



GIG  
CYMRU  
NHS  
WALES

Bwrdd Iechyd Prifysgol  
Cwm Taf Morgannwg  
University Health Board

## CHARITABLE FUNDS COMMITTEE

### TERMS OF REFERENCE

#### INTRODUCTION

The Standing Orders of the Local Health Board (LHB) provide that *“The Board may and, where directed by the Assembly Government must, appoint Committees of the LHB either to undertake specific functions on the Board’s behalf or to provide advice and assurance to the Board in the exercise of its functions. The Board’s commitment to openness and transparency in the conduct of all its business extends equally to the work carried out on its behalf by committees”*.

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

#### PURPOSE

Cwm Taf Morgannwg University Health Board (CTMUHB) was appointed as corporate trustee of its charitable funds and the Board serves as its agent in the administration of the charitable funds held by Health Board.

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

- provide advice to the Corporate Trustee in the discharge of its duties and responsibilities for charitable funds
- discharge delegated responsibilities from the Corporate Trustee for the control and management of Charitable Funds
- Provide advice to the Trustee on its charitable funds strategy, including fundraising, budgets, priorities and spending criteria
- Within the strategy and budget determined by the Trustee and consistent with the requirements of the Charities Act 1993, Charities Act 2006 (or any modification of these acts) to apply the charitable funds in accordance with their respective governing documents and the Health Board’s Charitable Funds Governance Framework.

- To ensure that the policies and procedures for charitable funds investments are followed. To make decisions involving the sound investment of charitable funds in a way that both preserves their value and produces a proper return consistent with prudent investment and ensuring compliance with:
  - Trustee Act 2000
  - The Charities Act 1993
  - The Charities Act 2006
  - Terms of the Funds’ Governing documents
- To receive at least twice a year, reports for ratification from the Director of Finance and investment decisions and action taken through delegated powers upon the advice of the investment adviser.
- To oversee and monitor the functions performed by the Director of Finance as defined in Standing Financial instructions.
- To monitor and the progress of Charitable Appeals where these are in place and considered to be material.
- To monitor and review the scheme of delegation for Charitable Funds expenditure and to set and reflect in Financial Procedures the approved delegated limits for expenditure from Charitable Funds.

## **DELEGATED POWERS AND AUTHORITY**

The Director of Finance has prime responsibility for the Health Board’s Charitable Funds as defined in the Standing Financial Instructions. The specific powers, duties and responsibilities delegated to the Director of Finance are:

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

## **Authority**

The Committee is empowered with the responsibility for:

- overseeing the day to day management of the investments of the charitable funds in accordance with the investment strategy set down from time to time by the Trustee and the requirements of the Health Board’s Standing Financial Instructions
- the appointment of an investment manager to advise on investment matters and may delegate day-to-day management of some or all of the investments to that investment manager. In exercising this power, the Committee must ensure that:
  - the scope of the power delegated is clearly set out in writing and communicated with the person or persons who will exercise it
  - There are in place adequate internal controls and procedures which will ensure that the power is being exercised properly and prudently
  - The performance of the person or persons exercising the delegated power is regularly reviewed
  - Where an investment manager is appointed, that the person is regulated under the Financial Services Act 1986
  - Acquisitions or disposal of a material nature must always have written authority of the Committee or the Chair of the Committee in conjunction with the Director of Finance.
- ensuring that the banking arrangements for the charitable funds are kept entirely distinct from the Health Board’s NHS funds
- ensuring that arrangements are in place to maintain current account balances at minimum operational levels consistent with meeting expenditure obligations, the balance of funds being invested in interest bearing deposit accounts
- the amount to be invested or redeemed from the sale of investments shall have regard to the requirements for immediate and future expenditure commitments
- the operation of an investment pool when this is considered appropriate to the charity in accordance with charity law and the directions and guidance of the Charity Commission. The Committee shall propose the basis to the Health Board for applying accrued income to individual funds in line with charity law and Charity Commissioner guidance

- obtaining appropriate professional advice to support its investment activities
- regularly reviewing investments to see if other opportunities or investment services offer a better return
- overseeing the work of the Charitable Funds Bids Panel.

The Committee is authorised by the Board to:

- Investigate or have investigated any activity within its Terms of Reference and in performing these duties shall have the right, at all reasonable times, to inspect any books, records or documents of the Health Board relevant to the Committee's remit. It can seek any relevant information it requires from any employee and all employees are directed to cooperate with any reasonable request made by the Committee
- obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary, subject to the Board's budgetary and other requirements, and
- by giving reasonable notice, require the attendance of any of the officers or employees and auditors of the Board at any meeting of the Committee.

### **Access**

The Head of Internal Audit shall have unrestricted and confidential access to the Chair of the Committee.

### **Sub Committee**

The Committee may, subject to the approval of the Board, establish sub committees or task and finish groups to carry out on its behalf specific aspects of Committee business.

## MEMBERSHIP

A minimum of six members, comprising:

|            |   |
|------------|---|
| Chair      | Independent Member of the Board   |
| Vice Chair | Independent Member or Members of the Board  |
| Members    | three Independent Members<br>Other members of the Board to include the Director of Finance (Lead Executive) or the Deputy Director of Finance if the Director is unable to attend |

At least half of the overall membership must be Independent Members.

### Attendance

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

- Director of Governance / Board Secretary
- Charitable Funds Accountant
- Health Board Investment Advisor
- Assistant Director, Patient Experience
- Chair of any Committee

By invitation:

The Committee Chair may extend invitations to attend committee meetings to others from within or outside the organisation who the Committee considers should attend, taking account of the matters under consideration.

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

### Member Appointments

The membership of the Committee shall be determined by the Board, based on the recommendation of the Health Board Chair, taking account of the balance of skills and expertise necessary to deliver the Committee's remit and subject to any specific requirements or directions made by the Welsh Government. Terms and Conditions of appointment, (including any remuneration and reimbursement) in respect of co-opted independent external members are determined by the Board, based upon the recommendation of the Health Board Chair (and, where appropriate, on the basis of advice from the Health Board's Remuneration and Terms of Service Committee).

## **Support to Committee Members**

The Director of Governance / Board Secretary, on behalf of the Committee Chair, shall:

- Determine the secretarial and support arrangements for the Committee
- Arrange the provision of advice and support to committee members on any aspect related to the conduct of their role, and
- Co-ordinate the provision of a programme of organisational development for committee members.

## **COMMITTEE MEETINGS**

### **Quorum**

At least three members must be present to ensure the quorum of the Committee. Of these three, two must be Independent Members (one of whom is the Chair or Vice Chair) and one must be the Director of Finance (or the Deputy Director of Finance).

### **Frequency of Meetings**

Meetings shall be held at least twice a year and otherwise as the Committee Chair deems necessary – and consistent with the Health Board's Annual Plan.

### **Circulation of Papers**

The Director of Governance / Board Secretary will ensure that all papers are distributed at least 5 working days prior to the meeting.

### **Withdrawal of Individuals in Attendance**

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

## **REPORTING AND ASSURANCE ARRANGEMENTS**

The Committee Chair shall:

- Agree arrangements with the Health Board Chair to report to the Board in their capacity as Trustee. This may include, where appropriate, a separate meeting with the Board

- The Director of Governance / Board Secretary, on behalf of the Board, shall oversee a process of regular and rigorous self-assessment and evaluation of the Committee’s performance and operation including that of any sub committee established.

## **RELATIONSHIP WITH THE BOARD AND ITS COMMITTEES/GROUPS**

The Committee is directly accountable to the Board, in its capacity as Trustee, for its performance in exercising the functions set out in these terms of reference.

The Committee, through the Committee Chair and members, shall work closely with the Board’s other committees and groups to provide advice and assurance to the Board through the:

- joint planning and co-ordination of Board and Committee business
- appropriate sharing of information

The Committee shall embed the CTMUHB corporate standards, priorities and requirements, e.g. equality, diversity and human rights through the conduct of its business.

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

The requirements for the conduct of business as set out in the CTMUHB Standing Orders are equally applicable to the operation of the Committee, except in the area relating to the Quorum.

## **REVIEW**

These Terms of Reference and operating arrangements shall be reviewed on a biennial basis by the Committee with reference to the Board.

**First Approved on 28 November 2019**

**Review date: November 2020**

## Information from current Audit Committee Terms of Reference

### Charitable Funds

The Committee will:

- Ensure that the CTMUHB policies and procedures for charitable funds investments are followed and make decisions involving the sound investment of charitable funds in a way that both preserves their capital value and produces a proper return consistent with prudent investment and ensuring compliance with:
  - Trustee Act 2000
  - The Charities Act 1993
  - The Charities Act 2006
  - Terms of the fund's governing documents
  - Annual Reporting to the Trustees
- Receive at least twice per year reports for ratification from the Director of Finance on investment decisions and action taken through delegated powers upon the advice of the CTMUHB's investment adviser if appropriate.
- Oversee and monitor the functions performed by the Director of Finance and procurement as defined in Standing Financial Instructions.
- Monitor the progress of any associated Charitable Appeal Funds.
- Monitor and review the CTMUHB scheme of delegation for Charitable Funds expenditure and set and reflect in Financial Control Procedures the approved delegated limits for expenditure from Charitable Funds.