

Annual Meeting of the Trustees

Thu 26 January 2023, 14:00 - 15:30

Virtually via Microsoft Teams

Agenda

14:00 - 14:05
5 min

1. PRELIMINARY MATTERS

1.1. Welcome & Introductions

Information

Emrys Elias, Health Board Chair

1.2. Apologies for Absence

Information

Emrys Elias, Health Board Chair

1.3. Declarations of Interest

Information

Emrys Elias, Health Board Chair

14:05 - 14:10
5 min

2. CONSENT AGENDA

2.1. FOR NOTING

2.1.1. Charitable Funds Committee Annual Self-Assessment

Information

Patsy Roseblade, Charitable Funds Committee Chair

 2.1.1 CFC Themed Survey Action Plan 26 January 2023.pdf (4 pages)

14:10 - 15:10
60 min

3. EXTERNAL AWARENESS SESSION

3.1. Corporate Trustees Awareness Session - Presentation

Discussion

Laura Sherratt, Blake Morgan

 3.1 Cwm Taf Morgannwg UHB - Governance Training.pdf (35 pages)


15:10 - 15:25
15 min


4. ANNUAL REPORT AND ANNUAL ACCOUNTS

4.1. Charitable Funds Annual Report and Accounts

Discussion

Sally May, Executive Director of Finance

 4.1a Charitable Fund Annual Report & Accounts Cover Report 26 January 2023.pdf (3 pages)

 4.1b CTMUHB Charity Annual Report 2021-2022 (002) 26 January 2023.pdf (34 pages)

 4.1c CTM Charity Letter of Rep 2021-22 26 January 2023.pdf (2 pages)

 4.1d Audit Wales Annual Audit of Accounts 26 January 2023.pdf (18 pages)

15:25 - 15:25
0 min

5. ANY OTHER BUSINESS

Discussion

Emrys Elias, Health Board Chair

15:25 - 15:25
0 min

6. HOW DID WE DO IN THIS MEETING

Discussion

Emrys Elias, Health Board Chair

15:25 - 15:30
5 min

7. DATE AND TIME OF NEXT CHARITABLE FUNDS COMMITTEE WEDNESDAY 26 APRIL 2023 AT 9AM

CHARITABLE FUNDS COMMITTEE	
OUTCOME REPORT: CHARITABLE FUNDS COMMITTEE EFFECTIVENESS SURVEY	
DATE OF MEETING	26/01/2023
PUBLIC OR PRIVATE REPORT	PUBLIC
IF PRIVATE PLEASE INDICATE REASON	Not Applicable - Public Report
PREPARED BY	Emma Walters, Corporate Governance Manager & Cally Hamblyn, Assistant Director of Governance & Risk
PRESENTED BY	Cally Hamblyn, Assistant Director of Governance & Risk
EXECUTIVE SPONSOR APPROVED	Chief Executive
REPORT PURPOSE	FOR NOTING
ACRONYMS	
N/A	

1. PURPOSE

- 1.1 The Chair of the Charitable Funds Committee is required to present an annual report outlining Charitable Funds business through the financial year to the Health Board to provide an assurance on the monitoring and scrutiny undertaken of Cwm Taf Morgannwg University Health Board (CTMUHB) performance in relation to Charitable Funds. As part of this process the Committee are required to undertake an annual self-assessment questionnaire, which was completed during December 2022/January 2023.
- 1.2 The purpose of this report is to share with the Committee an update on the actions identified as an outcome from the self-assessment questionnaire.

1.3 At total of 5 out of 10 responses were received giving a 50% response rate.

2. SUMMARY REPORT

<p>Positive Assurance</p>	<p>Committee Effectiveness:</p> <p>It was clear that the majority of Members/Attendees were aware that:</p> <ul style="list-style-type: none"> • There were approved Terms of Reference in place defining the role of the Committee that were reviewed annually. • A Committee Highlight Report is produced following each meeting that is submitted to the next Health Board meeting. This is the mechanism that the Committee Chair uses to provide information on activity, areas or assurance and/or areas of escalation. • An Annual Committee Report is also received by the Board. All Board and Board Committee Agenda and Papers are shared on the website and are available to the public and organisation as a whole; • There was now an Annual Cycle of Business in place which was being presented to each meeting. <p>Committee Business</p> <ul style="list-style-type: none"> • Committee members felt that they had been provided with sufficient authority and resources to perform its role effectively. • Committee members felt that the Committee met sufficiently frequently to deal with planned matters and that enough time was allowed for questions and discussions. • Committee Members felt that the atmosphere at meetings was conducive to open and productive debate. • Committee Members felt that the behavior of all members and attendees was courteous and professional. • Committee Members felt that meetings were being scheduled prior to important decisions being made. • Committee Members felt that where private meetings had been held, they had been used appropriately for items not for discussion in the public domain. • Committee Members agreed that each item had been closed off appropriately with clear conclusions. • Committee Members agreed that the experience of holding remote/virtual meetings had been positive, and had made the best use of Committee Members time and had assisted the Committee Chair in managing the flow of business.
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	<ul style="list-style-type: none"> Committee Members felt satisfied that the boundaries between Committees were clearly defined with adequate cross referral if required. Committee Members felt that Committee meetings were chaired effectively with clarity of purpose and outcome. Members also felt that the Committee Chair provided clear and concise information to the Board on the activities of the Committee. The majority of Committee Members felt that the Committee was adequately supported by Executive Directors in terms of attendance, quality and length of papers and response to challenges and questions. Committee Members felt adequately supported by the Committee Secretariat.
Areas Requiring Further Assurance	<p>1. Committee Business</p> <ul style="list-style-type: none"> Welsh Language at meetings – Whilst some members supported greater use of welsh language, some members personally felt that the use of welsh language was not required. It was suggested that welsh language should be used if there were welsh speakers serving on the Committee, with simultaneous translation used for those who were not bilingual. It was also suggested that welsh language should be used if there was a requirement to support equity/access. Some Committee Members felt that they needed additional training to undertake their role as Member/Attendee of the Committee
Areas Requiring Further Action	<ul style="list-style-type: none"> Welsh Language – the use of Welsh Language for Board and Committee Business is currently being explored by the Assistant Director of Governance & Risk and the Welsh Language Services Manager. Training Additional training to be provided to members to support them in their role on the Committee.
Action Plan	<ul style="list-style-type: none"> Outputs from the activity Board and Committee Welsh Language activity being explored with the Welsh Language Services Manager will be considered in respect of all Board Committees as and when appropriate. A training and awareness event capturing the role of the Trustee and the remit of the Committee in discharging its Charity responsibilities has been scheduled for the Annual Trustees Meeting on the 26th January 2023.
Appendices	Independent Member Scrutiny Toolkit available upon request.

3. Recommendation



GIG
CYMRU
NHS
WALES

Bwrdd Iechyd Prifysgol
Cwm Taf Morgannwg
University Health Board

- 3.1 The Committee are asked to **NOTE** this report and the updates to the areas identified for improvement.



Cwm Taf Morgannwg University Health Board

Corporate Trustee Awareness Session

Laura Sherratt
Blake Morgan LLP

26 January 2023

Outline of today's session

1. Governance structure – the UHB and the Charitable Fund
2. Governance and trustee duties
3. An introduction to charity regulation

1. Governance structure:

The UHB and the Charitable Fund

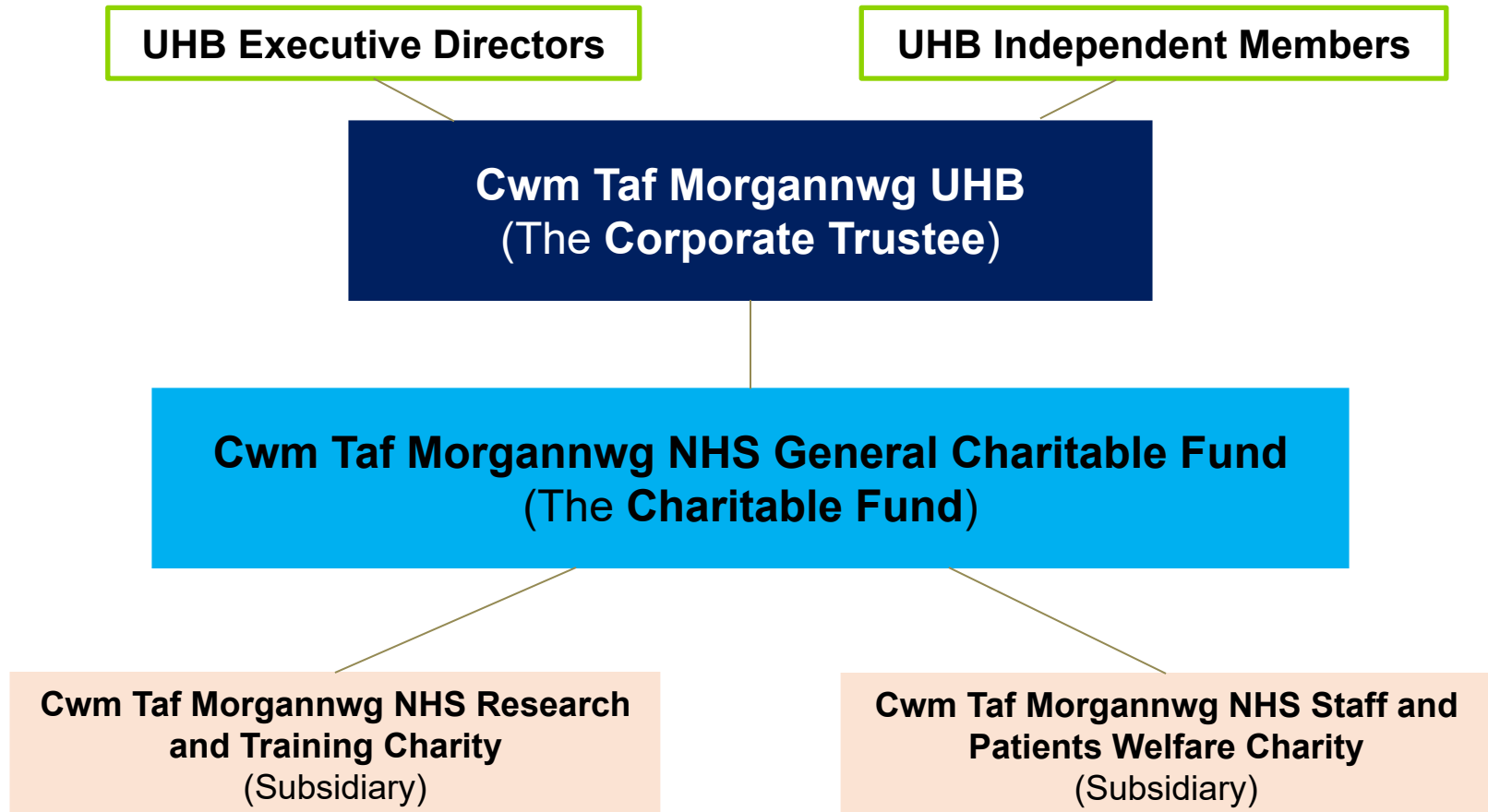
The UHB and the Charitable Fund

- Cwm Taf Morgannwg UHB (the **UHB**) is the **sole corporate trustee** of Cwm Taf Morgannwg NHS General Charitable Fund (the **Charitable Fund**)
- The Charitable Fund is established by a Declaration of Trust and has a number of linked charities
- As sole trustee, the UHB is responsible for compliance with trustee duties; the UHB Board Members (both Executive Directors and Independent Members) are not trustees themselves, but have **delegated authority**
- As Corporate Trustee, Board Members are responsible for ensuring that **the UHB discharges its responsibilities as Trustee**
- This means the principles of governance and trusteeship effectively **extend to the UHB Board Members' decisions**

- Linked charities:
 - East Glamorgan NHS Trust Joan Mary Evans
 - Pontypridd and Rhondda NHS Trust Scanner Appeal

- Special purpose subsidiary charities:
 - Cwm Taf Morgannwg NHS Research and Training Charity
 - Cwm Taf Morgannwg NHS Staff and Patients Welfare Charity

Group structure chart



The Trustee Role

- Each of the Executive Directors has an operational as well as strategic role on the UHB, which is distinct from their role as Trustee
- The Independent Members also hold two roles (or “hats”) in the same way
- It is important for each individual to remember the applicable duties when they are undertaking each role
- There is an inherent potential conflict of interest for the Trustees, due to their role as UHB Board Members
- This is not problematic in practice, because the interests of the two entities are closely aligned
- Risk level is low, but Committee decisions must be authorised appropriately, and conflicts of interest managed

Grant-making charity

- As a grant-making charity, key obligations lie in decisions about grant applications and prudent management of funds
- Sound understanding and application of accounting principles will be important
- As linked charities are involved, funds for each charity need to be kept separate
- Restricted funds: Where subsidiaries have more limited charitable purposes, different rules of expenditure must be applied
- Designated funds: Separately, the Trustees may decide to put funds aside for restricted purposes

Types of governing document

Legal form	Type of Governing document
Charitable Trust	Trust Deed / Declaration of Trust / Charity Commission Scheme
Unincorporated Association	Constitution / Rules / Charity Commission Scheme
Company limited by guarantee	Articles of Association
Royal Charter bodies and charitable statutory corporations	Charter and Statutes
Co-operative and Community Benefit Societies	Rules
Charitable Incorporated Organisation (CIO)	Constitution

Governing document

- The Charitable Fund's governing document is a **Declaration of Trust** dated 29 September 1995 as amended by:
 - Supplemental Deeds dated 2000, 2009 and 2010
 - Order dated 01 April 2019
 - Deed dated 28 August 2019
- The Objects of the Charitable Fund are:
 - to apply the income, and so far as permissible, the capital, for any charitable purposes relating to the NHS (wholly or mainly for the service provided by Cwm Taff Morgannwg UHB) and for any other health services for which specific monies have been donated for use within the UK or overseas.

Delegation of Trustees' powers

- To committees e.g. the Charitable Funds Committee (CFC)
- To staff
- By introduction of regulations
- Best practice:
 - Terms of reference
 - Extent of delegation, setting out limitations where appropriate
 - E.g. financial authority, matters which require Board approval, ability of Board to revoke delegation
 - Defined roles
 - Efficient reporting back to Board

Charitable Funds Committee (CFC)

- Key delegation of the Charitable Fund is to the CFC
- Purpose: to make and monitor arrangements for the control and management of the Charitable Funds
- See Terms of Reference & Operating Arrangements for key duties and delegated powers
- Made up of at least 5 members:
 - 3 Independent Members – Chair, Vice Chair and 1 other
 - 2 Exec Directors – CEO and Director of Finance

2. Governance and Trustee Duties

CC3 – The Essential Trustee

- Administration – ensure charity is carrying out purposes for the public benefit – deciding policy, strategy & plans
- Compliance – with charity's governing document and the law
- Acting in charity's best interests – managing/avoiding conflicts of interest
- Ensure charity is accountable – working collectively
- Manage charity's resources (finances/assets) prudently
- Act with reasonable care and skill – taking advice where necessary

Duty of Administration

- Setting of clear policies and strategies – including re: reserves policy and investment strategies
- Documented financial controls, banking and treasury procedures
- Clear property acquisition and disposal arrangements
- Clear grant making procedures

Duty of Compliance

- Comply with charity law and other relevant legislation and regulators (HMRC, Safeguarding, etc.)
- Provision of accounts and reports to regulators
- Compliance with governing document and objects
- Registration in other jurisdictions as relevant (Scotland, Northern Ireland etc.)

Duty to Act in Charity's Best Interests

- By reference to objects and beneficiaries
- Appropriate management of conflicts of interests
- Procedural safeguards to protect the charity against:
 - Actual risk
 - Potential risk – perceived conflict can be as harmful
- Must include mechanisms for:
 - Identifying the risk
 - Assessing whether the conflict/benefit is authorised
 - Managing the risk

Benefits to Trustees

- Assets are held on trust to be used for the Society's objects, not its trustees or members
- Starting point is that trustees should not normally benefit from their position as trustees
- Must ensure that any benefits are authorised under the Articles otherwise permission must be sought from the Charity Commission
- Any conflicts arising from any payment must be managed

Contracts with Trustees

- Payment to trustees for acting as a trustee is not usually permitted
- Employment of trustees for non-trustee roles is also not usually permitted
- Where a trustee is employed or provides a service to the Society then it must be authorised under the constitution or by the Charity Commission
- Statutory power under the Charities Act

Duty of Accountability

- To ensure that Trustees take ownership of decisions made – whether directly or via delegation to staff or committees
- Compliance with accounting requirements
- Transparency to stakeholders

Duty of Prudent Management

- Clear financial management – strategic planning, sources of funds, financial reporting, ensuring charity is solvent
- Clear financial governance – with oversight by Hon Treasurer, finance sub committee
- Use charitable funds and assets in furtherance of the objects of the charity
- Charity Commission guidance useful

Duty of Care

- The law imposes a duty of care on the trustees of charities (by Trustee Act 2000 and Companies Act 2006)
- Trustees have to act reasonably and prudently in all matters relating to their charity
- The Trustee Act duty is '*to exercise such care and skill as is reasonable in the circumstances*'
- The duty will be greater if a trustee has any special knowledge or experience, or if their business or profession means they can reasonably be expected to have special knowledge or experience
- In matters where trustees are not expert, they should take appropriate advice

What makes a strong board?

- Collectively responsible
 - Performing well, solvent, compliant
 - Sign a trustee declaration – so aware of legal responsibilities
- Acting **prudently** to protect assets and property
- Managing and mitigating risk
- Equality and Diversity
- Developing and maintaining internal controls, policies and procedures
- The right size and correct mix of skills and experience
 - Term of office - retirement by rotation helps to ensure continuity
 - Maximum terms – keeps the board fresh
- Defined roles and responsibilities

Decision making

- All relevant factors need to be taken into consideration when charity trustees make decisions, depending on the particular facts and circumstances.
- All decisions should be documented and any conflicts of interest managed.
- The following will always need to be considered:
 - Will this further the objects of the charity?
 - Is this within the powers of the charity?
 - Have the public benefit requirements been met?
 - Is the decision in the best interests of the charity?
- All charity trustees have an obligation under the Charities Act to have regard to the Charity Commission's guidance on public benefit when exercising any powers or duties
- Delegation of powers

3. An introduction to Charity Regulation

Regulatory Framework

- Charities Act 2011 and 2022
- Governing document(s)
- Charity Commission
- Other regulators e.g. HMRC, ICO etc.
- Best practice and good governance

Serious Incident Reporting

- A serious incident is an actual or potential adverse event, which results in or risks significant:
 - loss of charity's money or assets
 - damage to the charity's property
 - harm to the charity's work, beneficiaries or reputation – reputation is an asset
- Requirement to report serious incidents to the Commission
- Charity Commission guidance –
<https://www.gov.uk/guidance/how-to-report-a-serious-incident-in-your-charity>

Accounts and auditing

- Accounts to Charity Commission and Companies House
- Annual report and annual return
- File within ten months of end of financial year
- Independent examination (income between £25,000 to £500,000)
- Audit (£500,000 income or more or £250,000 income and over £3.26 million assets) – Charitable Fund falls within this category

Accounting requirements

- All charities must:
 - keep accounting records and retain them for six years
 - keep gift and substantial donor records
 - prepare annual accounts
 - make the accounts available to the public on request
 - comply with Statement of Recommended Practice for charity accounts (SORP)

Financial controls

- Setting strategy
- Approving and reviewing budgets
- Control over income and expenditure
- Checking trading activities
- Overseeing investments
- Accounting and auditing

Financial procedures

- Fundamental duty to protect the property and secure its application for the objects of the charity
- To guard against fraud and mismanagement, a charity should put proper financial procedures in place
- There should be a recognised structure for areas of responsibility, lines of authority and lines of reporting
- If there are insufficient financial controls, the trustees could be held liable for any loss

Investments

- Investment powers:
 - set out in the constitution
- Trustees must act reasonably when investing charity funds and:
 - ensure the suitability of investments
 - provide for a range of investments
 - take proper advice from professionals.
- Investment policy
- Charity Commission guidance

- What are reserves?
- How much is prudent/reasonable?
- Trustees should have an appropriate reserves policy that clearly explains what level or range of reserves the charity needs to operate effectively

Charity Governance Code

- The de facto governance standard for the charity sector
- Published 2005, updated 2010, 2018 and 2020
- Seven principles of good governance:
 - Organisational purpose
 - Leadership
 - Integrity
 - Decision making, risk and control
 - Board effectiveness
 - Diversity
 - Openness and accountability
- More info at www.charitygovernancecode.org

Any questions?



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AGENDA ITEM

4.1

CTM BOARD

CWM TAF MORGANNWG NHS GENERAL CHARITABLE FUND ACCOUNTS AND ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2022

Date of meeting

26/01/2023

FOI Status

Open/Public

If closed please indicate reason

Not Applicable - Public Report

Prepared by

Owen James – Head of Corporate Finance

Presented by

Sally May – Director of Finance (TBC)

Approving Executive Sponsor

Executive Director of Finance

Report purpose

FOR APPROVAL

Engagement (internal/external) undertaken to date (including receipt/consideration at Committee/group)

Committee/Group/Individuals

Date

Outcome

(Insert Name)

(DD/MM/YYYY)

Choose an item.

ACRONYMS

UHB

University Health Board

1. SITUATION/BACKGROUND

- 1.1 This report presents the Annual report and Accounts of the Cwm Taf NHS General Charitable Fund for approval.

The registered charity "Cwm Taf Morgannwg NHS General Charitable Fund" requires annual accounts and an annual report to be prepared

and submitted to the Charity Commission prior to the 31 January 2023.

The Board act as Trustees to this fund, and this report is therefore presented in this capacity.

The format of the Accounts has remained unchanged from last year.

2. SPECIFIC MATTERS FOR CONSIDERATION BY THIS MEETING (ASSESSMENT)

- 2.1 Annual accounts and an annual report for the period 1 April 2021 to 31 March 2022 have been prepared by Cwm Taf Morgannwg UHB and then examined by Audit Wales. These are attached to this report in Appendix 1.

The accounts have been subject to independent examination by Audit Wales and an unqualified opinion is being proposed. All non-trivial misstatements have been corrected during the audit process.

The examiner's proposed report is attached in Appendix 1.

Once the accounts are approved and signed by the Trustees, these will be shared with Audit Wales for the Auditor General for Wales' certification prior to submission to the Charity Commission by the 31 January 2023.

3. KEY RISKS/MATTERS FOR ESCALATION TO BOARD/COMMITTEE

- 3.1 An annual return including the annual report and accounts needs to be submitted to the Charity Commission within 10 months of the end of the financial year. Therefore the annual report and accounts for 2021/2022 need to be approved, certified and submitted by 31 January 2023.

4. IMPACT ASSESSMENT

Quality/Safety/Patient Experience implications	There are no specific quality and safety implications related to the activity outlined in this report.
Related Health and Care standard(s)	Governance, Leadership and Accountability
	If more than one Healthcare Standard applies please list below:



Equality Impact Assessment (EIA) completed - Please note EIAs are required for <u>all</u> new, changed or withdrawn policies and services.	No (Include further detail below)
	<p>If yes, please provide a hyperlink to the location of the completed EIA or who it would be available from in the box below.</p> <p>If no, please provide reasons why an EIA was not considered to be required in the box below.</p>
	No change or withdrawal of policy or services.
Legal implications / impact	Yes (Include further detail below)
	Charitable funds are required to be managed in accordance with charity legislation and requirements of the Charity Commissioner.
Resource (Capital/Revenue £/Workforce) implications / Impact	Yes (Include further detail below)
	The accounts highlights the resources received and the use of those resources for 2021-22 in accordance with Welsh Government and Charity Commission requirements.
	No specific workforce implications.
Link to Strategic Goals	Improving Care

5. RECOMMENDATION

5.1 The Trustees to the Cwm Taf Morgannwg NHS Charitable Fund are requested to:

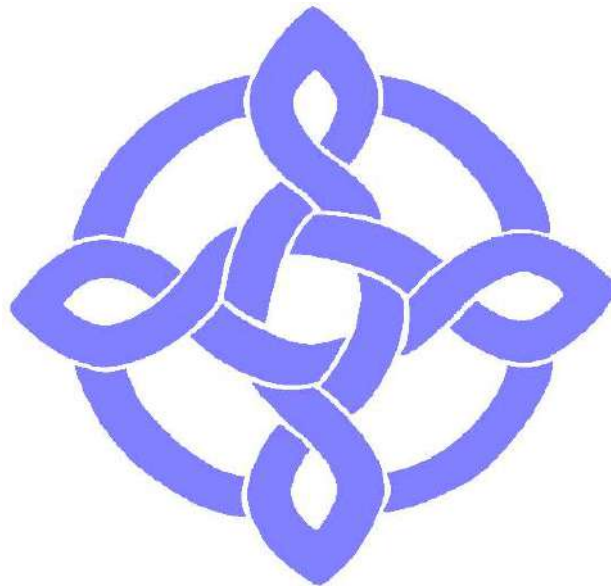
- a) **APPROVE** the annual report and accounts; and
- b) **AUTHORISE** the Chairman and Director of Finance to sign the annual report and accounts on their behalf, alongside the letter of representation to Audit Wales.

**Cwm Taf Morgannwg NHS
General Charitable Fund**

**Trustee's Annual Report and
Accounts**

2021-22

**For the Charitable Funds managed by
Cwm Taf Morgannwg University Health Board**



FOREWORD

The Annual Report for the year ended 31 March 2022 has been prepared by the Trustees of Cwm Taf Morgannwg NHS General Charitable Fund in accordance with Part 8 of the Charities Act 2011 and the Charities (Accounts and Reports) Regulations 2005. This should be read together with the Cwm Taf Morgannwg NHS Charitable Funds Annual Accounts, which are appended to the report.

So far as the Trustees are aware, there is no relevant information of which the entity's external auditors are unaware, and the Trustees have taken all the steps that should have been taken to make themselves aware of any relevant information and to establish that the entity's external auditors are aware of that information.

The assets of the Charity are detailed in the Annual Accounts that follow the Trustee's report. No assets are held on behalf of either charity by another charity or by a Trustee of the Charity.

REFERENCE AND ADMINISTRATIVE DETAILS

The full name of the charity is:

Cwm Taf Morgannwg NHS General Charitable Fund

There are two special purpose subsidiary charities:

- Cwm Taf Morgannwg NHS Research and Training Charity
- Cwm Taf Morgannwg NHS Staff and Patients Welfare Charity

The registration number of the charity is 1049765. The charity is not registered as a company.

The principal registered address of the charity is:

Cwm Taf Morgannwg University Health Board
Finance Department
Dewi Sant Hospital
Pontypridd
CF37 1LB

Statutory Background

Cwm Taf Morgannwg University Health Board is the corporate trustee of the funds held on trust under paragraph 16c of Schedule 2 of the NHS and Community Care Act 1990. The role of the trustee however, is essentially performed by the Board of Cwm Taf Morgannwg UHB.

The Corporate Trustee

Those persons who have acted as Directors of the Corporate Trustee during the financial period 1st April 2021 to 31st March 2022 are as follows:

Executive Directors:

Paul Mears	Chief Executive	
Steve Webster	Director of Finance	to 1st August 2021
Sally May	Director of Finance	From 2nd August 2021
Nick Lyons	Medical Director	to 22nd August 2021
Dom Hurford	Interim Medical Director	from 1st July 2021
Greg Dix	Director of Nursing, Midwifery and Patient Care	

Clare Williams	Interim Director of Planning and Performance	to 31st May 2021
Linda Prosser	Director of Strategy & Transformation	from 1st June 2021
Hywel Daniel	Director of People	
Kelechi Nnoaham	Director of Public Health	
Fiona Jenkins	Interim Director of Therapies and Health Sciences	

Independent Members:

Marcus Longley	Chair	To 30th September 2021
Emrys Elias	Interim Chair	from 1st October 2021
Maria Thomas	Vice Chair	to 31st May 2021
Jayne Sadgrove	Independent Member - University Vice-Chair	to 31st May 2021 from 1st June 2021
Patsy Roseblade	Independent Member – Finance	
James Hehir	Independent Member- Legal	
Ian Wells	Independent Member- Information Technology	
Keiron Montague	Independent Member- Community	to 30th September 2021
Cllr Phillip White	Independent Member – Elected Representative	until 14th October 2021
Melu Jehu	Independent Member- Community	
Nicola Milligan	Independent Member – Staff	
Dilys Jouvenat	Independent Member- Third Sector	
Carolyn Donoghue	Independent Member - University	from 4th August 2021
Lynda Thomas	Independent Member - Corporate Business	from 8th October 2021

Cllr Geraint E Hopkins	Independent Member- Local Authority	from 6th January 2022
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Bankers

Barclays Bank
93/94 Taff Street
Pontypridd
Mid Glamorgan
CF37 4YH

Internal Auditors

NHS Wales Shared Services Partnership
Audit & Assurance Services
4-5 Charnwood Court,
Heol Billingsley,
Parc Nantgarw,
Cardiff
CF15 7QZ

External Auditors

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

Investment Advisors

CCLA Investment Management Limited
Senator House
85 Queen Victoria Street
London
EC4V 4ET

STRUCTURE, GOVERNANCE and MANAGEMENT

The charity is made up of a total of 156 individual funds as at 31st March 2022 (2020-21, 157). Notes 19b and 19c of the accounts distinguish the types of funds held and disclose separately all material funds.

Cwm Taf Morgannwg UHB is the corporate trustee of the charitable fund. The role of trustee is performed by the Board of Cwm Taf Morgannwg UHB. The Chairman and Independent Members are appointed by the Minister for Health and Social Services of the Welsh Government. The Executive Directors are officers of the UHB and are appointed according to Health Board policy and procedure, their appointment being approved by the Board of the UHB. Appropriate training and induction is received on initial appointment followed by periodic development sessions to further develop the understanding of their roles and responsibilities. The Trustees receive no remuneration or expenses from these charitable funds for their trustee duties.

The Board of Cwm Taf Morgannwg UHB is in overall control of all funds held by the Charity. Due to the number of funds held for specific purposes, the Trustees delegate day-to-day administration to Fund Managers. These managers oversee the balances of funds and identify expenditure needs where appropriate.

Any expenditure below £50k is approved in line with the delegation of duties, subject to confirmation from the Finance Department that sufficient funds are available and the expenditure item is consistent with the fund's objectives. Applications for spending requests of over £50k will require approval of the Charitable Funds Committee.

The accounting records and day-to-day administration of the funds are dealt with by the Finance Department located at Dewi Sant Hospital, Albert Road, Pontypridd, Mid Glamorgan, CF37 1LB.

Exposure to Risk

The Chief Executive of the UHB together with the other directors is responsible for ensuring that an effective system of financial control is maintained. The Chief Executive and other directors are also responsible for reviewing the effectiveness of this system. The Charity operates under the same standing financial instructions and financial control procedures that are applied to the Board's main operations.

Income and Expenditure is monitored for each individual fund to ensure that spending and firm financial commitments remain within available funds. The Trustees receive periodic reports highlighting the main issues and risks facing the Charity.

The Charity has identified and examined all major risks that they are exposed to and systems have been established to mitigate these risks. This is supported by the use of Internal Audit to monitor the existing systems to confirm the existence of suitable controls and that these controls are operational. There are no major risks that have been identified other than those associated with the normal fluctuations in the value of investments and the level of reserves available to mitigate the impact of any losses. There are procedures in place to continually review the investment policy and to ensure that spending and financial commitments remain in line with available resources.

OBJECTIVES and ACTIVITIES for the public benefit

Objects and Purposes

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives.

The Trustees shall hold the funds upon trust to apply the income, and at their discretion so far as permissible, the capital, for any charitable purpose or purposes relating to the National Health Service (wholly or mainly for the service provided by Cwm Taf Morgannwg UHB) and for any other Health Services for which specific monies have been donated for use within the UK or overseas.

The Cwm Taf Morgannwg NHS General Charitable Fund is funded by donations and legacies received from patients, their relatives, and the general public and other external organisations. It is a grant-making charity, the purpose of which is the relief of those who are ill or disabled and the advancement of education through training.

The overall strategy of the Charity, to enable it to provide this support is achieved by the following means:

- Patients Expenditure - Through the purchase of equipment and the provision of services and facilities not normally provided or in addition to the normal NHS provision.
- Staff Expenditure -
 - a) Motivation of staff, by improving staff facilities and by providing services that improve staff well-being.
 - b) Education support for staff supplementing that provided by the UHB.
- Capital Equipment - By the purchase of equipment.
- Research - By the funding of staff and purchase of equipment used in the research and development projects carried out by the UHB.

The role of trustee of the Charity is performed by the corporate body of Cwm Taf Morgannwg UHB and the majority of grant payments made by the Charity are made to the UHB as contributions to the NHS. Other grant payments are made for patient and staff welfare and amenities. The Charity meets its objective by applying its funds and income to make such grant payments, examples of which are given in the *Financial Review* section of this report.

Grant Making Policy

The Grant making policy is dictated by the objects and purposes of the Charity for the public benefit. Grant payments are made for exclusively charitable purposes in support of Cwm Taf Morgannwg UHB. The Fund Managers who have delegated management of the individual funds may identify possible expenditure provided it falls within the object of the fund, is a reasonable charge to charitable funds and is in furtherance of the objects of the charity. Each item of expenditure is monitored to ensure compliance with these criteria and is then submitted for approval in line with the scheme of delegation of duties.

ACHIEVEMENTS and PERFORMANCE

To fulfil the charitable aims and objectives, the strategy of the charitable funds under the control of Cwm Taf Morgannwg UHB, as Corporate Trustee, is to support the UHB by providing funds to support a wide range of charitable and health related activities benefiting both patients and staff. In general they are used to purchase the varied additional goods and services that the NHS is unable to provide.

The Charity relies on the generosity of patients, their relatives and other donors who are familiar with or have experienced the care of the services within the Cwm Taf Morgannwg UHB for its income.

In addition to this, the NHS Charities Together Covid Appeal raised over £150m across Britain in the last 18 months. In 2020/21 they allocated Stage 1 grants to individual NHS charities of which Cwm Taf Morgannwg UHB Charitable Fund received £168,100 in 2020/21. Subsequent two stages of grant application process has started during 2021/22. These grants will be used as support for NHS staff, patients and for emergency response volunteers.

The Charity is registered with HMRC to recover gift aid income and gift aid income reclaimable for 2021-22 is £2k.

During the year the Charity paid total grants of £403k (2020-21: £389k); these are detailed in note 7 of the accounts.

Examples of how the Charity has achieved its objectives are:

Patients Expenditure - including purchase of specialist chairs, items for the kitchen areas and producing a mural.

Research - Research grants were used to enable staff to attend conferences and modification of a website.

Technical -	This included specialised gym equipment, hand held digitised vein viewing devices, and oximeters.
Capital -	This included a new SMOTS audio-visual healthcare simulation recording system at Endoscopy Department, RGH Hospital.

Further details of expenditure are shown in the *Financial Review*.

The Charity has adopted an investment strategy which aims to deliver a positive real return with a minimum of risk. The Trustees appointed CCLA Investment Management Limited as independent investment advisors. Details of investments and returns are highlighted in the *Investment* section below.

FINANCIAL REVIEW

Reserves Policy

Reserves are those funds retained which can be freely used at the discretion of the Trustees in furtherance of any of the Charity's objectives. Reserves therefore do not include funds that have restrictions on them or funds that have been obtained for a specific purpose.

As the Charity's financial procedures do not allow expenditure to be committed without the funds in place then the charity will always be able to meet its commitments as they fall due. The unrestricted reserves at 31st March 2022 stand at £3,085k, with £138k from this amount being committed for future expenditure.

Movement in Net Assets

The net assets of the Charitable Funds as at 31st March 2022 were £4,222k (2020-21:£3,836k). This comprised of unrestricted funds of £3,085k (2020-21:£2,885k) and restricted funds of £1,137k (2020-21:£951k). Overall net assets increased by £386k reflecting an excess of income over expenditure. The Charity's Trustees are under a duty to apply the charity's income within a reasonable time of receiving it. Fund managers have, therefore, been actively encouraged to identify expenditure that would further the objectives of the Charity.

Income

The charity continues to rely on donations, legacies and investment income as its main sources of income. However in the recent years it also received grant allocations, including £168k received in 2020-21 from NHS Charities Together.

The Trustees are extremely grateful to those members of the public, staff and organisations who have made contributions to the charitable funds during the last financial year.

The table below demonstrate the various sources of income for the year 2021-22.

STATEMENT OF INCOME FOR THE YEAR ENDED 31 MARCH 2022

	Unrestricted £000	Restricted £000	2021-22 £000	2020-21 £000
Donations	126	22	148	380
Legacies	367	0	367	155
Grants	7	22	29	183
Interest and dividends	56	23	79	65
Other trading activities	0	4	4	0
Incoming Resources from Charitable Activities	0	0	0	0
Total Incoming Resources	556	71	627	783

Donations

During 2021-22 a total of £148k (2020-21:£380k) was received in the form of donations. A variety of donations were received throughout the year, a few examples of which are listed below:

- A total of £38k was donated to Y Bwthyn Newydd, specialist palliative care unit at POW Hospital.
- £9k was donated to YCC & MHP ward funds.
- A total of £17k was donated to Intensive Care Units.

Legacies

During the year, the Charity was a beneficiary of legacies with a total value of £367k (2020-21: £155k).

All legacies, where contact details are available, are acknowledged formally with a letter of thanks to the family.

Grants

During the year, the Charity received grants totalling £29k (2020-21: £183k). In addition, Stage 2 and Stage 3 NHS Charities Together grant application process commenced during 2021-22 with anticipated receipt in 2022-23.

Investments

CCLA Investment Management Limited is appointed as Investment Advisors to the Charity.

Total amount invested in the Charities Ethical Investment Fund at the start of 2021-22 was £1,500k with a market value of £2,144k. An additional £600k was invested in the same fund in the 2nd quarter of the year, bringing the total balance invested as at 31st March 2022 to £2,100k. No other investments were held.

The Market Value of the fund at 31st March 2022 was £2,906k, showing a cumulative net gain of £806k. £644k of this gain was recognised previously in the account and as detailed within Note 13 of the Financial Statements; the £162k of increase during this reporting period is reflected in 2021-22 annual accounts.

During the year the Charity received £79k (2020-21: £65k) as a dividend on the Ethical Investment Fund. The charges levied by CCLA are reflected within the market price of the units, and therefore, the value of the investment at the Balance Sheet date.

Exposure to fluctuations in the value of its investments are continually reviewed and reported to the Corporate Trustees. Quarterly Investment reports are prepared by CCLA and an annual presentation from the Investment Advisors updates the Trustees on the current and forecast market trends.

Liquidity risk is managed through having sufficient funds held in cash deposits to meet all known commitments without having to realise any investments that are subject to market fluctuations.

The Investment Strategy of the Health Board's Charitable Funds states that: "Should the reserve exceed 20% of overall investment, any excess will be distributed to individual fund balances, subject to Charitable Fund Committee approval." The surplus exceeding 20% as at the end of June 2021 was £497k. Subsequent to the Committee approval, the excess gain was distributed to the fund balances as detailed in Notes 18 and 19 of the accounts.

Expenditure

The Charity is primarily a grant making body, providing grants to the Cwm Taf Morgannwg UHB, from which many areas of service provision benefit. During 2021-22, charitable expenditure on direct charitable activity, including support costs, totalled £403k (2020-21: £389k).

ANALYSIS OF EXPENDITURE FOR THE YEAR ENDED 31 MARCH 2022

	Unrestricted	Restricted	2021-22	2020-21
	£000	£000	£000	£000
Fundraising trading: costs of goods sold and other costs	0	0	0	0
Charitable Activities	315	88	403	389
Total Resources Expended	315	88	403	389

The detail of the expenditure on Charitable Activities is shown in the annual accounts within Note 7.

A number of specific highlights during the year for charitable expenditure are listed below:

- £5k for refurbishment of kitchen at Y Bwthyn Newydd palliative care unit at POW Hospital.
- £218k has been used to support staff training and welfare including attending various courses & contributions towards the conference fees; counselling services for staff well-being and various other schemes to help with staff wellbeing
- £29k for SMOTS audio-visual healthcare simulation recording system at Endoscopy Department, RGH Hospital.

Support Costs

The support costs of administration for 2021-22 were £98k (2020-21: £80k). These figures are shown in the annual accounts within Note 7 and Note 10 under support costs and split between finance and administration costs.

The charity does not directly employ any members of staff, finance and administration costs relate to the cost of staff recharged from Cwm Taf Morgannwg University Local Health Board.

The difference between the dividend income and the support costs are allocated to the charitable funds on an average fund balance basis.

On behalf of the staff and patients who have benefited from the improved services the Trustees would like to thank all patients, relatives, staff and members of the public who have made charitable donations and helped with fundraising activities. The level of activity will continue to be dependent upon the generosity of these donors and the receipt of legacies. The Trustees would also like to thank the organisations who have provided the Charity with grants during the year.

Signed

Chairperson: _____ *Date:*

Cwm Taf Morgannwg UHB

On behalf of the Trustees

Cwm Taf Morgannwg NHS General Charitable Fund

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

FOREWORD

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 on 16 July 2014 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 2015

STATUTORY BACKGROUND

The Cwm Taf Morgannwg University Health Board is the corporate trustee of the charity under paragraph 16c of Schedule 2 of the NHS and Community Care Act 1990.

The Trustees have been appointed under s11 of the NHS and Community Care Act 1990.

MAIN PURPOSE OF THE FUNDS HELD ON TRUST

The main purpose of the charity is to apply income for any charitable purposes relating to the National Health Service wholly or mainly for the services provided by the Cwm Taf Morgannwg University Health Board.

Cwm Taf Morgannwg General Charitable Fund Statement of Financial Activities for the year ended 31 March

	Note	Unrestricted funds £000	Restricted Income funds £000	Total Funds 2021-22 £000
Incoming resources from generated funds:				
Donations and legacies	3	500	44	544
Charitable activities		0	0	0
Other trading activities		0	4	4
Investments	5	56	23	79
Other		0	0	0
Total incoming resources		556	71	627
Expenditure on:				
Raising Funds	6	0	0	0
Charitable activities	7	315	88	403
Other		0	0	0
Total expenditure		315	88	403
Net gains / (losses) on investments	13	162	0	162
Net income / (expenditure)		403	(17)	386
Transfer between funds	18	(203)	203	0
Net movement in funds		200	186	386
Reconciliation of Funds				
Total Funds brought forward	19	2,885	951	3,836
Total Funds carried forward		3,085	1,137	4,222

Cwm Taf Morgannwg General Charitable Fund Statement of Financial Activities for the year ended 31 March

	Note	Unrestricted funds (restated) £000	Restricted Income funds (restated) £000	Restated Total Funds 2020-21 £000
Incoming resources from generated funds:				
Donations and legacies	3	621	97	718
Charitable activities		0	0	0
Other trading activities		0	0	0
Investments	5a	50	15	65
Other - Funds transferred from another NHS body			0	0
Total incoming resources		671	112	783
Expenditure on:				
Raising Funds	6	0	0	0
Charitable activities	7	278	111	389
Other		(3)	2	(1)
Total expenditure		275	113	388
Net gains / (losses) on investments	13	359	0	359
Net income / (expenditure)		755	(1)	754
Transfer between funds	18	2	(2)	0
Net movement in funds		757	(3)	754
Reconciliation of Funds				
Total Funds brought forward	19	2,128	954	3,082
Total Funds carried forward		2,885	951	3,836

Cwm Taf Morgannwg General Charitable Fund Balance Sheet as at 31 March 2022

		Unrestricted funds £000	Restricted Income funds £000	Total 31 March 2022 £000	Total 31 March 2021 (restated) £000
	Note				
Fixed assets:					
Investments	13	2,150	756	2,906	2,144
Total fixed assets		2,150	756	2,906	2,144
Current assets:					
Debtors	14	27	18	45	30
Cash and cash equivalents	15	1,004	408	1,412	1,784
Total current assets		1,031	426	1,457	1,814
Liabilities:					
Creditors: Amounts falling due within one year	16	(96)	(45)	(141)	(122)
Net current assets / (liabilities)		935	381	1,316	1,692
Total assets less current liabilities		3,085	1,137	4,222	3,836
Creditors: Amounts falling due after more than one year	16	0	0	0	0
Total net assets / (liabilities)		3,085	1,137	4,222	3,836
The funds of the charity:					
Endowment Funds	19	0	0	0	0
Restricted income funds	19	0	1,137	1,137	951
Unrestricted income funds	19	3,085	0	3,085	2,885
Total funds		3,085	1,137	4,222	3,836

The notes on pages 18 to 30 form part of these accounts

Signed :

Name :(Chair of Trustees)

Date :

Cwm Taf Morgannwg General Charitable Fund Statement of Cash Flows for the year ending 31 March 2022

	Note	Total Funds 2021-22 £000	Total Funds 2020-21 £000
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	17	149	338
Cash flows from investing activities:			
Dividend, interest and rents from investments	5	79	65
Proceeds from the sale of investments	13	0	0
Purchase of investments	13	(600)	0
Net cash provided by (used in) investing activities		(521)	65
Change in cash and cash equivalents in the reporting period		(372)	403
Cash and cash equivalents at the beginning of the reporting period	15	1,784	1,381
Cash and cash equivalents at the end of the reporting period	15	1,412	1,784

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 fair 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 on 16 July 2014 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 2015.

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 on 16 July 2014 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 either as:

- A restricted fund or
- An endowment 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 or legacies for specified purposes.

Endowment funds arise when the donor has expressly provided that the gift is to be invested and only the income of the fund may be spent. These funds are sub analysed between those where the Trustees have the discretion to spend the capital (expendable endowment) and those where there is no discretion to expend the capital (permanent endowment).

Those funds which are neither endowment nor 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 19.

(c) Incoming resources

Income consists of donations, legacies, 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, whichever falls sooner.

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) Incoming resources from endowment funds

The Charity has not received nor does it hold any endowment funds.

(f) 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.

(g) Recognition of expenditure and associated liabilities as a result of grants

Grants payable are payments made to linked, related party or third party NHS bodies and non NHS bodies, in furtherance of the charitable objectives of the funds held on trust, primarily relief of those who are sick.

Grant payments are recognised as expenditure when the conditions for their payment have been met or where there is a constructive obligation to make a payment.

A constructive obligation arises when:

- We have communicated our intention to award a grant to a recipient who then has a reasonable expectation that they will receive a grant
- We have made a public announcement about a commitment which is specific enough for the recipient to have a reasonable expectation that they will receive a grant
- There is an established pattern of practice which indicates to the recipient that we will honour our commitment.

The Trustees have control over the amount and timing of grant payments and consequently where approval has been given by the trustees and any of the above criteria have been met then a liability is recognised. Grants are not usually awarded with conditions attached. However, when they are then those conditions have to be met before the liability is recognised.

Where an intention has not been communicated, then no expenditure is recognised but an appropriate designation is made in the appropriate fund. If a grant has been offered but there is uncertainty as to whether it will be accepted or whether conditions will be met then no liability is recognised but a contingent liability is disclosed.

(h) Allocation of 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 10. Where costs are apportioned to unrestricted funds the cost is charged to a general purpose fund, where costs are apportioned to restricted funds, the cost is charged to each individual fund.

(i) 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 Charity does not currently undertake any fund raising activity.

(j) 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 7.

(k) Debtors

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

(l) Fixed Asset Investments

Investments are a form of basic financial instrument. Fixed Asset investments are initially recognised at their transaction value and are subsequently measured at their fair value (market value) at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposal throughout the year. Quoted stocks and shares are included in the Balance Sheet at the current mid price market value quoted by the investment analyst, excluding dividend. The SORP recommends that the bid price market price be used in valuing stocks and shares, although the difference between the bid and mid market price is not material. Other investments are included at the trustees' best estimate of market value.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to the wider economic conditions, the attitude of investors to investment risk and changes in sentiment concerning equities and within particular sectors or sub sectors. Further information on the Charity's investments can be found in note 13.

(m) 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. Cash equivalents are short term, highly liquid investments, are invested in a long-term plan under charities ethical investment fund.

(n) 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.

Amounts which are owed in more than a year are shown as long term creditors.

(o) 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. Related party transactions

Cwm Taf Morgannwg Health Board is the Corporate Trustee of the Charity.

During the year, other than noted below, there are no other material related party transactions involving the Corporate Trustee and the Board Members.

Board Members (and other senior staff) take decisions both on Charity and Exchequer matters but endeavour to keep the interests of each discrete and do not seek to benefit personally from such decisions. Declarations of personal interest have been made and are available to be inspected by the public.

The Charity has made revenue and capital payments of £287k (2020-21 323k) to the Cwm Taf Morgannwg University Health Board.

Name	Details	Related Party Interests
Mr Greg Dix	Director of Nursing, Midwifery & Patient Care	Visiting Professor at University of South Wales. Spouse is employee of Cwm Taf Morgannwg University Health Board.
Dr Nicholas T Lyons	Executive Medical Director to 22 August 2021	Spouse is employee of Cwm Taf Morgannwg University Health Board.
Dr Kelechi Nnoaham	Director of Public Health	Honorary professorship Cardiff University. Spouse is employee of Cwm Taf Morgannwg University Health Board.
Mrs Maria Thomas	Vice Chair to 31.05.21	Director of Winchfawr Investment, a Private Limited Company.
Melvin Jehu	Independent Member	Chair (Standards Committee) Rhondda Cynon Taf Council. Independent Member Audit & Governance Committee - Rhondda Cynon Taf Council. Spouse is employee of Cwm Taf Morgannwg University Health Board.
Carolyn Donoghue	Independent Member	Governor - University of the West of England
Geraint Hopkins	Independent Member	Elected Member Rhondda Cynon Taf Council.
Mrs Jayne Sadgrove	Independent member	Senior Professional Fellow & Trustee-Cardiff University. Son is employee of Cardiff University School of Healthcare Sciences.

The total value of related party transactions in 2021-22 were as follows:

Related Party	Expenditure £000	Income £000	Creditors £000	Debtors £000
University of South Wales	6	0	0	0
University of the West of England	5	0	2	0
Rhondda Cynon Taf Council	7	0	2	0

3. Income from donations and legacies

	Unrestricted funds £000	Restricted Income funds £000	Total 2021-22 £000	Total 2020-21 £000
Donations	126	22	148	380
Legacies	367	0	367	155
Grants	7	22	29	183
	500	44	544	718

4. Role of volunteers

Like all charities, the Charity is reliant on a team of volunteers for our smooth running.

They run events such as cake sales, sponsored events, sports challenges, tea parties and collections in order to raise funds.

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.

5. Gross investment income

	Unrestricted funds £000	Restricted Income funds £000	Total 2021-22 £000	Total 2020-21 £000
Fixed asset equity and similar investments	56	23	79	65
Short term investments, deposits and cash on deposit	0	0	0	0
	56	23	79	65

6. 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	0	0	0	0
Investment management	0	0	0	0
Support costs	0	0	0	0
	0	0	0	0

7. Analysis of charitable activity

	Grant funded activity £000	Support costs £000	Total 2021-22 £000	Total 2020-21 £000
Medical research	10	3	13	43
Purchase of new equipment	51	17	68	91
Building and refurbishment	0	0	0	9
Staff education and welfare	166	52	218	58
Patient education and welfare	75	26	101	185
Other	2	1	3	3
	304	99	403	389

Note 10 sets out an analysis of support costs.

8. Analysis of grants

The Charity does not make grants to individuals. All grants are made to Cwm Taf Morgannwg Health Board to provide for the care of NHS patients in furtherance of our charitable aims. 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 7.

The trustees operate a scheme of delegation for the majority of the charitable funds, under which fund advisors manage the day to day disbursements on their projects in accordance with the directions set out by the trustees in charity standing orders and financial instructions. Funds managed under the scheme of delegation represent ongoing activities and it is not possible to segment these activities into discrete individual grant awards. The trustees do make individual grant awards based on invited applications from Cwm Taf Morgannwg Health Board.

9. Movements in funding commitments

	Current liabilities £000	Non-current liabilities £000	Total 31 March 2021-22 £000	Total 31 March 2020-21 £000
Opening balance at 1 April (see note 16)	122	0	122	122
Movement in liabilities	19	0	19	0
Closing balance at 31 March (see note 16)	141	0	141	122

As described in notes 7 and 8, 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, especially those relating to research and development or for funding a specific posts are multi-year grants paid over a longer period.

10. Allocation 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. The average fund balance is used as the general basis of apportionment of support costs. Where the cost is apportioned to an unrestricted fund this is charged to the health board wide general purpose fund, and where it is apportioned to a restricted fund this is charged to each individual fund.

	Raising funds £000	Charitable activities £000	Total 2021-22 £000	Total 2020-21 £000	Basis
Governance					
External audit	0	25	25	10	Average fund balance
Finance and administratio	0	0	0	0	
Other professional fees	0	0	0	0	
Total governance	0	25	25	10	
Finance and administratio	0	72	72	70	Average fund balance
Other professional fees	0	0	0	0	
Other costs	0	1	1	0	
	0	98	98	80	
	Unrestricted funds £000	Restricted Income funds £000	Endowment funds £000	Total Funds 2021-22 £000	Total Funds 2020-21 £000
Raising funds	0	0	0	0	0
Charitable activities	70	28	0	98	80
	70	28	0	98	80

11. Staff costs, 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.

The charity has no employees. Staff services are provided to the Charity from Cwm Taf Morgannwg Health Board, the corporate Trustee of the charitable trust, which has received reimbursement from the charitable trust of £72,368 (2021: £68,545)

12. Auditors remuneration

Auditors' remuneration of £25,000 (2020-21: £10,000) relates to Audit Wales' audit of the statutory annual report and accounts.

While in 2020-21 the Charity was charged £10,000 by the Health Board, Audit Wales' fee estimate for 2020-21 was £25,000. Given the increase in costs associated with a full audit from 2019-20, the Health Board's management agreed to fund actual audit costs in excess of the £10,000 in 2019-20 and 2020-21.

The Charity is charged the full Audit Wales' fee estimate of £25,000 in 2021-22.

13. Fixed asset investments

Movement in fixed assets investments

	Total 2021-22 £000	Total 2020-21 £000
Market value brought forward	2,144	1,785
Add: additions to investments at cost	600	0
Less disposals at carrying value	0	0
Add net gain / (loss) on revaluation	162	359
Market value as at 31st March 2022	<u>2,906</u>	<u>2,144</u>

All investments are carried at their fair value.

Total amount invested in the Charities Ethical Investment Fund managed by CCLA Fund Managers Ltd, at the start of the year was £1.5m. An additional £0.6m was invested in the same fund in the 2nd quarter of 2021-22 bringing the total balance invested as at 31st March 2022 to £2.1m. The Market Value of the fund at 31st March 2022 was £2.906m., showing a cumulative net gain of £0.806m. No other investments were held.

The main investment risk lies in the volatility of the investment markets which affects both the value of those investments and dividend yields. The Charity attempts to manage this risk by:

- Investing long-term, and only investing cash not required for operational purposes in the foreseeable future
- Appointing CCLA to provide advice on investments and market situations
- Investing in a highly diversified fund thus spreading risk over asset classes and geographical areas.

Liquidity risk is managed through having sufficient funds held in cash deposits to meet all known commitments without having to realise any investments that are subject to market fluctuations.

14. Analysis of current debtors

Debtors under 1 year	Total	Total
	31 March	31 March
	2022	2021
	£000	£000
Accrued income	30	27
Prepayments	7	1
Other debtors	8	2
	<u>45</u>	<u>30</u>

15. Analysis of cash and cash equivalents

	Total	Total
	31 March	31 March
	2022	2021
	£000	£000
Cash in hand	1,412	1,784
Notice deposits (less than 3 months)	0	0
	<u>1,412</u>	<u>1,784</u>

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

16. Analysis of liabilities

	Total	Total
	31 March	31 March
	2022	2021
	£000	£000
Creditors under 1 year		
Trade creditors	38	43
Other creditors	1	1
Accruals	102	78
	<u>141</u>	<u>122</u>
Creditors over 1 year		
Trade creditors	0	0
Other creditors	0	0
Accruals	0	0
	<u>0</u>	<u>0</u>
Total creditors	<u>141</u>	<u>122</u>

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

	Total 2021-22 £000	Total 2020-21 £000
Net income / (expenditure) (per Statement of Financial Activities)	386	754
Adjustment for:		
Depreciation charges	0	0
(Gains) / losses on investments	(162)	(359)
Dividends, interest and rents from investments	(79)	(65)
Loss / (profit) on the sale of fixed assets	0	0
(Increase) / decrease in stocks	0	0
(Increase) / decrease in debtors	(15)	8
Increase / (decrease) in creditors	19	0
Net cash provided by (used in) operating activities	149	338

18. Transfer between funds

The transfers between funds reflect the consolidation of small value or little used funds to ensure they remain of suitable value and better purpose to meet the objectives of the fund. Where similar purpose funds are identified there may also be transfers between those funds. Fund number 9302 was deemed to be similar to another restricted fund, therefore the £3k balance was transferred from unrestricted to restricted funds.

The Investment Strategy of the Charitable Funds states that "Should the reserve exceed 20% of overall investment, any excess will be distributed to individual fund balances, subject to Charitable Fund Committee approval." The surplus exceeding 20% as at the end of June 2021 was £497k. Subsequent to the Charitable Fund Committee approval, the excess gain was distributed to funds on an average fund balance methodology. In accordance with this methodology £200k was distributed to individual restricted funds and the remaining £297k of gain attributed to unrestricted funds was split between £50k allocated to an enablement fund and £247k was allocated to the General Purpose fund. The distribution of this gain is disclosed as transfers of funds within Note 19b and 19c.

19. Analysis of funds

a. Analysis of endowment fund movements

The Charity does not hold any endowment funds.

b. Analysis of restricted fund movements

	Balance 1 April 2021 £000	Income £000	Expenditure £000	Transfers £000	Gains and losses £000	Balance 31 March 2022 £000
A Giving to Pink	301	10	(9)	53	0	355
B Mr Edward Rees Davies	250	6	(20)	43	0	279
C Heart failure	55	1	(2)	3	0	57
D GP Vocational Training Scheme (VTS)	45	14	(9)	7	0	57
E Medical Unit Wards Fund - RGH	45	1	(7)	8	0	47
F Rheumatology Research	27	1	(1)	7	0	34
G Restricted Colorectal Research Fund	20	3	(1)	11	0	33
H Maxillo Facial Unit	22	1	(2)	5	0	26
I POW Hospital Radiology Scanner Fund	32	1	(9)	2	0	26
J X-Ray	14	1	0	4	0	19
K Intensive Care	12	5	(1)	2	0	18
L ROSSLYN CHIDGEY - PCH	5	0	0	12	0	17
M Urology Research	14	0	0	2	0	16
N Paediatric Wards	13	1	0	2	0	16
Other restricted funds (34)	96	26	(27)	42	0	137
	951	71	(88)	203	0	1,137

The objects of the material restricted funds are as follows:

Giving to Pink is a charity group that make donations for a 'specialist breast care unit' within Cwm Taf Morgannwg University Health Board.

The Edward Rees Davies fund is a legacy left for the care and treatment of the stroke patients across the Health Board.
Items for individual patient benefit.

As noted within Note 18, £497k of unrealised gain on investment was distributed to restricted and unrestricted funds and disclosed as transfers within the table above.

c. Analysis of unrestricted and material designated fund movements

	Balance 1 April 2021 £000	Income £000	Expenditure £000	Transfers £000	Gains and losses £000	Balance 31 March 2022 £000
A YCC & MHP Wards/Departments	255	14	(12)	0	0	257
B General Purposes	14	58	(70)	247	0	249
C YF46-POW Diabetic Adults	252	1	(5)	0	0	248
D YB41-Y Bwthyn Newydd	198	39	(29)	0	0	208
E Covid-19 Coronavirus	281	10	(93)	0	0	198
F PCH General Purposes	73	92	0	0	0	165
G POW General Purposes	15	156	(7)	0	0	164
H YN61-Maesteg General Purposes	130	1	0	0	0	131
I Pathology Fund	37	92	0	0	0	129
J YH42-POW Paediatric	83	2	(8)	0	0	77
K Cardiac/Coronary Care	61	1	(2)	0	0	60
L Intensive Care Unit Fund	53	9	(4)	0	0	58
M Palliative Hospital Fund	55	1	(3)	0	0	53
N RGH General Purposes	45	7	0	0	0	52
O Enablement Fund	0	0	0	50	0	50
Other unrestricted funds (93)	1,333	73	(82)	(500)	162	986
	2,885	556	(315)	(203)	162	3,085

The POW Diabetic Adults was transferred by ABMUHB and the fund is designated for the welfare and benefit of patients and staff of the Princess of Wales Hospital Diabetic Unit.

The Y Bwthyn Newydd fund was also transferred by ABMUHB and the fund is designated for the welfare and benefit of staff and patients of the Y Bwythyn Newydd Unit.

The fund balance for YCC & MHP Wards/Departments mainly includes a legacy left by Mr Edward Rees Davies for the benefit of patients being cared for at Ysbyty Cwm Cynon.

A cumulative balance of £309k relating to unrealised gains on investments (as detailed in note 13) is included within the other unrestricted funds' balances above.

All unrestricted funds are designated except for the general purpose and enablement funds.

As detailed within Note 18, £497k of unrealised gain on investments was distributed to restricted and unrestricted funds and disclosed as transfers within the table above.

20. Commitments

As at 31/03/22 the Charity has committed the following amounts against its funds:

	£000
Restricted funds:	
POW Hospital Radiology Scanner Fund	1
RGH Breast Unit Fund	2
	3
Unrestricted and designated funds:	
POW Intensive Care - YA02	10
POW Cardiology Study Fund - YC22	1
POW Paediatric - YH42	4
East Organ Donation & Transplantation Fund - YH49	1
Breast Care Endowment Fund	7
Colorectal Research and Education Fund	3
YCC & MHP Wards/Departments	6
Covid-19 Coronavirus	102
PCH General Purposes	1
	135
Total commitments	138

Commitments detail grants that have been agreed but have not yet been made. All commitments are planned to be delivered within the next two financial years. Commitments are only made when funding exists within the relevant fund.

21. Events after the Reporting Period

No significant events reported.

Statement of Trustee’s Responsibilities

The Trustee is responsible for preparing the Trustee’s Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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 state of affairs of the charity and of the incoming resources and application of resources of the charity for that period.

In preparing these financial statements, the trustee is required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles of the Charities SORP;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting standards 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 which enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations and the provisions of the trust deed. The trustee is also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustee confirms that they have complied with the above requirements in preparing the accounts.

By order of the trustee:

Signed:

Trustee Dated.....

Financial Trustee..... Dated.....

Sally May
Director of Finance - Cwm Taf Morgannwg University Health Board

The independent auditor's report of the Auditor General for Wales to the Trustee of Cwm Taf Morgannwg University Local Health Board Charity

Report on the audit of the financial statements

Opinion

I have audited the financial statements of Cwm Taf Morgannwg University Local Health Board Charity for the year ended 31 March 2022 under the Charities Act 2011. These comprise the Statement of Financial Activities, the Balance Sheet, the 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.

Report on other requirements

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.

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;
- 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 responsibilities set out on page 29, 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.

My procedures included the following:

- Enquiring of management, the Cwm Taf Morgannwg University Local Health Board Charity's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to Cwm Taf Morgannwg University Local Health Board Charity'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;
- Obtaining an understanding of Cwm Taf Morgannwg University Local Health Board Charity's framework of authority as well as other legal and regulatory frameworks that the Cwm Taf Morgannwg University Local Health Board Charity 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 Cwm Taf Morgannwg University Local Health Board Charity.

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;
- enquiring of management and those charged with governance about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance;
- 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; and

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 Cwm Taf Morgannwg University Local Health Board Charity's 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. This description forms part of my auditor's report.

Adrian Crompton
Auditor General for Wales
27 January 2023

24 Cathedral Road
Cardiff
CF11 9LJ

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

26 January 2023

Representations regarding the 2021-22 financial statements

This letter is provided in connection with your audit of the financial statements of Cwm Taf Morgannwg NHS General Charitable Fund 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;

Croeso i chi gyfathrebu â'r bwrdd iechyd yn y Gymraeg neu'r Saesneg. Byddwn yn ymateb yn yr un iaith a ni fydd hyn yn arwain at oedi.

You are welcome to correspond with the health board in Welsh or English. We will respond accordingly and this will not delay the response.

Cyfeiriad Dychwelyd/ Return Address:

Bwrdd Iechyd Prifysgol Cwm Taf Morgannwg, Pencadlys, Parc Navigation, Abercynon, CF45 4SN
Cwm Taf Morgannwg University Health Board, Headquarters, Navigation Park, Abercynon, CF45 4SN

Cadeirydd/Chair: Mr. Emrys Elias

Prif Weithredwr/Chief Executive: Mr Paul Mears

Bwrdd Iechyd Prifysgol Cwm Taf Morgannwg yw enw gweithredol Bwrdd Iechyd Lleol Prifysgol Cwm Taf Morgannwg
ICwm Taf Morgannwg University Health Board is the operational name of the Cwm Taf Morgannwg University Local Health Board

- 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 Cwm Taf Morgannwg NHS General Charitable Fund 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.

Significant assumptions used in making accounting estimates, including those measured at fair value, are reasonable.

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.

Representations by those charged with governance

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 the Trustee on 26 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:

Chief Executive

26 January 2023

Signed by:

Trustee Chair

26 January 2023

Audit of Accounts Report – Cwm Taf Morgannwg University Local Health Board Charity

Audit year: 2021-22

Date issued: January 2023

Document reference: 3306A2023

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.

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. There are some issues to report to you, prior to your consideration of their approval and signing.

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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. We have already discussed these issues with the relevant officers.
- 2 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. We set this level at £8,000 for this year's audit.
- 3 Whether an item is judged to be material can also be affected by certain qualitative issues such as legal and regulatory requirements and reporting sensitivity. We consider the disclosure of related party transactions to be material by nature.
- 4 We have complied with the ethical standards that apply to our work and we are satisfied that all members of the audit team are independent of yourselves. There are no known relationships between us and officers / trustee members, which could undermine our objectivity and independence.

Proposed audit opinion

- 5 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**. We issue a 'qualified' audit opinion where we have material concerns about some aspects of your accounts; otherwise we issue an unqualified opinion.
- 6 The Letter of Representation contains certain confirmations we are required to obtain from you under auditing standards. Our proposed audit report is set out in **Appendix 2**.

Significant issues arising from the audit

Uncorrected misstatements

- 7 There are no uncorrected non-trivial misstatements.

Corrected misstatements

- 8 There were some misstatements in the accounts submitted for audit, which we set out in **Appendix 3**.

Other significant issues arising from the audit

- 9 There were no significant issues, further to those in Appendix 3. We have raised three audit recommendations, with management's responses, in **Appendix 4**.

Appendix 1

Final Letter of Representation

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

26 January 2023

Representations regarding the 2021-22 financial statements

This letter is provided in connection with your audit of the financial statements of Cwm Taf Morgannwg NHS General Charitable Fund 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 Cwm Taf Morgannwg NHS General Charitable Fund 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.

Significant assumptions used in making accounting estimates, including those measured at fair value, are reasonable.

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.

Representations by those charged with governance

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 the Trustee on 26 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:

Chief Executive

26 January 2023

Signed by:

Trustee Chair

26 January 2023

Appendix 2

The independent auditor's report of the Auditor General for Wales to the Trustee of Cwm Taf Morgannwg University Local Health Board Charity

Report on the audit of the financial statements

Opinion

I have audited the financial statements of Cwm Taf Morgannwg University Local Health Board Charity for the year ended 31 March 2022 under the Charities Act 2011. These comprise the Statement of Financial Activities, the Balance Sheet, the 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.

Report on other requirements

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.

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;
- 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 responsibilities set out on page 29, 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.

My procedures included the following:

- Enquiring of management, the Cwm Taf Morgannwg University Local Health Board Charity's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to Cwm Taf Morgannwg University Local Health Board Charity'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;

- Obtaining an understanding of Cwm Taf Morgannwg University Local Health Board Charity's framework of authority as well as other legal and regulatory frameworks that the Cwm Taf Morgannwg University Local Health Board Charity 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 Cwm Taf Morgannwg University Local Health Board Charity.

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;
- enquiring of management and those charged with governance about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance;
- 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; and

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 Cwm Taf Morgannwg University Local Health Board Charity's 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. This description forms part of my auditor's report.

Adrian Crompton
Auditor General for Wales
27 January 2023

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Appendix 3

Summary of corrections made

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

Exhibit 1: summary of corrections made

Value of correction	Nature of correction	Reason for correction
£10,150	Statement of Financial Activities – Income and Note 3 ‘Income from donations and legacies’ Reclassification of GP Speciality Scheme grant income from unrestricted to restricted.	To reclassify income in accordance with the Charities SoRP.
£10,070	Statement of Financial Activities and Note 7 ‘Analysis of charitable activity’ Reclassification of GP Speciality Scheme expenditure from unrestricted to restricted.	To reclassify expenditure in accordance with the Charities SoRP.
£9,465	Balance Sheet, Note 7 ‘Analysis of charitable activity’ and Note 16 ‘Analysis of liabilities’ Increase in expenditure relating to Staff education and welfare. Corresponding increase in accruals.	To correct expenditure omitted from the accounts.

Value of correction	Nature of correction	Reason for correction
£6,752	Balance Sheet, Note 7 'Analysis of charitable activity' and Note 16 'Analysis of liabilities' Increase in expenditure relating to Staff education and welfare. Corresponding increase in accruals.	To correct expenditure not re-charged to the Charity by the Health Board.
£2,000	Note 3 'Income from donations and legacies' Increase in grant income and corresponding decrease in donations income.	To reclassify income in accordance with the Charities SoRP.
£1,137	Balance Sheet and Note 14 'Analysis of current debtors' Decrease in prepayments and corresponding increase in expenditure	To correct the overstatement of a prepayment.
Various	A number of amendments were made to aid presentation and consistency.	These include: <ul style="list-style-type: none"> • adjustment to ensure consistency of disclosures in the Trustees Annual report with the statement of accounts; • adjustments to correct presentational issues with Note 19; and • various other narrative amendments required for clarity.

Appendix 4

Recommendations

We set out all the recommendations arising from our audit with management’s response to them. We will follow up these next year and include any outstanding issues in next year’s audit report:

Exhibit 1: recommendations arising

Matter arising 1 – omitted expenditure	
Finding	Our testing of post year-end payments (payments after 31 March 2022) identified two invoiced amounts totalling £9,000, which relate to goods and services received in 2021-22 that had been overlooked and omitted from the 2021-22 accounts. We established that the Charity’s review of post year-end payments only covered the month of April. The £9,000 misstatement relates to payments made in May 2022.
Recommendation	The Charity should extend its review of post year-end payments to include May.
Accepted in full by management	Yes
Management response	Further guidance will be provided to fundholders to inform the finance team of any expenditure which may have been paid in the subsequent year but should have been receipted in the financial year.
Implementation date	March 2023

Matter arising 2 – omitted grant expenditure

Finding	Our review of grant income identified a grant from Health Education and Improvement Wales where associated expenditure of £7,000 had been omitted from the accounts.
Recommendation	The Charity should review, and if necessary strengthen its process for monitoring and reporting spend against grant income and ensure that all grant conditions are complied with.
Accepted in full by management	Yes
Management response	We will work alongside the training team who deal with the grants to ensure that expenditure is appropriately coded.
Implementation date	Immediate

Matter arising 3 – the Charity’s donation form lacks clarity regarding the purpose of a donation

Finding	The Charity’s donation form is unclear regarding a donor’s reason for giving money, which makes it difficult for officers to determine whether a donation is restricted or unrestricted.
Recommendation	The Charity should improve its donation form so that it clearly distinguishes between monies donated for any use by the Charity and monies given for a specific purpose.
Accepted in full by management	Yes

Matter arising 3 – the Charity’s donation form lacks clarity regarding the purpose of a donation

Management response

The donation form is controlled stationery, however we will review the adequacy of the form to ensure the designation of the donation is made clear. Where a general or designated fund has been named it will be made clear that this would be unrestricted.

Implementation date

July 2023



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