



# Charitable Funds Committee

Terms of Reference &  
Operating Arrangements

## 1. INTRODUCTION

- 1.1 Section 2 of Powys Teaching Health Board's (referred to throughout this document as PTHB or the health board) Standing Orders provides that *"The Board may and, where directed by the Welsh 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 line with Standing Orders and PTHB's Scheme of Delegation, the Board has established a committee to be known as the **Charitable Funds Committee** (referred to throughout this document as 'the Committee'). The Committee has been established in order to enable the scrutiny and review of matters related to the health board's charitable funds to a level of depth and detail not possible in Board meetings.
- 1.3 The detailed Terms of Reference and operating arrangements set by the Board in respect of this Committee are detailed below.

## 2. PURPOSE

- 2.1 The purpose of the Committee is to:
- Oversee the strategic direction and development of PTHB's Charity.
  - make and monitor arrangements for the control and management of the Board's Charitable Funds, within the budget, priorities and spending criteria determined by the Board and consistent with the legislative framework; and
  - provide assurance to the Board in its role as corporate trustees of the charitable funds held and administered by the health board.

## 3. SCOPE AND DUTIES

- The Charitable Funds Committee shall:
- oversee the strategic direction and development of the PTHB Charity, including its annual programme of work; branding and promotion; and fundraising activities
- operate within the budget, priorities and spending criteria determined by the health board, and should be consistent with the requirements of the

Charities Act 2011 (or any modification of these acts) to apply the charitable funds in accordance with its respective governing documents.

- devise, implement and approve appropriate procedures and policies to ensure that fundraising and accounting systems are robust, donations received are coded as instructed and that all expenditure is reasonable, clinically and ethically appropriate.
- ensure that the health board's policies and procedures for charitable funds investments are followed.
- 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
  - ✓ Terms of the fund's governing documents
- 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.
- oversee and monitor the functions performed by the Director of Finance as defined in the health board's Standing Financial Instructions.
- monitor the progress of Charitable Appeal Funds where these are in place and considered to be material.
- 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 health board'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;
- Provide guidelines with respect 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 to the health board; and
- Prepare reports to the health board Board including the Annual Accounts.

## **5. DELEGATED POWERS AND AUTHORITY**

### 5.1 The Committee is responsible 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 Trustees, and in accordance with the requirements of the health board's Standing Financial Instructions.
- 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. The Investment Manager, if appointed, must actively manage the charitable fund on behalf of Trustees. 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 outside the terms of agreement must always have written authority of the Committee or the Chair of the Committee in conjunction with the Director of Finance.
- 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.

- 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 Board of PTHB for applying accrued income to individual funds in line with charity law and Charity Commission 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.
- Reviewing alternative sources of funding to donations and legacies which could provide the Committee with additional leverage and access to additional funds.
- By giving reasonable notice, require the attendance of any of the officers or employees and auditors of the Board at any meeting.

## **Authority**

5.2 The Committee is authorised by the Board to investigate or have investigated any activity within its terms of reference. In doing so, the Committee shall have the right to inspect any books, records or documents of the health board relevant to the Committee's remit and ensuring patient/client and staff confidentiality, as appropriate. It may seek any relevant information from any:

- employee (and all employees are directed to cooperate with any reasonable request made by the Committee); and
- any other committee, sub committee or group set up by the Board to assist it in the delivery of its functions.

5.3 The Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders

with relevant experience and expertise if it considers it necessary, in accordance with the Board's procurement, budgetary and other requirements.

## Access

- 5.4 The Head of Internal Audit shall have unrestricted and confidential access to the Chair of the Committee.
- 5.5 The Chair of the Committee shall have reasonable access to Executive Directors and other relevant senior staff.

## Sub Committees

- 5.6 The Committee may, subject to the approval of the health board Board, establish sub committees or task and finish groups to carry out on its behalf specific aspects of Committee business.

## 6. MEMBERSHIP

### Members

- 6.1 A minimum of five (5) members, comprising:

Chair	Independent Member of the Board
Director of Finance & ICT	Executive Director and member of the Board
Members	One nominated Executive Director and two nominated Independent Members.

### Attendees

- 6.2 In attendance Board Secretary

Associate Director of Corporate Business

Head of Financial Services

Charity Manager

### **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 Chair of PTHB - 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.
- 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.
- 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 Chair of PTHB.

### **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 (OD) for committee members as part of the health board's overall OD programme developed by the Director of Workforce & OD.

## **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 the Director of Finance, or nominated representative.
- 7.2 Where members notify the Committee Chair or Committee Secretariat that they are unable to attend a meeting, and there is a danger that the Committee will not be quorate the Chair can invite another independent member to become a temporary member of the Committee.

## **Frequency of Meetings**

- 7.3 The Chair of the Committee in agreement with Committee Members, shall determine the timing and frequency of meetings. However, meetings shall be held no less than quarterly, and in line with the health board's annual plan of Board Business. However, additional meetings will be called in agreement with the Chair of the Committee if urgent business is required to be taken forward between scheduled meetings.

## **Withdrawal of individuals in attendance**

- 7.3 There may be circumstances where it would not be in the public interest to discuss a matter in public, e.g., business that relates to a confidential matter. In such cases the Chair (advised by the Board Secretary where appropriate) shall schedule these issues accordingly and require that any observers withdraw from the meeting. In doing so, the Committee shall resolve:

That representatives of the press and other members of the public be excluded from the remainder of this meeting having regard to the confidential nature of the business to be transacted, publicity on which would be prejudicial to the public interest in accordance with Section 1(2) Public Bodies (Admission to Meetings) Act 1960 (c.67).

In these circumstances, when the Committee is not meeting in public session it shall operate in private session, formally reporting any decisions taken to the next meeting of the Committee in public session.



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

8.1 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 Charitable Funds agenda. The Committee is directly accountable to the Board 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's other committees, joint and sub committees and groups to provide advice and assurance to the Board through the:

- joint planning and co-ordination of Board and Committee business;
- sharing of appropriate information; and
- appropriate escalation of concerns.

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.

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:

- 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 Committee minutes and written reports;
- 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 Chair of PTHB, Chief Executive or Chairs of other relevant

committees/groups of any urgent/critical matters that may affect the operation and/or reputation of the health board.

The Board may also require the Committee Chair to report upon the Committee's activities at public meetings, e.g., Annual General Meeting, 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 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 including that of further committees established.

The Committee shall provide a written annual report to the Board on its activities. The report will also record the results of the Committee's self-assessment and evaluation.

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

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

- Quorum
- Issue of Committee papers
- The Committee will not hold its meetings in public

10.2 The Board and Board Committee Handbook provides detailed guidance on the conduct of the Committees business.

## **11. CHAIR'S ACTION ON URGENT MATTERS**

11.1 There may, occasionally, be circumstances where decisions which would normally be made by the Committee need to be taken between scheduled meetings, and it is not practicable to call a meeting of the Committee. In these circumstances, the Chair of the Committee, supported by the Board Secretary as appropriate, may deal with the matter on behalf of the Committee - after first consulting with at least one other Independent Members of the Committee and the Director of Finance. The Board

Secretary must ensure that any such action is formally recorded and reported to the next meeting of the Committee for consideration and ratification.

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

## **12. REVIEW**

- 12.1 These Terms of Reference shall be reviewed annually by the Committee. The Committee Chair will report any changes to the Board, via the Audit Committee, for ratification.