

**MEETING OF THE CHARITABLE FUNDS COMMITTEE
HELD ON WEDNESDAY 27 OCTOBER 2010,
IN THE BOARDROOM,
CUMBERLAND INFIRMARY, CARLISLE**

PRESENT: Mr P Day, Non Executive Director (Chair)
Mr M Bonner, Non Executive Director
Mr A Mulvey, Director of Finance and Information
Mr E Gardiner, Associate Director of Finance
Mrs R Duguid, Company Secretary
Mrs C Platton, Acting Director of Nursing, Quality and Governance
Dr F Dallas, Clinical Representative
Dr J Nicoll, Clinical Representative

IN ATTENDANCE: Mrs J Lynch, Office Manager (Minute taker)
Mr J Longstaff, HSBC Representative (for item 25/10 only)
Mrs J Bellard, District Auditor, Audit Commission (from item 29/10 onwards)
Mrs H Green, Audit Manager, Audit Commission (from item 29/10 onwards)

CF22/10 WELCOME & APOLOGIES

Apologies were noted from Mr Little, Mr Evens and Mr Birtle.

CF23/10 MINUTES OF THE PREVIOUS MEETING HELD ON 6 JULY 2010

The minutes were approved as a true and accurate record

CF24/10 MATTERS ARISING AND ACTION PLAN

Please see action plan for updated actions.

Matters Arising from Action List:

There were no matters arising from the Action List.

**CF25/10 INVESTMENT ACCOUNTS DISCUSSION WITH HSBC INVESTMENT
MANAGER**

Mr Gardiner informed committee members of the background to the discussion with the HSBC Representative and introduced Mr Jonathan Longstaff.

Mr Longstaff introduced himself and gave some background information to his role. Mr Longstaff then tabled a document which gave information relating to the portfolio that HSBC managed on behalf of the Trust. Mr Longstaff went through the document in great detail, although committee members were disappointed that the document did not give them all of the information they were expecting. The key points were noted:

- Page 17 onwards gave information relating to the way HSBC would manage the portfolio once the Trust had established which diversified strategy it wanted to pursue.
- Page 4 gave details of the Trust's current investment, which stood at a value of £635,115 (at 30 September 2010), and showing an actual income of £15,504 (at 30 September 2010).
- Page 5 gave details of the performance over the year, showing benchmarking figures at 3 months, 6 months, year to date and 12 months.
- Pages 7 – 16 gave detailed information relating to how HSBC had worked over the period of 2010 in relation to buying and selling of commodities.

Following the presentation of the document, Mr Day requested information showing the length of time HSBC had been managing the portfolio and how it had performed over that period of time. Mr Day further stated that as the funds were given by people who wished to donate money to the Trust and see that money spent, the risk to the funds had to be limited, and therefore it would be sensible to look at gilts/bonds rather than equities. Mr Mulvey agreed with this statement.

Mr Mulvey questioned Mr Longstaff on the ethical stream investments HSBC used for the portfolio. Mr Longstaff responded stating that HSBC had the capability to build into the portfolio whatever was relevant to the Charitable Fund and exclude any specific requests made from the portfolio.

Mr Mulvey further questioned Mr Longstaff on the fees as they had not been mentioned in the presentation given. Mr Longstaff informed members that HSBC had created a fee structure, giving a flat fee and a tapered fee structure. For the purpose of the Trust portfolio the fee was 1.25% with minimum £7,500. Mr Bonner questioned the fee as he felt that the figure had previously been noted as £5,000.

Mr Day questioned the timings of the reports sent to the Trust from HSBC. Mr Longstaff reported that the Trust were sent quarterly reports, to which Mr Day responded that he would prefer Annual Reports so that the Trust could

see the whole year in one report. Mr Day further questioned the need to see the table of performance relating to the portfolio, including the fee charges for the past few years, showing original fee and what the fee is now. Mr Longstaff agreed to send this to the Trust.

Mr Mulvey stated that the Trust needed to receive quarterly reports and an annual report from HSBC regarding the portfolio.

The committee members further discussed the overall totality of the Trust Charitable Funds and the spending plans required for those funds held by the Trust. Mr Mulvey suggested that at the next Charitable Funds meeting in January 2011, agenda time be given to allow further discussion on taking forward the strategy/criteria for spending plans.

Mr Longstaff left the meeting at this point.

Further discussion was held regarding the legalities of spending Charitable Funds money, in relation to requirements for signing of spending requests. Dr Dallas informed members that the Renal Department had tried to spend funds on a Renal Pharmacist post, which would free up a Trust Pharmacist, but had been turned down. Mr Mulvey explained the reasoning behind that request being turned down. Mr Mulvey further explained that up to the amount of £5k the budget holder could sign off requests for funding, between £5k and £20k Mr Mulvey and/or Ms Heatly had to sign off requests, above £20k the request had to be signed off by the Charitable Funds Committee.

The committee noted the presentation.

HSBC Presentation:

1. Mr Longstaff to provide information regarding the length of time HSBC had been managing the portfolio and how the portfolio had performed during that time – Mr Gardiner to contact Mr Longstaff
2. The Trust to receive from HSBC both quarterly reports and an annual report relating to the portfolio held – EG to confirm with HSBC
3. Spending Plans/Criteria to be agenda item for January 2011 meeting

CF26/10

AUTHORISED SIGNATURES

Mr Gardiner informed members that there was an obligation to make an amendment to the signatory list on the HSBC Global Asset Management Funds. This was required to remove Jonathan Wood (previous Executive Director of Finance) from the list and add Alistair Mulvey, as current Executive Director of Finance to the list.

The committee agreed to the change of signature on the list.

CF27/10 CLINICAL ONCOLOGY EXTENSION

Mr Mulvey informed members of the reasoning behind bringing the current information before the committee.

Mrs Duguid informed members that she had met with Mr Alan Davidson and Ms Gwen Barker regarding the clarification of capital costs for the new build and rebuild. Mr Nicoll informed members that the project had not been finalised due to delays in the project and costs escalating. Mr Mulvey informed members of the previous request to the Charitable Funds Committee to help with the refurbishing of the extension, and how this had made committee members realise that the original request for use of Charitable Funds had not been put before the committee and due approval process had not been followed. Mr Mulvey further stated that the committee had to approval the 1st stage of the building before looking at the 2nd stage. Mr Bonner reiterated that the confusion had occurred due to the request for funding going through the capital budget process, not the charitable funds process, so was a process issue.

Committee members further held a detailed discussion relating to the finer details of the planned extension and the potential for costs to escalate further. Dr Nicoll explained that the hold up of the project was not due as thought to Asbestos, but Aspergillus, but this was also required to be removed due to the immune suppressed patients that attend clinics in that area.

Following further discussion the committee members agreed the following

- A formal paper was required for the Charitable Funds Committee in relation to the second phase of the project. Mr Mulvey to pick this up with Gwen Barker. The paper to be concluded by 31 December 2010.
- The committee agreed to sign off the £70k required to finalise phase 1 of the project.
- To look at involving Macmillan in the process, to enable the department go forward towards gaining the charter standard. Mr Mulvey to pick this up with Gwen Barker also.

Action: Clinical Oncology Extension

- A formal paper was required for the Charitable Funds Committee in relation to the second phase of the project. Mr Mulvey to pick this up with Gwen Barker. The paper to be concluded by 31 December 2010.
- To look at involving Macmillan in the process, to enable the department go forward towards gaining the charter standard. Mr Mulvey to pick this up with Gwen Barker also.

CF28/10 FUND BALANCES

Mr Gardiner presented the Charitable Fund Balances to the committee members, and apologised that the information was not in the normal format. Mr Gardiner also informed members that meetings were being held with fund holders to discuss spending plans.

Mr Bonner thanked Mr Gardiner for an informative paper. Mr Day questioned the numbers being correct and Mr Gardiner agreed to check the figures.

The committee noted the report.

ACTION: Fund Balances

Mr Gardiner to check the figures on the fund balances to ensure correct

CF29/10 AUDIT COMMISSION OPINION AUDIT PLAN

Ms Green presented the Audit Commission Opinion Audit Plan for the 2009/10 Charitable Fund accounts. Ms Green discussed the report and brought to the committee's attention the Risk Assessment information on page 11 of the report, as this would be going into the Annual Governance Report.

The committee noted the report.

CF30/10 AUDIT COMMISSION – CHARITABLE FUNDS ANNUAL GOVERNANCE REPORT

Ms Bellard presented the Audit Commission Charitable Funds Annual Governance Report. Mr Gardiner informed members that the Charitable Funds Annual Accounts should have also been presented along side this report but had been inadvertently missed off the agenda. He further stated that the Annual Accounts had been seen by members at the previous Charitable Funds meeting, and that the numerical information had not been changed or amended.

Ms Bellard informed members that she was happy with the accounts and that the papers and working papers matched and that this had been an improvement this year. There were two issues identified that she had had to report on, but overall she felt the accounts and working papers were good.

Ms Bellard raised a concern regarding the authorisation of some expenditure at the year-end as some internal controls appeared to have been missed. The Trust subsequently provided additional information and Ms Bellard stated she was satisfied that expenditure had been approved, albeit retrospectively. The committee discussed the area of weakness within the internal control measures and Mr Mulvey gave his assurance this would not reoccur. Mr Mulvey stated that there had been no internal audit work done

on Charitable Funds during the last financial year but this is included within the agreed scope of work for the current financial year.

Ms Bellard requested that Mr Mulvey formally write to Ms Bellard regarding IFRS and that the letter of representation required signing off. Mr Mulvey agreed to do both.

The committee approved the charitable fund accounts and the annual governance report.

Action: Audit Commission – Charitable Funds Annual Governance Report

Ms Bellard requested that Mr Mulvey formally write to Ms Bellard regarding IFRS and that the letter of representation required signing off. Mr Mulvey agreed to do both

CF31/10 ANY OTHER BUSINESS

Outpatients Self Service Check In

Mr Gardiner tabled a report that had gone to the Capital Infrastructure Group for approval, but had been felt appropriate for Charitable Funds. The request was for funding to support a pilot implementation of self service check in kiosks for patients attending outpatient clinics. Mr Day questioned if the Trust had received a number of quotes for this equipment, to which Mr Mulvey informed members that there was only one provider for this piece of equipment. Mr Bonner further questioned where the equipment was currently being used and Mr Mulvey informed members that the equipment was being used by some NHS Trust and some GP surgeries. Both Dr Nicoll and Dr Dallas questioned the cost and the use of Charitable Funds for saving NHS money and the potential loss of staff, as it was felt that people would not donate funds for that use.

Mr Mulvey agreed to pick up the queries with Ms Lynne Gorley and report back to members

Action: Outpatients Self Service Check in.

Mr Mulvey to discuss queries relating to the use of the equipment in other areas and the effectiveness of the equipment and report back to members

Charitable Funds Committee Meeting Dates 2011

The meeting dates were not discussed at the meeting but members to note the dates of the meetings for 2011

Action: Charitable Funds Committee Meeting Dates 2011
Members to note the meeting dates for 2011

CF32/10 DATE AND TIME OF NEXT MEETING

Wednesday 19 January 2011 at 3pm in the Boardroom, Cumberland
Infirmary, Carlisle

CHARITABLE FUNDS ACTION LIST OCTOBER 2010

DATE OF MEETING: 27/10/2010

<u>Minute Point Reference</u>	<u>Details of Action agreed</u>	<u>Action by whom</u>	<u>Timescale</u>	<u>Progress</u>	<u>Governance coding</u>
OCTOBER 2009					
CF25/09	1. Committee to review the Governance framework and create own Action Plan before bringing back to the Committee. Internal Audit to then review.	Ramona Duguid	Amended date – January 2011	Ongoing – Ramona Duguid to pick up the detail with Cheryl McAdams	
MARCH 2010					
CF04/10	<u>Governing Document:</u> a) Reconfiguration aspect (page 16, paragraph 13), and the use of the wording 'designated' rather than 'restricted' in the first sentence. Mr Birtle to look at working examples to ensure that the wording is correct.	Chris Birtle	End March 2010 – amended date January 2011	Ongoing – Ramona Duguid to pick up and report back at January 2011 meeting	
CF07/10	<u>2009/10 Expenditure</u> c). Mr Birtle to meet with fund holders of large accounts and discuss their spending plans	Chris Birtle	July 2010	Ongoing – work started Summer 2010	
JULY 2010					
CF16/10	<u>Assessment of Governance Arrangement Action</u>				

	Plan: Mr Mulvey to update the framework document and bring back to the October Charitable Funds meeting	Alistair Mulvey	October 201 Completion date moved to January 2011 -	Action plan has been taken to Trust Board, RD to review actions and timescales and bring back to January 2011 meeting	
CF17/10	<u>Spending Plans for CIC Medical Eqpt Fund UCE022 and the Bereavement Centre/Services</u> Mr Brown to update the Charitable Funds Committee with information relating to the changes to the Bereavement Centre/Services and Charitable Fund requests at a later date	Sandy Brown	October 2010	Complete	
CF19/10	<u>Clinical Oncology Extension:</u> 1. Mr Tollitt to look into the possibility of funding from Macmillan to support the refurbishment of the reception area in Oncology. 2. Mr Mulvey to look into the governance aspect of the request for funding and report back to the Charitable Funds Committee in October, but to also update committee members if appropriate before the October meeting.	Jim Tollitt Alistair Mulvey	October 2010 October 2010	Complete - Agenda item October meeting Complete - Agenda item October meeting	
OCTOBER 2010					
CF25/10	HSBC Presentation: 1. Mr Longstaff to provide information regarding the length of time HSBC had been managing the portfolio and how the portfolio had performed during	Eric Gardiner	January 2011		

	<p>that time – EG to chase</p> <p>2. The Trust to receive from HSBC both quarterly reports and an annual report relating to the portfolio held – EG to confirm with HSBC</p> <p>3. Spending Plans/Criteria to be agenda item for January 2011 meeting</p>	<p>Eric Gardiner</p> <p>Alistair Mulvey</p>	<p>January 2011</p> <p>January 2011</p>		
CF27/10	<p>Clinical Oncology Extension</p> <p>1. A formal paper was required for the Charitable Funds Committee in relation to the second phase of the project. Mr Mulvey to pick this up with Gwen Barker. The paper to be concluded by 31 December 2010.</p> <p>2. To look at involving Macmillan in the process, to enable the department go forward towards gaining the charter standard. Mr Mulvey to pick this up with Gwen Barker also.</p>	<p>Alistair Mulvey</p> <p>Alistair Mulvey</p>	<p>31 December 2010</p> <p>31 December 2010</p>		
CF28/10	<p>Fund Balances</p> <p>Mr Gardiner to check the figures on the fund balances to ensure correct</p>	<p>Eric Gardiner</p>	<p>Immediately</p>		
CF30/10	<p>Audit Commission – Charitable Funds Annual Governance Report</p> <p>Ms Bellard requested that Mr Mulvey formally write to Ms Bellard regarding IFRS and that the letter of representation required signing off. Mr Mulvey agreed to do both</p>	<p>Alistair Mulvey</p>	<p>Immediately</p>		
CF31/10	<p>Outpatients Self Service Check in.</p> <p>Mr Mulvey to discuss queries relating to the use of the</p>	<p>Alistair Mulvey</p>	<p>19 January</p>		

	equipment in other areas and the effectiveness of the equipment and report back to members		2011		
CF32/10	<u>Charitable Funds Committee Meeting Dates 2011</u> Members to note the meeting dates for 2011	All	Immediately		