

SOUTH EASTERN HEALTH & SOCIAL CARE TRUST

Minutes of a meeting of the Charitable Funds Committee held on Wednesday 2 June 2017 at 11.000am, Board Room, Trust Headquarters, Ulster Hospital

PRESENT: Mrs H Minford, Non-Executive Director (Chair)
Mrs L O'Neill, Non-Executive Director
Mr N Guckian, Director of Finance & Estates
Mr M Schubert, Assistant Director, Financial Services

APOLOGIES: Ms N Patterson, Director of Primary Care, Older People & Executive
Director Nursing
Mr C Martyn, Medical Director

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. Apologies had been received from Ms Patterson and Mr Martyn due to previous commitments. As the meeting was quorate the business of the meeting proceeded.

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 conflict 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 29 MARCH 2017

The minutes of the previous meeting held on 29 March 2017, 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 29 March 2017 would be deferred until the next meeting.

4.0 **NEW BUSINESS ITEMS**

For Action/Discussion

4.1 **Draft Charitable Trust Funds Accounts for 2016/17 and Letter of Representation**

Members received, for consideration and approval, a copy of the draft Charitable Trust Funds Accounts for 2016/17 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.

The Charitable Fund accounts are also subject to a separate audit by Grant Thornton NI and any findings will be contained in the consolidated Report to those Charged with Governance (RTTCWG). The following sections were detailed within the report.

- Summary of the accounts
- Statement of Financial Activities for the year ended 31 March 2017
- Balance Sheet as at 31 March 2017
- Notes to the accounts 1(a) to 1(r)
- Note 2 & 3 – analysis of income
- Note 5 – allocation and support costs and overhead
- Note 6 – Charitable Fund expenditure
- Note 7 – Analysis of Grants
- Note 8 – Transfers between funds
- Note 9 – Analysis of staff costs
- Note 10 – Auditor’s remuneration
- Note 11 & 12 – Total Tangible Fixed Assets
- Note 12 – Analysis of Fixed Asset Investments
- Note 13 – Analysis of debtors
- Note 14 – Analysis of Creditors and
- Note 15 – Analysis of Charitable Funds

Mr Guckian reported that during the year income totalling £380k was received, a decrease of £97k from 2015/16, £250k was received in donations compared to £333k in 2015/16 which may reflect the position of the economy at the present time. Investment income is also down by £14k from 2015/16, due to market performance. Despite this there were realised and unrealised gains of £826k in investments which meant funds had grown by £649k.

For investment purposes the balances of the Charitable 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 Price Waterhouse Cooper and Brewin Dolphin.

Mr Guckian then highlighted the following areas of the report

- **Note 6 – provided details of the Analysis of Charitable as follows:**

	Grant funded activity £000	Support Costs £000	Total 2017 £000
Medical research	0	0	0
Purchase of new equipment	336	0	336
Building and refurbishment	13	0	13
Staff education and welfare	42	0	42
Patient education and welfare	87	0	87
Other	10	0	10

- **Note 12 – Investments in a Common Investment Fund**

- It was noted that a total of £500k was withdrawn to fund last year's expenditure.
- The Trust now holds approximately 10% of the investment fund.
- Income stands at £130k.

The total market value of the fund stands at £5,549k.

Mr Guckian then outlined the role and function of the Common Investment Fund which is primarily to invest the Charitable Fund monies on behalf of the 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.

- **Note 15 – Endowment Funds**

Mr Guckian provided an overview of the largest funds (as per page 41) and it was noted that several of these are restricted funds which are very specific in nature. A short discussion ensued and Mr Guckian responded to members' queries. With regard to the Ethel Agar fund, Mr Schubert undertook to find out which specific ward this fund was attributed to.

MS

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 in respect of this item.

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 2017. Mr Guckian advised members of the problematic software being used by the Trust in the preparation of the accounts. It was noted that Belfast Health & Social Care Trust has moved to a new software programme for which feedback it awaited – the matter will be kept under review.

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 afternoon. 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) 2015/16

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 did not yet include the completed management responses. He referred to the Index of Recommendations contained within the report which had identified a total of 2 Priority 3 findings in relation to "Bank Reconciliations" and "Purchase cut off" which are deemed as being "below trivial".

A brief discussion ensued and Mr Guckian advised that the first recommendation “Bank Reconciliations” is fully accepted and can be attributed to banking timelines. The process surrounding this issue has been reviewed and controls are in place to ensure reviews are undertaken in a timely manner.

With regard to the second recommendation “Purchase cut off” Mr Guckian advised it is important to close accounts speedily in order to finalise robust Public Accounts; therefore the Trust is not proposing making any changes against this recommendation. Priority 3 findings do not require to be reported to the Committee due to their trivial nature. The findings will however be reported to the Audit Committee.

Mr Guckian reported that overall the audit of Charitable Funds had been successful.

For Information/Noting

There were no items for discussion under this section of the agenda.

5.0 ANY OTHER BUSINESS

5.1 Thanks and appreciation to staff

Mrs Minford thanked Mr Guckian and his finance team for producing the accounts against the tight timescales for the submission of accounts.

5.2 Farewell to Mr Schubert

Mr Guckian advised that this would be Mr Schubert’s last meeting of Charitable Funds as he was taking a one year career break. He thanked Mr Schubert for his impressive leadership and management of the accounts process in his first year in post. All members conveyed their thanks and appreciation to Mr Schubert and wished him and his family best wishes on their travels to Australia.

6.0 DATE AND VENUE OF NEXT MEETING

It was agreed that the next meeting should be held on Wednesday 27 September 2017 at circa 1.30pm, Boardroom, Trust Headquarters, Ulster Hospital.

IL