



# **Aneurin Bevan University Health Board**

## **Charitable Funds Committee**

### **Terms of Reference**

Draft Revised – July 2019 (Revised October 2019)

## **ANEURIN BEVAN UNIVERSITY HEALTH BOARD**

### **CHARITABLE FUNDS COMMITTEE TERMS OF REFERENCE**

#### **1. INTRODUCTION**

- 1.1 The Health Board's standing orders provide that *"The Board may and, where directed by the Assembly Government must, appoint Committees of the Health Board either to undertake specific functions on the Board's behalf or to provide advice and assurance to the Board in the exercise of its functions. The Board's commitment to openness and transparency in the conduct of all its business extends equally to the work carried out on its behalf by committees"*.
- 1.2 In accordance with standing orders (reference 3.4.1) and the Health Board's scheme of delegation, the Board shall nominate annually a committee to be known as the **Charitable Funds Committee** "the Committee". The detailed terms of reference and operating arrangements set by the Board in respect of this committee are set out below.

#### **2. CONSTITUTION**

- 2.1 Aneurin Bevan University Local Health Board Charitable Fund and Other Related Charities also known as Aneurin Bevan Health Charity is registered with the Charity Commission following a Deed of Amendment dated 7<sup>th</sup> January 2011 with Aneurin Bevan University Local Health Board as the Corporate Trustee, registration number 1098728.
- 2.2 The Aneurin Bevan ULHB was appointed as corporate trustee of the charitable funds by virtue of the Supplemental Deed of Declaration and that its Board serves as its agent in the administration of the charitable funds held by the ULHB.
- 2.3 The purpose of the Committee is to ensure the stewardship and effective management of funds which have been donated, bequeathed and given to the Aneurin Bevan Health Charity for charitable purposes by making and monitoring arrangements for the control and management of the Health Board's Charitable Funds.
- 2.4 The ULHB, acting as trustee must approve any changes to these terms of reference.

### **3. SCOPE AND DUTIES**

- 3.1 Within the budget, priorities and spending criteria determined by the Health Board as trustee and consistent with the requirements of the Charities Act 1993, Charities Act 2006 (or any modification of these acts) to apply the charitable funds in accordance with their respective governing documents.
- 3.2 To ensure that the Health Board policies and procedures for charitable funds investments are followed. To make decisions involving the sound investment of charitable funds in a way that both preserves their value and produces a proper return consistent with prudent investment and ensuring compliance with:
  - Trustee Act 2000;
  - The Charities Act 1993;
  - The Charities Act 2006;
  - Terms of the fund's governing documents.
- 3.3 To receive at least twice a year reports for ratification from the Director of Finance and investment decisions and action taken through delegated powers upon the advice of the Health Board's investment adviser.
- 3.4 To oversee and monitor the functions performed by the Director of Finance as defined in Standing Financial Instructions.
- 3.5 To monitor the progress of Charitable Appeal Funds where these are in place and considered to be material.
- 3.6 To monitor and review the Health Board's scheme of delegation for Charitable Funds expenditure and to set and reflect in Financial Procedures the approved delegated limits for expenditure from Charitable Funds.

### **4. DELEGATED POWERS AND DUTIES OF THE DIRECTOR OF FINANCE**

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

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

## **5. AUTHORITY**

5.1 The Committee is empowered with the responsibility for:

- Overseeing the day to day management of the investments of the charitable funds in accordance with the investment strategy set down from time to time by the trustee and the requirements of the LHB's Standing Financial Instructions;
- Scrutinising requests for use of the charitable funds to ensure that any such use is in accordance with the aims and purpose of any charitable fund or donation and are clinically and ethically appropriate. Committee members will bear in mind due diligence to Charity Commission and ULHB guidance regarding the ethical use of funds and acceptance of donations;
- The appointment of an investment manager (where appropriate) to advise it on investment matters and may delegate day-to-day management of some or all of the investments to that investment manager. In exercising this power the Committee must ensure that:
  - a) The scope of the power delegated is clearly set out in writing and communicated with the person or persons who will exercise it;

- b) There are in place adequate internal controls and procedures which will ensure that the power is being exercised properly and prudently;
  - c) The performance of the person or persons exercising the delegated power is regularly reviewed;
  - d) Where an investment manager is appointed, that the person is regulated under the Financial Services Act 1986;
  - e) Acquisitions or disposal of a material nature must always have written authority of the Committee or the Chair of the Committee in conjunction with the Director of Finance and Performance;
- Ensuring that the banking arrangements for the charitable funds should be kept entirely distinct from the Health Board's NHS funds;
  - Ensuring that arrangements are in place to maintain current account balances at minimum operational levels consistent with meeting expenditure obligations, the balance of funds being invested in interest bearing deposit accounts;
  - Ensuring that the amount to be invested or redeemed from the sale of investments shall have regard to the requirements for immediate and future expenditure commitments;
  - Ensuring the operation of an investment pool when this is considered appropriate to the charity in accordance with charity law and the directions and guidance of the Charity Commission. The Committee shall propose the basis to the LHB Board for applying accrued income to individual funds in line with charity law and Charity Commissioner guidance;
  - Obtaining appropriate professional advice to support its investment activities;

- Regularly reviewing investments to see if other opportunities or investment services offer a better return.

5.2 The Committee is authorised by the Board to:

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

## **6. MEMBERSHIP**

### **Members**

6.1 The Committee will include the following members who will be voting members:

Chair	Independent member of the Board (appointed by the Health Board)
Vice Chair	Independent member of the Board (appointed by the Health Board)
Members	A minimum of 1 other Independent member of the Board, and 2 Executive Directors, to include the Health Board's Chief Executive and Director of Finance and Performance, together with the following additional associate independent member (Chair of the Stakeholder Reference Group)

**Attendees** (non-voting members)

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

Board Secretary  
Assistant Director of Finance – Financial Systems & Services  
Head of Financial Services & Accounting  
Charitable Funds Manager  
Health Board’s Investment Advisor

**Secretariat**

- 6.3 Secretary - As determined by the Board Secretary

**Member Appointments**

- 6.4 The membership of the Committee shall be determined by the Board, based on the recommendation of the Health Board Chair - taking account of the balance of skills and expertise necessary to deliver the committee’s remit and subject to any specific requirements or directions made by the Assembly Government.

- 6.5 Members shall be appointed to hold office for a period of one year at a time, up to a maximum of their term of office. During this time a member may resign or be removed by the Board. The Board should consider rotating a proportion of the Committee’s membership after three or four years service so as to ensure the Committee is continually refreshed whilst maintaining continuity.

- 6.6 Terms and conditions of appointment, (including any remuneration and reimbursement) in respect of co-opted independent external members are determined by the Board, based upon the recommendation of the LHB Chair and, where appropriate, on the basis of advice from the Health Board’s Remuneration and Terms of Service Committee.

**Support to Committee Members**

- 6.7 The Board Secretary, on behalf of the Committee Chair, shall:

- Arrange the provision of advice and support to committee members on any aspect related to the conduct of their role; and
- Ensure the provision of a programme of organisational development for committee members as part of the LHB's overall OD programme developed by the Director of Workforce & Organisational Development.

## **7. COMMITTEE MEETINGS**

### **Quorum**

- 7.1 At least three members must be present to ensure the quorum of the Committee. Of these three, two must be independent members (one of whom is the Chair or Vice Chair) and one must be either the Chief Executive or the Director of Finance and Performance.

### **Frequency of meetings**

- 7.2 Meetings shall be held no less than twice a year and otherwise as the Committee Chair deems necessary - consistent with the Health Board's annual plan of Board Business.

### **Withdrawal of individuals in attendance**

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

## **8. RELATIONSHIP & ACCOUNTABILITIES WITH THE BOARD AND ITS COMMITTEES/GROUPS**

- 8.1 The Committee is directly accountable to the Board, as Corporate Trustee, for its performance in exercising the functions set out in these terms of reference.
- 8.2 The Committee, through its Chair and members, shall work closely with the Board and, where appropriate, its committees and groups, through the:
- joint planning and co-ordination of Board and Committee business; and
  - appropriate sharing of information;

in doing so, contributing to the integration of good governance across the organisation, ensuring that all sources of assurance are incorporated into the Board's overall risk and assurance framework. This will be achieved primarily through the work of the Governance and Assurance Committee.

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

## **9. REPORTING AND ASSURANCE ARRANGEMENTS**

- 9.1 The Committee Chair shall agree arrangements with the Health Board's Chair to report to the Board in their capacity as trustees. This may include, where appropriate, a separate meeting with the Board.
- 9.2 The Board Secretary, on behalf of the Board, shall oversee a process of regular and rigorous self assessment and evaluation of the Committee's performance and operation.

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

- 10.1 The requirements for the conduct of business as set out in the LHB's Standing Orders are equally applicable to the operation of the Committee, except in the following areas:
- Quorum

## **11. REVIEW**

- 11.1 These terms of reference and operating arrangements shall be reviewed annually by the Committee with reference to the Board.