

# **ANNUAL REPORT OF THE ENDOWMENTS & GIFTS COMMITTEE 2022/23**

## **1. Introduction**

It is the delegated responsibility of the Endowments and Gifts Committee (E&G) to oversee the administration of Endowments and Gifts Funds. The Committee provides the Trust Board with assurance on all aspects of the stewardship and management of funds donated or bequeathed to the Trust.

This Annual Report of the E&G Committee to the Trust Board for the financial year ended 31 March 2023 reports on the work of the Committee in its discharge of its oversight responsibilities to the Board.

## **2. Chair's Foreword**

In presenting this Annual Report of the E&G Committee of the Trust, I wish to place on record my thanks to my Non-Executive Director colleagues for their support and effective contribution to the successful operation of the Committee. On behalf of the Committee, I would like to thank the Director of Human Resources and Organisational Development, the Director of Acute Services, the Director of Surgery and Clinical Services, the Director of Medicine and Unscheduled Care, the Director of Finance, Procurement and Estates and her staff and the Board Assurance Manager and Committee Secretary for their attendance and contribution during the year. I am satisfied that the Committee has discharged its duties in line with its agreed Terms of Reference for the year.

### 3. Membership and attendance at meetings

Membership of the E&G Committee and attendance at meetings during 2022/23 was as follows:-

Name of Board member	Attendance
<b>Non-Executive</b>	
<b>Ms G Donaghy Chair</b>	4/4
<b>Mrs H McCartan</b>	4/4
<b>Mr M McDonald</b>	4/4
<b>Director</b>	
<b>Mrs M McClements</b> (Director of Acute Services to 31 July 2022)	1/1
<b>Mrs T Reid</b> (Director of Medicine and Unscheduled Care (from 1 January 2023); Interim Director of Surgery and Elective Care, Integrated Maternity and Women's Health, Cancer and Clinical Services (from 1 August until 31 December 2022))	2/3
<b>Mrs C Reid</b> (Director of Surgery & Clinical Services (from 8 March 2023); Interim Director of Surgery and Elective Care, Integrated Maternity and Women's health, Cancer and Clinical Services (from 1 January until 7 March 2023) Interim Director of Medicine and Unscheduled Care (from 1 August until 31 December 2022))	3/3
<b>Mrs V Toal</b> (Director of HR & OD)	4/4

The Committee's Terms of Reference require it to meet at least four times per annum and there must be three members present (two Non-Executive Directors and one Director). During the year commencing 1 April 2022, the E&G Committee met on 4 occasions as detailed below and the meetings were quorate on all occasions.

14<sup>th</sup> June 2022  
 3<sup>rd</sup> October 2022  
 30<sup>th</sup> January 2023  
 20<sup>th</sup> March 2023

A nominated representative attends in a Director's absence.

#### **4. Terms of Reference**

The Committee is authorized by the Board to undertake any activity within its Terms of Reference. The Committee's Terms of Reference were reviewed and updated in January 2023 and were approved by Trust Board on 30<sup>th</sup> March 2023.

#### **5. Work Programme**

In line with best practice, the E&G Committee developed a core work programme for the year under review and this was approved by Trust Board on 27<sup>th</sup> October 2022.

#### **6. Reporting**

The minutes of each meeting were approved at the subsequent Committee meeting prior to submission to Trust Board for information purposes.

After each E&G Committee meeting, the Committee Chair provides a written summary report to the subsequent Board meeting.

#### **7. Role, Responsibilities and main activities**

In accordance with its Terms of Reference, the Committee met on a regular basis to monitor the use and rationalisation of funds, in accordance with their terms of reference and the ongoing objectives for the use of these Funds. In line with its role and responsibilities, the Committee:-

- i) Continued the practice of inviting the Fund Managers of the four Directorate wide funds to present their proposed spending plans for 2022/23;
- ii) Ensured that E&G funds were managed in line with guidance in the Trust's Standing Financial Instructions, Department of Health guidance and legislation;
- iii) In 2022/23, the Committee continued to promote the rationalisation of Trust Funds, where possible, in order to ensure appropriate use of all funds, irrespective of the

size of the donation and to reduce the administration associated with having a very large number of funds.

- iv) Sought assurance that assets in ownership of, or used by, the E&G Gifts fund will be maintained with the Trust's general estate and inventory of assets;
- v) Sought assurance that funds were not unduly or unnecessarily accumulated;
- vi) Ensured that a Trustees' Report was produced as part of the production of annual accounts for Endowments and Gifts;
- vii) Sought assurance that expenditure from E&G Funds was subject to appropriate value for money considerations including proper procurement procedures where applicable;
- viii) Ensured that the Annual Accounts were prepared in accordance with Department of Health guidelines and submitted to the Trust Board within agreed timescales;
- ix) Reviewed its Investment Policy and Financial Administration charge. No changes were made to the existing policy at this time, however it will continue to review the investment policy and portfolio annually, with particular reference to the achieved dividend rate underperforming against the comparative benchmark. The position will be reviewed during 2023-24 with exploration of alternative investment options.

The Committee approved a financial administration levy for 2022/23 of £42k. This was £13k above the prior year charge, but reflected the additional costs associated with the implementation of new software to manage E&G Funds.

- x) On behalf of the Trust Board, and on the advice of the Senior Leadership Team, the Committee will authorise appropriate policies and procedures in relation to E&G Funds. The Procedures for the Management of Charitable Trust Funds were revised and reissued during 2022-23. The most significant amendment covers the new requirement for Capital Business

Cases for capital expenditure requests. This addresses the Internal Audit recommendation to strengthen procedures around capital expenditure requests.

- xi) Following receipt of a £3m donation from the Department of Health late in 2020/21 under Ministerial Direction, the committee had oversight over the planning and deployment of these monies during 2022/23. To that end, the Committee received an update report at each meeting from the Task and Finish Group established to consider how the donation could be used to maximum effect.

## **8. Internal Audit**

BSO Internal Audit includes the Trust Funds as part of their rolling programme of audits. The Southern HSC Trust Audit Committee carries out an oversight role in reviewing Internal Audit reports and the Chair of the Audit Committee is a member of the E&G Committee.

The Internal Audit report on Charitable Trust Funds during 2022-23 provided a **satisfactory** level of assurance on the basis that controls over Trust Funds are generally operating effectively, with a **limited** assurance provided specifically in respect of management of the Mandeville Unit Fund, in the absence of documented rationale for expenditure from this Fund in respect of the purchase of a modular building.

The Endowments and Gifts Committee reviewed progress against the recommendations through 2022-23 and was pleased to note that all of the Priority 2 recommendations are now fully implemented, one of them no longer applicable as it duplicated a previous audit recommendation around rationalisation of funds.

In order to address two Priority 2 recommendations, a paper was presented to E&G Committee requesting funding for a new post to manage E&G funds, to progress the rationalisation of the funds and participate in the regional work plan towards CCNI registration. The E&G Committee approved this funding request.

A detailed paper was also presented to E&G Committee in March around the Mandeville Annexe development. This set out the rationale for the requirement for additional accommodation at the Unit, and the reasons for the Charitable Trust funded works being completed as a single project with the public funded works, including to minimise service disruption and risk to cancer patients and to support value for money.

## **9. External Audit Recommendations**

There was one external recommendation to progress during 2022/23 which related to Charitable Trust Funds – Cut Off. The Trust implemented new procedures in year and cut off testing will be reviewed as part of the 2022/23 audit again.

## **10. Financial Reporting for 2022/23**

In line with best practice, the Committee will review the final audited Trust Funds Accounts and Trustee's Report for the year ended 31 March 2023 at its meeting on 15<sup>th</sup> June 2023, together with the extract from the draft Report to those charged with Governance from ASM Belfast / NIAO.

## **11. E&G Committee – Self Assessment**

The E&G Committee assessed its effectiveness using a self-assessment checklist during 2022/23. There were no issues that required to be addressed.

## **12. Plans for 2023/24**

The key focus for the E&G Committee in 2023/24 and beyond will be the continued preparations for the restructuring of the Trust Funds required in order to proceed with the CCNI registration application. This will include review of the purpose of the Funds, provision of governing documents and potentially seeking Court approval to effect any movement or transfer between Funds or any other

changes to the Funds. This process will be carried out in conjunction with the Department of Health and the other HSCNI bodies, and taking cognisance of legal and professional advice. A regional business case has been approved in this regard and the newly approved post will assist with this project.

The Committee will continue to receive progress updates on the deployment of the £3m donation from the Department of Health.

In addition, the Committee will continue to receive presentations on the benefits achieved through the use of Charitable Funds allocated to Research and Development at the conclusion of research studies approved through the Committee. The outcome of research on Trauma informed approaches will be presented to the Committee in the Autumn 2023.

The E&G Committee will continue to actively promote the use of Trust Funds and review expenditure plans by Fund managers.

Membership of the E&G Committee will be reviewed in 2023/24 in light of revised Directorate structures.

### **13. Summary**

The Committee is of the opinion that for the year ended 31<sup>st</sup> March 2023, it has discharged its oversight responsibilities in accordance with the Terms of Reference set for the Committee by the Board. The Committee is also satisfied that it has considered its business in accordance with best practice.

*Geraldine Donaghy*

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G Donaghy  
Chair

On behalf of Endowments and Gifts Committee

15 June 2023