

CHARITABLE FUNDS COMMITTEE TERMS OF REFERENCE AND OPERATING ARRANGEMENTS

1. INTRODUCTION

- 1.1 The University Health Board (UHB) standing orders provide that *“The Board may and, where directed by the Welsh Government must, appoint Committees of the UHB 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 (and the UHB Scheme of Delegation), the Board shall nominate annually 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.

2. PURPOSE

- 2.1 Cardiff and Vale University Health Board was appointed as Corporate Trustee (herein after referred to as Charity Trustee) of its charitable funds and the Board serves as its agent in the administration of the charitable funds held by the UHB.
- 2.2 The purpose of the Charitable Funds Committee (the Committee) is to:
- Provide advice to the Charity Trustee in the discharge of its duties and responsibilities for charitable funds
 - Discharge delegated responsibilities from the Charity Trustee for the control and management of Charitable Funds.
- 2.3 Provide advice and assurance to the Charity Trustee on the delivery of the Charitable Funds Strategy, including fundraising, budgets, priorities and spending criteria.
- 2.4 Within the strategy and budget determined by the Trustee and consistent with the requirements of the Charities Act 1993, Charities Act 2006 (or any modification of these acts) to apply the charitable funds in accordance with their respective governing documents and the UHB Charitable Funds Governance Framework
- 2.5 To ensure that the policies and procedures for charitable funds investments are followed. To make decisions involving the sound investment of charitable funds in a way that both preserves their value and produces a proper return consistent with prudent investment and ensuring compliance with:-
- Trustee Act 2000
 - The Charities Act 1993
 - The Charities Act 2006
 - The Charities Act 2011

- The Charities Act 2016
 - Terms of the Funds' Governing documents
- 2.6 To receive at least twice a year, reports for ratification from the Executive Director of Finance on investment decisions and action taken through delegated powers upon the advice of the investment adviser.
- 2.7 To oversee and monitor the functions performed by the Executive Director of Finance as defined in Standing Financial Instructions.
- 2.8 To monitor the progress of Charitable Appeals where these are in place and considered to be material.
- 2.9 To monitor and review the scheme of delegation for Charitable Funds expenditure and to set and reflect in Financial Procedures the approved delegated limits for expenditure from Charitable Funds.
- 2.10 To monitor the work of the Charitable Bids Panel

3. DELEGATED POWERS AND AUTHORITY

Delegated Powers and Duties of the Director of Finance

- 3.1 The Executive Director of Finance has financial responsibility for the UHB Charitable Funds as defined in the UHB 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 UHB is trustee) and to deal with any legal steps that may be required to formalise the trusts of any such charity ;
 - Provide guidelines with regard to donations, legacies and bequests, fundraising and trading income;
 - Responsibility for the management of investment of funds held on trust;
 - Ensure appropriate banking services are available;
 - Prepare reports to the Trustee including the Annual Accounts;

Authority

- 3.2 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 UHB Standing Financial Instructions;

- The appointment of an investment manager 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 Executive Director of Finance;
- Ensuring that the banking arrangements for the charitable funds are kept entirely distinct from the UHB NHS funds;
- Ensuring that arrangements are in place to maintain current account balances at minimum operational levels consistent with meeting expenditure obligations, the balance of funds being invested in interest bearing deposit accounts;
- The amount to be invested or redeemed from the sale of investments shall have regard to the requirements for immediate and future expenditure commitments;
- The operation of an investment pool when this is considered appropriate to the charity in accordance with charity law and the directions and guidance of the Charity Commission. The Committee shall propose the basis to the UHB for applying accrued income to individual funds in line with charity law and Charity Commissioner guidance;
- Obtaining appropriate professional advice to support its investment activities;
- Regularly reviewing investments to see if other opportunities or investment services offer a better return;
- Overseeing the work of the Charitable Funds Bids Panel

3.3 The Committee is authorised by the Charity Trustee 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 UHB 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 Charity Trustee's budgetary and other requirements; and
- By giving reasonable notice, require the attendance of any of the officers or employees and auditors of the Charity Trustee at any meeting of the Committee.

Access

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

Sub Committees

3.5. The Charity Trustee has approved the following sub-committees of the Charitable Funds Committee:

- Charitable Funds Bids Panel
- Staff Benefits Group

4. MEMBERSHIP

Members

A minimum of six (6) members, comprising:

Chair	Independent Member of the Charity Trustee
Vice Chair	Independent Member or Members of the Charity Trustee
Members	A minimum of 4 other members of the Charity Trustee as follows: Independent Member Executive Nurse Director (Lead Executive) Executive Director of Workforce and OD Executive Director of Therapies and Health Science

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

Attendees

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

- Director of Communications, Arts, Health Charity and Engagement
- Director of Corporate Governance
- Deputy Director of Finance
- Charitable Funds Accountant
- UHB Investment Advisor
- Chair of Charitable Funds Bids Panel
- Chair of Staff Benefits Group / Vice Chair of Charitable Bids Panel

4.3. 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

4.4 Secretary: as determined by the Director of Corporate Governance

Member Appointments

4.5 The membership of the Committee shall be determined by the Charity Trustee, based on the recommendation of the Chair of the Charity Trustee- 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.

4.6 Terms and conditions of appointment, (including any remuneration and reimbursement) in respect of co-opted independent external members are determined by the Charity Trustee, based upon the recommendation of the Charity Trustee Chair {and, where appropriate, on the basis of advice from the UHB Remuneration and Terms of Service Committee}.

Support to Committee Members

4.7 The Director of Corporate Governance 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 development for committee members in conjunction with the Deputy CEO and Executive Director of Workforce and Organisational Development.

5. COMMITTEE MEETINGS

Quorum

- 5.1 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 the Executive Lead for Charitable Funds.

Frequency of Meetings

- 5.2 Meetings shall be held quarterly and otherwise as the Committee Chairs deems necessary - consistent with the UHB annual plan of Board Business.

Withdrawal of Individuals in Attendance

- 5.3 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.

6. RELATIONSHIP AND ACCOUNTABILITIES WITH THE BOARD AND ITS COMMITTEES/GROUPS

- 6.1 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.
- 6.2. The Committee, through its 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; 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 UHB overall risk and assurance framework.

- 6.3 The Committee shall embed the UHB's values, corporate standards, priorities and requirements, e.g., equality, diversity and human rights through the conduct of its business.

7. REPORTING AND ASSURANCE ARRANGEMENTS

- 7.1 The Committee Chair shall agree arrangements with the UHB Chair to report to the Board in their capacity as Trustee. This may include, where appropriate, a separate meeting with the Board.
- 7.2 The Director of Corporate Governance, on behalf of the Board, shall oversee a process of regular and rigorous self-assessment and evaluation of the Committee's performance and operation.

8. APPLICABILITY OF STANDING ORDERS TO COMMITTEE BUSINESS

8.1 The requirements for the conduct of business as set out in the UHB Standing Orders are equally applicable to the operation of the Committee, except in the following areas:

- Quorum

9. REVIEW

9.1 These terms of reference and operating arrangements shall be reviewed on an annual basis by the Committee with reference to the Charity Trustee