

**MINUTES OF THE CHARITABLE FUNDS COMMITTEE
HELD ON THURSDAY 17 JANUARY 2013 AT 11AM VIA
VC LINK BOARDROOM CIC/BOARDROOM WCH**

PRESENT: Mr M Bonner, Trust Vice Chairman, (Committee Chair)
Mr M Evens, Non-Executive Director
Mr S Shanahan, Interim Director of Finance
Mrs C Platton, Acting Director of Nursing and Governance
Mr E Gardiner, Deputy Director of Finance
Dr F Dallas, Clinical Representative

IN ATTENDANCE: Mrs J Lynch, Office Manager (Minute taker)
Mrs D Bogg, Project Accountant
Ms G Martlew, Grant Thornton
Mr J Cangle, Grant Thornton
Ms J Bellard, Grant Thornton (Item CF06/13 onwards)
Ms Lynn Gorley, Business Manager, Medical Division (Item CF04/13 only)

CF01/13 WELCOME & APOLOGIES

Apologies were noted from Mr M Little, Mr R Duguid and Dr J Nicoll.

CF02/13 MINUTES OF THE LAST MEETING

The minutes of the last meeting were agreed to be a true and accurate record.

CF03/13 MATTERS ARISING AND ACTION PLAN

There were no matters arising.

Actions are noted on the Action List

Ms Gorley attended the meeting at this point.

CF04/13 PURCHASE OF AN INTRA AORTIC BALLOON PUMP

Prior to the purchase of the balloon pump being discussed, the overall process of ordering goods from charitable funds was discussed in detail. Mr Gardiner informed members that he would speak to individuals

regarding the overall process; procurement would also double check items to ensure the correct process had been followed.

Mr Bonner questioned if the intention had been to pay for the goods out of Charitable Funds to which both Mr Gardiner and Ms Gorley confirmed that it had been the intention. Ms Gorley also confirmed that Dr Cowley was also in agreement of the purchase and there was an email trail to confirm this.

Mr Evens questioned which fund the item was purchased from to which Mr Gardiner confirmed the item had been paid for from the Cardiology fund. Members discussed this fund and whether it was a restricted or unrestricted fund. Mr Gardiner confirmed it was from a restricted fund.

Mr Evens questioned the payment of VAT for the item and stated his concerns relating to this. Mr Bonner questioned if the recovery of the VAT for this item could be made retrospectively. Mr Gardiner reported that the Trust was currently working with Ernst & Young (E&Y), the Trust's VAT advisors, to review all items and would expect to recover the VAT.

Ms Gorley reported that she would ensure the correct procedures were followed for future requests relating to phase 2 of the PCPI service.

Members retrospectively **approved** the purchase of the Intra-Aortic Balloon Pump excluding VAT.

Ms Gorley left the meeting

CF05/13 ANNUAL REPORT AND ACCOUNTS 2011/12

Mr Gardiner introduced Mrs Diane Bogg, Project Accountant, who had undertaken most of the work on the Charitable Funds Accounts. Mr Gardiner reported that members had seen the documentation at the last Charitable Funds Meeting and only some minor changes had been made to the report since that meeting. In relation to the Annual Report Mr Gardiner informed members that the document was of a higher quality than previous reports.

Mr Bonner and Mr Evens questioned the appointment dates in the Annual Report. The appointment dates were discussed and it was agreed that the 'to' date for Mr Little should be amended to 5 May 2016. Members discussed the need for dates to be included in the report. Mr Gardiner commented that it was good practice to do so.

Mr Bonner thought that the Scope Guide figure on page 10 of the report was incorrect. Ms Martlew confirmed that it was correct noting that the cost of £130k was for the purchase of two items.

Before approving the Accounts Members agreed to review the Annual Governance Report.

Action: Annual Report and Accounts 2011/12

1. The 'to' date for Mr Little to be amended to 5 May 2016 in the Annual Report.

CF06/13 ANNUAL GOVERNANCE REPORT

Ms Bellard joined the meeting.

Ms Martlew presented the Annual Governance Report and brought to the attention of members two items not included in the report.

Firstly, Gift Aid; the Trust should look into the possibility of implementing this as it would increase the value of public donations to the Trust. Mr Gardiner reported that this had been looked at following a discussion with Internal Audit and he was under the impression that it was being trialled. Mr Gardiner would look into this and report back.

Medical Equipment; to ensure all the equipment was on the Backtraq system even if it is purchased from Charitable Funds so that everything was 'joined up'. Mr Gardiner reported that there was no reason why the equipment was not on Backtraq but he would check and report back to the March meeting

Ms Martlew then addressed the key points in the report which were:

- Retrospective approval had been given for two items: scalp coolers and endoscope storage. Mr Shanahan confirmed that he had given approval for these items.
- Grant Thornton would be providing an unqualified opinion on the Trusts Charitable Funds financial statements. Ms Martlew thanked everyone for the work they had undertaken; the working papers had generally been of a high standard. Mr Evens expressed his appreciation of this and further thanked the finance department for the work undertaken.
- VAT exemption on items purchased. Members discussed this in depth as £14k had been confirmed as being identified with a further amount (not confirmed) where VAT had been paid on those items. Ms Bogg confirmed that E&Y had undertaken 2 reviews in relation to VAT zero rating and the Trust was waiting final confirmation from them. Members discussed whether this should be reported in the accounts and whether reclamation of the VAT from the companies would be possible. Mr Evens reported his concern that the Trust had allowed this to happen and that any VAT that had been paid for items should be paid for by the Trust and not charged to Charitable Funds as the error had been made by the Trust. Mr Bonner supported this view. Dr Dallas questioned if the Trust could do the work that E&Y are doing to which Mr Gardiner reported that the Trust could do the work but there were areas that specialist advice was required. Members further discussed the process in relation to the confirmed £14k/speculative £15k and how to take this forward in the accounts.

It was agreed that the Finance Department and External Audit be left to resolve the details by the 31 January 2013 to enable the Accounts to be finalised.

- Presentational amendments: Ms Martlew reported that these had been agreed with Mr Gardiner and Ms Bogg and all were correct. Mr Evens expressed his concern relating to the WCH adjustment. Members discussed this in detail and agreed that the unrealised / realised profit adjustment was correct.
- Charitable Fund Risk Register: Ms Martlew advised that it may be appropriate for the Trust to have its own Risk Register. Members discussed this and it was felt appropriate that the Risk Register remained as part of the Corporate Register as the Trust was the Corporate Trustee.
- Consolidation of NHS Charitable Funds and follow up from prior year's recommendations: Members discussed the process of moving the funds and Mr Gardiner reported that it was taking longer than expected to move the last of the funds. Mr Evens expressed his frustration that this was still happening as he had felt the funds should have been moved before now.
- Adjusted misstatements: these were detailed in appendix D.
- Unadjusted misstatements: amendments were now required and Mrs Bogg agreed to amend the accounts.

Members agreed to **approve** the accounts subject to the final adjustments being made.

Action: Annual Governance Report:

1. Mr Gardiner to report back on the use of Gift Aid within the Trust.
2. Mr Gardiner to check that all medical equipment purchased with Charitable Funds was on Backtraq system and report back at the March meeting.
3. In relation to the VAT payable on some items bought the Finance Department and Grant Thornton to agree the materiality's in relation to the Charitable Funds Annual Accounts
4. In relation to unadjusted misstatements; Ms Bogg agreed to amend the accounts

CF07/13

LETTER OF REPRESENTATION

Mr Gardiner informed members that following the discussions at the meeting today, the letter would have to be amended. Members agreed that Mr Shanahan would sign the letter of representation.

The document was **noted**

Action: Letter of Representation

Mr Gardiner to amend the Letter of Representation to reflect actions agreed at today's meeting.

Mr Shanahan to sign the amended Letter of Representation

CF08/13 ANY OTHER BUSINESS

Mr Bonner reported that the meeting with the Northumbrian Charitable Funds Chair was still to be arranged.

CF09/13 DATE AND TIME OF NEXT MEETING

12 March 2013 at 9.30am Boardroom CIC/Ante Room WCH

CHARITABLE FUNDS ACTION LIST JANUARY 2013

Minute Point Reference	Details of Action agreed	Action by whom	Timescale	Progress	Governance coding
JULY 2012					
CF27/12	Charitable Funds Report 1. Mr Boxall to be invited to the next Charitable Funds meeting.	Eric Gardiner	October 2012 Deferred to January 2013. Deferred to March 2013 meeting	Item deferred to the January meeting (to be arranged) to allow discussion to take place at the November meeting first. Ongoing – to be deferred to March meeting as January meeting to cover accounts only	
NOVEMBER 2012					
CF33/12	EAU Request for Funds: Future requests for funding to have the Charitable Funds that the requests would be taken from inserted in the reports.	Eric Gardiner	January 2013	Action Complete	
CF34/12	Scope Guide request for funds Mr Gardiner to discuss with the various fundholders and get agreement to use the funds	Eric Gardiner	March 2013	Ongoing, Mr Gardiner in discussion with	

	for the purchase of the two scopeguides.			Fundholders	
CF35/12	Purchase of RAPA system Finance to ensure that the IT testing had been completed and assurance given that the sytem worked with Trust systems before the funding was given for the purchase of the RAPA system	Eric Gardiner	March 2013		
CF38/12	TOR and Investment Policy: a. Mr Gardiner to amend the document to allow the credibility value to be lowered from £500k if necessary. b. The names of members to be removed from the Terms of Reference and only titles to be used. c. The governance document to report how members were invited onto the committee. d. The quoracy to be amended to read 2 Non Executives; one of which could be the Trust Chairman and 1 Executive Director e. The Chief Executive to be removed from the membership list.	Eric Gardiner	March 2013	Document amended – Action Complete	
		Eric Gardiner	March 2013	Document amended – Action Complete	
		Eric Gardiner	March 2013	Document amended – Action Complete	
		Eric Gardiner	March 2013	Document Amended - Action Complete	
CF39/12	: Charitable Funds Governance Action Plan a. The Charitable Funds Governance Action Plan to be brought back to the March meeting b. Mr Gardiner to look at what was discussed in a previous Trust Board session in relation to the CF Governance Action Plan. c. Mr Gardiner to bring a report to the March 2013 Charitable Funds meeting regarding	Eric Gardiner	March 2013		
		Eric Gardiner	March 2013		
		Eric Gardiner	March 2013		

	the alignment and merging of funds with NHFT				
CF40/12	Charitable Funds Report: Mr Gardiner to seek legal advice regarding the Ostle Legacy and the move of the funds from restricted to unrestricted.	Eric Gardiner	March 2013	Legal advice sought and the Trust is correct to have the Ostle funds as 'restricted' – Action Complete	
CF41/12	a. Mr Gardiner to amend the future plans section.	Eric Gardiner	January 2013	Document amended – Action Complete	
	b. Mr Gardiner to note that Mr Day will not be a Trust Non Executive Director after November 2012.	Eric Gardiner	January 2013	Document Amended – Action Complete	
January 2013					
CF05/13	Charitable Funds Accounts and Report The 'to' date for Mr Little to be amended to 5 May 2016 in the Annual Report.	Eric Gardiner	March 2013		
CF06/13	Annual Governance Report:				
	1. Mr Gardiner to report back on the use of Gift Aid within the Trust.	Eric Gardiner	March 2013		
	2. Mr Gardiner to check that all medical equipment purchased with Charitable Funds was on Backtraq and report back at the March meeting.	Eric Gardiner	March 2013		
	3. In relation to the VAT payable on some items bought the Finance Department and Grant Thornton to sort out the materiality's in relation to the Charitable Funds Annual Accounts	Eric Gardiner/ Gina Martlew	Immediate		
4. In relation to unadjusted misstatements; Ms	Diane Bogg	Immediate			

	Bogg agreed to amend the accounts				
CF07/13	Letter of Representation Mr Gardiner to make final amendments to the letter of representation following discussions at the meeting today.	Eric Gardiner	Immediate		