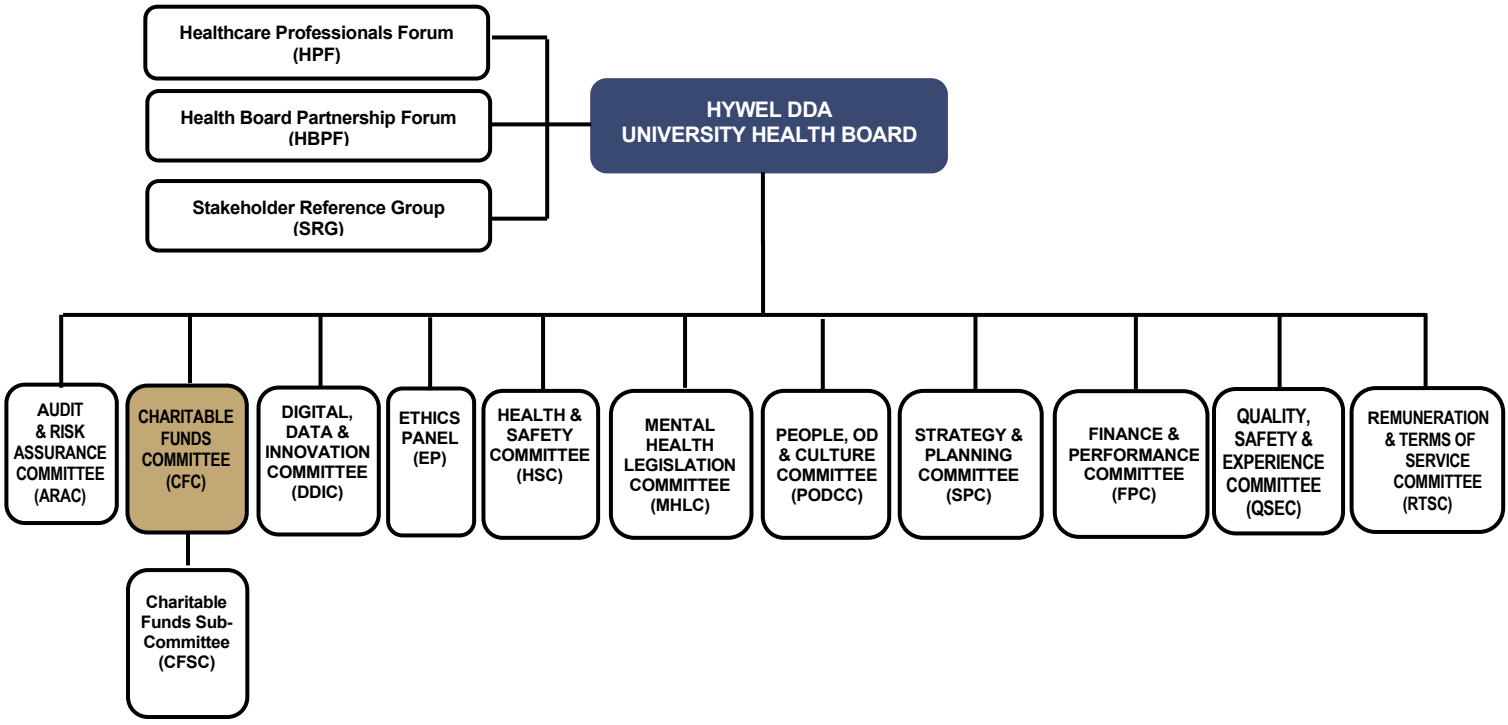


TERMS OF REFERENCE

CHARITABLE FUNDS COMMITTEE

Version	Issued To	Date	Comments
V1	Charitable Funds Committee	11.06.2012	Approved
V1	Hywel Dda Health Board (SO's)	27.09.2012	Approved
V3	Charitable Funds Committee	18.06.2013	Approved
V4	Charitable Funds Committee	03.09.2013	Approved
V5	Charitable Funds Committee	12.12.2013	Approved
V6	Charitable Funds Committee	09.10.2013	Approved
V7	Charitable Funds Committee	16.12.2014	Approved
V8	Charitable Funds Committee	10.03.2015	Approved
	Hywel Dda University Health Board	26.03.2015	Approved
V9	Charitable Funds Committee	29.06.2015	Approved
V9	Hywel Dda University Health Board	26.11.2015	Approved

V10	Charitable Funds Committee	29.11.2016	Approved
V10	Hywel Dda University Health Board	26.01.2017	Approved
V11	Charitable Funds Committee	15.06.2017	Approved
V12	Charitable Funds Committee	15.03.2018	Approved
V12	Hywel Dda University Health Board	29.03.2018	Approved
V13	Charitable Funds Committee	14.03.2019	Approved
V13	Hywel Dda University Health Board	30.05.2019	Approved
V14	Charitable Funds Committee	17.03.2020	Approved
V14	Hywel Dda University Health Board	26.03.2020	Approved
V15	Charitable Funds Committee	30.11.2020	Approved
V15	Hywel Dda University Health Board	28.01.2021	Approved
V16	Hywel Dda University Health Board	29.07.2021	Approved
V17	Charitable Funds Committee	06.06.2022	Approved
V17	Hywel Dda University Health Board	28.07.2022	Approved
V18	Charitable Funds Committee	23.05.2023	Approved via Chair's Action 05.07.2023
V18	Hywel Dda University Health Board	27.07.2023	Approved
V19	Charitable Funds Committee	21.06.2024	Approved
V20	Hywel Dda University Health Board	25.07.2024	Approved
V21	Hywel Dda University Health Board	30.01.2025	Approved (alongside the new governance arrangements)
V22	Charitable Funds Committee	17.06.2025	Approved
V22	Hywel Dda University Health Board	31.07.2025	Approved
V23	Charitable Funds Committee	09.06.2026	Approved
V23	Hywel Dda University Health Board	30.07.2026	Approved

CHARITABLE FUNDS COMMITTEE

1. Introduction

1.1 The Hywel Dda University Local Health Board's standing orders provide 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 accordance with the Standing Orders (and the Health Board's Scheme of Delegation), the Board has nominated 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 Hywel Dda University Local Health Board (the Health Board) is the Corporate Trustee of Hywel Dda Health Charities (the Charity). Where references are made to the Board, it is in its role as Corporate Trustee of the Charity.

2.2 The Committee has been established as a Committee of the Board and constituted from 22 July 2010.

3. Purpose

The purpose of the Charitable Funds Committee is:

3.1 To make and monitor arrangements for the control and management of the Health Board's Charitable Funds, within the budget, priorities and spending criteria determined by the Board and consistent with the legislative framework.

3.2 To provide assurance to the Board in its role as Corporate Trustee of the charitable funds held and administered by the Health Board.

3.3 To develop the strategy and objectives for the Charity for consideration by the Board, and to provide assurance that an appropriate infrastructure is in place for the efficient and effective running of the Charity.

3.4 To agree issues to be escalated to the Board with recommendations for action.

4. Key Responsibilities

The Charitable Funds Committee shall:

4.1 Within the budget, priorities and spending criteria determined by the Board as Corporate Trustee, and consistent with the requirements of the Charities Act 2011 (or any modification of these acts), apply the charitable funds in accordance with its respective governing documents.

4.2 Approve appropriate procedures and policies to ensure that fundraising and accounting systems are robust, donations are received and coded as instructed and that all expenditure is reasonable, clinically and ethically appropriate.

4.3 In addition, 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 Charities Act 2022
- Terms of the fund's governing documents

4.4 Receive at least twice a year for ratification investment reports from the Executive Director of Finance. Also to consider investment decisions and actions taken through delegated powers upon the advice of the Health Board's appointed investment manager adviser.

4.5 Receive assurance that the overriding general principles of financial regularity, prudence and propriety are adhered to for the funds held on trust as defined in the Health Board's Standing Financial Instructions (SFIs). The Chief Executive and Executive Director of Finance are accountable for financial control as set out in the SFIs. In so far as it is possible to do so, most of the sections of the SFIs will apply to the management of funds held on trust

4.6 Approve the annual accounts and report for ratification by the Corporate Trustee.

4.7 Monitor the progress of fundraising appeals where these are in place and considered to be material.

4.8 Seek assurance on delivery against the strategic objectives aligned to the Committee, considering and scrutinising the programmes and processes that are developed and implemented, supporting and endorsing these as appropriate.

4.9 Monitor and review the Health Board's scheme of delegation for Charitable Funds expenditure, and reflect in Financial Procedures the approved delegated limits for expenditure from Charitable Funds.

4.10 Receive assurance that the day to day management of the investments of the charitable funds is in accordance with the investment strategy set down from time to time by the Corporate Trustee, and in accordance with the requirements of the Health Board's Standing Financial Instructions.

4.11 Oversee the appointment of an Investment Manager (where appropriate) to advise it on investment matters and the delegation of 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 the Corporate Trustee.
In exercising this power, the Committee must ensure that:

4.11.1 The scope of the power delegated is clearly set out in writing and communicated with the person or persons who will exercise it;
4.11.2 There are in place adequate internal controls and procedures which will ensure that the power is being exercised properly and prudently;
4.11.3 The performance of the person or persons exercising the delegated power is regularly reviewed;
4.11.4 Where an investment manager is appointed, that the person is regulated under the Financial Services and Markets Act 2000 (FMSA);
4.11.5 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 Executive Director of Finance.

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

4.13 Receive assurance that the banking arrangements for the charitable funds are kept entirely distinct from the Health Board's NHS funds.

4.14 Receive assurance 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; and 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.

4.15 Agree to 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 for applying accrued income to individual funds in line with charity law and Charity Commission guidance.

4.16 Receive reports on the progress of the implementation of the Charity's strategy which will include details of sources of funding which could provide the Committee with additional leverage and access to additional funds.

4.19 Consider and recommend for approval to the Board the annual governance and support costs associated with the running of the Charity.

4.20 Receive assurance that the charitable expenditure thresholds in the Charitable Funds Procedure are complied with.

4.21 Provide scrutiny with a view to approving or rejecting all requests for expenditure over £50,000 and under £100,000 against named charitable funds, within the scheme of delegation for authorisation of charitable funds expenditure.

4.22 Consider and recommend for approval to the Board in its capacity as Corporate Trustee all requests for expenditure over £100,000 against named charitable funds, within the scheme of delegation for authorisation of charitable funds expenditure.

4.23 Provide scrutiny with a view to approving or rejecting all requests for expenditure, regardless of value, for the following expenditure types:

- Research and development expenditure.
- Pay expenditure.
- Requests of any nature resulting in ongoing charitable funds commitment.

4.24 Seek assurance on the management of risks within the Corporate Risk Register (CRR) and Operational Risk Registers (including for hosted services and through partnerships and Joint Committees as appropriate) aligned to the Committee and its sub-committees, and report any areas of significant concern e.g. where risk tolerance is exceeded, lack of timely action. Where risks cannot be brought within the Board's risk appetite/tolerance, recommend acceptance of risks to the Board.

4.25 Review and approve annual work plans for any Sub-Committees which has delegated responsibility from the Charitable Funds Committee and oversee delivery to scrutinise and monitor the impact on Charitable Funds expenditure.

5. Membership

5.1 The membership of the Committee, acting as representatives of the Corporate Trustee, shall comprise of the following:

Member
Independent Member (Chair)
Independent Member (Vice-Chair)
2 x Independent Members
Executive Director of Finance, or their suitably briefed deputy
Executive Director of Nursing, Quality and Patient Experience (Lead Director for Hywel Dda Health Charities), or their suitably briefed deputy

The following should attend Committee meetings:

In Attendance
Executive Director of Allied Health Professions and Health Science
Assistant Director of Finance (Financial Planning and Statutory Reporting) or Head of Accounting & Statutory Reporting

Assistant Director of Corporate Legal Services and Public Affairs
Chair of the Charitable Funds Sub-Committee
Head of Hywel Dda Health Charities
Staff Side Representative

5.2 Membership of the Committee will be reviewed on an annual basis.

6. Quorum and Attendance

6.1 A quorum shall consist of no less than four of the membership and must include as a minimum the Chair or Vice Chair of the Committee, and one other Independent Member, as well as the Executive Director of Finance and the Lead Director for Hywel Dda Health Charities (or their suitably briefed deputies), together with a third of the In Attendance members.

6.2 The membership of the Committee shall be determined by the Board of the Corporate Trustee, taking into account 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.

6.3 Any senior officer of the Health Board or partner organisation may, where appropriate, be invited to attend, for either all or part of a meeting to assist with discussions on a particular matter.

6.4 The Committee may also co-opt additional independent external 'experts' from outside the organisation to provide specialist skills.

6.5 The Chair of the Health Board reserves the right to attend any of the Committee's meetings as an ex officio member.

6.6 Should any officer member be unavailable to attend, they may nominate a deputy with full voting rights to attend in their place, subject to the agreement of the Chair.

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

6.8 The Committee will invite External Audit to attend once a year to provide the Committee with assurance on processes and end of year accounts.

6.9 The Committee may also extend the membership to include independent members outside of the Board (e.g. a nomination from Stakeholder Reference Group).

6.10 The Chair of the Charitable Funds Committee shall have reasonable access to Executive Directors and other relevant senior staff.

6.11 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.

7. Delegated Powers and Duties of the Executive Director of Finance

7.1 The Executive Director of Finance has prime financial responsibility for the Health Board's Charitable Funds. The specific powers, duties and responsibilities delegated to the Executive Director of Finance are:

7.1.1 Administration of all existing charitable funds.

7.1.2 To identify any new charity that may be created (of which the Health Board is Corporate Trustee) and to deal with any legal steps that may be required to formalise the trusts of any such charity.

7.1.3 To provide guidelines with respect to donations, legacies and bequests, fundraising and trading income.

7.1.4 Responsibility for the management of investment of funds held on trust.

7.1.5 To ensure appropriate banking services are available to the Health Board.

7.1.6 To prepare reports to the Board including the Annual Report and Accounts.

8. Agenda and Papers

8.1 The Committee Secretary is to hold an agenda setting meeting with the Chair and/or Vice-Chair, the Lead Director for Hywel Dda Health Charities and the Executive Director of Finance (or their nominated deputies) at least **six** weeks before the meeting date.

8.2 The agenda will be based around the Committee work plan, identified risks, matters arising from previous meeting, issues emerging throughout the year, and requests from Committee members. Following approval, the agenda and timetable for request of papers will be circulated to all Committee members.

8.3 All papers must be approved by the Lead/relevant Director.

8.4 The agenda and papers for meetings will be distributed **seven** days in advance of the meeting, electronically.

8.5 A draft Table of Actions will be issued within **two** days of the meeting. The minutes and action log will be circulated to the Lead Director within **seven** days to check the accuracy, prior to sending to Members (including the Committee Chair) within the next **seven** days.

8.6 Members must forward amendments to the Committee Secretary within the next **seven** days. The Committee Secretary will then forward the final version to the Committee Chair for approval.

9. In Committee

9.1 The Committee can operate with an In Committee function to receive updates on the management of sensitive and/or confidential information.

10. Frequency of Meetings

10.1 The Committee will meet no less than quarterly and shall agree an annual schedule of meetings. Additional meetings will be arranged as determined by the Chair of the Committee, in discussion with the Lead Director.

10.2 The Chair of the Committee, in discussion with the Committee Secretary, shall determine the time and the place of meetings of the Committee and procedures of such meetings.

11. Accountability, Responsibility and Authority

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

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

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

11.4 The requirements for the conduct of business as set out in the Standing Orders are equally applicable to the operation of the Committee.

12. Reporting

12.1 The Committee Chair shall agree arrangements with the Health Board's Chair to report to the Board in their capacity as Corporate Trustee. This may include, where appropriate, a separate meeting with the Board.

12.2 The Committee, through its Chair and members, shall work closely with the Board's other Committees, including joint/sub-committees and groups, to provide advice and assurance through the:

12.2.1 joint planning and co-ordination of Board and Committee business;

12.2.2 sharing of information.

12.3 In doing so, the Committee shall contribute 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.

12.4 The Committee may establish sub-committees or task and finish groups to carry out on its behalf specific aspects of Committee business. The Committee will receive an update following each sub-committee or task and finish group meeting detailing the business undertaken on its behalf.

- The Committee has established the Charitable Funds Sub-Committee to ensure that the Health Board's policies and procedures are followed in relation to specialist designated and restricted funds.

12.5 The Committee Chair, supported by the Committee Secretary, shall:

12.5.1 Report formally, regularly and on a timely basis to the Board on the Committee's activities in their capacity as Corporate Trustee. This includes the submission of a written Committee update report as well as the presentation of an annual report and accounts prior to submission to the Charity Commission.

12.5.2 Bring to the Board's specific attention any significant matter under consideration by the Committee.

12.5.3 Ensure appropriate escalation arrangements are in place to alert the Health Board Chair, Chief Executive or Chairs of other relevant Committees of any urgent/critical matters that may compromise patient care and affect the operation and/or reputation of the Health Board.

12.6 The Director of Corporate 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 including that of any sub-committees established.

13. Secretarial Support

13.1 The Committee Secretary shall be determined by the Director of Corporate Governance/Board Secretary.

14. Review Date

14.1 These Terms of Reference and operating arrangements shall be reviewed on at least an annual basis by the Committee for approval by the Board.