

Schedule 3.2

BOARD COMMITTEE ARRANGEMENTS

**This Schedule forms part of, and shall have effect as if incorporated in the
University Health Board Standing Orders**

CHARITABLE FUNDS COMMITTEE

TERMS OF REFERENCE & OPERATING ARRANGEMENTS

INTRODUCTION

The Cwm Taf Morgannwg University Health Board (CTMUHB) Standing Orders provide that “The Board may and, where directed by the Welsh Government must, appoint Committees of the LHB 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”.

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

The Charity Registration Number is: 1049765

CONSTITUTION AND PURPOSE

The CTMUHB is appointed as corporate trustee of the charitable funds and its Board serves as its agent in the administration of the charitable funds held by the CTMUHB.

The purpose of the Committee is to make and monitor arrangements for the control and management of the CTMUHB’s Charitable Funds.

SCOPE AND DUTIES

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

- provide advice to the Corporate Trustee in the discharge of its duties and responsibilities for charitable funds
- discharge delegated responsibilities from the Corporate Trustee for the control and management of Charitable Funds
- Provide advice to the Trustee on its charitable funds strategy, including fundraising, budgets, priorities and spending criteria
- Within the strategy, budget, priorities and spending criteria determined by the Health Board as Trustee, and consistent with the requirements of the Charities, Charities Act 2011 apply the charitable funds in accordance

with their respective governing documents and the Health Board's Charitable Funds objectives.

- To ensure that the policies and procedures for charitable funds investments are followed. To make decisions involving the sound investment of charitable funds in a way that both preserves their value and produces a proper return consistent with prudent investment and ensuring compliance with:
 - Trustee Act 2000
 - The Charities Act 2011
 - The Cwm Taf Morgannwg NHS General Charitable Fund – (1049765) Governing documents

whilst ensuring funds are used for the benefit of the communities serviced by CTMUHB.

- To receive at least twice a year, reports for ratification from the Executive Director of Finance and investment decisions and action taken through delegated powers upon the advice of the investment adviser.
- To oversee and monitor the functions performed by the Executive Director of Finance as defined in Standing Financial instructions.
- To respond to, and monitor the level of donations and legacies received, including the progress of any Charitable Appeal Funds where these are in place and considered to be material.
- To monitor and review CTMUHB'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.
- To ensure that funds are being utilised appropriately in accordance with both the instructions and wishes of the donor, and to ensure that fund balances are maintained in accordance with the Reserves Policy.

DELEGATED POWERS

Although the Board has delegated authority to the Committee for the exercise of certain functions as set out within these terms of reference, it retains overall responsibility and accountability for ensuring the quality and safety of healthcare for its citizens through the effective governance of its organisation.

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

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

AUTHORITY

The Committee is authorised by the Board to:

- oversee the day to day management of the investments of the charitable funds in accordance with the investment strategy set down from time to time by the Trustee and the requirements of the Health Board's Standing Financial Instructions
- appoint an investment manager to advise on investment matters and may delegate day-to-day management of some or all of the investments to that investment manager. In exercising this power, the Committee must ensure that:
 - the scope of the power delegated is clearly set out in writing and communicated with the person or persons who will exercise it
 - There are in place adequate internal controls and procedures which will ensure that the power is being exercised properly and prudently
 - The performance of the person or persons exercising the delegated power is regularly reviewed

- Where an investment manager is appointed, that the person is regulated under the Financial Services Act 1986
- Acquisitions or disposal of a material nature must always have written authority of the Committee or the Chair of the Committee in conjunction with the Director of Finance.
- ensure that the banking arrangements for the charitable funds are kept entirely distinct from the Health Board's NHS funds
- ensure 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
- ensure the amount to be invested or redeemed from the sale of investments shall have regard to the requirements for immediate and future expenditure commitments
- ensure the operation of an investment pool when this is considered appropriate to the charity in accordance with charity law and the directions and guidance of the Charity Commission. The Committee shall propose the basis to the Health Board for applying accrued income to individual funds in line with charity law and Charity Commissioner guidance
- obtain appropriate professional advice to support its investment activities
- regularly review investments to see if other opportunities or investment services offer a better return

The Committee is authorised by the Board to:

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

- by giving reasonable notice, require the attendance of any of the officers or employees and auditors of the Board at any meeting of the Committee.

Sub Committee

The Committee may, subject to the approval of the Board, establish sub committees or task and finish groups to carry out on its behalf specific aspects of Committee business. At this stage, no sub Committees/task and finish groups have been established.

ACCESS

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

MEMBERSHIP

Members:

A minimum of **5** members, comprising:

Chair	Independent Member of the Board
Vice Chair	Independent Member or Members of the Board
Members	One other Independent Member

The Chief Executive and Executive Director of Finance (one of which at any one meeting may be represented by a Nominated Representative in their absence).

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

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

Attendees:

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

- Director of Corporate Governance / Board Secretary
- Charitable Funds Accountant

- Health Board Investment Advisor
- Assistant Director, Patient Experience
- Chair of any Committee

By Invitation:

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

Secretariat

The Director of Governance / Board Secretary will determine the secretarial and support arrangements for the Committee.

Member Appointments

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

Members shall be appointed for a maximum of 3 consecutive years before formally reviewing their role on the Committee. During this time a member may resign or be removed by the Board.

Support to Committee Members

The Director of Corporate Governance / 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
- Co-ordinate the provision of a programme of organisational development for committee members as part of the overall Health Board's Organisational Development programme developed by the Executive Director of Workforce & Organisational Development.

COMMITTEE MEETINGS

Quorum

At least 3 members must be present to ensure the quorum of the Committee. Of these three, two must be Independent Members (one of

whom is the Chair or Vice Chair) and one must be the Executive Director of Finance (or the Deputy Director of Finance).

Frequency of Meetings

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

Withdrawal of Individuals in Attendance

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

Circulation of Papers

The Director of Governance / Board Secretary will ensure that all papers are distributed at least 7 calendar days in advance of the meeting.

REPORTING AND ASSURANCE ARRANGEMENTS

The Committee Chair shall:

- Agree arrangements with the Health Board Chair to report to the Board in their capacity as Trustee. This may include, where appropriate, a separate meeting with the Board
- report formally, regularly and on a timely basis to the Board on the Committee’s activities. This includes verbal updates on activity and the submission of written highlight reports throughout the year;
- bring to the Board’s specific attention any significant matters under consideration by the Committee;
- ensure appropriate escalation arrangements are in place to alert the CTMUHB Chair, Chief Executive or Chairs of other relevant committees of any urgent/critical matters that may affect the operation and/or reputation of the UHB.

The Committee shall provide a written, annual report to the Board on its work in support of the Annual Governance Statement specifically commenting on the adequacy of the assurance arrangement, the extent to which risk management is comprehensively embedded throughout the organisation, the integration of governance arrangements and the

appropriateness of self-assessment activity against relevant standards. The report will also record the results of the Committees self-assessment and evaluation.

The Board may also require the Committee Chair to report upon the activities at public meetings or to community partners and other stakeholders, where this is considered appropriate e.g. where the Committee's assurance role relates to a joint or shared responsibility.

The Director of Governance / Board Secretary, on behalf of the Board, shall oversee a process of regular and rigorous self-assessment and evaluation of the Committee's performance and operation.

RELATIONSHIP WITH THE BOARD AND ITS COMMITTEES/GROUPS

Although the Board has delegated authority to the Committee for the exercise of certain functions as set out within these terms of reference, it retains overall responsibility and accountability for the safety, security and use of information to support the quality and safety of healthcare for its citizens through the effective governance of the Organisation.

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

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

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

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.

The Committee shall embed the corporate goals and priorities through the conduct of its business, and in doing and transacting its business shall seek assurance that adequate consideration has been given to the sustainable development principle and in meeting the requirements of the Well-Being of Future Generations Act.

APPLICABILITY OF STANDING ORDERS TO COMMITTEE BUSINESS

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

CHAIR'S ACTION ON URGENT MATTERS

There may, occasionally, be circumstances where decisions which normally be made by the Committee need to be taken between scheduled meetings. In these circumstances, the Committee Chair, supported by the Director of Corporate Governance as appropriate, may deal with the matter on behalf of the Board, after first consulting with one other Independent Members of the Committee. The Director of Corporate Governance must ensure that any such action is formally recorded and reported to the next meeting of the Committee for consideration and ratification.

Chair's urgent action may not be taken where the Chair has a personal or business interest in the urgent matter requiring decision.

REVIEW

These Terms of Reference shall be adopted by the Committee at its first meeting and subject to review at least on an annual basis thereafter, with approval ratified by the Health Board.

Definitions:

Corporate Trustee – a person having the general control and management of the administration of a charity regardless of what they are called. (All voting Board Members are Charitable Fund Trustees).

Addendum: Charity Commission – Glossary of Terms