

**UNRATIFIED MINUTES OF THE CHARITABLE FUNDS  
COMMITTEE HELD ON TUESDAY 6 DECEMBER 2011,  
VIA VC LINK THE BOARDROOM, CUMBERLAND  
INFIRMARY, CARLISLE/ GARDEN ROOM, WEST  
CUMBERLAND HOSPITAL, WHITEHAVEN**

**PRESENT:** Mr M Bonner, Non Executive Director (Acting Chair)  
Mr M Evens, Non Executive Director  
Mr E Gardiner, Deputy Director of Finance  
Dr F Dallas, Clinical Representative  
Mr J Tollitt, Acting Assistant Director of Finance

**IN ATTENDANCE:** Ms Jacky Bellard, Audit Commission  
Ms Gina Martlew, Audit Commission  
Ms Angela Stubbs, Audit Commission  
Mrs J Lynch, Office Manager (Minute taker)

**CF20/11 WELCOME & APOLOGIES**

Mr Bonner welcomed Ms Bellard, Ms Martlew and Ms Stubbs to the meeting.

Apologies were noted from Mr P Day, Mr M Little, Mrs C Platton, Mrs R Duguid, Mr A Mulvey and Dr J Nicoll.

**CF21/11 MINUTES OF THE PREVIOUS MEETING**

The minutes were **approved** as a true and accurate record

**CF22/11 MATTERS ARISING AND ACTION PLAN**

CF13/11: Deputy Director of Nursing looking in to the issue relating to the purchase of the bay doors. To remove from Charitable Funds action list as doors to be purchased from Trust Funds – Complete

CF14a/11 through to CF14d/11: covered in report presented to committee at December meeting – Complete.

CF14e/11: All money received into Trust in relation to the Renal Legacy – Complete.

CF16/11: Members discussed this action point. Mr Evens expressed his disappointment that this item had not been acted on and asked that the item to be added to agenda for January meeting. Mr Gardiner informed members that he had spoken to a number of organisations to look at other options but this work was ongoing, but that he would do a draft paper on the work that had been done and would issue a proposal and timeline to members. Mr Evens requested that the committee members authorise Mr Mulvey to move

the investments from HSBC and to update Mr Bonner, Mr Evens and Mr Day of the progress.

CF17/11: ongoing. Dr Dallas informed members that there had been no change to the service provision. Mr Mulvey to update members at January meeting.

CF18a/11: Mr Mulvey to update members at January meeting

CF18b1/11: Mr Tollitt informed members that whatever the charitable funds are donated for, the Trustees are obliged to use the funds for their intended purpose – Complete.

CF18b2/11 – Mr Tollitt informed members that there was risk involved in using an independent Trustee. Mr Gardiner suggested that Mr Tollitt look into Trafford Healthcare to see what they had done in relation to their Charitable Funds - ongoing

### **Matters Arising from Action List:**

#### **CF23/11      REQUEST                      FOR                      CHARITABLE                      FUNDS                      FOR VENTILATORS/HUMIDIFIERS FOR SCBU AT CIC**

Mr Gardiner discussed the request to replace the ventilators with humidifiers on the Special Care Baby Unit at the Cumberland Infirmary, Carlisle. The current ventilators are old and are becoming a risk to the department because of their age and increased maintenance costs. Fundraising had taken place to allow the replacement of these pieces of equipment. The department wished to purchase two SLE400 ventilators, using Charitable Fund UFA100. Mr Gardiner informed members that although Mr Mulvey was not at this meeting, he had given his approval for the purchase to go ahead.

Members agreed to allow the purchase of this equipment, but asked that Mr Mulvey send an email to members to confirm his agreement of the purchase of this equipment.

Addendum to minute point (added at the request of Mr Jim Tollitt, Assistant Director of Finance: the total cost inclusive of vat for 2 ventilators/humidifiers for SCBU at the Cumberland Infirmary was 32,119.50p

Action: Purchase of replacement ventilators for SCBU Alistair Mulvey to email members to notify them of his approval for the purchase of these items of equipment.
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#### **CF24/11      FUND BALANCES**

Mr Gardiner updated members on the current Charitable Fund balances and spending plans and asked members to note the progress against the recommendations of the recent Internal Audit report on Charitable Funds.

Mr Gardiner asked members to disregard the appendixes in the report as he had encountered errors in them, and that he would send out new balance reports to members. Mr Tollitt assured members that the accounts were not affected and that the bottom line balances were correct in the report.

Members noted that the report showed that funds were being used and that spending plans were being produced.

Mr Gardiner further reported that some funds had been merged, whilst others have a deadline date for responses relating to spending plans. Plans were in place for the Renal funds but figures were still being worked out. The Radiotherapy extension fund had been finalised and payments were going through the correct process.

It was noted that there were concerns relating to 5 – 6 funds as there was uncertainty as to whether these were endowment funds. Mr Tollitt informed members that he was looking into the details, as there were no fundholder attached to the funds and no funds from these accounts had been spent for the past 8 years. Mr Tollitt was continuing to look into the background of these funds and would report back to members at the next meeting on the outcome. Members discussed the potential error in the accounts as this was an unknown entity and it was agreed to discuss this further at the next meeting. Ms Stubbs questioned the CIC E Stoddart legacy as the funds had been used for both sites and this would need to be taken into account. Mr Gardiner informed members that the money had been spent to benefit patients on both sites within the remit of the fund.

Mr Tollitt informed members of a current bequest to the Trust; whereby the husband of the bequestor had made a claim against the legacy. The Trust had taken legal advice and had been advised to make an offer to the husband. Mr Tollitt requested that members approve the amount of a maximum limit of £30k plus legal costs and give the solicitors the authority to negotiate on the Trusts behalf. Members discussed the advice given to the Trust from the solicitors in relation to potential court costs and agreed that Mr Tollitt would go back to the solicitors with the maximum offer of £35k, which would also include the legal costs. Mr Gardiner requested that Mr Mulvey also give his approval to this request and members agreed to this. Mr Evens requested that the minutes document the decision made authorising the settlement, including legal costs up to a total of £35k, for the claim against the will, and that this would come out of the residual estate (

Mr Bonner stated his pleasure that spending plans were being produced and Mr Evens agreed with this and that progress was being made.

The report was **noted**.

Action: Fund Balances

- a. Mr Gardiner to send out new fund balance reports to members as he had encountered errors in the report that was discussed at the meeting.
- b. Mr Tollitt to update members at the next meeting on the 5-6 funds that had uncertainty around them relating to whether they were endowment funds or not.
- c. Members to discuss further at the January meeting the effect the potential endowment funds could have on the Charitable Funds Annual Accounts.
- d. In relation to the legacy bequested to the Trust, Mr Tollitt to inform the Trust solicitors that they can negotiate with the husband in relation to his claim to a maximum amount of £35k, this sum to also include the legal costs.
- e. Mr Mulvey to email Charitable Fund members to give his agreement to the committee decision to allow the solicitors to negotiate with the husband in relation to his claim against the bequest.
- f. The minutes to document fully the decision made in relation to the claim against the legacy and the Trusts response

**CF25/11 CHARITABLE FUNDS ACCOUNTS**

Mr Tollitt presented the Charitable Funds 2010/11 Annual Report and Accounts. The report and accounts include all the separately established funds for which North Cumbria University Hospitals NHS Trust is the sole beneficiary. The net assets as at 31 March 2011 were £3.318 million. During the course of the year over 900 grants were made, with the funds continuing to support a wide range of charitable and health related activities; benefitting both patients and staff. The following key points were noted:

- Mr Tollitt to amend page 3 of the report, so as to ensure that the correct details relating to committee members are recorded.
- Members discussed the signing of the accounts. Following the issue relating to the potential endowment funds Mr Gardiner reported that the Trust was actively looking into the information required to address the issue of these accounts and Mr Tollitt detailed what he had done, what information he had and what he was doing to look into this issue. The external auditors expressed their concern on this issue and how it should be presented in the accounts. Mr Evens and Mr Gardiner discussed the need for a post balance sheet review to be done if the accounts had to be deferred. Members agreed that Mr Tollitt should continue to look into the issue of the endowment funds.
- The accounts were not approved at the meeting but would be approved subject to the alterations to be made.

Action: Charitable Funds Annual Accounts and Report 2010/11

- a. Mr Tollitt to amend page 3 of the report, so as to ensure that the correct details relating to committee members are recorded.
- b. Mr Tollitt to continue to look into the issues relating to the old endowment funds and to report back to members.

**CF26/11**      **EXTERNAL AUDIT OPINION PLAN**

Ms Bellard presented the External Audit Opinion Plan and informed members that the document did not present any differing information from what had been discussed previously. The letter of representation was re-presented for signature due to changes in legislation. Mr Bonner signed the letter on the Trust's behalf.

The report was **noted**.

**CF27/11**      **EXTERNAL AUDIT GOVERNANCE REPORT AND TRUSTS's RESPONSE**

Ms Bellard presented the Annual Governance Report and asked members to note the following areas:

- The table of risks on page 6 of the report; members were asked to note the two risks.
- The errors in the financial statements, the weakness in internal control and authorisation of expenditure. In relation to the authorisation in expenditure Ms Bellard stated that the process needed to be made more robust. Mr Gardiner informed members that the last one had occurred in the summer of 2010 and the process had been made more robust following that and systems and processes are in place so this cannot happen now. Members discussed the new system to gain assurance of the process.
- Ms Bellard asked members to note the recommendations on page 9 of the report.
- Ms Bellard asked members to note the other significant matters relevant to the financial reporting process, which included the funds held in investment policies.
- Ms Bellard asked members to note appendix 2 of the report which informed members of the amendments to the draft financial statements. Mr Evens questioned why the audit had taken place so late, to which Ms Bellard informed members that it would normally take place end May/June but the accounts had not been ready then. When the accounts were ready, external audit did not have staff in place to cover the work. Mr Tollitt informed members that the accounts were ready for the end of June. Mr Bonner and Mr Evens requested that the next audit is done earlier.
- Ms Bellard gave details of the further amendment to the Charitable Funds Account document, which had been forwarded to members as a supplement to the report.
- Mr Tollitt updated members on the Trust's response to the Governance Report Action plan. Ms Martlew asked that the wording in response to recommendation 5 be amended as it was felt to be an unfair response in relation to the Audit Commission. Mr Tollitt to reword the response.
- Members discussed the approval of the accounts and the timeline for this. It was agreed that Mr Evens and Mr Bonner have a discussion with Mr Mulvey at a Trust meeting being held on 15 December to enable approval of the accounts and ratification of other decisions. The accounts

would be approved subject to the amendments previously discussed, being made.

- Ms Bellard informed members she would continue to discuss with Mr Tollitt the issue relating to the endowment funds.

Action: Annual Governance Report

- a. Finance and External Audit members to ensure the audit for 2011/12 takes place earlier than it has in the current financial year.
- b. Mr Tollitt to reword the Trust's response to recommendation 5 of the action plan, as it was felt to be an unfair response in relation to the Audit Commission.
- c. Mr Bonner, Mr Evens and Mr Mulvey to meet and discuss the accounts to enable approval, at a Trust meeting to be held on 15 December 2011.
- d. Mr Tollitt and Ms Bellard to continue to discuss the issue relating to the endowment funds.

**CF28/11**     **ANY OTHER BUSINESS**

**a) Chairman/ Director of Finance letters (for information)**

Mr Gardiner presented the Committee Chairman and Director of Finance letters in relation to the Trust Compliance with International Auditing Standards and explained that this item had been placed onto the agenda to inform committee members only.

**b) Charitable Fund Meeting dates 2012.**

Members discussed the meeting dates for 2012 and it was agreed to reinstate the January 2012 meeting date. The meeting would be held in the Boardroom at the Cumberland Infirmary on 31 January and would take place at 10am. The other dates were agreed.

**c) Letter of Representation**

The letter of representation was signed by Mr Michael Bonner, the Charitable Funds Vice Chairman and Ms Jacky Bellard from the Audit Commission

**CF29/11**     **DATE AND TIME OF NEXT MEETING**

Tuesday 31 January 2012 at 10am in the Boardroom, Cumberland Infirmary, Carlisle

## CHARITABLE FUNDS ACTION LIST JANUARY 2012

**DATE OF MEETING: January 2012**

Minute Point Reference	Details of Action agreed	Action by whom	Timescale	Progress	Governance coding
<b>JULY 2010</b>					
CF16/10	<p><b><u>Assessment of Governance Arrangement Action Plan:</u></b> Mr Mulvey to update the framework document and bring back to the October Charitable Funds meeting</p>	Alistair Mulvey	October 2010 Completion date moved to January 2011 -	<b>Ongoing</b> – Mr Mulvey and Mrs Duguid to meet and formalize taking this document to the Trust Board in September and the Charitable Funds meeting in October.	
<b>JULY 2011</b>					
CF13/11	<p><b><u>Request for funding for Bay Doors:</u></b> Mr Mulvey to discuss this item with Dr Graham and to report back to members before the October Meeting to allow a decision, to be made, prior to the October Meeting on the request for funding for the bay doors</p>	Alistair Mulvey	18 October 2011	<b>Complete.</b> The doors are being funded through Trust Funding and the Deputy Director of nursing is taking this forward	
CF14/11	<p><b><u>Fund Balances</u></b></p> <p>a) Regarding inactive funds at WCH , Mr Gardiner to see further information regarding the original request when the funds were donated</p> <p>b) Mr Tollitt to raise awareness that the inactive funds that had not been used for 2 years (April 2009) and were less than £2,000 were being examined with the potential move of said funds into another more general fund if spending plans were not produced.</p>	Eric Gardiner  Jim Tollitt	18 October 2011  18 October 2011	<b>Complete.</b> Covered in Fund Balances report  <b>Complete.</b> Covered in Fund Balances report	

	<p>Contact the fund holders of these funds via letter and give them 4 weeks to produce spending plans, otherwise the funds would be moved into another more appropriate fund or a general fund. To also ensure in the letter that the fundholders were aware that the funds could still be accessed if moved.</p> <p>c) Mr Gardiner informed Committee members that he would bring a report back to the October meeting showing the spending plans. Mr Mulvey suggested that the committee were shown the top ten spending plans and that some fundholders be invited to the October meeting to discuss their spending plans.</p> <p>d) Mr Gardiner to circulate the Charitable Fund Accounts to committee members before the October meeting.</p> <p>e) Mr Tollitt to update Committee members on the renal legacy and whether the buildings had all been sold and the money received into the Trust. Also to report on the family issue relating to the legacy.</p>	Eric Gardiner	18 October 2011	<b>Complete.</b> Covered in Fund Balances report	
		Eric Gardiner	18 October 2011	<b>Complete</b>	
		Jim Tollitt	18 October 2011	<b>Complete.</b> All money has been paid into the Trust and the family issue has been resolved.	
<b>CF16/11</b>	<p><b>Investment Approach</b> Mr Mulvey to look into the options for moving the Charitable Funds investments and report back to members so that a decision can be made, if appropriate, before the October meeting</p>	Alistair Mulvey	18 October 2011	<b>Complete</b> – agenda item January Meeting	



<b>CF17/11</b>	<b>Charitable Funds Action Plan</b> Mr Mulvey to inform Trust Board members as Corporate Trustees of the potential amalgamation of inactive funds.	Alistair Mulvey	18 October 2011	<b>Ongoing</b> – Mr Mulvey to report to Trust Board members	
<b>CF18/11</b>	<p>a) Renal Transport: Mr Mulvey and Mrs Platton to address the issue of the patient transport services for renal dialysis patients and report back to committee members.</p> <p>b1) Mr Tollitt to review the Charitable Funds to be identify any areas of risk whereby the funds may be transferred away from the original intention and used by the acquiring Trust for other purposes</p> <p>b2) Mr Tollitt to investigate the feasibility of looking at an independent trustee to oversee Charitable Funds and report back to members</p>	<p>Alistair Mulvey/ Chris Platton</p> <p>Jim Tollitt</p> <p>Jim Tollitt</p>	<p>18 October 2011</p> <p>18 October 2011</p> <p>18 October 2011. Amended date Jan 2012</p>	<p><b>Complete</b> – agenda item January 2012 meeting</p> <p><b>Complete</b> – Mr Tollitt informed members that funds could not be transferred away from their original intention</p> <p><b>Ongoing</b> - Mr Tollitt to contact Trafford Healthcare and see what they have done and report back</p>	
<b>December 2011</b>					
<b>CF23/11</b>	Purchase of replacement ventilators for SCBU Alistair Mulvey to email members to notify them of his approval for the purchase of these items of equipment	Alistair Mulvey	31 January 2012	<b>Complete – email sent to members</b>	

<b>CF24/11</b>	Fund Balances				
	a. Mr Gardiner to send out new fund balance reports to members as he had encountered errors in the report that was discussed at the meeting.	Eric Gardiner	31 January 2012		
	b. Mr Tollitt to update members at the next meeting on the 5-6 funds that had uncertainty around them relating to whether they were endowment funds or not.	Jim Tollitt	31 January 2012	<b>Complete – Agenda item</b>	
	c. Members to discuss further at the January meeting the effect the potential endowment funds could have on the Charitable Funds Annual Accounts.	All	31 January 2012	<b>Complete – Agenda item</b>	
	d. In relation to the legacy bequested to the Trust, Mr Tollitt to inform the Trust solicitors that they can negotiate with the husband in relation to his claim to a maximum amount of £35k, this sum to also include the legal costs.	Jim Tollitt	31 January 2012		
	e. Mr Mulvey to email Charitable Fund members to give his agreement to the committee decision to allow the solicitors to negotiate with the husband in relation to his claim against the bequest.	Alistair Mulvey	31 January 2012	<b>Complete – email sent to members</b>	
f. The minutes to document fully the decision made in relation to the claim against the legacy and the Trusts response	Jean Lynch	31 January 2012	<b>Complete</b>		

<b>CF25/11</b>	Charitable Funds Annual Accounts and Report 2010/11 a. Mr Tollitt to amend page 3 of the report, so as to ensure that the correct details relating to committee members are recorded. b. Mr Tollitt to continue to look into the issues relating to the old endowment funds and to report back to members.	Jim Tollitt	31 January 2012		
<b>CF27/11</b>	Annual Governance Report a. Finance and External Audit members to ensure the audit in the forthcoming financial year take place earlier than it has in the current financial year. b. Mr Tollitt to reword the Trust's response to recommendation 5 of the action plan, as it was felt to be an unfair response in relation to the Audit Commission. c. Mr Bonner, Mr Evens and Mr Mulvey to meet and discuss the accounts to enable approval, at a Trust meeting to be held on 15 December 2011. d. Mr Tollitt and Ms Bellard to continue to discuss the issue relating to the endowment funds.	Jim Tollitt	31/1/2012		
		Jim Tollitt	31/1/2012		
		Michael Bonner, Mark Evens, Alistair Mulvey	15/12/2011		
		Jim Tollitt/Jackie Bellard	31/1/2012		