
Cardiff CF11 9LJ

Tel: 029 2032 0500  
Fax: 029 2032 0600  
Textphone: 029 2032 0660

E-mail: [info@audit.wales](mailto:info@audit.wales)

Website: [www.audit.wales](http://www.audit.wales)

We welcome correspondence and  
telephone calls in Welsh and English.  
Rydym yn croesawu gohebiaeth a  
galwadau ffôn yn Gymraeg a Saesneg.

# Audit of Accounts Report – Aneurin Bevan University Local Health Board Charitable Fund and Other Related Charities

Audit year: 2021-22

Date issued: January 2023

Document reference: 3308A2023

This document has been prepared as part of work performed in accordance with statutory functions.

In the event of receiving a request for information to which this document may be relevant, attention is drawn to the Code of Practice issued under section 45 of the Freedom of Information Act 2000.

The section 45 code sets out the practice in the handling of requests that is expected of public authorities, including consultation with relevant third parties. In relation to this document, the Auditor General for Wales and the Wales Audit Office are relevant third parties. Any enquiries regarding disclosure or re-use of this document should be sent to the Wales Audit Office at [infoofficer@audit.wales](mailto:infoofficer@audit.wales).

We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.



# Contents

We intend to issue an unqualified audit report on your Accounts and there are some issues to report to you prior to their approval.

Audit of Accounts Report

Introduction	4
Proposed audit opinion	4
Significant issues arising from the audit	5
Recommendations	5
Appendices	
Appendix 1 – Final Letter of Representation	6
Appendix 2 – Proposed Audit Report	9
Appendix 3 – Summary of Corrections Made	13
Appendix 4 – Follow up of previous year's audit recommendations	14

# Audit of Accounts Report

## Introduction

- 1 We summarise the main findings from our audit of your 2021-22 Annual Report and accounts in this report.
- 2 We have already discussed these issues with Assistant Director of Finance (Financial Systems & Services), the Head of Financial Services and Accounting and their team.
- 3 Auditors can never give complete assurance that accounts are correctly stated. Instead, we work to a level of 'materiality'. This level of materiality is set to try to identify and correct misstatements that might otherwise cause a user of the accounts into being misled.
- 4 We set this level at £18,600 for this year's audit.
- 5 There are some areas of the accounts that may be of more importance to the reader, and we have set a lower materiality level for these, as follows:
  - Related Party Transactions £1,000
- 6 We have now substantially completed this year's audit.
- 7 In our professional view, we have complied with the ethical standards that apply to our work; remain independent of yourselves; and our objectivity has not been compromised in any way. There are no relationships between ourselves and yourselves that we believe could undermine our objectivity and independence.

## Proposed audit opinion

- 8 We intend to issue an unqualified audit opinion on this year's accounts once you have provided us with a Letter of Representation based on that set out in **Appendix 1**.
- 9 We issue a 'qualified' audit opinion where we have material concerns about some aspects of your accounts; otherwise, we issue an unqualified opinion.
- 10 The Letter of Representation contains certain confirmations we are required to obtain from you under auditing standards along with confirmation of other specific information you have provided to us during our audit.
- 11 Our proposed audit report is set out in **Appendix 2**.

## Significant issues arising from the audit

### Uncorrected misstatements

- 12 There are no misstatements identified in the accounts, which remain uncorrected.

### Corrected misstatements

- 13 There were initially misstatements in the accounts that have now been corrected by management. These are set out with explanations in **Appendix 3**.

### Other significant issues arising from the audit

- 14 In the course of the audit, we consider a number of matters relating to the accounts and report any significant issues arising to you. There were **no** issues arising in these areas this year.

## Recommendations

- 15 There were no recommendations arising from our audit, however we have followed up audit recommendations made in prior year's audits as set out in **Appendix 4**. Where any actions are outstanding, we will continue to monitor progress and report it to you in next year's report.

# Appendix 1

## Final Letter of Representation

[Audited body's letterhead]

Auditor General for Wales  
Wales Audit Office  
24 Cathedral Road  
Cardiff  
CF11 9LJ

25 January 2023

### Representations regarding the 2021-22 financial statements

This letter is provided in connection with your audit of the financial statements of Aneurin Bevan University Local Health Board Charitable Fund and Other Related Charities for the year ended 31 March 2022 for the purpose of expressing an opinion on their truth and fairness and their proper preparation.

We confirm that to the best of our knowledge and belief, having made enquiries as we consider sufficient, we can make the following representations to you.

### Management representations

#### Responsibilities

We have fulfilled our responsibilities for:

- the preparation of the financial statements in accordance with legislative requirements and the Charities Act 2011; in particular, the financial statements give a true and fair view in accordance therewith;
- the design, implementation, maintenance and review of internal control to prevent and detect fraud and error.

### Information provided

We have provided you with:

- full access to:
  - all information of which we are aware that is relevant to the preparation of the financial statements such as books of account and supporting documentation, minutes of meetings and other matters;

- additional information that you have requested from us for the purpose of the audit; and
- unrestricted access to staff from whom you determined it necessary to obtain audit evidence;
- the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- our knowledge of fraud or suspected fraud that we are aware of and that affects Aneurin Bevan University Local Health Board Charitable Fund and Other Related Charities and involves:
  - management;
  - employees who have significant roles in internal control; or
  - others where the fraud could have a material effect on the financial statements;
- our knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, regulators, or others;
- our knowledge of all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements;
- the identity of all related parties and all the related party relationships and transactions of which we are aware.

## Financial statement representations

All transactions, assets and liabilities have been recorded in the accounting records and are reflected in the financial statements.

The methods, the data and the significant assumptions used in making accounting estimates, and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.

Related party relationships and transactions have been appropriately accounted for and disclosed.

All events occurring subsequent to the reporting date which require adjustment or disclosure have been adjusted for or disclosed.

All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to the auditor and accounted for and disclosed in accordance with the applicable financial reporting framework.

The financial statements are free of material misstatements, including omissions. The effects of uncorrected misstatements identified during the audit are immaterial, both

individually and in the aggregate, to the financial statements taken as a whole. A summary of these items is set out below:

## **Representations by the Trustee of Aneurin Bevan University Health Board Charitable Fund and Other Related Charities**

We acknowledge that the representations made by management, above, have been discussed with us.

We acknowledge our responsibility for the preparation of true and fair financial statements in accordance with the applicable financial reporting framework. The financial statements were approved by Aneurin Bevan University Health Board on 28 January 2023.

We confirm that we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that it has been communicated to you. We confirm that, as far as we are aware, there is no relevant audit information of which you are unaware.

Signed by:

Nicola Prygodzicz

Chief Executive and Accountable Officer

Date: 25 January 2023

Signed by:

Ann Lloyd

Board Chair

Date: 25 January 2023

# Appendix 2

## Proposed Audit Report

### **The independent auditor's report of the Auditor General for Wales to the trustee of Aneurin Bevan University Local Health Board Charitable Fund and Other Related Charities**

#### **Opinion on financial statements**

I have audited the financial statements of Aneurin Bevan University Local Health Board Charitable Fund and Other Related Charities for the year ended 31 March 2022 under the Charities Act 2011. These comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In my opinion the financial statements:

- give a true and fair view of the state of affairs of the charity as at 31 March 2022 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Charities Act 2011.

#### **Basis of opinion**

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the charity in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### **Conclusions relating to going concern**

In auditing the financial statements, I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt

on the body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the trustee with respect to going concern are described in the relevant sections of this report.

## **Other Information**

The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. The trustee is responsible for the other information contained within the annual report. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon. My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

## **Report on other requirements**

### **Matters on which I report by exception**

I have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require me to report to you if, in my opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustee's report;
- sufficient accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my team;
- the financial statements are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit.

## **Responsibilities**

### **Responsibilities of the trustee for the financial statements**

As explained more fully in the statement of trustee's responsibilities, the trustee is responsible for preparing the financial statements in accordance with the Charities Act



2011, for being satisfied that they give a true and fair view, and for such internal control as the trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustee is responsible for assessing the charity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

## **Auditor's responsibilities for the audit of the financial statements**

I have been appointed as auditor under section 150 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

- Enquiring of management, including obtaining and reviewing supporting documentation relating to Aneurin Bevan University Local Health Board Charitable Fund and Other Related Charities 's policies and procedures concerned with:
- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
- the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, posting of unusual journals and (add as appropriate to the audit);
- Obtaining an understanding of Aneurin Bevan University Local Health Board Charitable Fund and Other Related Charities' framework of authority as well as other legal and regulatory frameworks that the Aneurin Bevan University Local Health Board Charitable Fund and Other Related Charities operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of Aneurin Bevan University Local Health Board Charitable Fund and Other Related Charities .

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- reading minutes of meetings of those charged with governance and the trustee; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Aneurin Bevan University Local Health Board Charitable Fund and Other Related Charities' controls, and the nature, timing and extent of the audit procedures performed.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my auditor's report.

Adrian Crompton  
Auditor General for Wales  
27 January 2023

24 Cathedral Road  
Cardiff  
CF11 9LJ

# Appendix 3

## Summary of Corrections Made

During our audit, we identified the following misstatements that have been corrected by management, but which we consider should be drawn to your attention due to their relevance to your responsibilities over the financial reporting process.

**Exhibit 3: summary of corrections made**

Value of correction	Nature of correction	Reason for correction
£97,000	Amending the market value of an investment property from £153,000 to £250,000 in line with the District Valuers' valuation on 1 April 2022. This amendment impacted a number of disclosures, including the Fixed Asset Investments note, the Reconciliation of net income/expenditure to net cash flow from operating activities note, and the Analysis of Funds note.	To ensure an investment property is accurately valued at its current market value.
N/A	Inclusion of an analysis of income deferred and released in year	To ensure compliance with the requirements of the Charities SORP.
Various	<p>Narrative and disclosures amendments, including:</p> <ul style="list-style-type: none"><li>• Correcting the number of restricted funds referred to in Note 22 (continued) to agree with Note 22a.</li><li>• Various Annual Report amendments.</li></ul>	To agree back to supporting evidence and ensure consistency throughout the Annual Report and Financial Statements.

# Appendix 4

## Follow up of previous year's audit recommendations

We have followed up progress made against our prior year's audit recommendations. Where these are ongoing, we will continue to follow up progress and include any outstanding issues in next year's audit report:

### Exhibit 4: matter arising 1 (2020-21)

Matter arising 1 (2020-21) – Financial Controls Procedures need to be updated	
<b>Findings</b>	As identified in our audit, the Financial Control Procedures (FCPs) state that 'The managed investment portfolio should equate to no more than 75% of the total funds, with the remaining sum being more readily available.' The managed investment portfolio as per the financial statements is £5,004k, which equates to 92% of the £5,443k total funds. As per our discussions with the Charitable Funds team, this is due to the FCPs not being updated to reflect the changing profile of the investment portfolio.  In addition, the Charitable Fund should consider having clearer procedures regarding the classification of income.
<b>Priority</b>	Medium
<b>Recommendation</b>	The FCPs should be reviewed regularly and updated as necessary.
<b>Benefits of implementing the recommendation</b>	Regular review of the FCPs will ensure that they remain relevant to the Charitable Fund and provide officers with appropriate procedures to follow.
<b>Accepted in full by management</b>	Yes
<b>Management response</b>	The Charitable Funds financial control procedure is reviewed on a 3-year rolling basis and is due for review in July 2022. Going forward, additional reviews will be carried out on an annual basis to ensure that the procedure remains relevant and that no significant changes have occurred since the last review.  For clarity, the income section (section 9 of the current financial control procedure) will be enhanced to include a more detailed section on the types of income received by the Charity and how the classification is determined, e.g., grant, donation, legacy etc. and the documentation required to be obtained/retained to verify this classification.
<b>Implementation date</b>	July 2022
<b>Progress update December 2022</b>	Completed

**Exhibit 5: matter arising 2 (2019-20)**

<b>Matter arising 2 (2019-20) – review and document the procedures undertaken to account for the Charity's transactions and prepare the financial statements</b>	
<b>Findings</b>	Officers undertake a variety of detailed procedures over the course of the year to account for the Charity's transactions and prepare the financial statements. During the audit we identified that these are not documented and are not applied on a consistent basis.
<b>Priority</b>	High
<b>Recommendation</b>	<p>The procedures adopted in accounting for the Charity's transactions should be reviewed and documented to ensure that they are appropriate and applied on a consistent basis. Examples of such procedures are:</p> <ul style="list-style-type: none"><li>• review the classification of grant income as it is all currently accounted for as Unrestricted, but has Terms and Conditions attached to its use.</li><li>• review and classification of legacy income, as these are treated as Restricted, even where the monies are available for wide use, e.g., at a particular site. This will also include the three Restricted Funds reported on last year for which there is no documentation to support the classification as Restricted.</li><li>• the method of allocating Support costs as they are allocated on different bases depending on the nature of the Fund, and the Note. In Note 12 they are allocated on the basis of the year-end Fund balance and in Note 20 on the average monthly Fund balance.</li></ul>
<b>Benefits of implementing the recommendation</b>	Reviewing and documenting the procedures adopted in accounting for the charitable funds will improve efficiency and ensure consistency.
<b>Accepted in full by management</b>	Yes
<b>Management response</b>	We will review and document our procedures to ensure consistency. We will also review the treatment of grant income and legacy income with regard to restricted or unrestricted classification. We will produce a series of Standing Operation Procedures to ensure that the accounts are produced on a consistent basis.
<b>Implementation date</b>	31 March 2021

<b>Progress update December 2021</b>	<b>Ongoing</b> As part of our audit of the financial statements 2020-21, we noted that consideration had been given to the treatment whilst there was evidence to suggest treatment of grant income and legacy income with regard to restricted or unrestricted classification. However, our testing of income did identify a misclassification between grants and donations, a misclassification between legacies and donations, and a number of misclassifications of income within Note 5 – Income from Charitable Activities.
<b>Management response</b>	Section 9 of the Charitable Funds Financial Control Procedure will be updated to include a detailed section on the types of income received by the Charity and also the nature of the income, e.g., restricted, unrestricted. This will include details of how the income should be treated and the documentation required to be obtained on receipt of the income to verify the treatment within the Charitable Funds in the accounts.
<b>Implementation date</b>	July 2022
<b>Progress update December 2022</b>	<b>Completed</b>

**Exhibit 6: matter arising 3 (2019-20)**

<b>Matter arising 3 (2019-20) – fundholders have not always provided finance officers with complete and appropriate documentation on a timely basis</b>	
<b>Findings</b>	During the audit we identified that complete supporting documentation was not provided for all transactions, and requests to raise invoices were not made on a timely basis.
<b>Priority</b>	High
<b>Recommendation</b>	Fundholders should be reminded of the procedures and requirements for managing a Fund, including timely and complete provision of documentation to finance officers.
<b>Benefits of implementing the recommendation</b>	More efficient use of finance officers' time if all relevant documentation is provided promptly, and the opportunity of reimbursement from the donor is not lost.
<b>Accepted in full by management</b>	Yes
<b>Management response</b>	<p>We do try to ascertain all information in relation to donations at the time of receipt, however, it may not always be possible to locate backing documents. There will always be instances where donations are paid directly into the Charitable Funds bank account. Where this occurs, we try and locate any backing documents associated with this receipt from the fundholder. We will ensure that the backing documents are kept on file or stored electronically going forward.</p> <p>In relation to invoices raised, the income recovery form should be completed within three months of the service/event. The procedure will be reiterated to fundholders, and compliance monitored.</p>
<b>Implementation date</b>	31 March 2021
<b>Progress update December 2021</b>	<p><b>Ongoing</b></p> <p>As part of our audit of the financial statements 2020-21, we noted instances where third party documentation to support donations was not available for audit. We acknowledge that obtaining third party documentation can be difficult in some cases due to the sensitive nature of the donation, however we noted instances where the chasing of third-party documentation can be strengthened.</p>
<b>Management response</b>	As reported previously, on receipt of the donation the team do try and ascertain any backing documentation in relation to the donation. We will evaluate the areas identified by Audit Wales to establish how we can improve on the chasing of 3rd Party documentation.
<b>Implementation date</b>	31 March 2022
<b>Progress update December 2022</b>	<p><b>Completed</b></p> <p>Our audit did not identify any issues in this area.</p>

**Exhibit 7: matter arising 4 (2019-20)**

<b>Matter arising 4 (2019-20) – the Charity has agreed to review and streamline the number of individual Funds there are, as set out in the ‘Use of Funds’ paper presented to the Charitable Funds Committee on 9 May 2019</b>	
<b>Findings</b>	This paper identified that as at 1 April 2019 there were 447 Funds, 64 were Restricted and 383 were Unrestricted; and that reducing this number would reduce the level of communication and administration required and enable the monies to be spent more effectively. As at 31 March 2020 the number of Funds had reduced to 432, of which 56 were Restricted and 376 Unrestricted.
<b>Priority</b>	High
<b>Recommendation</b>	The Charity needs to actively continue to review and streamline the number of Funds, especially now the Grange Hospital, which if not managed appropriately, has the potential to further increase the number of individual funds.
<b>Benefits of implementing the recommendation</b>	Streamlining the Funds will enable the Charity to achieve the identified reductions in communication and administration. As noted in the paper, if Funds with similar interests and objectives are merged, there is scope for the Funds to be used more effectively to deliver goods or services that individual Funds would not be able to achieve on their own.
<b>Accepted in full by management</b>	Yes
<b>Management response</b>	Work has already started on streamlining the number of funds in line with the opening of the Grange University Hospital. We are currently reviewing all funds held with a view to providing clarification on whether the fund can be combined by the end of March 2021.
<b>Implementation date</b>	31 March 2021
<b>Progress update December 2021</b>	<p><b>Ongoing</b></p> <p>As part of our audit of the financial statements 2020-21, we noted that there has been no reduction in the number of individual funds, with there being 67 restricted funds and 372 unrestricted (total of 439) in 2020-21 compared to the total of 432 in 2019-20.</p> <p>We understand that work in this area will be ongoing during 2021-22.</p>
<b>Management response</b>	<p>This is an ongoing process with the number of funds continually under review in relation to streamlining the funds held by the HB. In the period January 2021 to September 2021, we have closed 38 funds, 18 of which had been merged with other funds with an additional 20 closed as the funds had been fully utilised. We have also opened a number of new funds due to the nature of the donation.</p> <p>We will continue to work with fund holders to merge funds of a similar nature to maximise the use of the donated income held in the funds.</p>
<b>Implementation date</b>	Ongoing – initial review to be finalised by July 2022



**Matter arising 4 (2019-20) – the Charity has agreed to review and streamline the number of individual Funds there are, as set out in the ‘Use of Funds’ paper presented to the Charitable Funds Committee on 9 May 2019**

<p><b>Progress update December 2022</b></p>	<p><b>Ongoing</b></p> <p>As part of our audit of the financial statements 2021-22, we noted that there has been limited reduction in the number of individual funds, with there being 65 restricted funds and 365 unrestricted (total of 430) in 2021-22 compared to the total of 439 in 2020-21.</p> <p>We understand that work in this area will be ongoing during 2022-23.</p>
<p><b>Management response</b></p>	<p>This continues to be an on-going process. In 2021/22 the team secured the merging of 8 funds; 10 new funds were opened as a result of the type of donation received with a further 11 funds being closed during the year where the funds had been utilised. This reduced the number of funds held from 439 in 2020/21 to 430 in 2021/22</p> <p>The charitable funds team are carrying out visits and meetings with all fund holders where they are having discussions about merging funds, making sure that fund holders are up to date with the current Charitable Funds procedure and also encouraging them to utilise their funds on a cross service basis. A process has been put in place during 2022/23 where all employees can view the types of charitable funds held and who is the lead manager on the fund so that they can contact them to request funding if the funding required is within the scope of the scheme.</p>
<p><b>Revised implementation date</b></p>	<p>Complete – the details on merged funds, new funds and closed funds are routinely reported to the Charitable Funds committee at each meeting held as part of the finance report.</p>

**Exhibit 8: matter arising 5 (2019-20)**

<b>Matter arising 5 (2019-20) – the Reserves Policy was last reviewed in May 2019 and does not explain how it provides sufficient funds for ongoing commitments</b>	
<b>Findings</b>	The Reserves Policy should be reviewed annually, as set out in the Financial Control Procedure, and should specify how the Charity identifies what is required to meet its ongoing commitments. The Policy and disclosures in the Annual Report do not clearly explain this.
<b>Priority</b>	Medium
<b>Recommendation</b>	The next annual review of the Reserves Policy should include specifying how the Charity identifies the level of reserves required to meet its ongoing commitments. This will assist the Charity in reviewing its reserve levels and documenting in the Annual Report both the policy and the review, as per the requirements of the SoRP, paras 1.22 and 1.48.
<b>Benefits of implementing the recommendation</b>	The annual review of the Reserves Policy will improve governance and ensure that the Charity understands, reviews, and discloses its Reserves Policy and the funding required to meet ongoing commitments in compliance with the SoRP.
<b>Accepted in full by management</b>	Yes
<b>Management response</b>	The Reserves Policy will be reviewed to clearly identify the level of reserves required to be held to meet the ongoing commitments of the Charity. The financial control procedure will be updated to reflect the revised reserves policy at the next review stage which is 19 July 2022.
<b>Implementation date</b>	30 June 2021
<b>Progress update December 2021</b>	<b>Ongoing</b> As part of our audit of the financial statements 2020-21, we noted that the updated Reserves Policy has been drafted but not yet finalised. We understand that work in this area will be ongoing during 2021-22.
<b>Management response</b>	The revised reserves policy has been drafted and a report will be presented to the January Charitable Funds Committee for review and approval. If approved, the reserves policy will be implemented for the remainder of 2021-22.
<b>Implementation date</b>	11 January 2022
<b>Progress update December 2022</b>	<b>Completed</b>





Audit Wales

24 Cathedral Road

Cardiff CF11 9LJ

Tel: 029 2032 0500

Fax: 029 2032 0600

Textphone: 029 2032 0660

E-mail: [info@audit.wales](mailto:info@audit.wales)

Website: [www.audit.wales](http://www.audit.wales)

We welcome correspondence and telephone calls in Welsh and English.  
Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.