

Charitable Funds Committee Accounts Meeting

Tue 11 January 2022, 09:00 - 11:00

Microsoft Teams



Agenda

09:00 - 09:05 1. Preliminary Matters 5 min

1.1. Apologies for Absence

Verbal Chair

1.2. Declarations of Interest

Verbal Chair

09:05 - 09:25 2. Minutes of the Last Meeting & Action Log 20 min

2.1. 9:05-9:15 Draft Minutes of the meeting held on the 9th November 2021

Attachment Chair

2.1 Draft CFC Minutes 09.11.21 docx Approved KD1.pdf (6 pages)

2.2. 9:15-9:25 CFC Action Log

Attachment Chair

2.2 CFC Action Log January 2022 .pdf (4 pages)

09:25 - 10:45 3. Items for Approval 80 min

3.1. 9:25-9:45 Final Annual Accounts & Report 2020/2021

Attachment Estelle Evans

- 3.1 CFC Cover Report Annual Accounts Annual Report 2020-21.pdf (5 pages)
- 3.1a Charitable Funds Annual Report 2020-21 Final 29.12.21.pdf (34 pages)
- 3.1b.1 ABUHB Charitable Funds Accounts 2020-21 Final.pdf (1 pages)
- 3.1b.2 ABUHB Charitable Funds Accounts 2020-21 Final.pdf (1 pages)
- 3.1b.3 ABUHB Charitable Funds Accounts 2020-21 Final.pdf (1 pages)
- 3.1b.4 ABUHB Charitable Funds Accounts 2020-21 Final.pdf (1 pages)
- 3.1b.5 ABUHB Charitable Funds Accounts 2020-21 Final.pdf (1 pages)
- 3.1b.6 ABUHB Charitable Funds Accounts 2020-21 Final.pdf (1 pages)
- 3.1b.7 ABUHB Charitable Funds Accounts 2020-21 Final.pdf (1 pages)
- 3.1b.8 ABUHB Charitable Funds Accounts 2020-21 Final.pdf (1 pages)
- 3.1b.9 ABUHB Charitable Funds Accounts 2020-21 Final.pdf (1 pages)
- 3.1b.10 ABUHB Charitable Funds Accounts 2020-21 Final.pdf (1 pages)
- 3.1b.12 ABUHB Charitable Funds Accounts 2020-21 Final.pdf (1 pages)
- 3.1b.11 ABUHB Charitable Funds Accounts 2020-21 Final.pdf (1 pages)
- 3.1b.13 ABUHB Charitable Funds Accounts 2020-21 Final.pdf (1 pages)
- 3.1b.14 ABUHB Charitable Funds Accounts 2020-21 Final.pdf (1 pages)
- 3.1b.15 ABUHB Charitable Funds Accounts 2020-21 Final.pdf (1 pages)

-  3.1b.16 ABUHB Charitable Funds Accounts 2020-21 Final.pdf (1 pages)
-  3.1b.17 ABUHB Charitable Funds Accounts 2020-21 Final.pdf (1 pages)
-  3.1b.18 ABUHB Charitable Funds Accounts 2020-21 Final.pdf (1 pages)
-  3.1b.19 ABUHB Charitable Funds Accounts 2020-21 Final.pdf (1 pages)
-  3.1b.20 ABUHB Charitable Funds Accounts 2020-21 Final.pdf (1 pages)

3.2. 9.45-10.05 Audit Plan

Attachment *Audit Wales*

-  3.2 ABUHB 2021_Audit_Plan_Final.pdf (10 pages)

3.3. 10:05-10:25 ISA260 Report 2020/21

Attachment *Audit Wales*

-  3.3 2021-22_ABUHB ISA_260_Draft.pdf (28 pages)

3.4. 10:25-10:45 Reserves Policy

Attachment *Estelle Evans*

-  3.4 Reserves Policy-v7.pdf (5 pages)

10:45 - 10:55
10 min

4. Items for Information

4.1. 10:45-10:55 Administration Charges 21-22

Verbal *Estelle Evans*

10:55 - 11:00
5 min

5. Final Matters

5.1. 10:55-11:00 Any Other Business

Verbal *Chair*

11:00 - 11:00
0 min

6. Date of the Next Meeting is Tuesday 3rd March 2022 at 09:30am

Aneurin Bevan University Health Board

Draft Minutes of the Charitable Funds Committee held on Tuesday 3rd March 2020, 09:30am, in Conference Room 3, Health Board Headquarters, St Cadoc's Hospital, Caerleon

Present:

- | | |
|---------------|--|
| Katija Dew | - Independent Member (Chair) |
| Louise Wright | - Independent Member (Trade Union) |
| Rob Holcombe | - Interim Director of Finance, Procurement and VFM |

In Attendance:

- | | |
|------------------|---|
| Estelle Evans | - Head of Financial Services and Accounting |
| Alison Griffiths | - Charitable Funds/PPM Manager |
| Susan Gauntlett | - Assistant Head of Financial Services and Accounting |
| Bryony Codd | - Head of Corporate Governance |
| Heather Lamont | - Director, CCLA |
| Vanessa Bailey | - Clinical Lead, Veterans Service |

Apologies:

- | | |
|-----------------|---------------------------------|
| Glyn Jones | - Interim Chief Executive |
| Richard Howells | - Interim Board Secretary |
| Gwen Kohler | - Assistant Director of Finance |
| Keith Sutcliffe | - Associate Independent Member |

CFC 0911/01	Welcome and Introductions
	The Chair welcomed everyone to the meeting. Introductions were made and apologies were noted.
CFC 0911/02	Declarations of Interest
	There were no Declarations of Interest made relating to items on the agenda.
CFC 0911/03	Draft Minutes of the meeting held on 10th June 2021
	The minutes of the meeting held on 10 th June 2021, were agreed as a true and accurate record.

CFC 0911/04	<p>Action Sheet</p> <p>The actions from the meeting held on 10th June 2021, had been completed. It was noted that the Reserves Policy would be presented to the committee in January 2022.</p> <p>CFC 1006/12: Ratification of approved applications to NHS Charities Together (NHS CT) circulated between meetings: Estelle Evans confirmed that one bid had been withdrawn due to Welsh Government funding and 1 bid had not been accepted. Officers were in the process of submitting a revised bid regarding psychological support related to COVID. This would be circulated to the Committee once finalised.</p> <p>Committee members discussed the generation of ideas and bids.</p>
CFC 0911/05	<p>Administration Charges 21/22</p> <p>Estelle Evans explained that the cost of administering charitable funds is apportioned across all funds in order that normal revenue budgets are not used to subsidise the charity; and outlined the administration charges.</p> <p>The estimated Administration fee for 2021/22 was £130,214.</p> <p>The committee noted the administration charge for Charitable Funds. The committee is mindful that it is good practice to review the proportion of administration charges or overheads in relation to the funds granted. It requested further information regarding the increased costs relating to staff above the 3% pay rise. Action: Estelle Evans</p>
CFC 0911/06	<p>Future of 13 Clytha Square</p> <p>Estelle Evans explained that 13 Clytha Square, Newport was owned by the charity. Concerns had been raised regarding the condition of the property and the safety of Health Board staff working there both in and around the property, due to unsocial behaviour and vandalism in the area.</p> <p>The latest value of the property was £153k.</p> <p>The Committee discussed the options for the future of the building. It was noted that the building was owned by the Charity however, the ethos, values and methodology should</p>

	<p>be aligned to the Health Board and how it manages its estate and therefore connected to the Estates Strategy.</p> <p>It was agreed that a further report would be presented in January, to include:</p> <ul style="list-style-type: none"> • Service plan for the staff currently using the building • Potential use of the building by partners • Estimates of the sales value for the different options provided. • Costs of security if the property is empty <p>A further report would be presented for consideration at the January meeting. Action: Estelle Evans</p>
CFC 0911/07	<p>Funds Available and Bids to be considered by the Committee</p> <p>The Committee received and noted an overview of the funds available. It was brought to the attention of members that there was significant non-recurring funding available this year to support recovery and therefore, it was suggested that members considered, where appropriate, if standard NHS funding could be available from an alternative route to charitable funds this year. The Committee welcomed this as a way of maximising the Charity's funds.</p> <p>The committee reviewed the following bids:</p> <p>CFC-250 PH Manometry Equipment: It was noted that funding for this had been secured from an outside charity, the Nevill Hall Thrombosis and General Research Fund. However, due to the value of the bid (over £25k) Charitable Fund Committee approval is required in line with Charitable Fund procedures.</p> <p>Rob Holcombe highlighted the need to follow the repatriation policy if repatriating the service from Cardiff and Vale Health Board.</p> <p>The Committee supported this bid subject to assurance that the clinical governance and skills were in place to support.</p> <p>CGC-249 Children and Young People in COVID Recovery: The Chair highlighted that the Committee had agreed to receive bids up to £5k but this was £8k. It was confirmed that this related to COVID funding and not general funds.</p>

	<p>The Committee supported this bid subject to confirmation of whether this could be funded from recovery funding.</p> <p>CFC-251 Additional Hydration Bottles: The committee supported this bid, subject to confirmation that the correct number of staff were included.</p>
CFC 0911/08	<p>CFC Small Grants Scheme Estelle Evans provided an overview of the small grants scheme and examples of the bids received.</p> <p>The Committee discussed the use of charitable funds and core funding for some of the bids received.</p> <p>It was noted that this was an unusual year due to the non-recurring funding available. The Committee agreed the principle that bids received would be reviewed to determine in non-recurring funding could be used and move to that process. If that was not appropriate, bids would be submitted back to charitable funds. Also, if larger bids are received, the fund could top up or match fund.</p>
CFC 0911/09	<p>Finance Report for the Period Ending 30th September 2021 Estelle Evans presented the finance report for the period ending 30th September 2021. It was noted that the month 6 income was £322k.</p> <p>It was noted that the process for streamlining funds was being finalised.</p> <p>The Committee noted the report.</p>
CFC 0911/10	<p>Guidance on set up of new funds, change of use of restricted/unrestricted funds and streamlining funds Estelle Evans provided an update on the guidance developed, at the request of the Committee, to ensure clear and appropriate governance. The guidance includes:</p> <ul style="list-style-type: none"> • The process of moving funds from restricted to non-restricted. • The reallocation of funds that can no longer be designated for its original purpose. • Streamlining of funds following the opening of the Grange University Hospital.

	The Committee noted the guidance.
CFC 0911/11	<p>Arrears of Ground Lease and Update on Sale of Residential Ground Leases</p> <p>Arrears of Ground Lease: The Committee received and noted an update on an ongoing issue regarding the arrears of the freehold property.</p> <p>The Committee agreed the need to be responsible to the individual but also as custodians of the asset and again discussed the possible methods of support that could be extended possibly via third sector advice agencies such as Citizens Advice.</p> <p>Balancing the competing responsibilities, it was agreed that a charge against the property would be the most feasible option and the Collection Agency would be asked to explain this approach to the individual.</p> <p>Update on sale of residential ground leases: Estelle Evans explained that the Health Board had sold 100 freehold leases at the end of last year and have received notification from the buyer that 3 of the freeholds were no longer owned by the Health Board.</p> <p>On investigation these 3 freeholds had been sold by the Health Board previously with the last one sold in 2018. The buyer has sold one of the remaining 97 freeholds purchased. The Health Board made an initial offer of compensation but this has been rejected by the buyer.</p> <p>The Health Board has sought legal advice in relation to this issue and has offered a final settlement. If this offer is not accepted by 26.11.2021 at 4pm, the matter will be pursued through court.</p> <p>The Health Board have contacted the original solicitors to make them aware of a potential claim against the Health Board. It is expected that their insurers would be responsible for any associated court costs given that they failed to advise the Health Board that we no longer owned the 3 freeholds.</p>
CFC 0911/12	Mental Health Veterans Fund

	<p>Vanessa Bailey provided an overview of the Mental Health Veterans Service, a specialist service which sits alongside primary care.</p> <p>It was noted that there was an open referral service for individuals with military attributable mental health difficulties. No formal diagnosis was required.</p> <p>Vanessa Bailey outlined some of the service specific projects, such as funding secured for some outdoor space in Maindiff Court grounds. Also, starting to design virtual reality masks, for which there is a lot of evidence for anxiety and pain.</p> <p>The Committee thanked Vanessa for the update.</p>
CFC 0911/13	<p>Annual Presentation from our Investment Company (CCLA)</p> <p>The Committee received an overview of the portfolio holdings and how the fund had performed over the past 12 months.</p> <p>It was noted that investments were made through 2 pooled funds and Ethical Investment Fund and Property fund.</p> <p>It was highlighted that the total portfolio market value was £5,599,018 with a forecast annual income of £170,626 (3.05% yield).</p> <p>The Chair requested further information on the parameters for ethical funds and how these are updated. Heather Lamont outlined the investment approach and those areas excluded, such as tobacco, alcohol, coal etc. Other areas considered included good governance, risks with supply chains, driving change such as climate change, mental health at work, modern slavery etc.</p> <p>The Committee were assured by the presentation.</p>
CFC 0911/14	Date of Next Meeting
	Tuesday 11 th January 2022

Key: **Overdue**
Due
Not yet due
Complete
Transferred

Charitable Funds Committee
January 2022
Action Sheet

(The Action Sheet also includes actions agreed at previous meetings of the Charitable Funds Committee and are awaiting completion or are timetabled for future consideration for the Committee. These are shaded in the first section. When signed off by the Charitable Funds Committee these actions will be taken off the rolling action sheet.)

Action Ref	Action Description	Due date	Lead	Progress	Status
	For the future the Chair requested it would be helpful to include feedback from the family members of legacy donors and a follow-up on the use of the funding received.		Mark Ross	With all legacies, the solicitors and Executors are asked if there are any family members to be thanked and also if they wish to be informed on how the money is spent. Of the 100 plus legacies we have received, only a few have contacted us as often there is no family or families may be upset as they have been excluded from the will. Feedback will be included if information is available.	In progress
CFC 1006/06	Revised Terms of Reference The Committee requested any future changes to the Terms of Reference presented to the Committee showed as "tracked changes" to highlight the amendments.		Richard Howells	Noted.	Not yet due
CFC 1006/09	CCLA Investment Management Contract extension		Mark Ross	To be included in 22/23 Work plan (Agenda March 22) for action July 22.	Not yet due

	9 months prior to the expiry date a tendering process will be undertaken to secure an alternative investment management contract. The process to be added to the Committee's work plan.				
CFC 1006/12	<p>Ratification of approved applications to NHS Charities Together (NHS CT) circulated between meetings</p> <p>The Committee noted the outcome of the bids was unknown and contact will be made if no response received.</p>		Estelle Evans	<p>Despite having our Stage 2 grant proposal for Meaningful Activities approved by NHS CT, our application was declined as the bid was too hospital based and did not demonstrate the financial partnership with nursing homes as they expected.</p> <p>With regards to the Post COVID Recovery Stage 3 grant, Welsh Government funding has now been made available for this. The requestor would like to explore the continuation of this work after April 2022 adapting their bid but NHS CT have said they will not support this.</p> <p>An engagement workshop hosted by Tanya Strange took place on 15th October to put together another application against the available NHS grant allocation for COVID recovery wellbeing psychological support – cancer and other services. This is being discussed with NHS CT before submitting for approval.</p>	In progress

CFC 1006/14	Funds Available to the Committee A joint communication statement on the change of approach to be developed		Mark Ross		
CFC 0911/05	Administration Charges 21/22 The committee noted the administration charge for Charitable Funds. The committee is mindful that it is good practice to review the proportion of administration charges or overheads in relation to the funds granted. It requested further information regarding the increased costs relating to staff above the 3% pay rise.		Estelle Evans	The increase in costs was over the 3% pay rise stated in the report. The additional increase was due to the one-off bonus payment for all NHS staff. This has now been deducted from the admin charge as it was funded by Welsh Government.	
CFC 0911/06	Future of 13 Clytha Square It was agreed that a further report would be presented in January, to include: <ul style="list-style-type: none"> • Service plan for the staff currently using the building • Potential use of the building by partners • Estimates of the sales value for the different options provided. • Costs of security if the property is empty 	Jan 2022	Estelle Evans	Shared Services Specialist Estate Services have been contacted and they are enlisting Savills to undertake a valuation - Defer to March 22 meeting. Added to FWP- as per email request from Estelle Evans and agreement from Katija Dew- item deferred until March 2022- added to FWP	Not yet due



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University Health Board

Charitable Funds Committee
11 January 2022
Agenda Item: 3.1

Charitable Funds Committee

Annual Accounts & Annual Report 2020-201

Executive Summary

This report presents the following:

- Annual Accounts for 2020/21
- Annual Report for 2020/21

The Charitable Funds Committee is asked to note this report and to approve the Annual Accounts and Annual Report of the charity for 2020/21.

The audit process is complete and Audit Wales intend to issue an unqualified audit opinion on the accounts following approval of the accounts by the Board as corporate trustee.

The Committee is asked to: (please tick as appropriate)

Approve the Report	✓
Discuss and Provide Views	✓
Receive the Report for Assurance/Compliance	✓
Note the Report for Information Only	

Executive Sponsor: Robert Holcombe, Interim Director of Finance & Procurement

Report Author: Estelle Evans, Head of Financial Services & Accounting

Report Received consideration and supported by:

Executive Team	x	Committee of the Board	Charitable Funds Committee
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Date of the Report: 21st December 2021

Supplementary Papers Attached: Annual Accounts & Annual Report

Purpose of the Report

This report gives an overview of the draft Annual Accounts and Annual Report for the year ending 31 March 2020 for Aneurin Bevan University Health Board Charitable Fund and Other Related Charities and highlights the key issues that are contained in the accounts.

Background and Context

1. Background

Aneurin Bevan University Health Board, as corporate trustee of its charitable funds, is required to file accounts for the year ended 31 March 2021 with the Charities Commission before 31 January 2022. The accounts and annual report are attached and have been subject to external audit by Audit Wales. The audit process is complete and Audit Wales is expected to issue an unqualified audit opinion on the accounts following approval of the accounts by the Board as corporate trustee.

Following completion of the draft accounts, Audit Wales identified a number of minor amendments and recommendations which are reflected in these final accounts and detailed in the attached Audit Wales report.

2. Key Issues

2.1 Annual Accounts

The detailed accounts are shown at Appendix 1 and the following are key points to note from the accounts for 2020/21:

Statement of Financial Activities for year ended 31 March 2021: (Page 2 of Accounts)

Income from Donations, Legacies and Grants has increased by £371K from the previous year to £903K due to an increase in donations & grant income. There were 8 new legacies and 8 grant payments received in the year.

Investment Income (Note 7, Page 9 of Accounts)

Investment income has decreased by £7K from the previous year to £181K due to a reduction in rental income and income on investments.

Expenditure (Page 2 of Accounts and Notes 8 & 9, Page 10 of Accounts)

Expenditure has increased by £154K. The main increase in spend relates to patient & staff education & welfare.

The net impact of income and expenditure is a reduction in funds of £70k before investment gains. (Page 2 of Accounts)

Gains on Investment Assets (Page 2 of Accounts)

During the year there has been a net gain of £671K on investments which is mainly with CCLA reflecting stock market increases on underlying investments partially offset by a small loss made on the disposal of part of the TP Price estate.

The net movement in funds for the year is therefore an increase of £601K. (Page 2 of Accounts)

Balance Sheet as at 31 March 2021 (Page 3 of Accounts)

Net assets / liabilities have increased by £601K reflecting the increase in funds during in the year. The main movement in the balance sheet mainly consists of an increase in the value of the CCLA investments. The balances sheet movements are as follows:

	£000
Investments	643
Increase in Cash Balances	109
Decrease in Debtor Balances	-45
Increase in Creditor Balances	-106
Total	601

The following table gives a more detailed breakdown of fixed assets (Note 16, Page 13 of Accounts):

	Balance 1 Apr 2020 £000	Disposals £000	Realised Gains / (Losses) £000	Unrealised Gains / (Losses) £000	Balance 31 Mar 2021 £000
Fixed Asset Investments					
Investments					
CCLA	4,331	-	-	673	5,004
	4,331	-	-	673	5,004
Property					
13 Clytha Square	153	-	-		153
TP Price - Newport / Six Bells	48	- 28	-	- 2	18
TP Price - Strip of land Oakdale	50	-	-	-	50
	251	- 28	-	- 2	221
Other					
Painting	25	-	-	-	25
Total per Note 16 of the Accounts	4,607	- 28	-	671	5,250

Cash Balances (Note 18, Page 14 of Accounts)

Cash at 31 March 2021 totalled £238K as follows:

	£000
Nat West Current Account	216
Santander Bonus Account	21
Petty Cash	1
Total	238

2.2 Annual Report

The Trustees Annual Report is shown at Appendix 2 and has been subject to audit by Audit Wales in conjunction with the Annual Accounts.

3 Next Stages and Actions

The Annual Accounts and Annual Report audit has been completed, and they will be presented to the Board for approval on 26th January 2022.

The final step will be to file the Annual Accounts and the Annual Report with the Charity Commission before the 31st January deadline, and the accounts and annual report will then be available on the Charity Commission website.

Assessment and Conclusion

This report presents the Annual Accounts and Annual Report of the charity for 2020/21.

Recommendation

The Charitable Funds Committee is asked to note this report and to approve the Annual Accounts and Annual Report of the charity for 2020/21.

Supporting Assessment and Additional Information	
Risk Assessment (including links to Risk Register)	<i>Sound reporting of the charity’s financial position helps ensure good financial management of the charity and reduces financial risk. The charity’s reputation would be adversely affected if the accounts audit do not carry an unqualified audit opinion.</i>
Financial Assessment	<i>The charity finances show a similar position in terms of income and expenditure and net assets to previous periods and does not present any significant risks at this time.</i>
Quality, Safety and Patient Experience Assessment	<i>The ability of the charity to support donations to the NHS in Gwent help deliver an improved patient experience.</i>
Equality and Diversity Impact Assessment (including child impact assessment)	<i>No impact.</i>
Health and Care Standards	<i>No impact</i>
Link to Integrated Medium Term Plan/Corporate Objectives	<i>Indirect link in as much as some purchases made through the charity could reduce pressure on the capital and revenue financial pressures of the main Health Board.</i>
The Well-being of Future Generations (Wales) Act 2015 – 5 ways of working	<i>No impact</i>
Glossary of New Terms	



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Aneurin Bevan
University Health Board

Aneurin Bevan University Local Health Board Charitable Fund and Other Related Charities

Trustee's Annual Report and Accounts 2020-2021

Registered Charity No: 1098728





Aneurin Bevan Health Charity

About Us

We receive monies given to Aneurin Bevan University Local Health Board from grateful patients, their loved ones and the wider community; thanking us for the NHS care and treatment we provide.

We are here **because of you.**

Introduction

On behalf of the corporate trustee we present the Aneurin Bevan University Local Health Board Charitable Fund and Other Related Charities Annual Report together with the audited financial accounts for the year ended 31st March 2021.

Thank you

We have been truly overwhelmed by your generosity in what has been a tough year for all of us. Your donations have helped us improve the care and treatment our patients received and supported our staff to deliver exceptional healthcare.

As a reminder of all that we have achieved, please see the snapshot of the year below which was only made possible because of you!

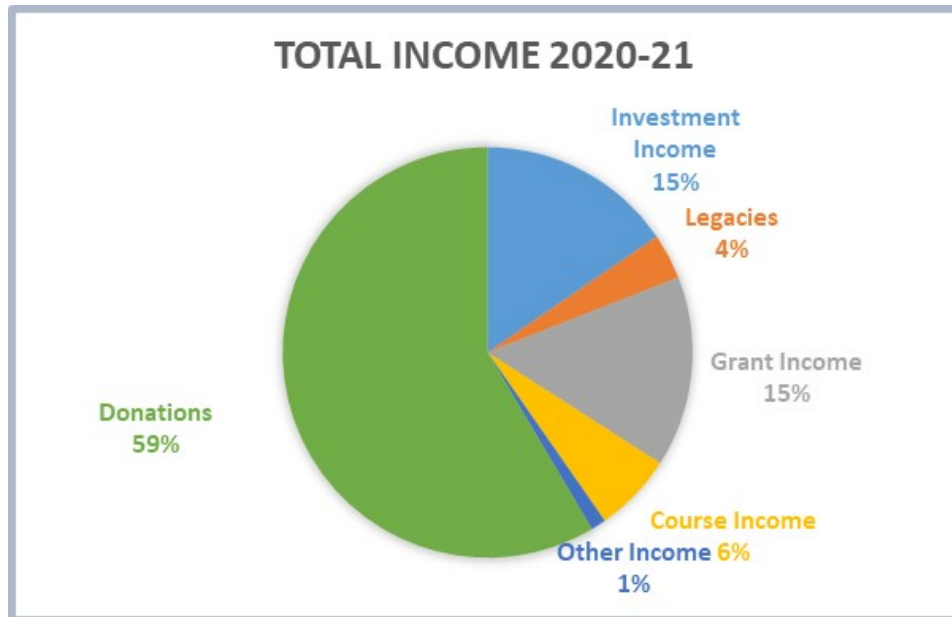


*Katija Dew, Chair
Charitable Funds Committee*

Snapshot of 2020-21

INCOME – How we received our money

This year we received £1,171,000



Donations £685,000

The donations we received is thanks to the generosity of patients, their relatives and friends in recognition of the care and treatment received from Aneurin Bevan University Local Health Board.

This year we were overwhelmed by the amount of donations we received in response to the pandemic.

Courses and Other Income £87,000

We received £87,000 from course fees and sponsorship. These are run mainly through our Postgraduate department.

Income from Investments £181,000

We received £181,000 from our investment portfolio.

Legacies £42,000

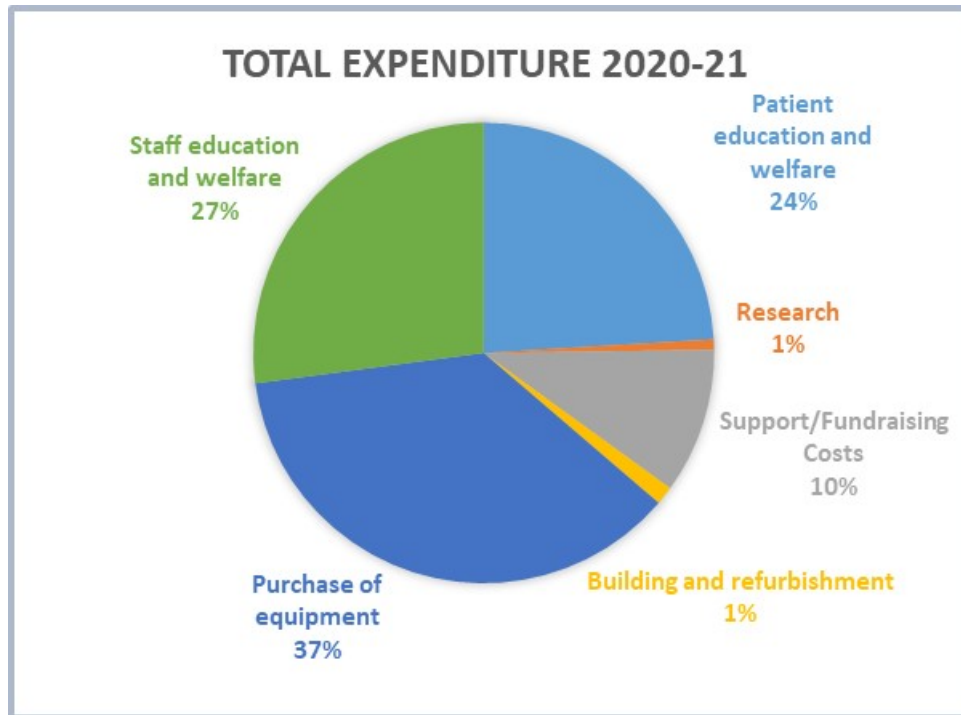
We received eight legacies totalling £42,000. We are extremely grateful to those individuals who have had the generosity to leave a gift to us in their will.

Grant Income £176,000

We received £176,000 from external organisations to fund specific schemes / projects. Some of this funding was received from NHS Charities Together – monies raised by Captain Sir Tom Moore.

EXPENDITURE – How we spent our money

This year we spent £1,241,000



Patient Education and Welfare £299,000

This year we used this money for several new services including:

- An analyst to co-ordinate a pilot scheme to collect and record Patient Reported Experience Measures (PREMs) to improve patient experience
- A Clinical Skills Trainer and Volunteer Co-ordinator to set up an End of Life Companion service to that trained volunteers can sit with patients who may be at risk of dying alone.
- The expansion of the Robins services, who assist patients with menu choices on the wards, mealtime support, contributing to their wellbeing and dignity, to Nevill Hall Hospital and the Grange University Hospital, providing an equitable service across our hospitals.

Building and Refurbishment £16,000

We spent this on improving the environment, improving storage and making better use of our rooms for our staff, patients and their relatives in order to make their stay more comfortable.

Research £9,000

To pay for the cost of analysing samples for a research study into the metabolic response to a rice base meal as assessed by varying substances, in obese children.

Staff Education and Welfare £335,000

A large portion of this was spent on additional support for our Employee Well-being Service.

Prior to the pandemic a bid was approved to enhance our Well-being Service with additional counsellors and the provision of a "star worker" or assistant psychologist to allow the service to develop innovative "in reach" work to help access and educate groups of staff that tend not to seek help.

With our emphasis on supporting both individuals and teams to recover, adapt and sustain themselves during the Covid-19 pandemic funds were released from our Covid funds to employ additional psychologists to provide effective and evidence based psychological support and interventions for stressed staff during what has been a time of unprecedented personal and professional challenge.

We have also continued to support training where it has been possible and purchased educational materials to develop our staff.

Support Costs £127,000

This covers the cost of the Charitable Funds Team, Corporate support and auditor fee in administering the funds.

Equipment £455,000

Because of you, we have been able to purchase numerous items of much needed equipment for various wards and departments across the Health Board.

This includes numerous tablets purchased from Covid funds to enable patients and families to maintain contact whilst there are visiting restrictions across our wards. Sadly, they have also been needed for patients and families to say goodbye where families are unable to be with them at the end of their life.

A list of key purchases follows.

- **Bladder scanners for the Paediatric department and Monmouth Community Nurses**

Bladder scanners are portable, handheld ultrasound devices which can perform quick, easy and non-invasive scans of the bladder and is painless for the patient. It can be used to help identify bladder distension, causes of urinary frequency and bladder irritability and is useful assisting with accurate assessments of hydration status. The purchase of these additional bladder scanners has enabled the nursing staff to use them at the patient's bedside which is beneficial to both patients and staff.



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- **Magic Table for Cedar Parc Ward, Ysbyty Tri Chwm**



After seeing a Magic Table purchased from charitable funds last year for Sycamore Ward at St Woolos Hospital, staff at Cedar Parc ward applied to our Charitable Funds Committee to request funding to purchase one for their own patients.

The Magic Table consists of a series of light animations that can be projected onto any table. The lights respond to hand and arm movements, allowing people to play with light, which is truly magical. The Magic Table also creates treasured moments with family members and carers. These games are all about enjoyment, wonder and are matched to older adults with Dementia current physical and cognitive needs.

- **8 Cots, Paediatrics, Grange University Hospital**



We purchased 8 new cots for the Paediatric ward at the new Grange University Hospital. The cots have door section in the side rail, integrated IV poles and features a teddy bear design.

- **Cardiopulmonary Exercise Testing (CPET) machine**

This allows a non-invasive method to assess the patients' physiological response to exercise. The utility of this test is increasingly recognised as the gold standard diagnostic modality in patients with unexplained breathlessness. It frequently yields a diagnosis in a single visit, enabling referral to therapies and rapid discharge from outpatient services and also forgoes the need for further respiratory and cardiac tests including full lung function, cross-sectional radiology, echocardiography, stress echo and coronary angiography.

Furthermore, it enables both cardiologists and respiratory physicians to diagnose patients with challenging symptoms without the need for cross-specialty referrals. Without this valuable diagnostic test, such patients are often subjected to a barrage of the aforementioned tests, multiple follow up appointments within cardiac and respiratory services and cross-specialty referrals which is an inefficient and costly use of resources and often still fails to give the patient an explanation for their symptoms.

- **3 x Clinell UV-360 Room Sanitiser**

Alongside emerging organisms such as Covid-19, healthcare associated infections pose a serious risk to patients, staff and visitors and conventional methods of cleaning are not always adequate to reduce the risk of transmission to an acceptable level. Infection prevention and control is a key area for the Health Board and UV cleaning is an innovative solution which can assist in reducing infections.

We purchased three of these ultraviolet automated room decontamination systems, one each for Nevill Hall Hospital, Royal Gwent Hospital and the Grange University Hospital.



Because of you

....we are able to support students to become doctors

One of our funds, the Care Fund Project, looks at innovative ways to encourage and train individuals with the potential to become qualified doctors in the hope that this leads to them becoming doctors within the Health Board locality. This is done by:

- supporting them through a programme of mentoring and financial support and
- working closely with education providers to explore any opportunities that could increase the number of doctors qualifying from our local population.

This year in partnership with the Shaw Foundation and Nevill Hall and Thrombosis and General Research Fund we supported three students at Cardiff University.

Please view their comments below:

I would just like to express how extremely grateful I am, not only for the support I have been given but that you have given up your valuable time to meet me and listen to my story. I cannot begin to explain how much all of your kind words have motivated me from the interview and given me an extra sense of confidence and determination to succeed. I am so thankful for the financial support that has been awarded to me. Not only will I now have more time to study without worrying about tuition costs, but I feel I will have more time to be a student and spend with my family. Since the meeting, I have received my results and am progressing into third year in September. I look forward to keeping in touch and updating you with my journey through medicine!

It has genuinely been a huge help through my first term as a university student. The laptop has made online learning a breeze. I have been able to totally focus on studies with no financial stress and I have achieved lots this term. As I learn more the course becomes even more enjoyable, it is the best thing I have done and has been made all the better by the help provided.

The opportunities this will provide me with in the following academic year will help to secure my future as an aspiring Doctor and I cannot thank you enough. The cost of living and the additional expenses of a university course, such as transport, is something I had not considered in much detail before applying to Medical school. Subsequently, it has been a small burden in my first two years of study and the support from the Care Fund will alleviate this burden, allowing me to focus on my studies and not have to worry about working on the side to get by. I hope to keep you informed of my progression through University life and my Medical career.

Because of you

....we were able to trial Patient Reported Experience Measures

We provided an analyst for one year to co-ordinate a pilot programme, where our Person Centred Care and Partnership team tested the national Patient Reported Experience Measures (PREMs) across all hospital wards.



The Patients' perceptions of their health and experiences are key to providing excellent patient-centered care and allows clinicians to consider what needs to change and advance the patient experience and quality agenda.

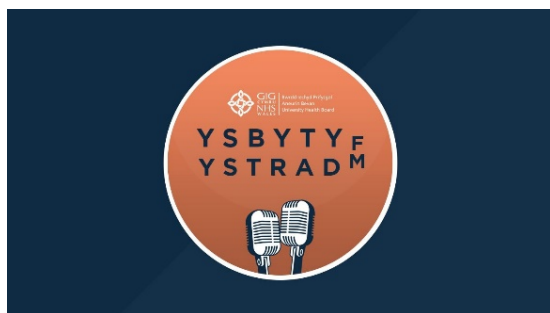


Each test site allowed us to have face to face discussions with patients and families, reflect on those discussions and amend the questions we were asking before agreeing the most appropriate reportable outcomes and digital platform.

This post significantly supported the testing and roll out of PREMs, assisting pilot site areas, preparing an analysis of results and contributing to a digital platform model going forward. The feedback is used to improve the experience of patients, relatives and staff which is critical to excellence in health care.

We are hopeful that by the end of the project we will have robust questions to allow importing onto a digital platform that will allow for 'Ward to Board' real time reporting.

....we are able to provide a radio service



A new, innovative, on-demand hospital radio service launched at Ysbyty Ystrad Fawr, to help combat loneliness, boredom and the feeling of isolation that some patients face when staying in hospital, something that has been emphasised during the Coronavirus pandemic.

YYFM can be accessed by patients at the hospital by visiting itsyyfm.com on their own device(s), or by using one of the tablets available to them. Visitors and those outside of the hospital can also access the service on their own device(s) by visiting the same website.

....we are able to provide End of Life Companions

The End of Life Companion Service, managed through the Person Centred Care Team, provides trained Volunteer Companions to sit with patients who may be at risk of dying alone.

Charitable funds have been used to pay for a Clinical Skills Trainer and a Volunteer Co-ordinator for this service.

"Guess it's time for me to say goodbye to you now"

At a time when hospital visits were restricted, one of our End of Life Companions was able to visit a gentleman in the Grange University Hospital where, as well as providing him with company she also supported him in making contact with his loved ones.

The patient was very keen to speak to his wife so the Companion offered to call her but unfortunately her hearing was not good and it was agreed by her and her husband that the son could be contacted to assist them in having a video call. Half an hour later the son had arrived at his parent's home allowing the Companion to make the connection.



The Companion was not, however, expecting this to be a 'goodbye' call. He said to his wife and son *'I guess it's time for me to say goodbye to you now'*, explaining to them both that he had decided he was not well enough to undergo the necessary surgery for his condition and therefore his time left was coming to an end. Fortunately, he was later transferred to a palliative care bed at a hospital closer to his home where his wife was then able to visit him.

The patient was hugely grateful to the Companion for making this emotional call possible because it was so important – it was what mattered to him at that moment. Our team were at hand to provide support to our volunteer.

Because of you

....we are able to make digital stories

Sharing personal stories is one of the most powerful means we have to influence, teach, and inspire each other. To collectively understand the impact of the nosocomial and wider pandemic concerns, it is helpful to bring presenting issues to life, through sharing experiences...

There are many powerful and inspiring staff stories that reflect the successes of the pandemic management and because people generally identify so closely with stories, we hope the digital stories will encourage staff to think about how they would have felt and acted in similar circumstances, encouraging reflection on their own practice and affecting positive change.

There are a number of NHS staff who have experienced the devastating effects of Covid-19. For example, some have contracted the virus and needed mechanical ventilation, some have been unable to visit relatives in hospital and some staff have lost family members, not being with them when they were dying, as visiting restrictions at that time did not allow it.

We will share a range of staff stories to convey the culture and values that unite people in a way that briefings, emails, facts and figures can't portray.

Graham's Story is the first of these. It is real, very sad and hugely impactful. Told by his daughter in law, and our colleague Claire. Graham's story offers us all a real insight into the evolution of a lived experience, both for Graham and those he has sadly left behind.

This is Graham.

At the start of the Pandemic, Graham was self-isolating with his daughter. Graham fell and was admitted to hospital. He never came home.



Graham was father, father-in-law, a brother, a cousin, grandfather, great grandfather and friend to many people. He was a retired chemist, he was an expert in his field, a lover of sport, particularly rugby and cricket and a very proud Welshman. His family meant everything to him

his family.

Graham lived with one of his daughters and when lockdown started in early March, both of them started to self-isolate, just to keep him free

from the risk of Covid. Unfortunately this didn't stop him from falling. And on the 28th March he ended up in hospital where they confirmed he had sustained a fracture.

The family were obviously anxious about him being in a hospital and kept in close touch with the ward staff making it clear they would like him to come home as soon as it was appropriate for him. It was agreed that he would hopefully be discharged later on that week and plans were made at home to keep his environment safe for him, moving furniture, moving his room around, stuff like that. His condition did not improve as quickly as we had hoped and he developed pneumonia and a few days later on the 11th of April, we had the news that we had been dreading. He tested positive for Covid.

During the period of his hospital stay, we had not been able to visit due to the visiting guidelines in place at the time. Then we had this news, and then we were afraid that we would never see him again. That fear became a reality when a few days later, on April the 15th, we were informed that he had died.

During the time of his hospital stay, the ward had kept us updated daily on his condition. Usually at times like this, as the nurse in the family I am the one who can advise, explain, reassure, but this time I was floundering. As a nurse, I know why no-one could visit and why the restrictions were so severe but as his daughter-in-law, the wife of his son, the mother of his grandchildren, I struggled with this. This generous hearted, funny, clever, loving man who had given so much to his family and friends had to be alone during his three week hospital stay and he had to be alone when he died. As a family, we were and are so very sad. Words simply can't express it.

I've reflected on how Graham would have felt whilst he was on the ward. He would have really appreciated what all the staff did for him. And he was comfortable. But he was hard of hearing and I know he would have found it hard to hear people through their PPE. He would have possibly found it all a little bit confusing too.

Graham was very proud of the fact that I was a nurse and he held the NHS in high regard. So with this in mind, I urge all staff to remember to protect every single one of us by maintaining the high standards of infection control, PPE and social distancing, both in work and in our social lives. We weren't able to have the funeral that he deserved. So now we look forward to a moment when his family and friends can be together and remember and celebrate this very special man. Graham.

Because of you

....we were able to help in the response to Covid-19



We have been completely overwhelmed by all the support, donations and generosity from companies, organisations and individuals, from children to the elderly since the start of the Covid-19 pandemic.

From people sewing scrubs and making masks, to donating car seat covers, food and Easter eggs for frontline staff. We have received £578k in donations and grants, along with hundreds of photos, videos and pictures which have been sent to us by children and families who have painted rainbows, created signs, written poems and sung songs of support to boost the morale of all our staff across the Health Board, not one goes unnoticed.



We are so proud of the way our staff have responded positively to the challenges of Covid-19. The generosity of support from the public and businesses across our Health Board area has been overwhelming and we would like to express our gratitude to everyone, your support means a lot to all our staff during this challenging time.

*Judith Paget CBE
Chief Executive*

Thank You

We wish to thank our **wonderful staff** for their commitment and dedication every day.

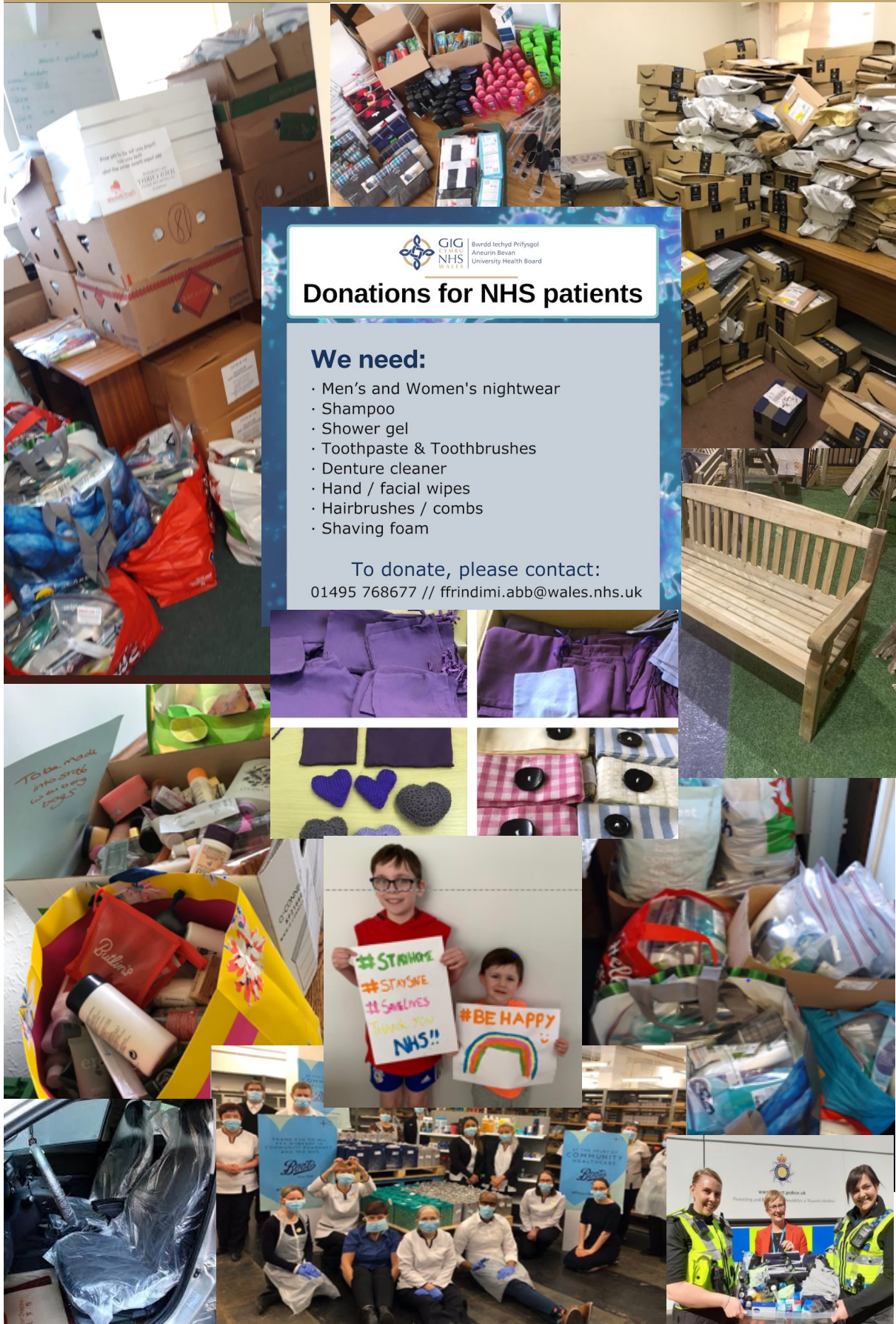
We wish to thank our **communities** for supporting us in these challenging times.

We are all in this together.

#StaySafe #ProtectOurNHS

Because of you

...we received all these donations in kind



Because of you

....we received grants and donations for Covid-19



Grants:

As a member of NHS Charities Together, we have received £232k in grants from their Covid-19 Appeal from the £33 million raised by **Captain Sir Tom**

to support our patients and staff during the pandemic. Some of this funding has been deferred to match spend in future years.

**NHS CHARITIES
TOGETHER**



Donations:

A separate charitable fund was set up to manage the donations received, alongside a Just Giving page to allow people to donate money online. We also received donations of goods such as I-Pads, phones, nightwear, toiletries etc.

Expenditure: A process was determined for requests against these funds to ensure it is specifically related to Covid-19, complies with charitable funds policy and procedures and fits within the purpose of the Covid-19 Funds.

To date, £413k has been spent with commitments of £178k against the remaining donations and grants. Details of the spend is shown throughout this report.

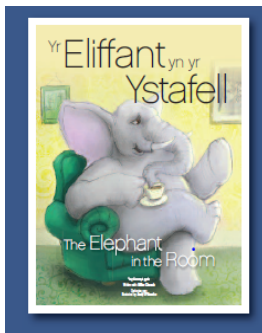
Because of you

....we were able to provide the following from Covid funds



55 "**Trees of Hope**" were placed at various sites across the Health Board for patients, staff and the public to place their messages of hope.

Childrens activity packs to occupy more of their time while visiting restrictions are in place.



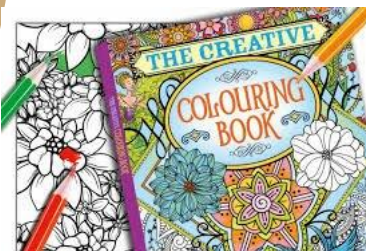
1,500 **Elephant in the Room books** purchased to support children who may be bereaved

Picnic Benches placed in our hospital grounds to allow staff to have somewhere pleasant to sit and take much needed breaks outside.



60 Radios and 60 CD players to entertain patients whilst unable to receive visitors, especially where patients are in single rooms

Hearing device to attach to the hearing aids of a member of staff which acts as a microphone to enable better communication as they are no longer able to lip read due to use of masks for both patients and staff.



Ward based activities e.g. adult colouring books, games

Walkie Talkies for staff to communicate with patients.

Because of you

....we were able to provide "Project Wingman"



Bwrdd Iechyd Prifysgol
Aneurin Bevan
University Health Board



First Class service for NHS staff

Friday 10th July

8:30am – 4pm

St Cadoc's Hospital Training Room 1

To say 'thank you' to staff for all your hard work!

Pop into the Project Wingman Lounge and allow the Airline Crew to help you relax and unwind with free tea, coffee and goodies

Further days/times will be available on a weekly basis dependent on demand for the service – keep an eye on emails/social media for updates



The Project Wingman lounge was run by furloughed airline crews who have the expertise to deliver a first class experience and was open to any member of staff/volunteer wishing to enjoy refreshments in a relaxing environment.

Training Room 1 at St Cadocs was converted into a First Class lounge where staff and volunteers were encouraged to call in before or after their shift, during a break or on their days off where the airline crews were available to service them with free teas, coffees, cakes and goodies.

....we were able to provide additional switchboard support

Visiting to our hospitals has been restricted to stop the spread of Covid-19 and as a result there has been an increase in the volume of calls placed to the Health Board's switchboard by patients' relatives and friends, enquiring about the patient's health and wellbeing. In most cases this is the only way that relatives can obtain this information that they are so desperate to receive.

An additional telephone switchboard operator working at pressure times was identified to alleviate some of these issues.

Because of you

....words cannot express our thanks

We are so grateful for the ultra violet light which allowed us to move patient equipment into the Grange University Hospital timely and safely from the Royal Gwent and Nevill Hall, as the turnaround time is much quicker than other high level disinfectants. In addition to the move the machines have been utilised daily providing us with assurance of a higher level decontamination for the management of covid, reducing the risk to our patients and staff. Thank you.

Lead Infection Control Nurse

We would like to say a **huge Thank You** to **Charitable Funds** for their kind donation of 28 high back chairs to Bedwas Ward at Ysbyty Ystrad Fawr.

This equipment was **essential for our patients** and the staff are very grateful for this.

Thank you so much.

Bedwas Ward - April 2020



People are so kind.
Wonderful donation of
purple hearts, drawstring
bags and cotton ear
protectors.

**Thank You
So
Much**

Fundraising and the new Breast Care Unit



of you will be aware that the Health Board launched a fundraising campaign to raise funds to improve the quality and services for breast cancer patients and provide the best possible environment for patients attending the new unit.

The fundraising target is in reach but Covid-19 restrictions have had a direct impact on our ability to fundraise as it has not been possible to hold fundraising events.

Raffles across the Health Board have been cancelled until further notice to reduce the risk of Covid-19 transmission following advice from Infection Prevention & Control.

We need your help in supporting this Appeal and there are a number of upcoming events you can get involved in, please see the information on the link below:

<https://www.turnabuhbpink.org/>



Opening of the Grange University Hospital

Opening of Grange University Hospital and Clinical Futures

After 16 years of planning, - The Grange University Hospital officially opened on Tuesday 17th November 2020, 4 months earlier than originally planned.

This new first class purpose built centre will revolutionise healthcare in Gwent bringing our Clinical Futures strategy to life; delivering most care close to home; creating a network of local hospitals; providing routine diagnostic and treatment services and centralising specialist and critical care services in a purpose built centre.

Our charitable funds are being amended to reflect these changes.

The Charitable Funds Team



Alison Griffiths – Charitable Funds Manager



Linda Proudman – Charitable Funds Officer



Wendy Keyte – Charitable Funds Officer



Sue Turley – Charitable Funds Officer

With visits to hospitals restricted and internal conferences cancelled, the Charitable Funds Team will continue to promote charitable funds across the Health Board albeit in a new way of working with visits replaced by Teams calls.

Charity Governance, Audit and Finance

1. Reference and Administrative Details

Charity Name: Aneurin Bevan University Local Health Board Charitable Fund and Other Related Charities

Charity Working Name: Aneurin Bevan Health Charity

Registered Charity No: 1098728

Address of Charity: Headquarters
St Cadoc's Hospital
Lodge Road
Caerleon
Newport
NP18 3XQ

Administration of the Charitable Funds:

The accounting records and the day to day administration of the funds are undertaken by:

Charitable Funds Section
Corporate Finance Department
Aneurin Bevan University Local Health Board
Block C, Mamhilad House
Mamhilad Park Estate
Pontypool, Torfaen
South Wales NP4 0YP

Tel No: 01495 765431

E-mail: Charitable.funds.ABB@wales.nhs.uk

Professional Advisors:

Bankers: National Westminster Bank PLC
Government Banking Parklands
De Havilland Way
Horwich
Boulton
BL6 4YU

Santander
Customer Services Centre
Bootle
Merseyside
L30 4GB

Investment Managers:	CCLA Investment Management Limited Senator House 85 Queen Victoria Street London EC4V 4ET
External Auditors:	The Auditor General for Wales 24 Cathedral Road Cardiff CF11 9LJ
Internal Auditors:	NHS Wales Shared Services Partnership Audit & Assurance Services 4-5 Charnwood Court Heol Billingsley Parc Nantgarw Cardiff CF15 7QZ
VAT Advisor:	Ernst & Young LLP The Paragon Counterslip Bristol BS1 6BX
Legal advice for TP Price Estate:	Jacklyn Dawson Solicitors Equity Chambers John Frost Square Newport South Wales NP20 1PW
Estate Management TP Price Estate:	NHS Wales Shared Services Partnership for Specialist Estate Services 3 rd Floor, Companies House Crown Way Cardiff Savills 2 Kingsway Cardiff CF10 3FD
Valuations for 13 Clytha Square:	The District Valuer District Valuer Services Ty Rhodfa Ty Glas Road Llanishen

Cardiff
CF14 5GR

Valuations for Painting: Bonhams
7-8 Park Place
Cardiff
CF10 3DP

2. Structure, Governance and Management of Charitable Funds

Objects of the Charity

The objects of the charity are as follows:

The trustees shall hold the trust funds upon trust to apply income and at their discretion, so far as permissible, capital, for any charitable purpose or purposes relating to the National Health Service.

The corporate trustee is Aneurin Bevan University Local Health Board. The executive directors and independent members of the Board share the responsibility for ensuring that the health board fulfils its duties as a corporate trustee in managing charitable funds.

The chair and independent members of the Board are appointed by the Welsh Government and the executive directors are appointed by the Health Board.

Trustee Arrangements

Aneurin Bevan University Local Health Board is the corporate trustee of the Charity. The directors who served the Aneurin Bevan University Local Health Board during the year to 31st March 2021 were as follows:

Ann Lloyd CBE	Chair
Emrys Elias	Vice Chair
Philip Robson	Special Advisor to the Board
Chris Koehli	Special Advisor to the Board
Judith Paget *	Chief Executive
Glyn Jones *	Director of Finance & Performance /
	Deputy Chief Executive
Dr James Calvert	Medical Director (Since 04.01.21)
Rhiannon Jones	Director of Nursing
Geraint Evans	Director of Workforce and Organisational
	Development
Peter Carr	Director of Therapies and Health Science

Dr Sarah Aitken	Interim Medical Director (Since 30.03.20 until 17.01.21)
	Director of Public Health & Strategic Partnerships (Since 18.01.21)
Mererid Bowley	Interim Director of Public Health & Strategic Partnerships (Since 10.04.20 until 18.01.21)
Nicola Prygodzicz	Director of Planning, Digital & IT
Nick Wood	Director of Primary, Community and Mental Health
Claire Birchall	Director of Operations
Richard Bevan	Board Secretary (Until 30.11.20)
Richard Howells	Board Secretary (Since 01.11.20)
Katija Dew *	Independent Member (Third/Voluntary Sector)
Prof. Helen Sweetland	Independent Member (University) (Since 01.01.21)
Richard Clark	Independent Member (Local Authority)
Pippa Britton *	Independent Member (Community)
Paul Daneen	Independent Member (Community)
Shelley Bosson	Independent Member (Community)
David Jones	Independent Member (ICT) (Until 06.11.20)
Louise Wright *	Independent Member (Trade Union)
David Street	Associate Independent Member (Social Services)
Keith Sutcliffe *	Associate Independent Member (Chair of Stakeholder Group)
Louise Taylor	Associate Independent Member (Chair of Health Professionals Forum)

* Members of the Charitable Funds Committee.

Charitable Funds Committee

The Board of Aneurin Bevan University Local Health Board, as the corporate trustee, delegates its governance work to the Charitable Funds Committee which is a subcommittee of the Board. The Committee is required to:

- Control, manage and monitor the use of the fund's resources for the public benefit having regard for the guidance issued by the Charity Commission
- Provide support, guidance and encouragement for all its activities whilst managing and monitoring the receipt of all income
- Ensure that 'best practice' is followed in the conduct of all its affairs fulfilling all of its legal responsibilities

- Ensure that the Investment Policy approved by the Health Board is adhered to and that performance is continually reviewed whilst being aware of ethical considerations
- Keep the Health Board fully informed on the activity, performance and risks of the charity

Membership of the Charitable Funds Committee is as follows:

Katija Dew	Independent Member (Chair)
Pippa Britton	Independent Member
Louise Wright	Independent Member
Keith Sutcliffe	Associate Independent Member
Judith Paget	Chief Executive
Glyn Jones	Director of Finance & Performance / Deputy Chief Executive

The following also attended the committee with other staff as appropriate for specific agenda items:

Mark Ross	Assistant Director of Finance, Financial Systems & Services
Estelle Evans	Head of Financial Services and Accounting
Richard Bevan	Board Secretary (Until 30.11.20)
Richard Howells	Board Secretary (Since 01.11.20)
Claire Barry	Committee Secretariat (Until 09.10.20)
Bryony Codd	Head of Corporate Governance

Independent Members are appointed to hold office for a period of up to four years in any one term. During this time a member may resign or be removed by the Board. The Chair of the Health Board keeps under review the membership of Board Committees to ensure changes are made regularly to refresh the membership of each committee and respond to circumstances when new members join the Board.

Trustee Induction and Training

As part of their induction programme, new Executive and Independent Members of Aneurin Bevan University Local Health Board are made aware of their responsibilities as Board members and as a Corporate Trustee of Aneurin Bevan University Local Health Board Charitable Fund and Other Related Charities.

At each Charitable Funds Committee meeting, members are advised of any changes in legislation or other requirements relating to charities.

Public Benefit

The objects of the charity are such that all expenditure from the charity is for the benefit of the National Health Service and as such is therefore

for 'public benefit'. The Charitable Funds Committee is aware of its duties in relation to public benefit and ensures that all expenditure fulfils public benefit criteria. This is demonstrated further in this report in the Expended Resources Section of Item 7.

Management of Funds

The Director of Finance and Performance is responsible for the day-to-day management and control of the administration of charitable funds and reports to the Charitable Funds Committee. The Director of Finance has particular responsibility for ensuring that:

- The spending is in accordance with the objects and priorities agreed by the Charitable Funds Committee
- The criteria for spending charitable monies are fully met
- All accounting records are maintained
- Devolved decision making or delegated procedures are in accordance with the policies and procedures set out by the Board on behalf of the corporate trustee

Within the charity there are 430 internal funds which are delegated to authorised fund holders to approve expenditure within predefined limits. All expenditure requests exceeding £25,000 are subject to Committee approval. A further 9 funds are controlled by the Charitable Funds Committee. The Health Board has a formal procedure that sets out guidance to delegated fund managers to aid them in the process of approving appropriate expenditure from funds.

3. Strategic Objectives & Activities

Charitable Funds received by the charity are accepted, held and administered as funds held on trust in accordance with the National Health Service (Wales) Act 2006.

The principal areas in which the funds are applied for the benefit of the public are:

- The purchase of medical equipment for use by Aneurin Bevan University Local Health Board
- The provision of patient welfare activities and amenities
- The education and welfare of staff

The corporate trustee fulfils its legal duty by ensuring that funds are spent in accordance with the objectives of each fund. The trustee respects the wishes of our generous donors to benefit patient care and advance good health and welfare of patients and staff.

The charity is constituted of 373 unrestricted and designated funds and 66 restricted funds as at 31st March 2021. Material fund details are shown in Note 22 to the accounts. The current structure of the individual funds reflects the fact that the majority of income and expenditure is focused where patients receive services. Fund managers exercise control over the funds donated to their management area.

4. Risk Management

The main risks associated with the charity relate to:

- Financial controls risk
- Investment risk

Financial Control Risk

A financial control procedure has been developed for Charitable Funds and agreed with the Charitable Funds Committee to ensure that there are sufficient management controls in place to ensure regulatory compliance and minimise risk of fraud and error. Specifically to:

- Ensure the spending is in accordance with the objects of the charity and the priorities agreed by the Charitable Funds Committee
- Ensure the criteria for spending charitable funds are fully met
- Ensure all accounting records are maintained
- Ensure devolved decision making is within specified parameters

All other Financial Control Procedures covering core financial systems within Aneurin Bevan University Local Health Board are also applied to the financial administration of the charity.

An internal audit is undertaken periodically, based on the assessment of risk, to evaluate the adequacy of procedures and controls in place and to test compliance against those procedures. Audit Reports are presented to both the Charitable Funds and Audit Committees of the Health Board and this is a key measure in mitigating control risk. The latest Internal Audit report in 2019/20 provided reasonable assurance on controls covering charitable funds. This definition of assurance generally means there is reasonable assurance that arrangements to secure governance, risk management and internal control are suitably designed and applied effectively.

Financial reports showing the income statement and balance sheet together with analysis of significant financial changes are reported to each Charitable Funds Committee meeting. In addition the Charitable Funds Committee reviews the draft annual accounts while the Board approves the final annual accounts of the charity.

The external audit of the accounts is undertaken by the Auditor General for Wales. The accounts have this year and historically received an unqualified audit opinion.

Investment Risk

This risk is mitigated by investing in a portfolio of investments through the professional advice of investment managers. Our investment managers, CCLA, usually attend the Charitable Funds Committee annually to present and discuss investment performance and strategy but due to Covid this was not possible this year but we remain in regular contact with them.

5. Reserves Policy

The corporate trustee's strategy is to apply charitable funds within a reasonable time of receipt, unless the donation is made to an area or appeal which is saving towards a specific item over the medium to longer term, and to hold some money in reserve to act as a buffer against stock market fluctuations.

The charity currently holds a level of reserves equivalent to the value of our non-liquid assets (£246k, which is 5% of our liquid asset investments).

The corporate trustee recognises the need to regularly review the level of reserves, especially following the recent sale of land previously held for investment. Consequently, the corporate trustee aims to review the charity's activities and operations so that future reserves can be maintained at a level which will mitigate the risk of significant fluctuations in the levels of donations and investments, and provide financial stability for the charity, to ensure that its aim of being able to apply charitable funds within a reasonable time is achieved.

6. Grant Making Policy

The use of our funds is restricted by the governing document which established the charity for purposes connected with the NHS. Grants consist of:

General Funds

This consists of donations received by the charity where no particular preference as to its expenditure has been expressed by donors. The Charitable Funds Committee decides on how these funds should be spent by receiving requests from across the Health Board. The value of general funds held is £0.394m.

Designated Unrestricted Funds

These consist of donations where a particular part of the hospital or activity was nominated by the donor at the time their donation was made. Whilst their nomination is not binding on the trustee, the designated funds reflect these nominations. The value of the designated unrestricted funds are £3.919m.

Restricted Funds

These consist of legacies and grants where a legal document and signed agreement restricts the use to the terms of the bequest/agreement. The value of restricted funds held is £1.103m.

During the year the charity made grants of £1.11m representing 90% of the total charitable expenditure. In making grants the trustee requires that the activity falls within the objectives of the charity and relate to the specific purpose of the individual funds from which it is being met.

7. Review of our Finances, Achievements and Performance

The financial statements for 2020-21 are presented at the end of this report.

The net assets of the Charity as at 31st March 2021 were £5.416 million (2020 £4.815 million). Overall net assets increased by £601,000.

Incoming Resources

Incoming resources when comparing against the 2019/20 position were £217,000 higher than the previous year. Donations increased by £235,000, legacies increased by £41,000, investment income decreased by £7,000, grant income increased by £95,000 and income from charitable activities decreased by £147k.

The charity received eight legacies during the year, total value £42,000 (2019-2020 one legacy, value £1,000) and eight grant payments, total value £176,000 (2019-2020 six grant payments, value £81,000).

Expended Resources

Charity expenditure for the year totalled £1,241,000, an increase of £154,000 from the previous year. Expenditure for the year was across several categories as follows:

I. Medical Research

Total expenditure on medical research was £9,000.

II. Purchase of Equipment

Total expenditure on equipment was £455,000. This was on a range of varied equipment across the Health Board.

III. Building and Refurbishment

Total expenditure on building and refurbishment was £16,000.

IV. Patients Education and Welfare

Total expenditure on patients' welfare and amenities was £299,000. This consists of various therapies, seasonal activities, support groups and other items of expenditure to benefit patients.

V. Staff Education and Welfare

Total expenditure on staff education and welfare was £335,000. The main items consist of seminars, training course fees, textbooks, professional journals and related travelling, subsistence and accommodation expenditure.

VI. Fundraising Costs

Total expenditure on fundraising costs was £1,000. This mainly relates to events for the new Breast Care Unit at Ysbyty Ystrad Fawr which is due to be opened in Winter 2022.

VII. Support Costs

Total expenditure on support costs was £126,000. This includes the audit fee of £9,000 and costs of the charitable funds office and corporate support.

Investment Properties

Investment properties owned by the charity are the T P Price Estate £68,000 and 13, Clytha Square, Newport £153,000.

The T P Price Estate comprises a leasehold property and a small parcel of land. The charity disposed of its remaining leasehold properties through public auction in 19/20 but they did not legally transfer to the new owner until early 20/21.

13 Clytha Square, Newport is a large Victorian building in the centre of Newport which is rented to Aneurin Bevan University Local Health Board to use as offices.

Income from the investment properties was £15,000 (2019-2020 - £17,000).

Investments on the Stock Exchange

The charity's investments are managed by CCLA Investment Management Limited, with the aim of managing the funds to achieve a balance of growth and income.

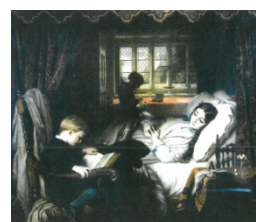
The charity's investment policy does not allow managers to invest in those companies whose main business is related to the production or sale of tobacco or alcohol or those companies involved in the arms trade.

Details of the investments (including cash held as part of the investment portfolio) and investment performance for 2020-2021 are shown in the table below:

Investment Performance 2020-21	
	CCLA
	£000
Balance 1 April 2020	4,331
Acquisitions	0
Disposals	0
Movement of Cash	0
Realised Gains/(Loss)	0
Unrealised Gains/(Loss)	673
Balance 31 March 2021	5,004
Income	166
Gains/(Loss) %	14.42%
Returns %	3.56%

Other Investments

"The Domestic Chaplain", a painting donated to the charity many years ago is valued at £25,000 and is currently on loan to the National Museum of Wales, Cardiff.



8. Key Achievements

Funding

The charity supported many bids from across the organisation from its general funds and via the 430 delegated charitable fund accounts that are held across the organisation thereby significantly enhancing services for the patients and staff in the Aneurin Bevan University Local Health Board.

Coronavirus Pandemic

We received many donations to help the Health Board respond to the Coronavirus pandemic. The donations were utilised for ***staff well-being, supplies for patients, support for volunteer activity and bereavement initiatives.***

Charitable Funds Strategy

Progress on reducing reserves through increased spending continued in the year. This is largely because funding from the sales of land within the T P Price Estate has been used.

Fundraising

Our fundraising campaign to supplement a new Breast Care Centre due to be opened in Winter 2022 in Ysbyty Ystrad Fawr stalled a little during the year because of restrictions in place due to the coronavirus pandemic.

Raffles across the Health Board were stopped to prevent the spread of infection.

Investment Management

CCLA continue to provide investment management services to the charity and we continue to invest in their ethical investment fund. In March 2020 Covid-19 had a significant impact on our investments and the period since has been a mixed one for investors. Sentiment has been broadly positive, bolstered by growing confidence for a sustained economic recovery solidly based on the vaccination programme and additional government activities to support growth.

Governance Arrangements

Historically the accounts and trustees annual report have been produced on time with unqualified audit opinions and filed on time with the Charities Commission.

Risks

The Committee has used a considerable amount of its general funds which led to fewer bids being approved during the year, placing more pressure on the Health Board's internal capital programme.

9. Plans and Objectives for the Future

Income continues to be received by the charity due to the generosity of the public in recognition of the care and treatment received from the Health Board. The charity will continue to use its funds to improve patient experience.

Other objectives for the forthcoming year are to:

- Consider the effectiveness of support to staff in working with partners to obtain grants from companies, external organisations and charities for identified equipment and projects.
- Explore the objectives of the charity to ensure they remain relevant and appropriate for the Health Board.
- Ensure that all accounting or charity regulatory requirements are fully complied with.
- Continue to review funds for the redesign of service, in line with Clinical Futures Strategy.
- Review the Reserves Policy.
- The need to plan and respond to the Covid-19 pandemic has impacted significantly on the charity, the Health Board, wider NHS and society in the past year, and the need to respond and recover from the pandemic will continue during 2021/22 and beyond.

10. Events since the Year End

- Our investment company believes that in the period ahead we can expect economic growth to accelerate, allowing profits to rise and so providing support to equity prices. This remains their favoured sector for investment. In contrast fixed income sector values are likely to remain under pressure, with a real risk of underperformance and the potential for another fall in capital values.

- As part of the fundraising led by Captain Sir Tom Moore, NHS Charities Together (NHSCT) have allocated money for supporting Covid-19 projects across the NHS in the UK to be accessed through individual bodies' charitable funds. The ABUHB allocation is £571k (split across two separate grant criteria) and we will be submitting applications for this funding.

Approved on behalf of the Corporate Trustee

**Ann Lloyd CBE
Chair
Aneurin Bevan University Local Health Board**

Date:



<p>Aneurin Bevan University Local Health Board Charitable Fund and Other Related Charities</p>
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The accounts for Funds Held on Trust.

FOREWORD

The Charity's accounts and annual report for the year ended 31st March 2021 have been prepared by the Corporate Trustee in accordance with the Charities Act 2011 and the Charities (Accounts and Reports) Regulations 2008.

STATUTORY BACKGROUND

Aneurin Bevan University Local Health Board is the Corporate Trustee of the Funds Held on Trust under the National Health Service (Wales) Act 2006.

The Aneurin Bevan University Local Health Board and Other Related Charities registered with the Charity Commission on 7th January 2011, registration number 1098728.

Statement of Financial Activities for the year ended 31 March 2021

	Note	Unrestricted funds £000	Restricted Income funds £000	Total Funds 2020-21 £000
Incoming resources from generated funds:				
Donations, legacies and grants	4	685	218	903
Charitable activities	5	87	0	87
Investments	7	145	36	181
Total incoming resources		917	254	1,171
Expenditure on:				
Raising Funds	8	5	0	5
Charitable activities	9	954	282	1,236
Total expenditure		959	282	1,241
Net gains / (losses) on investments	16	526	145	671
Net income / (expenditure)		484	117	601
Transfers between funds	21	(7)	7	0
Net Movement in funds		477	124	601
Reconciliation of Funds				
Total Funds brought forward	22	3,836	979	4,815
Total Funds carried forward		4,313	1,103	5,416

Statement of Financial Activities for the year ended 31 March 2020

	Note	Unrestricted funds £000	Restricted Restricted Income funds £000	Total Total Funds 2019-20 £000
Incoming resources from generated funds:				
Donations, legacies and grants	4	531	1	532
Charitable activities	5	234	0	234
Investments	7	146	42	188
Total incoming resources		911	43	954
Expenditure on:				
Raising Funds	8	15	0	15
Charitable activities	9	761	311	1,072
Total expenditure		776	311	1,087
Net gains / (losses) on investments	16	5	(37)	(32)
Net income / (expenditure)		140	(305)	(165)
Transfers between funds	21			0
Net Movement in funds		140	(305)	(165)
Reconciliation of Funds				
Total Funds brought forward	22	3,696	1,284	4,980
Total Funds carried forward		3,836	979	4,815

Balance Sheet as at 31 March 2021

		Unrestricted funds £000	Restricted Income funds £000	Total 31 March 2021 £000	Total 31 March 2020 £000
	Note				
Fixed assets:					
Investments	16	4,056	1,194	5,250	4,607
Total fixed assets		4,056	1,194	5,250	4,607
Current assets:					
Debtors	17	143	45	188	233
Cash and cash equivalents	18	181	57	238	129
Total current assets		324	102	426	362
Liabilities:					
Creditors: Amounts falling due within one year	19	67	193	260	154
Net current assets / (liabilities)		257	(91)	166	208
Total net assets / (liabilities)		4,313	1,103	5,416	4,815
The funds of the charity:					
Restricted income funds	22	0	1,103	1,103	979
Unrestricted income funds	22	4,313	0	4,313	3,836
Total funds		4,313	1,103	5,416	4,815

The notes on pages 5 to 17 form part of these accounts

Approved by the Trustees on 26 January 2022 and signed on its behalf by:

Signed :

Name : (Chair of Trustees)

Statement of Cash Flows for the year ending 31 March 2021

	Note	Total Funds 2020-21 £000	Total Funds 2019-20 £000
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	20	(100)	(434)
Cash flows from investing activities:			
Dividend, interest and rents from investments	7	181	188
Proceeds from the sale of investments	16	28	150
Net cash provided by (used in) investing activities		209	338
Change in cash and cash equivalents in the reporting period		109	(96)
Cash and cash equivalents at the beginning of the reporting period	18	129	225
Cash and cash equivalents at the end of the reporting period	18	238	129

Note on the accounts

1 Accounting Policies

(a) Basis of preparation

The financial statements have been prepared under the historic cost convention, with the exception of investments which are included at market value.

The accounts (financial statements) have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2019.

The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern. There are no material uncertainties affecting the current year's accounts.

In future years, the key risks to the Charity are a fall in income from donations or investment income but the trustees have arrangements in place to mitigate those risks (see the risk management and reserves sections of the annual report for more information).

The Charity meets the definition of a public benefit entity under FRS 102.

(b) Funds structure

Where there is a legal restriction on the purpose to which a fund may be put, the fund is classified as a restricted fund.

Restricted funds are those where the donor has provided for the donation to be spent in furtherance of a specified charitable purpose. The Charity's restricted funds tend to result from appeals, grants and legacies for specified purposes.

Those funds which are not restricted income funds, are unrestricted income funds which are sub analysed between designated (earmarked) funds where the Trustees have set aside amounts to be used for specific purposes or which reflect the non-binding wishes of donors and unrestricted funds which are at the Trustees' discretion, including the general fund which represents the Charity's reserves. The major funds held in each of these categories are disclosed in note 22.

(c) Incoming resources

Income consists of donations, legacies, grants, income from charitable activities and investment income.

Donations are accounted for when received by the charity. All other income is recognised once the Charity has entitlement to the resources, it is probable (more likely than not) that the resources will be received and the monetary value of incoming resources can be measured with sufficient reliability.

Where there are terms or conditions attached to incoming resources, particularly grants, then these terms or conditions must be met before the income is recognised as the entitlement condition will not be satisfied until that point. Where terms or conditions have not been met or uncertainty exists as to whether they can be met then the relevant income is not recognised in the year but deferred and shown on the balance sheet as deferred income.

(d) Incoming resources from legacies

Legacies are accounted for as incoming resources either upon receipt or where the receipt of the legacy is probable.

Receipt is probable when:

- Confirmation has been received from the representatives of the estate(s) that probate has been granted
- The executors have established that there are sufficient assets in the estate to pay the legacy and
- All conditions attached to the legacy have been fulfilled or are within the Charity's control.

If there is uncertainty as to the amount of the legacy and it cannot be reliably estimated then the legacy is shown as a contingent asset until all of the conditions for income recognition are met.

(e) Resources expended and irrecoverable VAT

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to each category of expense shown in the Statement of Financial Activities. Expenditure is recognised when the following criteria are met:

- There is a present legal or constructive obligation resulting from a past event
- It is more likely than not that a transfer of benefits (usually a cash payment) will be required in settlement
- The amount of the obligation can be measured or estimated reliably.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

(f) Support costs

Support costs are those costs which do not relate directly to a single activity. These include staff costs, costs of administration, internal and external audit costs. Support costs have been apportioned between fundraising costs and charitable activities on an appropriate basis. The analysis of support costs and the bases of apportionment applied are shown in note 12.

(g) Fundraising costs

The costs of generating funds are those costs attributable to generating income for the charity, other than those costs incurred in undertaking charitable activities or the costs incurred in undertaking trading activities in furtherance of the charity's objects. The costs of generating funds consists of expenses for fundraising activities.

(h) Charitable activities

Costs of charitable activities comprise all costs incurred in the pursuit of the charitable objects of the charity. These costs, where not wholly attributable, are apportioned between the categories of charitable expenditure in addition to the direct costs. The total costs of each category of charitable expenditure include an apportionment of support costs as shown in note 9.

(i) Fixed Asset Investments

Ethical Fund Investments are stated at mid-market value as at the balance sheet date, and Property Fund investments are stated at net asset value. Investment properties are included at their open market valuation. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

Quoted stocks and shares are included in the balance sheet at mid-market price, excluding dividend.

Other assets are valued on an open market basis by a professional valuer.

(j) Debtors

Debtors are amounts owed to the charity. They are measured on the basis of their recoverable amount.

(k) Cash and cash equivalents

Cash at bank and in hand is held to meet the day to day running costs of the charity as they fall due.

(l) Creditors

Creditors are amounts owed by the charity. They are measured at the amount that the charity expects to have to pay to settle the debt.

(m) Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening carrying value (purchase date if later). Unrealised gains and losses are calculated as the difference between the market value at the year end and opening carrying value (or purchase date if later).

2. Key Judgements and Assumptions

Average fund balances are used to apportion certain balances between restricted and unrestricted funds, which is deemed to be the most appropriate methodology to use.

There are no material assumptions judged to affect the 2020/21 accounts.

As at 31st March 2021, there is no other information to show that assets/liabilities would need to be materially adjusted during 2021/22.

3. Related party transactions

The Aneurin Bevan University Local Health Board is the sole beneficiary of the charity.

The charity had significant material transactions with Aneurin Bevan University Local Health Board as follows:

	2020-21		As at 31st March 2021	
	Expenditure to related party	Income from related party	Amounts owed to related party	Amounts due from related party
	£000	£000	£000	£000
Aneurin Bevan University Local Health Board	1,170	17	25	32

The Corporate Trustee has interests in related parties as follows:

Member	Related Organisation	Relationship with Related Party	2020-21		As at 31st March 2021	
			Expenditure to related party	Income from related party	Amounts owed to related party	Amounts due from related party
			£000	£000	£000	£000
Glyn Jones	NHS Wales Informatics Service (Hosted by Velindre NHS Trust)	Sister is Project Manager	1	0	0	0
	Swansea Bay University Health Board	Niece is on the NHS Wales Graduate Finance Training Scheme	0	21	0	0
David Street	Caerphilly County Borough Council	Corporate Director, Social Services and Housing	0	1	0	0

The Corporate Trustee has interests in a number of related parties. All transactions with those related parties have been reviewed and there are nil transactions except for those listed above.

3. Related party transactions (continued)

In 2019-20 the charity had significant material transactions with Aneurin Bevan University Local Health Board as follows:

	2019-20		As at 31st March 2020	
	Expenditure to related party	Income from related party	Amounts owed to related party	Amounts due from related party
	£000	£000	£000	£000
Aneurin Bevan University Local Health Board	1,091	119	4	15

The Corporate Trustee had interests in related parties as follows:

Member	Related Organisation	Relationship with Related Party	2019-20		As at 31st March 2020	
			Expenditure to related party	Income from related party	Amounts owed to related party	Amounts due from related party
			£000	£000	£000	£000
Glyn Jones	Swansea Bay University Health Board	Niece is on the NHS Wales Graduate Finance Training Scheme	0	10	0	7
Emrys Elias	Cardiff & Vale University Health Board	Consultancy	1	17	0	15
	Velindre NHS Trust	Spouse was Interim Director of Nursing & Service Improvement until 31.08.2019 and then Deputy Director of Nursing & Service Improvement until 17.02.20	1	0	1	0
Prof Dianne Watkins	Cardiff University	Deputy Head, School of Healthcare Sciences	4	1	0	0
Frances Taylor	Monmouthshire County Council	County Councillor	3	1	3	1
David Street	Caerphilly County Borough Council	Corporate Director, Social Services and Housing	0	1	0	0

The Corporate Trustee has interests in a number of related parties. All transactions with those related parties have been reviewed and there are nil transactions except for those listed above.

4. Income from donations, legacies and grants

	Unrestricted funds £000	Restricted Income funds £000	Total 2020-21 £000	Total 2019-20 £000
Donations	685	0	685	450
Legacies	0	42	42	1
Grants	0	176	176	81
	685	218	903	532

5. Income from charitable activities

	Unrestricted funds £000	Restricted Income funds £000	Total 2020-21 £000	Total 2019-20 £000
Course income	73	0	73	172
Other income	14	0	14	62
	87	0	87	234

6. Role of volunteers

Volunteers have the trust and understanding of the community and are invaluable in engaging with our patients and providing support to paid professionals . The services they provide include:

- welcome services at our hospitals, directing patients and visitors
- befriending service for patients in our hospitals and nursing homes
- end of life companion support for patients in our hospitals
- operating buffet /coffee bars through volunteer organisations such as the League of Friends
- raising funds to purchase equipment across our hospitals.

Due to the pandemic and in order to comply with Government guidelines and hospital infection control measures, some of these volunteer services were suspended during the year.

In accordance with the SORP, due to the absence of any reliable measurement basis, the contribution of these volunteers is not recognised in the accounts.

7. Gross investment income

	Unrestricted funds £000	Restricted Income funds £000	Total 2020-21 £000	Total 2019-20 £000
Fixed asset equity and similar investments	145	36	181	188
Short term investments, deposits and cash on deposit	0	0	0	0
	145	36	181	188

11. Movements in funding commitments

	Current liabilities	Non-current liabilities	Total 31 March 2021	Total 31 March 2,020
	£000	£000	£000	£000
Opening balance at 1 April	380	121	501	51
Movement in funding commitments	26	(121)	(95)	450
Closing balance at 31 March 2021	406	0	406	501

As described in notes 9 and 10, the charity awards a number of grants in the year. Many grants are awarded and paid out in the same financial year. However, some grants are paid over a longer period.

12. Apportionment of support costs

Support and overhead costs are allocated between fundraising activities and charitable activities. Governance costs are those support costs which relate to the strategic and day to day management of a charity.

	Raising funds £000	Charitable activities £000	Total 2020-21 £000	Total 2019-20 £000	Basis
Governance					
External audit	0	9	9	9	Average fund balance
Finance and administration	3	58	61	63	Average fund balance
Total governance	3	67	70	72	
Finance and administration	1	55	56	53	Average fund balance
Total Finance and Administration	1	55	56	53	
	4	122	126	125	

	Unrestricted funds £000	Restricted Income funds £000	Total Funds 2020-21 £000	Total Funds 2019-20 £000
Raising funds	4	0	4	8
Charitable activities	96	26	122	117
	100	26	126	125

13. Trustees' remuneration, benefits and expenses

The charity does not make any payments for remuneration nor to reimburse expenses to the charity trustees for their work undertaken as trustee.

14. Analysis of staff costs

The charity has no employees. Staff services are provided to the charity by Aneurin Bevan University Local Health Board, the Corporate Trustee of the charity, which has received reimbursement of £359,974 (2019-20: £163,166) for these services.

8. Analysis of expenditure on raising funds

	Unrestricted funds £000	Restricted Income funds £000	Total 2020-21 £000	Total 2019-20 £000
Fundraising office	0	0	0	0
Fundraising events	1	0	1	7
Investment management	0	0	0	0
Support costs	4	0	4	8
	5	0	5	15

The fundraising office costs relate to the new Breast Care unit and are no longer being incurred by the Charity
The investment management fee is shown as nil as this is deducted from capital held by the investment management company.

9. Analysis of charitable activity

	Grant funded activity £000	Support costs £000	Total 2020-21 £000	Total 2019-20 £000
Medical research	9	1	10	71
Purchase of new equipment	455	50	505	543
Building and refurbishment	16	2	18	39
Staff education and welfare	335	36	371	329
Patient education and welfare	299	33	332	90
	1,114	122	1,236	1,072

10. Analysis of grants

The majority of grants are made to the Health Board to provide for the care of NHS patients in furtherance of our charitable aims. The charity makes grants to individuals from one specific fund which is used to support nominated medical students from deprived areas. The total cost of making grants, including support costs, is disclosed on the face of the Statement of Financial Activities and the actual funds spent on each category of charitable activity is disclosed in note 9.

The trustees operate a scheme under which Fund Account Managers control how the Charity's designated funds should be spent. The day to day disbursements are in accordance with the directions set out by the trustees in the Charity's Standing Orders and Financial Instructions.

Where undesignated funds exist, the trustees do make grant awards based on applications from across the Health Board

15. Auditors remuneration

The auditors remuneration of £9,000 (2019-20: £9,000) related solely to the audit of the statutory annual report and accounts.

16. Fixed asset investments**Movement in fixed assets investments**

	Investment Properties £000	Investments Listed on Stock Exchange £000	Cash Held in Investment Portfolio £000	Other Assets £000	Total 2020-21 £000	Total 2019-20 £000
Market value brought forward	251	4,331	0	25	4,607	4,789
Add: additions to investments at cost	0	0	0	0	0	0
Less disposals at carrying value	(28)	0	0	0	(28)	(150)
Add any gain / (loss) on revaluation	(2)	673	0	0	671	(32)
Movement of cash held as part of the investment portfolio	0	0	0	0	0	0
Market value as at 31st March 2021	221	5,004	0	25	5,250	4,607

221

All investments are carried at their market value.

The investment valuation has been performed by CCLA Investment Management Limited.

The valuation of investment properties, consisting of a freehold ground rent and a small parcel of land, is based on a professional assessment of market value, by independent RICS (Royal Institute of Chartered Surveyors) qualified valuers at least every five years.

The significance of financial instruments to the ongoing financial sustainability of Aneurin Bevan University Health Board Charitable Fund is considered in the risk management section of the trustees' annual report.

The Charity receive the majority of their income in the form of donations. However, significant investments are made and are the source of the main financial risk.

Interest rate risk - the Charity is exposed to fluctuations in interest rates on the monies invested in deposits and the stock market.

Liquidity risk - the majority of expenditure is financed from donations and legacies and there are no borrowings. The Charity is not, therefore, exposed to significant liquidity risk.

17. Analysis of current debtors

Debtors under 1 year	Total 31 March 2021 £000	Total 31 March 2020 £000
Accrued income	96	105
Trade Debtors	81	86
Prepayments	11	42
	188	233

18. Analysis of cash and cash equivalents

	Total 31 March 2021 £000	Total 31 March 2020 £000
Current Accounts	237	128
Petty Cash	1	1
	238	129

No cash or cash equivalents or current asset investments are held in non-cash investments or outside of the UK.

All of the amounts held on interest bearing deposit are available to spend on charitable activities.

19. Analysis of liabilities

	Total 31 March 2021 £000	Total 31 March 2020 £000
Creditors under 1 year		
Trade creditors	59	13
Deferred Income	200	131
Accruals	1	10
Total creditors	260	154

20. Reconciliation of net income / expenditure to net cash flow from operating activities

	Total 2020-21 £000	Total 2019-20 £000
Net income / (expenditure) (per Statement of Financial Activities)	601	(165)
Adjustment for:		
(Gains) / losses on investments	(671)	32
Dividends, interest and rents from investments	(181)	(188)
(Increase) / decrease in debtors	45	(2)
Increase / (decrease) in creditors	106	(111)
Net cash provided by (used in) operating activities	<u>(100)</u>	<u>(434)</u>

21. Transfer between funds

During the year 3 unrestricted funds, totalling £19k, were reclassified as restricted funds as they had been funded through grant income in the prior year.

In addition, 3 further funds totalling £12k, previously recorded as restricted funds, were reclassified as unrestricted funds. These funds had been classified as restricted funds by predecessor organisations, but on review it was determined that as there was no legal restriction on their use they should be reclassified as unrestricted funds.

22. Analysis of funds**a. Analysis of restricted fund movements**

	Balance 1 April 2020	Income	Expenditure	Transfers	Gains and losses	Balance 31 March 2021
	£000	£000	£000	£000	£000	£000
Royal Gwent Childrens Ward Legacy	162	5	(34)	0	20	153
Royal Gwent Coronary Care Legacy	98	3	(3)	0	14	112
Nevill Hall Rheumatology Legacy	84	3	(2)	0	11	96
Renal Unit Legacy	72	2	(2)	0	10	82
Nevill Hall Coronary Care Legacy	69	2	(5)	0	9	75
Royal Gwent Haematology Legacy	51	2	(1)	0	6	58
Royal Gwent Breast Care Legacy	51	2	(1)	0	6	58
Chepstow General Legacy	44	1	(1)	0	6	50
Other - 58 restricted designated funds	348	234	(233)	7	63	419
	<u>979</u>	<u>254</u>	<u>(282)</u>	<u>7</u>	<u>145</u>	<u>1,103</u>

The material funds specified in the above note will vary from year to year dependent on the closing year end balance.

We consider that a closing fund balance of £50,000 or greater are material for disclosure in these accounts.

22. Analysis of funds (continued)

The objects of each of the restricted funds are as follows:

The Royal Gwent Hospital Children's Ward Legacy Fund was bequeathed to the charity for the benefit of the Children's Ward. A proposal for the purchase of various equipment to improve patient care and access was approved by the Charitable Funds Committee.

The Royal Gwent Hospital Coronary Care Unit Legacy Fund was bequeathed to the charity for the provision of medical facilities, towards the cost of providing equipment for the heart unit at the hospital.

The Nevill Hall Rheumatology Legacy Fund was bequeathed to the charity for the use of the Rheumatology department at the hospital.

The Renal Unit Legacy Fund was bequeathed to the charity for the purpose connected with the research and treatment of patients under haemodialysis treatment (kidney unit).

The Nevill Hall Coronary Care Legacy Fund was bequeathed to the charity for the use of the heart unit at the hospital.

The Royal Gwent Haematology Fund was bequeathed to the charity for the Haematology Unit at the Royal Gwent Hospital.

The Royal Gwent Breast Care Legacy Fund was bequeathed to the charity for the Breast Care Unit at the Royal Gwent Hospital.

The Chepstow General Legacy was bequeathed to the charity for the Chepstow Community Hospital.

The other 58 restricted funds also related to monies bequeathed to the charity for various wards and departments.

22. Analysis of funds (continued)**b. Analysis of unrestricted and material designated fund movements**

	Balance 1 April 2020	Income	Expenditure	Transfers	Gains and losses	Balance 31 March 2021
	£000	£000	£000	£000	£000	£000
ABUHB Charitable Funds Committee	152	10	(4)	7	21	186
ABUHB Breast Centre	99	60	(4)	0	16	171
Royal Gwent Property, 13 Clytha Square	120	0	(3)	0	0	117
Grange Critical Care Unit	45	18	(6)	42	11	110
St Woolos Springfield Fund	94	3	(3)	0	13	107
ABUHB Post Graduate Fund	93	5	(5)	0	13	106
Nevill Hall Voluntary Body	94	2	(9)	0	9	96
ABUHB Ffrind I Mi Volunteer Service	104	3	(25)	0	13	95
Royal Gwent Casting Techniques Course	80	9	(13)	0	11	87
ABUHB Covid-19	13	352	(305)	0	25	85
Monmouth Chippenham Community Nurses	74	2	(8)	0	10	78
ABUHB C.H.A.aT Volunteer Service	60	3	(5)	6	11	75
ABUHB Robins Volunteer Service	117	3	(61)	0	14	73
Nevill Hall Oncology Rehabilitation	63	3	(2)	0	9	73
Royal Gwent Breast Care Unit	60	2	(2)	0	9	69
Royal Gwent Prostate Cancer Fund	53	3	(3)	0	7	60
ABUHB Employee Well Being Service	131	4	(88)	0	13	60
ABUHB Rheumatology	49	2	(1)	0	6	56
Ysbyty Ystrad Fawr Adult Medicine	60	2	(15)	0	8	55
Royal Gwent Property, TP Price	65	3	(18)	(1)	5	54
ABUHB The Care Project	44	28	(27)	0	6	51
Other - 352 unrestricted designated funds	2,166	400	(352)	(61)	296	2,449
	3,836	917	(959)	(7)	526	4,313

The trustees have delegated all unrestricted funds as designated funds to the ward or department the donations were intended for.

The material funds specified in the above note will vary from year to year dependent on the closing year end balance.

We consider that a closing fund balance of £50,000 or greater are material for disclosure in these accounts.

23. Events after the reporting period

The need to plan and respond to the Covid-19 pandemic has impacted significantly on the charity, the Health Board, wider NHS and society in the past year, and the need to respond and recover from the pandemic will continue during 2021/22 and beyond.

Our CCLA investments have increased in value to pre-pandemic levels and are expected to continue growing in the year ahead.

Statement of Trustee's Responsibilities

The law applicable to charities in England and Wales requires the Trustee to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the year and its financial position at the end of the year. In preparing financial statements giving a true and fair view, the Trustee should follow best practice and :

- select suitable accounting policies and apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustee is responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to ascertain the financial position of the charity and which enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. The Trustee is responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustee confirms that they have complied with the above requirements.

By order of the trustee

Ann Lloyd
Trustee

Rob Holcombe
Financial Trustee

Dated:

The independent auditor's report of the Auditor General for Wales to the trustee of Aneurin Bevan University Local Health Board Charitable Fund and Other Related Charities

Report on the audit of the financial statements

Opinion

I have audited the financial statements of Aneurin Bevan University Local Health Board Charitable Fund and Other Related Charities for the year ended 31 March 2020 under the Charities Act 2011. These comprise the Statement of Financial activities, Balance Sheet, Statement of Cash Flows and related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In my opinion the financial statements:

- give a true and fair view of the state of affairs of the charity as at 31 March 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Charities Act 2011.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)). My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the charity in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Report on other requirements

Other information

The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. The trustee is responsible for the other information in the annual report and accounts. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

Matters on which I report by exception

I have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require me to report to you if, in my opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report;
- sufficient accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit.

Responsibilities

Responsibilities of the trustee for the financial statements

As explained more fully in the statement of trustee's responsibilities set out on page 17, the trustee is responsible for preparing the financial statements in accordance with the Charities Act 2011, for being satisfied that they give a true and fair view, and for such internal control as the trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustee is responsible for assessing the charity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

Auditor's responsibilities for the audit of the financial statements

I have been appointed as auditor under section 150 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Adrian Crompton
Auditor General for Wales
xx xxxxxx xxxx

24 Cathedral Road
Cardiff
CF11 9LJ

2021 Audit Plan – Aneurin Bevan University Local Health Board Charitable Fund

Audit year: 2020-21

Date issued: December 2021

Document reference 2768A2021-22

This document has been prepared as part of work performed in accordance with statutory functions. Further information can be found in our [Statement of Responsibilities](#).

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No responsibility is taken by the Auditor General, the staff of the Wales Audit Office or, where applicable, the appointed auditor in relation to any member, director, officer or other employee in their individual capacity, or to any third party.

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We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

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2021 Audit Plan

About this document

- 1 This document sets out the work I plan to undertake during 2021 to discharge my statutory responsibilities as your external auditor and to fulfil my obligations under the Code of Audit Practice.

Impact of COVID-19

- 2 The COVID-19 pandemic continues to have an unprecedented impact on the United Kingdom and the work of public sector organisations.
- 3 Audit Wales staff will continue to work pragmatically to deliver the audit work set out in this plan. In response to the government advice and subsequent restrictions, we will continue to work remotely until such time that it is safe to resume on-site activities. I remain committed to ensuring that the work of Audit Wales staff will not impede the vital activities that public bodies need to do to respond to on-going challenges presented by the COVID-19 pandemic.
- 4 This audit plan sets out the timetable for the completion of my audit work. However, given the on-going uncertainties around the impact of COVID-19, some timings may need to be revisited.

Audit of financial statements

- 5 I am required to issue a report on Aneurin Bevan University Local Health Board Charitable Fund's (the Charitable Fund) financial statements which includes an opinion on their 'truth and fairness'. In preparing such a report, I will:
 - give an opinion on your financial statements; and
 - assess whether the Trustee's Annual Report presented with the financial statements are prepared in line with guidance and consistent with the financial statements.
- 6 I will also report by exception on a number of matters which are set out in more detail in our Statement of Responsibilities, along with further information about our work.
- 7 I do not seek to obtain absolute assurance on the truth and fairness of the financial statements and related notes but adopt a concept of materiality. My aim is to identify material misstatements, that is, those that might result in a reader of the accounts being misled. The levels at which I judge such misstatements to be material will be reported to the Charitable Funds Committee prior to completion of the audit.
- 8 Any misstatements below a trivial level (set at 5% of materiality) I judge as not requiring consideration by those charged with governance and therefore will not report them.

9 There have been no limitations imposed on me in planning the scope of this audit.

Audit of financial statement risks

10 The following table sets out the significant risks that have been identified for the audit of your financial statements.

Exhibit 1: audit of financial statement risks

Financial audit risks	Proposed audit response
Significant risks	
The risk of management override of controls is present in all entities. Due to the unpredictable way in which such override could occur, it is viewed as a significant risk [ISA 240.31-33].	The audit team will: <ul style="list-style-type: none">• test the appropriateness of journal entries and other adjustments made in preparing the financial statements;• review accounting estimates for biases; and• evaluate the rationale for any significant transactions outside the normal course of business.
The COVID-19 national emergency continues and the pressures on staff resource and of remote working may impact on the preparation and audit of accounts. There is a risk that the quality of the accounts and supporting working papers may be compromised leading to an increased incidence of errors. Quality monitoring arrangements may be compromised due to timing issues and/or resource availability.	We will discuss your closedown process and quality monitoring arrangements with the accounts preparation team and monitor the accounts preparation process. We will help to identify areas where there may be gaps in arrangements.
Other areas of audit attention	
During our audit of the 2019-20 financial statements, we identified instances	We will conduct additional testing to gain assurance that income has been

Financial audit risks	Proposed audit response
<p>where income had been incorrectly classified as:</p> <ul style="list-style-type: none"> Deferred Income, whereas it should have been recognised as income in the year; and Donations or Course Income, whereas it should have been treated as Grant Income or Deferred income. 	<p>classified correctly in the 2020-21 financial statements.</p>

Fee, audit team and timetable

- 11 My fees and planned timescales for completion of the audit are based on the following assumptions:
- the financial statements are provided to the agreed timescales, to the quality expected and have been subject to quality assurance review;
 - information provided to support the financial statements is appropriate
 - appropriate access to documents is provided to enable my audit team to deliver our audit in an efficient manner;
 - all appropriate officials will be available during the audit; and
 - you have all the necessary controls and checks in place to enable the Accounting Officer to provide all the assurances that I require in the Letter of Representation addressed to me;

Fee

- 12 Fee rates for 2021 are unchanged from last year. The estimated fee for 2021 is set out in **Exhibit 2** and remains consistent with your actual 2020 fee.

Exhibit 2: audit fee

This table sets out the proposed audit fee for 2021, alongside the actual audit fee for 2020.

Audit area	Proposed fee for 2021 (£) ¹	Actual fee for 2020 (£)
Audit of financial statements	9,000	9,000

¹ The fees shown in this document are exclusive of VAT, which is not charged to you.

- 13 Planning will be ongoing, and changes to my programme of audit work and therefore my fee, may be required if any key new risks emerge. I shall make no changes without first discussing them with the Assistant Director of Finance, Financial Systems and Services.
- 14 Further information on my fee scales and fee setting can be found on our website.

Audit team

- 15 The main members of my team, together with their contact details, are summarised in **Exhibit 3**.

Exhibit 3: my audit team

This table lists the members of the local audit team and their contact details

Name	Role	Contact number	E-mail address
Richard Harries	Engagement Lead	07789 397018	<u>Richard.Harries@audit.wales</u>
Tracy Veale	Audit Manager	07919 217438	<u>Tracy.Veale@audit.wales</u>
Neall Hollis	Audit Lead	02920 320657	<u>Neall.Hollis@audit.wales</u>

- 16 I can confirm that my team members are all independent of the Charitable Fund and your officers. In addition, we are not aware of any potential conflicts of interest that we need to bring to your attention.

Timetable

- 17 We will continue to undertake such remote work as is possible during the COVID-19 national emergency and may need to revise the timetable as work progresses.

Exhibit 4: timetable

This table sets out the key milestones for the planned audit outputs

Planned output	Work undertaken	Report finalised
2021 Audit Plan	November to December 2021	December 2021
Audit of financial statements work: <ul style="list-style-type: none">• Audit of Financial Statements Report and Management Letter• Opinion on Financial Statements	November to December 2021	December 2021
2022 Audit Plan	To be confirmed	To be confirmed

Appendix 1

Other future developments

Future changes to UK GAAP

Following the introduction of the new UK GAAP accounting regime in 2015-16, and the replacement of the Financial Reporting Standard for Smaller Entities (FRSSE) by Section 1A of FRS 102 in 2016-17, there have been only limited changes to FRS 102 since.

More significant amendments are expected from 2022-23, reflecting recent changes in International Financial Reporting Standards, including accounting for financial instruments and leases.

Good Practice Exchange

Audit Wales' Good Practice (GPX) helps public services improve by sharing knowledge and practices that work. Events are held where knowledge can be exchanged face to face and resources shared online. This year the work has focused on COVID-19 learning. Further information on this can be found on our [website](#).

Brexit: The United Kingdom's future outside the European Union

The United Kingdom left the European Union on 31 January 2020 under the terms of the Withdrawal Agreement. Between then and 31 December 2020, the UK entered a transition period, during which it continued to participate in EU programmes and follow EU regulations. On 31 December 2020, the transition period ended, and a new relationship between the UK and EU started, on the basis of a new free trade agreement.

The new agreement means some substantial changes in the trading relationship between the UK and the EU. There will also potentially be changes in administrative areas previously covered by EU law. In the short term, the UK has incorporated EU rules into domestic law. However, it is likely that in some key areas, such as public procurement, agricultural support and state aid, the UK will seek to diverge over time. In changing these rules, there will be some important constitutional issues around the relationship between the UK Government and devolved governments.

The wider opportunities and risks for Wales' economy, society and environment will become clearer as public services move from managing the short-term risks, especially around disruption to supply chains, to adapting to a different relationship with the EU and the wider world. We are also awaiting further details on the UK Government's plans to replace EU funding schemes for regional development and rural development.

The Auditor General will continue to keep a watching brief over developments. In November 2020, he wrote to the Chair of the External Affairs and Additional Legislation Committee setting out some observations on the latest position with respect to preparations for the end of the transition period. His letter can be found [here](#). His previous report on public bodies Brexit preparations can be found [here](#) with his follow up on progress [here](#).



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telephone calls in Welsh and English.
Rydym yn croesawu gohebiaeth a
galwadau ffôn yn Gymraeg a Saesneg.

Audit of Accounts Report – Aneurin Bevan University Local Health Board Charitable Fund and Other Related Charities

Audit year: 2020-21

Date issued: December 2021

Document reference: 2764A2021-22

Purpose of this document

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Contents

We intend to issue an unqualified audit report on your Accounts and there are some issues to report to you prior to their approval.

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Audit of Accounts Report

Introduction

- 1 We summarise the main findings from our audit of your 2020-21 Annual Report and accounts in this report.
- 2 We have already discussed these issues with the Interim Assistant Director of Finance (Financial Systems & Services), the Head of Financial Services and Accounting and their team.
- 3 Auditors can never give complete assurance that accounts are correctly stated. Instead, we work to a level of 'materiality'. This level of materiality is set to try to identify and correct misstatements that might otherwise cause a user of the accounts into being misled.
- 4 We set this level at £24,860 for this year's audit.
- 5 There are some areas of the accounts that may be of more importance to the reader, and we have set a lower materiality level for these, as follows:
 - Related Party Transactions £1,000
- 6 We have now substantially completed this year's audit and are in the final stages of review.
- 7 We will provide an update to the Charitable Fund Committee on 11 January 2022.
- 8 In our professional view, we have complied with the ethical standards that apply to our work; remain independent of yourselves; and our objectivity has not been compromised in any way. There are no relationships between ourselves and yourselves that we believe could undermine our objectivity and independence.

Impact of COVID-19 on this year's audit

- 9 The COVID-19 pandemic has had a significant impact on all aspects of our society and continues to do so. The Trustee of the Aneurin Bevan University Local Health Board Charitable Fund is required by law to prepare accounts and it is of considerable testament to the commitment of your accounts team that you have succeeded in doing so this year in the face of the challenges posed by this pandemic. We are extremely grateful to the professionalism of the team in supporting us to complete our audit in such difficult circumstances.
- 10 The pandemic has unsurprisingly affected our audit and we summarise in **Exhibit 1** the main impacts. Other than where we specifically make recommendations, the detail in **Exhibit 1** is provided for information purposes only to help you understand the impact of the COVID-19 pandemic on this year's audit process.

Exhibit 1 – impact of COVID-19 on this year’s audit

Timetable	<ul style="list-style-type: none">• We received the draft accounts and Annual Report on 18 August 2021 prior to the audit start date of 8 November 2021.• We expect to receive the final amended accounts and revised Annual Report on 4 January 2022• We expect your audit report to be signed on 28 January 2022.
Electronic signatures	If still necessary at the time of approval and signing, we will accept electronic signatures and electronic transfer of files.
Audit evidence	<p>As in previous years, we received the majority of audit evidence in electronic format. We have used various techniques to ensure its validity. Where we have been unable to obtain access to paper documents because of COVID-19 restrictions we have devised alternative audit methodologies to obtain sufficient audit evidence. Specifically:</p> <ul style="list-style-type: none">• the Finance Team provided audit evidence to the audit team via a secure file sharing portal;• the Finance Team were available by video conferencing for discussions, and also for the sharing of on-screen information/evidence;• Audit Wales also secured remote read-only access to the Health Board’s Oracle ledger which enabled the audit team to query the ledger and hence reduce the burden on the finance team to provide this information; and• for testing of existence and ownership of fixed assets we have used a combination of access to our land registry tool and photographic evidence.

- 11 We will be reviewing what we have learned for our audit process from the COVID-19 pandemic and whether there are innovative practices that we might adopt in the future to enhance that process.

Proposed audit opinion

- 12 Subject to the satisfactory completion of the final stages of our review referred to in **paragraph 6**, we intend to issue an unqualified audit opinion on this year’s accounts once you have provided us with a Letter of Representation based on that set out in **Appendix 1**.
- 13 We issue a ‘qualified’ audit opinion where we have material concerns about some aspects of your accounts; otherwise, we issue an unqualified opinion.

- 14 The Letter of Representation contains certain confirmations we are required to obtain from you under auditing standards along with confirmation of other specific information you have provided to us during our audit.
- 15 Our proposed audit report is set out in **Appendix 2**.

Significant issues arising from the audit

Uncorrected misstatements

- 16 Subject to the satisfactory completion of the final stages of our review referred to in paragraph 6, there are no misstatements identified in the accounts, which remain uncorrected.

Corrected misstatements

- 17 There were initially misstatements in the accounts that have now been corrected by management. However, we believe that these should be drawn to your attention and they are set out with explanations in **Appendix 3**.

Other significant issues arising from the audit

- 18 In the course of the audit, we consider a number of matters relating to the accounts and report any significant issues arising to you. There were no significant issues arising in these areas this year.
- 19 The overall quality of the accounts and supporting working papers was again good. Whilst we received the majority of the supporting documentation during the first week of the audit, there were some areas of the accounts where responses to audit queries took longer than expected.

Recommendations

- 20 We have identified one new recommendation arising from this year's audit which is set out in **Appendix 4**. Management has responded to the recommendation and we will follow up progress during next year's audit and report it to you in next year's report.
- 21 We have followed up progress made against our prior years' audit recommendations. Our audit work this year did identify matters arising that suggest that progress made against our prior year's audit recommendations remain ongoing. Details can be found in **Appendix 5**.
- 22 We intend to discuss lessons learnt and recommendations arising from our audit of the financial statements at the joint post project learning session that we will hold jointly with the Charitable Funds Finance Team in 2022.

Appendix 1

Final letter of representation

Auditor General for Wales
Wales Audit Office
24 Cathedral Road
Cardiff
CF11 9LJ

xx January 2022

Representations regarding the 2020-21 financial statements

This letter is provided in connection with your audit of the financial statements of Aneurin Bevan University Local Health Board Charitable Fund and Other Related Charities for the year ended 31 March 2021 for the purpose of expressing an opinion on their truth and fairness and their proper preparation.

We confirm that to the best of our knowledge and belief, having made enquiries as we consider sufficient, we can make the following representations to you.

Management representations

Responsibilities

We have fulfilled our responsibilities for:

- The preparation of the financial statements in accordance with legislative requirements and the Charities Act 2011, in particular the financial statements give a true and fair view in accordance therewith; and
- The design, implementation, maintenance and review of internal control to prevent and detect fraud and error.

Information provided

We have provided you with:

- Full access to:
 - all information of which we are aware that is relevant to the preparation of the financial statements such as books of account and supporting documentation, minutes of meetings and other matters;
 - additional information that you have requested from us for the purpose of the audit; and

- unrestricted access to staff from whom you determined it necessary to obtain audit evidence.
- The results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- Our knowledge of fraud or suspected fraud that we are aware of and that affects Aneurin Bevan University Health Board Charitable Fund and Other Related Charities and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements.
- Our knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, regulators or others.
- Our knowledge of all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
- The identity of all related parties and all the related party relationships and transactions of which we are aware.

Financial statement representations

All transactions, assets and liabilities have been recorded in the accounting records and are reflected in the financial statements.

The methods, the data and the significant assumptions used in making accounting estimates, and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.

Related party relationships and transactions have been appropriately accounted for and disclosed.

All events occurring subsequent to the reporting date which require adjustment or disclosure have been adjusted for or disclosed.

All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to the auditor and accounted for and disclosed in accordance with the applicable financial reporting framework.

The financial statements are free of material misstatements, including omissions. The effects of uncorrected misstatements identified during the audit are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Representations by those charged with governance, the Trustee of Aneurin Bevan University Health Board Charitable Fund and Other Related Charities

We acknowledge that the representations made by management, above, have been discussed with us.

We acknowledge our responsibility for the preparation of true and fair financial statements in accordance with the applicable financial reporting framework. The financial statements were approved by Aneurin Bevan University Health Board on xx January 2022.

We confirm that we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that it has been communicated to you. We confirm that, as far as we are aware, there is no relevant audit information of which you are unaware.

Signed by:

Glyn Jones

Chief Executive and Accountable Officer

Date:

Signed by:

Anne Lloyd

Board Chair

Date:

Appendix 2

Proposed Audit Report

The independent auditor's report of the Auditor General for Wales to the trustee of Aneurin Bevan University Local Health Board Charitable Fund and Other Related Charities

Opinion on financial statements

I have audited the financial statements of Aneurin Bevan University Local Health Board Charitable Fund and Other Related Charities for the year ended 31 March 2021 under the Charities Act 2011. These comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In my opinion the financial statements:

- give a true and fair view of the state of affairs of the charity as at 31 March 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Charities Act 2011.

Basis of opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the charity in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt

on the body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the trustee with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. The trustee is responsible for the other information contained within the annual report. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon. My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Report on other requirements

Matters on which I report by exception

I have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require me to report to you if, in my opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustee's report;
- sufficient accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my team;
- the financial statements are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit.

Responsibilities

Responsibilities of the trustee for the financial statements

As explained more fully in the statement of trustee's responsibilities set out on page xx, the trustee is responsible for preparing the financial statements in accordance with the Charities Act 2011, for being satisfied that they give a true and fair view, and for such internal control as the trustee determines is necessary to enable the preparation of

financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustee is responsible for assessing the charity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

Auditor's responsibilities for the audit of the financial statements

I have been appointed as auditor under section 150 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

- Enquiring of management, including obtaining and reviewing supporting documentation relating to Aneurin Bevan University Local Health Board Charitable Fund and Other Related Charities' policies and procedures concerned with:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, posting of unusual journals and (add as appropriate to the audit);
- Obtaining an understanding of Aneurin Bevan University Local Health Board Charitable Fund and Other Related Charities' framework of authority as well as other legal and regulatory frameworks that the Aneurin Bevan University Local Health Board Charitable Fund and Other Related Charities operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of Aneurin Bevan University Local Health Board Charitable Fund and Other Related Charities .

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- reading minutes of meetings of those charged with governance and the trustee; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Aneurin Bevan University Local Health Board Charitable Fund and Other Related Charities' controls, and the nature, timing and extent of the audit procedures performed.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Adrian Crompton
Auditor General for Wales
28 January 2022

24 Cathedral Road
Cardiff
CF11 9LJ

Appendix 3

Summary of Corrections Made

During our audit we identified the following misstatements that have been corrected by management, but which we consider should be drawn to your attention due to their relevance to your responsibilities over the financial reporting process.

Exhibit 2 has been completed as at 20 December 2021. There may be further amendments following the completion of the final stages of our review as noted in paragraph 6 in the body of the main report.

Exhibit 2: summary of corrections made

Value of correction	Nature of correction	Reason for correction
£121,000	Note 11 – Movements in funding commitments Decrease current liabilities 'Opening balance as at April' and increase non-current liabilities 'Opening balance as at 1 April'. Increase current liabilities 'movement in funding commitments' and decrease non-current liabilities 'Movement in funding commitments.'	To ensure that the financial statements opening balances and movements in year agree to prior-year audited accounts and supporting records.
£24,000	Note 5 – Income from Charitable Activities Note 17 – Analysis of current debtors Note 19 – Analysis of liabilities Statement of Financial Activities for the year ended 31 March 2021 Decrease Unrestricted Funds – Other Income (£16,000), Unrestricted Funds – Course Income (£8,000) (Note 5), decrease Trade Debtors (£16,000) (Note 17), and	To correctly classify income for which the conditions to recognise have not yet been met.

Value of correction	Nature of correction	Reason for correction
	<p>increase Deferred Income (£8,000) (Note 19).</p> <p>This will also decrease the Total Funds carried forward as per the Statement of Financial Activities by £16,000.</p>	
£16,000	<p>Note 4 – Income from donations, legacies, and grants Decrease income from Grants and increase income from Donations.</p> <p>This amendment also impacts Note 22 – Analysis of funds.</p>	To correctly classify income which does not meet the classification of restricted grant income.
£12,000	<p>Note 4 – Income from donations, legacies, and grants Decrease income from Legacies and increase income from Donations.</p> <p>This amendment also impacts Note 22 – Analysis of funds.</p>	To correctly classify income and ensure that the notes in the accounts agree to supporting documentation.
£4,000	<p>Note 12 – Apportionment of support costs (second table) Increase Unrestricted Funds - Raising Funds and a decrease in the Unrestricted Funds - Charitable activities.</p>	To correctly classify support costs and ensure that the notes in the accounts agree to supporting documentation.

Value of correction	Nature of correction	Reason for correction
	This amendment also impacts the disclosures in Notes 8 – Analysis of expenditure on raising funds and Note 9 Charitable activity.	
£3,000	<p>Note 4 – Income from donations, legacies, and grants</p> <p>Note 17 – Analysis of current debtors</p> <p>Statement of Financial Activities for the year ended 31 March 2021</p> <p>Decrease income from Legacies (Note 4) and decrease Accrued income (Note 17).</p> <p>This will also decrease the Total Funds carried forward as per the Statement of Financial Activities by £3,000.</p>	To ensure that income included in the accounts is not overstated and agrees to the supporting documentation.
£2,000	<p>Note 16 – Fixed asset investment</p> <p>Note 9 – Analysis of charitable activity</p> <p>Statement of Financial Activities for the year ended 31 March 2021</p> <p>Addition of a loss on disposal of Investment Property (Note 16), and a decrease in Staff education and welfare expenditure (Note 9).</p>	To correctly account for the costs of selling the Investment Property as part of the sale.

Value of correction	Nature of correction	Reason for correction
	This amendment also requires a reclassification within the Statement of Financial Activities for the year ended 31 March 2021.	
Various	<p>Narrative and disclosures amendments, including the following:</p> <ul style="list-style-type: none"> • include prior year comparatives for Related party transactions (Note 3) • additional narrative to explain transfers between reserves (Notes 21 – Transfer between funds and Note 22 – Analysis of funds) 	To ensure compliance with the requirements of the Charities SORP.

Appendix 4

Recommendations arising from this year's audit

We set out all the recommendations arising from our audit with management's response to them. We will follow up these next year and include any outstanding issues in next year's audit report:

Exhibit 3: matter arising 1

Matter arising 1 – Financial Controls Procedures need to be updated	
Findings	<p>As identified in our audit, the Financial Control Procedures (FCPs) state that 'The managed investment portfolio should equate to no more than 75% of the total funds, with the remaining sum being more readily available.' The managed investment portfolio as per the financial statements is £5,004k, which equates to 92% of the £5,443k total funds. As per our discussions with the Charitable Funds team, this is due to the FCPs not being updated to reflect the changing profile of the investment portfolio.</p> <p>In addition, the Charitable Fund should consider having clearer procedures regarding the classification of income.</p>
Priority	Medium
Recommendation	The FCPs should be reviewed regularly and updated as necessary
Benefits of implementing the recommendation	Regular review of the FCPs will ensure that they remain relevant to the Charitable Fund and provide officers with appropriate procedures to follow.
Accepted in full by management	Yes

Matter arising 1 – Financial Controls Procedures need to be updated

Management response

The Charitable Funds financial control procedure is reviewed on a 3-year rolling basis and is due for review in July 2022. Going forward, additional reviews will be carried out on an annual basis to ensure that the procedure remains relevant and that no significant changes have occurred since the last review.

For clarity, the income section (section 9 of the current financial control procedure) will be enhanced to include a more detailed section on the types of income received by the Charity and how the classification is determined, eg grant, donation, legacy etc. and the documentation required to be obtained/retained to verify this classification.

Implementation date

July 2022

Appendix 5

Follow up of prior years' audit recommendations

We have followed up progress made against our prior year's audit recommendations. Where these are ongoing, we will continue to follow up progress and include any outstanding issues in next year's audit report:

Exhibit 4: matter arising 1 (2019-20)

Matter arising 1 (2019-20) – review and document the procedures undertaken to account for the Charity's transactions and prepare the financial statements

Findings	Officers undertake a variety of detailed procedures over the course of the year to account for the Charity's transactions and prepare the financial statements. During the audit we identified that these are not documented and are not applied on a consistent basis.
Priority	High
Recommendation	<p>The procedures adopted in accounting for the Charity's transactions should be reviewed and documented to ensure that they are appropriate and applied on a consistent basis. Examples of such procedures are:</p> <ul style="list-style-type: none">• review the classification of grant income as it is all currently accounted for as Unrestricted, but has Terms and Conditions attached to its use.• review and classification of legacy income, as these are treated as Restricted, even where the monies are available for wide use, eg at a particular site. This will also include the three Restricted Funds reported on last year for which there is no documentation to support the classification as Restricted.• the method of allocating Support costs as they are allocated on different bases depending on the nature of the Fund, and the Note. In Note 12 they are allocated on the basis of the year-end Fund balance and in Note 20 on the average monthly Fund balance.

Matter arising 1 (2019-20) – review and document the procedures undertaken to account for the Charity's transactions and prepare the financial statements

Benefits of implementing the recommendation	Reviewing and documenting the procedures adopted in accounting for the charitable funds will improve efficiency and ensure consistency.
Accepted in full by management	Yes
Management response	We will review and document our procedures to ensure consistency. We will also review the treatment of grant income and legacy income with regard to restricted or unrestricted classification. We will produce a series of Standing Operation Procedures to ensure that the accounts are produced on a consistent basis.
Implementation date	31 March 2021
Progress update	<p>Ongoing</p> <p>As part of our audit of the financial statements 2020-21, we noted that consideration had been given to the treatment whilst there was evidence to suggest treatment of grant income and legacy income with regard to restricted or unrestricted classification. However, our testing of income did identify a mis-classification between grants and donations, a mis-classification between legacies and donations, and a number of mis-classifications of income within Note 5 – Income from Charitable Activities.</p>
Management response	Section 9 of the Charitable Funds Financial Control Procedure will be updated to include a detailed section on the types of income received by the Charity and also the nature of the income, eg restricted, unrestricted. This will include details of how the income should be treated and the documentation required to be obtained on receipt of the income to verify the treatment within the Charitable Funds in the accounts.
Implementation date	July 2022

Exhibit 5: matter arising 2 (2019-20)

Matter arising 2 (2019-20) – fundholders have not always provided finance officers with complete and appropriate documentation on a timely basis	
Findings	During the audit we identified that complete supporting documentation was not provided for all transactions, and requests to raise invoices were not made on a timely basis.
Priority	High
Recommendation	Fundholders should be reminded of the procedures and requirements for managing a Fund, including timely and complete provision of documentation to finance officers.
Benefits of implementing the recommendation	More efficient use of finance officers' time if all relevant documentation is provided promptly, and the opportunity of reimbursement from the donor is not lost.
Accepted in full by management	Yes
Management response	<p>We do try to ascertain all information in relation to donations at the time of receipt, however, it may not always be possible to locate backing documents. There will be always be instances where donations are paid directly into the Charitable Funds bank account. Where this occurs, we try and locate any backing documents associated with this receipt from the fundholder. We will ensure that the backing documents are kept on file or stored electronically going forward.</p> <p>In relation to invoices raised, the income recovery form should be completed within three months of the service/event. The procedure will be reiterated to fundholders and compliance monitored.</p>
Implementation date	31 March 2021
Progress update	<p>Ongoing</p> <p>As part of our audit of the financial statements 2020-21, we noted instances where third party</p>

Matter arising 2 (2019-20) – fundholders have not always provided finance officers with complete and appropriate documentation on a timely basis

	documentation to support donations was not available for audit. We acknowledge that obtaining third party documentation can be difficult in some cases due to the sensitive nature of the donation, however we noted instances where the chasing of third party documentation can be strengthened.
Management response	As reported previously, on receipt of the donation the team do try and ascertain any backing documentation in relation to the donation. We will evaluate the areas identified by Audit Wales to establish how we can improve on the chasing of 3rd Party documentation.
Implementation date	31 March 2022

Exhibit 6: matter arising 3 (2019-20)

Matter arising 3 (2019-20) – the Charity has agreed to review and streamline the number of individual Funds there are, as set out in the ‘Use of Funds’ paper presented to the Charitable Funds Committee on 9 May 2019	
Findings	This paper identified that as at 1 April 2019 there were 447 Funds, 64 were Restricted and 383 were Unrestricted; and that reducing this number would reduce the level of communication and administration required and enable the monies to be spent more effectively. As at 31 March 2020 the number of Funds had reduced to 432, of which 56 were Restricted and 376 Unrestricted.
Priority	High
Recommendation	The Charity needs to actively continue to review and streamline the number of Funds, especially now the Grange Hospital, which if not managed appropriately, has the potential to further increase the number of individual funds.
Benefits of implementing the recommendation	Streamlining the Funds will enable the Charity to achieve the identified reductions in communication and administration. As noted in the paper, if Funds with similar interests and objectives are merged, there is scope for the Funds to be used more effectively to deliver goods or services that individual Funds would not be able to achieve on their own.
Accepted in full by management	Yes
Management response	Work has already started on streamlining the number of funds in line with the opening of the Grange University Hospital. We are currently reviewing all funds held with a view to providing clarification on whether the fund can be combined by the end of March 2021.
Implementation date	31 March 2021
Progress update	Ongoing

Matter arising 3 (2019-20) – the Charity has agreed to review and streamline the number of individual Funds there are, as set out in the ‘Use of Funds’ paper presented to the Charitable Funds Committee on 9 May 2019

	<p>As part of our audit of the financial statements 2020-21, we noted that there has been no reduction in the number of individual funds, with there being 67 restricted funds and 372 unrestricted (total of 439) in 2020-21 compared to the total of 432 in 2019-20.</p> <p>We understand that work in this area will be ongoing during 2021-22.</p>
Management response	<p>This is an ongoing process with the number of funds continually under review in relation to streamlining the funds held by the HB. In the period January 2021 to September 2021, we have closed 38 funds, 18 of which had been merged with other funds with an additional 20 closed as the funds had been fully utilised. We have also opened a number of new funds due to the nature of the donation.</p> <p>We will continue to work with fund holders to merge funds of a similar nature to maximise the use of the donated income held in the funds.</p>
Implementation date	Ongoing – initial review to be finalised by July 2022

Exhibit 7: matter arising 4 (2019-20)

Matter arising 4 (2019-20) – the Reserves Policy was last reviewed in May 2019 and does not explain how it provides sufficient funds for ongoing commitments	
Findings	The Reserves Policy should be reviewed annually, as set out in the Financial Control Procedure, and should specify how the Charity identifies what is required to meet its ongoing commitments. The Policy and disclosures in the Annual Report do not clearly explain this.
Priority	Medium
Recommendation	The next annual review of the Reserves Policy should include specifying how the Charity identifies the level of reserves required to meet its ongoing commitments. This will assist the Charity in reviewing its reserve levels and documenting in the Annual Report both the policy and the review, as per the requirements of the SoRP, paras 1.22 and 1.48.
Benefits of implementing the recommendation	The annual review of the Reserves Policy will improve governance and ensure that the Charity understands, reviews and discloses its Reserves Policy and the funding required to meet ongoing commitments in compliance with the SoRP.
Accepted in full by management	Yes
Management response	The Reserves Policy will be reviewed to clearly identify the level of reserves required to be held to meet the ongoing commitments of the Charity. The financial control procedure will be updated to reflect the revised reserves policy at the next review stage which is 19 July 2022.
Implementation date	30 June 2021
Progress update	Ongoing

Matter arising 4 (2019-20) – the Reserves Policy was last reviewed in May 2019 and does not explain how it provides sufficient funds for ongoing commitments

	<p>As part of our audit of the financial statements 2020-21, we noted that the updated Reserves Policy has been drafted but not yet finalised.</p> <p>We understand that work in this area will be ongoing during 2021-22.</p>
Management response	<p>The revised reserves policy has been drafted and a report will be presented to the January Charitable Funds Committee for review and approval. If approved, the reserves policy will be implemented for the remainder of 2021-22.</p>
Implementation date	<p>11 January 2022</p>



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Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.



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Bwrdd Iechyd Prifysgol
Aneurin Bevan
University Health Board

Aneurin Bevan University Health Board
Tuesday, 11th January 2022
Agenda Item: 3:4

Aneurin Bevan University Health Board

Charitable Funds Reserve policy review

Executive Summary

Trustees are under a legal duty to apply charitable funds within a reasonable time of receiving them but should also hold some money in reserve. The appropriate level of those reserves (the reserves policy) should be considered and reviewed regularly by the trustees. This policy should be available to any fund advisers and other NHS staff dealing with charitable funds.

Without a reserves policy, trustees cannot be content that their reserves levels meet current needs. If reserves are too high, the charity is retaining funds without justification and this could constitute a breach of trust. If reserves are too low, the fund's ability to meet future commitments or needs may be at risk.

It is for this reason that trustees are required to have a formal reserves policy, review this regularly and report on it in their annual report. As a minimum a reserves policy should explain:

- The reasons why the charity needs reserves
- What level (or range) of reserves the trustees believe the charity needs
- What steps the charity is going to take to establish or maintain reserves at the agreed level (or range)
- Arrangements for monitoring and reviewing the policy

The policy should be informed by:

- Income forecasts, taking into account the level of certainty that exists about these
- Expenditure forecasts on the basis of planned activity
- Analysis of any future needs, opportunities, contingencies or risks that could not be met out of income if and when they arise
- The likelihood of each of these needs etc. arising and the potential consequences for the charity of not being able to meet them.

The Committee is asked to consider and approve the updated reserves policy which forms part of the Charitable Funds Procedure (appendix 11) as described in this report.

The structure of Charitable Funds has altered as assets have been liquidised which impacts upon the profile of available funds to support a reserve.

The Board is asked to: (please tick as appropriate)

Approve the Report	✓
Discuss and Provide Views	✓
Receive the Report for Assurance/Compliance	
Note the Report for Information Only	

Executive Sponsor: Robert Holcombe, Interim Director of Finance & Procurement

Report Author: Estelle Evans, Head of Financial Services & Accounting

Report Received consideration and supported by :			
Executive Team		Committee of the Board	Charitable Funds Committee
Date of the Report: 24th December 2021			
Supplementary Papers Attached: None			

Purpose of the Report
Following a review of the existing reserves policy, the Committee are asked to consider and approve an updated approach to be applied to the determination of the identification of reserves held.

Background and Context
<p>Following the audit of the 19/20 charitable fund accounts it was stated in the ISA260 that the Reserves Policy was last reviewed in May 2019 and does not explain how it provides sufficient funds for ongoing commitments. The Reserves Policy should be reviewed annually, as set out in the Financial Control Procedure, and should specify how the Charity identifies what is required to meet its ongoing commitments. The Policy and disclosures in the Annual Report do not clearly explain this.</p> <p>Our current reserves policy taken from the Financial Control Procedures (FCP) states the following:</p> <p><i>The Charitable Funds Committee has considered the Charity's reserve policy, in light of both Charity Commission guidance on reserves and the current level of funds held.</i></p> <p><i>The Committee has adopted a strategy of applying charitable funds within a reasonable time of receipt. Ideally spend should be within one to two years of the cash receipt unless the donation is made to an area or appeal which is saving towards a specific item over the medium to longer term. All planned expenditure must be to the benefit of NHS care, patient and staff welfare.</i></p> <p><i>Having examined the circumstances facing the charity, and namely its future income and expenditure patterns and value of fixed asset investments held, the target level of reserves is the equivalent of the value of the non-liquid assets of the charity. Maintaining reserves at this level will mitigate the risk of significant fluctuations in the levels of donations and provide financial stability for the charity.</i></p> <p>The non-liquid assets are inclusive of property and a painting and do not include funds that are denoted against named funds.</p> <p>Given that the value of these assets has diminished it is recognised that this no longer is a suitable source of reserve. Therefore, this proposal looks to identify how reserves will be maintained to ensure liabilities can be met.</p>

Assessment and Conclusion
The current Health Boards reserves policy was implemented at a time when the Charity held a higher value of non-liquid assets which consisted mainly of property. Having now sold the majority of these property assets the value of the non-liquid assets is now £0.246m, as per the table below.

Description of Non-liquid Assets of Charity	Valuation £000's
13 Clytha Square	153
TP Price Estate 1 metre strip of land at Oakdale	50
TP Price Estate Freehold interest - 3 High Street, Six Bells	18
Painting - The Domestic Chaplain	25
Total	246

This includes 13 Clytha Square at a value of £0.153m. The future retention of the property has yet to be confirmed as was discussed at the Charitable Funds Committee held on the 9th November 2021.

In order to ensure compliance with the procedure the Reserves Policy needs to be reviewed to clearly identify the maintenance of a level of reserves sufficient to meet the ongoing commitments of the Charity.

The Charity operates on the basis that it only spends what it has received and does not rely on future donations to meet its commitments.

The reserves policy should indicate that the level of reserve will be sufficient to cover liabilities including the cost of administering the funds and any unrealised losses. The administration charge is estimated as £130k for 21/22. Based on historic information the level of unrealised loss is estimated at £136K. Therefore, a total minimum reserve of £266K would be required in the current year. However, this value will change each year. As such the policy will be updated to reflect the requirement to provide sufficient cover for these liabilities rather than specifying an exact figure.

Unrestricted funds that have not been committed are freely available to spend on any of the charity's purposes. As the committee has approved the allocation of these funds to operate a small grants scheme these funds should be excluded from any reserve calculation.

Therefore, the option available to secure sufficient reserves (£266k for 2021/22) is to use the unrealised gain which currently stands at circa £389k.

The Committee can use these funds at their discretion, and in recent years this unrealised gain/loss was passed on to the individual charitable funds by apportioning in the same way as the interest, dividends and administration charge. Prior to this the unrealised gain was held in general funds and used at the discretion of the Committee to fund bids and can be used to cover the costs of administration and unrealised losses and as such can be identified as a source of reserves.

Given this, it is proposed that the policy is updated to reflect that a level of reserves will be maintained but that this will be from a broader source that is not solely restricted to the non-liquid assets of the charity.

Recommendation

The Committee is asked to approve the updating of the section of the Charitable Funds Procedure, regarding the Reserves Policy, to extend the source of reserves to include other available funds including unrealised gains.

The Committee will be advised on the value of reserves held and sources as appropriate.

Supporting Assessment and Additional Information	
Risk Assessment (including links to Risk Register)	The report identifies the approach taken to create a revised reserve to ensure that any potential unrealised gain in future years is funded along with the annual administration fee charged to fund holders.
Financial Assessment	The existing reserve policy was implemented at a time when the Charity held a significant level of non-liquid assets. Due to the sale of the majority of these assets and the nature of the remaining assets it is no longer viable to continue to use the non-liquid assets as the Charitable funds reserve. The paper proposes using part of the realised gains to establish a reserve level that is sufficient to cover the annual admin charge and any potential future unrealised loss. This reserve policy would need to be reviewed on an annual basis in line with the financial procedure to ensure any potential future shortfall is mitigated.
Quality, Safety and Patient Experience Assessment	If sufficient reserves are not maintained this could impact the Charities position in relation to the services being provided.
Equality and Diversity Impact Assessment (including child impact assessment)	A co-ordinated approach to the use of monetary donations will ensure that all patient groups and associated wellbeing needs are fully considered and spend prioritised.
Health and Care Standards	No impact
Link to Integrated Medium Term Plan/Corporate Objectives	Indirect link in as much as some purchases made through the charity could reduce pressure on the capital and revenue financial pressures of the main Health Board.
The Well-being of Future Generations (Wales) Act 2015 – 5 ways of working	
	Long Term – Ensure sufficient reserves are maintained to address any potential future unrealised loss and running costs of the department.
	Integration – the maintenance of a reserves policy helps to support the objectives and goals of the Charitable Funds
	Involvement – No impact
	Collaboration – No impact
Glossary of New Terms	Prevention – revised reserves policy will help to prevent future issues/challenges.
	FCP – Financial Control Procedure
	SoRP – Statement of Recommended Practice
	General Funds - These funds are unrestricted and consist of donations received by the charity where no particular preference as to its expenditure has been expressed by donors. The Charitable

	<p>Funds Committee decides on how these funds should be spent by receiving requests from across the Health Board.</p> <p>Designated Unrestricted Funds -These consist of donations where a particular part of the hospital or activity was nominated by the donor at the time their donation was made. Whilst their nomination is not binding on the trustee, the designated funds reflect these nominations.</p> <p>Restricted Funds -These consist of legacies and grants where a legal document and signed agreement restricts the use to the terms of the bequest/agreement.</p>
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