

CONFIRMED MINUTES OF THE MEETING OF THE CHARITABLE FUNDS COMMITTEE HELD ON 30 JANUARY 2023 VIA TEAMS

MEMBERS:

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| Ceri Jackson | Chair & Non-Executive Director |
| Kevin Davies | Non-Executive Director (joined at end 04/23) |
| Bethan Evans | Non-Executive Director |

IN ATTENDANCE:

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| Julie Boalch | Head of Risk/Deputy Board Secretary |
| Lee Brooks | Executive Director of Operations (joined 04/23) |
| Estelle Hitchon | Director of Partnerships and Engagement |
| Caroline Jones | Corporate Governance Officer |
| Navin Kalia | Assistant Director of Finance and Corporate Resources |
| Trish Mills | Board Secretary |
| Bernadette Mitchell | Finance Assistance – Charitable Funds |
| Hugh Parry | Trade Union Partner |
| Alex Payne | Corporate Governance Manager |
| Jessica Price | Deputy Head of Financial Accounting |
| Chris Turley | Executive Director of Finance and Corporate Resources |
| Mike Whiteley | Audit Manager, Audit Wales (left after 04/23) |

APOLOGIES:

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| Jo Kelso | Head of Workforce Education and Development |
| Angela Lewis | Director of Workforce and OD |
| Hannah Rowan | Non-Executive Director |
| Andy Swinburn | Director of Paramedicine |
| Damon Turner | Trade Union Partner |
| Marcus Viggers | Trade Union Partner |

01/23 WELCOME AND APOLOGIES

The Chair welcomed everyone to the meeting.

There were no additional declarations to those previously recorded on the register.

02/23 MINUTES OF PREVIOUS MEETING

The Minutes of the meeting held on 21 November 2022 meeting were approved as a correct record.

RESOLVED: That the minutes be approved as a correct record.

03/23 ACTION LOG

14/22a– Finance Update- Full Audit discussions - The item was on the agenda for an update, therefore the action was closed

14/22b – Applications to NHSCT – Included within the finance report, the action was closed.

41/22 – Lived Experience – Bids Panel - This action is proposed to be held over to the April meeting and will be added to the cycle of business going forward. Action closed.

48/22 – Update from Tarnside on Strategic Review – The report was due to be on this agenda, however given the current pressures it was agreed with the Chair for the item to be deferred until the April meeting. This item would be put on the forward planner and the action could be closed.

53/22 – Lived Experience – Bursary Panel – Similarly to the lived experience of the Bids Panel, this item would be added to the cycle of business and the action closed.

59/22 – Annual Report Foreword - This action had been completed and could therefore be closed.

60/22 – Board Development Session – Time had been set aside at a development session in April therefore the action was closed.

RESOLVED: That actions as detailed above be closed.

04/23 DRAFT ANNUAL REPORT AND DRAFT ACCOUNTS FOR PERIOD 1 APRIL 2021 – 31 MARCH 2022

The Executive Director of Finance and Corporate Resources confirmed that the meeting had moved from 9 to 19 January and then further to 30 January in order to accommodate the completion of the accounts by the auditors.

He went on to say that the accounts and final audit opinion were not available for the Committee or Board of Trustees to sign off at this meeting and therefore, would not be submitted to the Charity Commission by the prescribed deadline of 31 January 2023.

The Executive Director handed over to Mr Mike Whiteley, Audit Manager, who gave some background to the issues which had delayed the audit. He explained that one risk which had been flagged early on was around obtaining assurances on the opening balances. The starting point was 2014/15, as that was the last date a full audit had been undertaken. Subsequent years were worked through to reach the 2021/22 accounts. An issue arose when there were no supporting records for some of the transactions sampled for the 2015/16 financial year to test restricted and non restricted income for that period.

Approximately £28k of individually relatively low value donated income was received, however the audit must work to a materiality value of £c5k and assurance to that level was required to confirm the split between restricted and unrestricted funds was materially correct.

However due to the gap in the records, that assurance could not be obtained. This then led to a qualification issue for the audit opinion; everything else that had been tested had been confirmed. The auditors could not say the figures were incorrect, but could not confirm they were correct, leading to the qualified audit opinion.

Due to the audit opinion being qualified, a quality control assessment independent review of the work undertaken by the auditors, within Audit Wales would be required. This was now scheduled to take place on 9 February 2023, after which the audit would conclude. The ISA260 had been drafted and shared with finance colleagues, which would go together with the audit opinion to the quality control team. The audit was therefore expected to be completed week commencing 13 February 2023.

The Finance Team were commended on working with the auditors in terms of their responsiveness to providing the information required.

On behalf of the Committee, the Chair recognised the challenges set out by the auditor but stated that the decision to undertake a full audit had been made some time ago and felt that the timeline had seemed sufficient. The Chair queried missing the deadline to file the accounts with the Charity Commission.

The Audit Manager explained the timeline of Audit Wales work cycles through various sectors, from the NHS, to Central and Local Government. A number of issues in local government saw the timetable slip from November 2022 and subsequently to the end of January 2023 for all Councils. This meant that all NHS Charities were working to the same deadline and unfortunately even without any issues may have resulted in the audit not being completed in time. It was noted that sickness and other related issues had also hindered the process.

The Executive Director of Finance and Corporate Resources spoke of two issues as treasurer and trustee; firstly, that any qualification on the accounts was frustrating, particularly given it was due to a small value of transactions in one financial year. Some eight years ago - which could not be proven or disproven - either way. No adjustment could be made therefore to avoid the qualification.

The second concern was the late filing of the accounts and what this would mean in terms of reputation and how it would be reported on the public Charity Commission register.

The Executive Director raised the point that the Committee, in seeking a greater level of scrutiny of the charity accounts by requesting a full audit -due to not having had one for a few years - had led to these unfortunate circumstances. He noted that this was not a requirement of the Charity Commission due to the level of income received by the charity.

The Executive Director impressed on the Audit Manager the need to finalise these accounts in order to file them as soon after the 31 January as practicable.

Members expressed their immense disappointment in the late filing of the accounts together with potential reputational damage and its impact. There were lessons to be learned from this process to avoid being in this position again, and the Executive Director of Finance and Corporate Resources agreed to work with Audit Wales on this; but stressed the focus first and foremost would be on filing the charity Annual Return. The Audit Manager agreed to share the lessons learned with his resource management team around the timeliness of NHS charity audits.

The Audit manager confirmed he had discussed the concerns and frustrations with the Auditor General, noting the series of unforeseen events which had led to this position, and recognised that going forward this would not be acceptable. The Audit Manager raised the issue of the future position, should a full audit be requested for the next financial year, as an independent review due to the value would be sufficient for the Charity Commission. He agreed he would need to discuss this with his technical team.

The Chair expressed concern over the potential reputational impact of filing the charity Annual Return and accounts late, given the ambitions of the charity and the ongoing strategic review. Future grant applications / fundraising activity could be affected by the late filing. The risk related not only to the Charity's reputation, but to the members of the Trust Board who act on behalf of the Corporate Trustee. It was noted that the Trust are mandated to use Audit Wales for external audits.

The Head of Risk/Deputy Board Secretary is due to meet with the Executive Director of Finance and Corporate Resources' team to develop the associated risk to both the Charity and the Board of Trustees.

Members agreed that as a point of integrity and openness, the Charity Commission should be advised that the Trust would not be filing the accounts by the deadline of the 31 January 2023.

RESOLVED: That

- 1) the timeline for the Auditors to have completed the audit be confirmed as soon as possible.**
- 2) the Charity Commission be informed that the charity would not be in a position to file the accounts by the prescribed deadline; and**
- 3) a meeting of the Committee and Board of Trustees be scheduled for week commencing 13 February, to transact and approve the accounts prior to submission to the Charity Commission**

05/23 EFFECTIVENESS REVIEW AND COMMITTEE ANNUAL REPORT

The Board Secretary confirmed to members the requirement of an annual

effectiveness review of the Committee, which had been undertaken by a way of questionnaires, together with a review of the Terms of Reference with the Chair and Executive Lead.

The responses were reviewed and organised in a presentation for members and the proposed changes were highlighted. The draft Annual Report was also presented which would be updated following the meeting, before being presented to Audit Committee and then to Trust Board in May. The other documents shared by the Board Secretary included the covering report setting out the methodology, together with the Terms of Reference.

The Board Secretary shared in detail the progress against the Committee priorities during 2022/23 and highlighted the need to confirm the cycle of business to demonstrate the Committee's effectiveness.

Minimal changes were agreed to the Terms of Reference by way of membership, duties and operating arrangements with a proposed change of name from Charitable Funds Committee to the Charity Committee.

One point raised related to the Trust not having visibility of Board Members, however a new Board Visit Standard Operating Procedure was in development, which would provide a structure for members to engage with the organisation in a more structured way.

A mixed response to focus on charity risks was evident in the results, however these were in development and would be discussed at the Charitable Funds Task & Finish Group.

The 2023/24 priorities for the Committee were set to provide a particular focus and were limited to two or three. These are tracked by way of an assurance report by the Board Secretary report to ensure they are on track. Based on the results of the questionnaire the Committee agreed to the following priorities for 2023/24:

(a) To address and implement the recommendations from the charity's strategic review, and to ensure that the Charitable Funds Task & Finish group remit and work plan is adjusted accordingly.

(b) To continue discussions (through the Charitable Funds Task & Finish Group) regarding risks affecting the charity, and to ensure that the agreed risks are included on the WAST organisational Risk Register.

Members would also be invited to share feedback from each meeting either to the Board Secretary, or Chair.

A Board of Trustee's development session had been diarised, scoped by the Task & Finish Group, which the Legal & Risk team would deliver to members.

Members recognised the strong TU membership at this Committee and both supporting Panels and Charitable Funds Task & Finish Group.

RESOLVED: That

- 1) changes were agreed to the terms of reference;**
- 2) the Committee priorities were agreed as described above;**
- 3) the change of name from Charitable Funds Committee to Charity Committee was endorsed; and**
- 4) the Committee Annual Report and Terms of Reference were endorsed for presentation to the Audit Committee and Trust Board.**

06/23 FINANCE UPDATE

The Executive Director of Finance and Corporate Resources began by stating that the finance report now provided a wider finance update than previous fund balances alone. He recognised that the paper was drafted ahead of the meeting scheduled for early January, and that some of the information may now be slightly out of date.

The Charity has received grants from NHS Charities Together (NHSCT) in the past and is currently eligible to apply for three new grants from them including a development grant of £35K, which would be used to support operations, communications, marketing and branding, and fundraising; an ambulance grant of £315K and a recovery grant of £88K to support the long-term health and recovery of NHS staff, patients, community and volunteers impacted by Covid.

Over the past eight months the markets have been unpredictable and somewhat volatile, dipping and rising on a regular basis as shown in the report. Currently the charity holds 1,090.14 units at a market value of £248k. This is £15k less than what they were worth at the beginning of this financial year. However, as Committee members will recall this is less than this would have been without some of the action taken, and relatively substantial gains were made in 2020/21 and 2021/22.

RESOLVED: That the contents of the report were noted.

07/23 CHARITABLE FUNDS TASK & FINISH HIGHLIGHT REPORT

The Board Secretary confirmed the Task & Finish Group had not met as regularly as hoped; nonetheless, significant activity aligned to the work plan was ongoing, and asked the Committee be assured in that knowledge.

It was confirmed that there would be some further work to do in parallel with the strategic review; one area of which was for the Bids Panel to review the guidelines around Charitable Funds applications.

Much work was being done on the possibility of centralising funds and how that would look; this is due for further discussion at the February meeting of the Task & Finish Group.

In respect of the Community First Responder (CFRs) charitable activity and their

fundraising arrangements, an initial discussion has taken place; however, due to the increased operational pressures the item has been deferred to the April meeting of the Task & Finish Group. Risks relating to CFRs were in discussion and would be worked through with relevant colleagues.

The volunteer strategy is now in place and as part of the delivery plan, governance is a significant part. The strategy is part of the Integrated Medium Term Plan (IMTP). The volunteer manager is working to establish a steering group.

There were several governance improvements in the CFR space. Further detailed work was needed to understand where the financial governance improvement was needed, alongside other governance. The Chair asked for the timelines to be captured in the risk framework to demonstrate the scrutiny and oversight of this activity. Work was ongoing behind the scenes and capturing the risks now in real time.

RESOLVED: That the Committee was assured by the work that had already been carried out, together with the ongoing work in the background.

08/23 BIDS PANEL HIGHLIGHT REPORT

The Head of Risk/Deputy Board Secretary informed the Committee that the Bids Panel update approved an application for the total sum of £1,000 for the purchase of Remembrance Wreaths. Two additional bids to continue to support staff wellbeing and places at a TRIM conference, were also approved as time sensitive applications.

The flu incentive was discussed for a second time at a Bids Panel meeting; however, this request was still not supported by the Panel. The Panel had suggested a way forward around the capture of data, making it more equitable across the Trust for those that had received the vaccine elsewhere, together with those that did not wish to take up the offer to be included in the prize draw with an addition to the form that staff were encouraged to complete.

Members were keen to understand the rationale related to the desire to incentivise staff to have a flu vaccination and agreed that it was not within the remit of the Bids Panel to decide on policy for flu vaccination incentives. It was agreed that this should be a point for the People & Culture Committee to review, with EMT being sighted.

RESOLVED: That the People and Culture Committee be asked to review the flu vaccine incentive for patient facing staff, and their recommendations be brought back to this Committee.

09/23 DATE OF NEXT MEETING –5 April 2023