

# **SOUTH EASTERN HEALTH & SOCIAL CARE TRUST**

## **Minutes of a meeting of the Charitable Funds Committee held on Wednesday 6 June 2018 at 10.000 am in the Board Room, Trust Headquarters**

**PRESENT:** Mrs H Minford, Non-Executive Director (Chair)  
Mrs L O'Neill, Non-Executive Director  
Mr N Guckian, Director of Finance & Estates  
Mr C Martyn, Medical Director  
Mr B Grimley, Assistant Director, Financial Services  
Ms N Patterson, Director of Primary Care, Older People & Executive  
Director Nursing (from item 5.0 onwards)

**APOLOGIES:** None

**IN ATTENDANCE:** Miss I Low, Assistant Director, Risk Management &  
Governance/Board Secretary  
Mrs H McBurney, Assistant Executive Support Services Manager

### **CHAIRMAN'S BUSINESS**

### **ACTION**

At the outset, Mrs Minford welcomed members to the meeting.

#### **1.0 DECLARATION OF POTENTIAL CONFLICT OF INTERESTS WITH ANY BUSINESS ITEMS ON THE AGENDA**

Mrs Minford invited members to declare any items of potential conflicts of interests with business items on the agenda. None were received and the business of the meeting proceeded.

#### **2.0 MINUTES OF THE PREVIOUS MEETING HELD ON 31 JANUARY 2018**

The minutes of the previous meeting held on 31 January 2018, having been previously circulated, were taken as read and agreed as a true and accurate record.

#### **3.0 MATTERS ARISING FROM THE MINUTES**

Due to the business of today's meeting, Mrs Minford advised that an update on the matters arising from the meeting held on 31 January 2018 would be deferred until the next meeting.

#### **4.0 NEW BUSINESS ITEMS For Action/Discussion**

##### **4.1 Draft Charitable Trust Funds Accounts for 2017/18 and Letter of Representation**

Members received, for consideration and approval, a copy of

the draft Charitable Trust Funds Accounts for 2017/18 together with the draft Letter of Representation which were previously circulated with the papers for the meeting.

In presenting the papers, Mr Guckian outlined the background to the development of these accounts. The format is similar to that presented for the public funds including the Governance Statement, but tailored for Charitable Funds. Mr Guckian then presented the detail of the accounts and discussion ensued. He confirmed that the accounts now form part of the main Trust Consolidated Accounts, which will be discussed at the Audit Committee meeting (immediately following this meeting). However the Trust is also required to submit a set of stand-alone Charitable Fund accounts as has been the process for a number of years.

Members noted that the Charitable Fund accounts are also subject to a separate audit by Grant Thornton and any findings will be contained in the consolidated Report to those Charged with Governance (RTTCWG). Mr Guckian then highlighted the key sections from the accounts including the relevant notes.

Continuing, Mr Guckian reported that during the year the Charitable Funds continued to engage in activities, in accordance with the Trust's policies and procedures in relation to expenditure from Charitable Funds. During the year income totalling £346k was received, a decrease of £34k from 2016/17, £209k was received in donations compared to £250k in 2016/17 which may reflect the position of the economy at the present time. There has been a cash overspend of £84k with realised and unrealised losses of £134k totalling £218k. Investment income remains similar to the previous year. The total fund value for the year was £5.8m against £6m last year.

Mr Guckian advised Investments have been volatile in this quarter of the year. The nature of this investment is such that it will fluctuate in line with prevailing economic circumstances.

For investment purposes the balances of the Charitable Trust Funds of South Eastern Health & Social Care Trust and Belfast Trust are pooled and invested in the Common Investment Fund (CIF) whose investment policy is disclosed in the separate accounts of CIF. Investments are overseen by Brewin Dolphin. Mr Guckian highlighted the following Charitable funds expenditure for the year as summarised below:

|                               |            |
|-------------------------------|------------|
|                               | £000       |
| Purchase of new equipment     | 210        |
| Building and refurbishment    | 4          |
| Staff education and welfare   | 31         |
| Patient education and welfare | 110        |
| Other                         | 3          |
| <b>Total</b>                  | <b>358</b> |
| <b>Governance</b>             | <b>72</b>  |
| <b>Total</b>                  | <b>430</b> |

He confirmed that all expenditure during the year was consistent with the purpose of the funds and used to enhance the care and treatment of clients.

Mr Guckian outlined the role and function of the Common Investment Fund which is primarily to invest the Charitable Trust Fund monies on behalf of South Eastern Health & Social Care Trust in conjunction with Belfast Health & Social Care Trust. He advised that the Common Investment Fund is obliged to fulfil any requests to draw on funds requested by the Trusts. This does not change any accountability requirements.

Reference was also made at this point in the meeting to the Letter of Representation which was also presented by Mr Guckian. He outlined the purpose of the Letter of Representation which provided assurance to auditors in relation to the accounts being presented. There were no queries/concerns raised in respect of this letter.

In terms of the audit certificate, Mr Guckian confirmed that the Accounts were audited by Grant Thornton NI; a detailed examination of the appropriateness of expenditure and approvals process was carried out. There were no areas of concern and the Audit Certificate will be issued by 30 June 2018.

Following discussion, Mrs Minford, sought and received approval from members to the draft Charitable Funds Accounts and draft Letter of Representation, which she would report on at the Audit Committee meeting later this morning. Members also agreed to recommend signing of both documents by Mr McCaughey, as Accountable Officer.

HM

#### **4.2 Draft Report to those Charged with Governance (RTTCWG) 2017/18**

Members received, for information, a copy of the draft

RTTCWG incorporating Public Funds, Charitable Trust Funds and Patients and Residents' Monies.

In presenting the paper, Mr Guckian said that this was a draft report and included the completed management responses. He referred to the Index of Recommendations contained within the report which had identified 1 Priority 3 finding in respect of Charitable Funds in relation to "Completeness of Liabilities" which are deemed as being "below trivial". Mr Guckian provided assurance that processes are in place and a manual sweep of invoices is undertaken prior to closing down the accounts. To date no transactions have found to be missing.

However procedures will be formalised to take account of this and staff will be reminded of the importance of accurately posting creditor amounts to the correct period at all times moving forward. It was noted there were no unadjusted misstatements in regard to Charitable Trust Fund.

Mr Guckian reported that overall the audit had been very successful. All information in relation to Public Funds will be discussed at the Audit Committee meeting later today.

### **For Information/Noting**

There were no items for discussion under this Section.

## **5.0 Standing Agenda Items**

### **5.1 Financial Report as 31 March 2018**

Members received, for consideration and approval, a copy of the Financial Report as at 31 December 2017. In presenting the report, Mr Grimley, highlighted the key sections of the reports as detailed below.

#### ***Section1 – Finance Overview***

Members noted that as at 31 March 2018, the total budget for the year was £778k. The total spend was £423k, with the budget in an underspend position of £355k. The summary split of expenditure on charitable activities for the 12 months ended 31 March 2018 detailed the biggest spend as relating to purchase of new equipment £210k and Patient Education and Welfare £110k.

## **Section 2 - Budgetary Report (12 months as at 31 March 2018)**

Mr Grimley advised the Charitable Trust Committee approved the Annual Budget of £0.778m to encourage Charitable Funds spending on charitable activities over the 2016/17 year and reapplied for 2017/18. This breaks down as £0.602m across 53 Trust Funds with individual balances >over £10k and £0.176m across 97 Trust Funds with individual fund balances <under£10k. As at 31 March 2018 cumulative expenditure on charitable activities is £423k which represents an underspend of £355k against annual budget. Total Charitable Fund Balances at the beginning of the year where £5,984k (£5,629k for 53 funds >over £10k listed, £293k, for 97 Funds <under £10k not listed).

The Fund Balances as at the year-end is £5,771k (£5,472 for 55 funds >£10k). A summary of the biggest underspending Budgets as at 31 March 2018 was detailed in the paper of which 9 funds accounted for 71% of the total budget underspend this year. A brief discussion ensued in relation to these accounts and Mr Guckian provided detail on the benefits derived from funding for pilots previously which had now become a full business service/regional service ie Diabetes and DNav.

In response to a query from Mrs O'Neill around the use of charitable funds for pilot schemes for children's services, Mr Guckian confirmed that generally funding is received from patients who have been cared for in a Hospital setting. However, consideration may be given to providing funding through the Innovation & Research Development Fund or Public Funds but undertook to review the possibility of providing funding from the Ethel Agar fund.

**NG/BG**

Mr Guckian outlined a major plan to refurbish the McDermott Unit. A Business Case will be developed in partnership with MacMillan who will provide a percentage of the funding, along with Capital Development monies. The project will greatly improve Patient Experience within the McDermott Unit. Members welcomed this initiative

## **Section 3 – Details of Expenditure over £5,000**

A table containing the single items of expenditure in excess of £5,000 was provided in the paper. Mr Grimley confirmed the Trust Capital Accounting Team reviewed this expenditure and transferred £120k to the public funds as donated assets. Principally the expenditure relates to funding for equipment.

#### **Section 4 – Items Requiring Committee approval**

Mr Grimley confirmed there are currently no items over £50k to be presented to the Committee for approval. There are 3 Funds with overspends against budget of more than £20K which required Committee approval as at 31 March 2018.

A summary of the Funds with the biggest overspend against budget was contained in the paper (including an example of the type of expenditure) to 31 March 2018. Mrs Minford sought and received retrospective approval for the 3 Funds with overspends

#### **Section 5 - Details of Income/Donations**

For the 12 months ended 31 March 2018 Charitable Trust Funds have received £346k of Income (£380k for 2016/17) made up of £209k Donations (£250k 2016/17) and £137k in Dividends (£130k 2016/17) – 441 individual donations in all (showing a reduction from the previous year). A table containing details on the largest individual donations made by the fund was included in the accounts. It was noted that Dividend Income for 2017/18 from the Common Investment Fund is £138k (2016/17 £130K slight up on the previous year).

#### **Section 6 – Details of 2018/19 Budget for Committee Approval**

Members were advised that the budget set for 2018/19 is done on the basis of an assumed income level plus the Funds' previous year underspends. The assumed income for 2018/19 is taken indicatively as that received in the 2017/18 year. The budget for 2018/19 has been set as a total of £860k was summarised as follows:

| 2017/18                                   | £        |
|---|----------|
| Fund with balances greater than £10k      | 549,562  |
| Fund with balances greater less than £10k | 310,647  |
| Total 18/19 Budget                        | £860,210 |

The table containing the budgets for each individual fund and fund balances greater than £10k were also noted. Following discussion, Mrs Minford sought and received approval for the budget for the year 2018/19.

Mr Guckian then highlighted important issues for the Charitable Trust Funds Committee moving forward into the 2018/19 Financial year:-

- (1) The Charities Commission Registration will now be co-ordinated via the Department of Health on behalf of the Trust. This will bring consistency to Trusts but may take some time to complete.
- (2) Consideration will be given to the amalgamation of funds in association with Fund Managers and Clinicians. It was noted that Belfast has concluded their amalgamation of funds and have been successful in reducing their funds to a total of 10 Directorate Funds. In response to Mrs O'Neill's query, Mr Guckian outlined the legal aspects associated with this exercise which will require High Court approval for some of the major funds however this would ensure that the Funds can be used more effectively. Further analysis will be sought from Belfast Trust.

*Ms Patterson joined the meeting at this juncture.*

Mrs O'Neill raised the matter of funding for Children's Services from the UHD general fund and Mr Guckian confirmed this fund was primarily a general fund and was utilised for Hospital Services within the Ulster Hospital.

## **6.0 ANY OTHER BUSINESS**

### **6.1 Thanks and Appreciation to Staff**

Mrs Minford thanked Mr Guckian, Mr Grimley and his finance team for producing the accounts against the tight timescales for the submission of accounts. Their work is greatly appreciated by the Committee.

## **7.0 DATE AND VENUE OF NEXT MEETING**

It was agreed that the next meeting of the Charitable Trust Fund Committee should be held on **Wednesday 26 September 2018 at 1.30pm in the Boardroom, Trust Headquarters, Ulster Hospital.**

IL