

Board of Trustees

30 January 2020, 11:00 to 11:30
Cowbridge Town Hall, Cowbridge

Agenda

1. **Welcome & Introductions**
2. **Apologies for Absence**
3. **Declarations of Interest**
4. **Minutes of the Trustee Meeting held on 28th November 2019**
 -  4 - Minutes of the Trustee Meeting _CT0120.pdf (4 pages)
5. **Action Log following the Trustee Meeting held on 28th November 2019**
 -  5 - Corporate Trustee Action Log November 2019 _CT0120.pdf (1 pages)
6. **Chairs Action taken since last meeting – There had been no Chairs Action**
7. **Items for Review and Assurance**
 - 7.1. **No Items**
8. **Items for Approval/Ratification**
 - 8.1. **Approval of Funds Held on Trust Annual Report 2018/19**
 -  8.1 Approval of Charity Annual Report and Accounts 30 Jan.pdf (3 pages)
 -  8.1.2 Annual Report Jan 2020.pdf (42 pages)
 -  8.1.3 CVUHB FHOT audit enquiries letter 230919.pdf (13 pages)
 -  8.1.4 1656A2019-20 CV FHOT ISA260 18-19 FINAL.pdf (18 pages)
9. **Items for Noting and Information**
 - 9.1. **No Items**
10. **Review of the Meeting**
11. **Any Other Business**
12. **Date & Time of next Meeting**
 - 12.1. **To be confirmed**

Tolley, Laura
01/16/2020 13:33:31

**UNCONFIRMED MINUTES OF A MEETING OF THE CARDIFF AND VALE UNIVERSITY
HEALTH BOARD TRUSTEE HELD ON 28 NOVEMBER 2019
MEMO ARTS CENTRE, GLADSTONE ROAD, BARRY, CF**

Present:

Charles Janczewski	CJ	Trustee and Interim UHB Chair
Len Richards	LR	Trustee and Chief Executive Officer
Eileen Brandreth	EB	Trustee and Independent Member - ICT
Robert Chadwick	RC	Trustee and Executive Director of Finance
Steve Curry	SC	Trustee and Chief Operating Officer
Martin Driscoll	MD	Trustee and Executive Director of Workforce and OD
Akmal Hanuk	AH	Trustee and Independent Member – Community
Abigail Harris	AH	Trustee and Executive Director of Strategic Planning
Michael Imperato	MI	Trustee and Independent Member - Legal
Dr Fiona Jenkins	FJ	Trustee and Executive Director of Therapies and Health Sciences
Fiona Kinghorn	FK	Trustee and Executive Director of Public Health
Sara Moseley	SM	Trustee and Independent Member – Third Sector
John Union	JU	Trustee and Independent Member – Finance
Ruth Walker	RW	Trustee and Executive Nurse Director
Stuart Walker	SW	Trustee and Medical Director

In attendance:

Nicola Foreman	NF	Director of Corporate Governance
----------------	----	----------------------------------

Secretariat:

Glynis Mulford	GM	Corporate Governance Officer
----------------	----	------------------------------

Apologies:

Professor Gary Baxter	GB	Trustee and Independent Member - University
Susan Elsmore	SE	Trustee and Independent Member – Local Authority
Dawn Ward	DW	Trustee and Independent Member – Trade Unions
Richard Thomas	RT	Chair – Stake Holder Reference Group

Tolley, Laura
01/16/2020 13:33:31

**UHBT
19/11/001**

APOLOGIES FOR ABSENCE

Apologies for absence were noted.

**UHBT
19/11/002**

DECLARATIONS OF INTEREST

The Interim UHB Chair (the Chair) invited Board Members to declare any interests in relation to the items on the meeting agenda. None were declared.

**UHBT
19/11/003**

MINUTES OF THE TRUSTEE MEETING HELD ON 27 JUNE AND 25 JULY 2019

The Board reviewed the Minutes of the meeting held on 27 June 2019 and 25 July 2019.

The Board Resolved that:

- a) the minutes of the meeting be approved as a true and accurate record.

ACTION LOG

CT: 19/03/007 – Charitable Funds Bid – Sustainable Travel for Patients and Staff: Chief Operating Officer to liaise with the Director of Capital Estates regarding having a manned telephone line in the Private Eye office.

SC

CT: 19/07/004 – Appointment of a New Independent Advisor for the Charity Trustee: No need to follow up at this stage as the candidate declined the position - **COMPLETE**.

CT: 19/03/007 – WIFI Project: Charitable Funds bid – sustainable travel for patients and staff of CAV UHB: It was agreed that the Charity should no longer provide monies for the WIFI project and that this should be revenue funded. **COMPLETE**

The Board Resolved that:

- (a) the action log and updates upon it be received and noted.

**UHBT
19/11/004**

REVIEW OF CHARITABLE DELEGATED FUNDS FOR TRUSTEE

The Executive Nurse Director informed Members that a number of bids for Charitable Funds could not be allocated due to there being insufficient available funds. The Deputy Director of Finance had reviewed the Charity's delegated funds and prepared a paper that detailed the designated restricted, unrestricted and endowment funds held. The following key points were raised:

- There were a number of dormant delegated and undelegated funds which could potentially be considered for transfer to the

Tolley, Laura
01/16/2020 13:33:31

general reserve for key pieces of work.

- The Charities financial commitments had been assessed at £1.5m leaving an available balance of circa £360k in the general reserves. Therefore a number of projects were at risk as further expenditure could not be approved due to the level of available funds in general reserves. There were also implications for some employees as they were funded via this route.
- It was indicated that a number of charitable funds lay dormant which had named individuals attached to them. The Executive Nurse Director queried whether, in light of the fact that these pots remain dormant, we could consider pulling those funds into the general reserve to support further ongoing work this year to align with our strategic agenda.
- It was agreed that there was a need to ensure that a strategic direction was in place for charitable expenditure, to be clear what should be delivered and what needed to be prioritised as a Trustee. The Charitable Funds Committee December meeting would focus on this area.
- The Chair highlighted that the Trustees were not aware how the monies held in restricted or designated funds were intended to be spent when donated and queried whether the Trustee needed to discuss this with the Charity Commission before transferring funds to the general reserve. It was confirmed that the ability to transfer funds was within the gift of the Charity and the Charity Commission had previously highlighted that monies should not sit dormant in various pots for years. These dormant funds were out of line with Charity Commission Policy and the funds should have a spending plan in place.

The Executive Nurse Director acknowledged that this was an important decision to make but confirmed that the Trustee needed a direction of travel to proceed.

There was wider discussion regarding the need for fund holders to be informed that funds would be transferred as monies may have been donated for a specific purpose. It was suggested that fund holders would be concerned if funds were taken away without their knowledge.

The Chair stated there would need to be some notification to the fund holders and that this would be done through discussion and an engagement process. There was a need for fund activity to be reviewed on a regular basis and he confirmed that the Board was not in a position to go ahead with recommendations as they stood for all funds.

The Chair recognised the urgency of the request and advised that action could be undertaken electronically.

The Board Resolved that:

CJ / RW

Tolley, Laura
01/16/2020 13:33:31

	<ul style="list-style-type: none"> a) the recommendations could not be supported until the fund holders were contacted as they may not be aware that funds could be lost if they did not have a spending plan; b) moving forward fund activity is to be reviewed on a regular basis; and c) For any urgent actions, decisions can be undertaken electronically. 	<p>CFC</p> <p>CFC</p> <p>CJ / RW</p>
<p>UHBT 19/11/005</p>	<p>ANY OTHER URGENT BUSINESS</p> <p>No other business items were raised.</p>	
<p>UHBT 19/11/006</p>	<p>DATE OF THE NEXT MEETING OF THE TRUSTEE:</p> <p>Thursday 30 January 2020, 1.00pm Venue: TBC</p>	

Tolley, Laura
01/16/2020 13:33:31

Action Log
Following Corporate Trustee Meeting held on
28th November 2019

MINUTE REF	SUBJECT	AGREED ACTION	LEAD	DATE	STATUS/COMMENT
Actions Completed					
Actions In Progress					
CT/19/03/010	Bid Panel Terms of Reference	That a review of the Membership of the Bids Panel be undertaken	N Foreman	01/04/20	Not due - Once the newly constituted Charitable Funds Committee has embedded a review of the Membership of the Bids Panel will be undertaken to ensure that the Membership is appropriate. This will be done by the start of the next financial year.
CT/19/06/008	Employee Wellbeing Service	A further report to be submitted to the Corporate Trustee Meeting by the Head of Employee Health and Wellbeing Services outlining the impact of option 3 and if it was still required the rationale for providing additional funding for option 1	N Bevan	June 2020	Not due
Actions referred to Committees of the Board/Board Development					

Tolley, Laura
01/16/2020 13:33:31

Report Title:	Approval of the Funds Held on Trust Annual Report 2018/19 for the Cardiff and Vale Health Charity				
Meeting:	Corpoarte Trustee Meeting			Meeting Date:	30 January 2020
Status:	For Discussion	For Assurance	For Approval	x	For Information
Lead Executive:	Executive Director of Finance				
Report Author (Title):	Deputy Director of Finance				

Background and current situation:

The draft Funds Held on Trust Annual Report was considered at the Charitable Funds Committee on the 10th September 2019. These were reviewed for accuracy and completeness and were amended to incorporate comments received.

Neither the final audited version of the Annual Report or the ISA 260 report from the Wales Audit Office have been reviewed by the Charitable Funds Committee as the audit had not been completed in time for its last meeting.

The Trustee is asked to receive and consider for approval the Funds Held on Trust Annual Report 2018/19, the Letter of Representation, the response provided to the audit enquiries to those charged with governance and management and the ISA 260 Audit Report.

These documents are included as follows:

- Funds Held on Trust Annual Report 2018/19 (incorporating the Final Accounts);
- The response given to the audit enquiries to those charged with governance and management;
- ISA 260 Audit Report (which includes the Letter of Representation)

Executive Director Opinion /Key Issues to bring to the attention of the Board/ Committee:

The Trustee is asked to approve the Funds Held on Trust Annual Report and associated documents. Assurance can be provided on the accuracy of the Annual Report, including the Annual Accounts and associated documents by:

- The work that has been completed by the WAO in determining that the Funds Held on Trust Annual Accounts give a true and fair view;
- The Letter of Representation to be sent to the Wales Audit Office;
- The response given to the audit enquiries to those charged with governance and management which was endorsed by the Chair, Chief Executive, Chair of the Charitable Funds Committee and Director of Finance.

Tolley, Laura
01/16/2020 13:33:32

Assessment and Risk Implications (Safety, Financial, Legal, Reputational etc:)

The Annual Report of the Charity has been prepared in accordance with recommended practice. These have been subject to external review by the Wales Audit Office. Their assessment is detailed in the ISA 260 report which includes their opinion, findings and recommendations. This report concludes that the annual accounts shows a true and fair view for the financial year 2018/19.

During the course of the audit there were a number misstatements and note errors identified. Most have been corrected in the final accounts with uncorrected misstatements being not material enough to warrant correction. Details of both corrected and uncorrected misstatements are included in the ISA 260 report.

Recommendation:

The Trustee is asked to:

- **CONSIDER** the Funds Held on Trust Annual Report for 2018/19, the response provided to the audit enquiries to those charged with governance and management, the Letter of Representation and ISA 260 Report from the Wales Audit Office.
- **RECOMMEND** the approval of the Funds Held on Trust Annual Report 2018/19, based on the assurances given and the recommendation of the Wales Audit Office.
- **CONFIRM** the statement made in the Letter of Representation to the Auditors and recommend approval of this document.

Tolley, Laura
01/16/2020 13:33:32

Shaping our Future Wellbeing Strategic Objectives

This report should relate to at least one of the UHB's objectives, so please tick the box of the relevant objective(s) for this report

1. Reduce health inequalities	x	6. Have a planned care system where demand and capacity are in balance	
2. Deliver outcomes that matter to people	x	7. Be a great place to work and learn	x
3. All take responsibility for improving our health and wellbeing	x	8. Work better together with partners to deliver care and support across care sectors, making best use of our people and technology	x
4. Offer services that deliver the population health our citizens are entitled to expect	x	9. Reduce harm, waste and variation sustainably making best use of the resources available to us	x
5. Have an unplanned (emergency) care system that provides the right care, in the right place, first time		10. Excel at teaching, research, innovation and improvement and provide an environment where innovation thrives	x

Five Ways of Working (Sustainable Development Principles) considered

Please tick as relevant, click [here](#) for more information

Prevention	x	Long term	x	Integration		Collaboration	x	Involvement	x
Equality and Health Impact Assessment Completed:	Not Applicable								

Kind and caring
Caredig a gofudd

Respectful
Dangos parch

Trust and integrity
Ymddiriedaeth ac uniondeb

Personal responsibility
Cyfrifoldeb personol



GIG
CYMRU
NHS
WALES

Bwrdd Iechyd Prifysgol
Caerdydd a'r Fro
Cardiff and Vale
University Health Board



Cardiff & Vale

HealthCharity

Elusenlechyd

Caerdydd a'r Fro

Annual Report 2018-19



Every donation making healthcare better

Contents

Introduction from the Chair of the Charitable Funds Committee	2
Our year in photos	3
Our year at a glance	4
Fundraising highlights	5
How we've spent your money	9
Annual Accounts 2018-19	10-36
Statement of Financial Trustee Responsibilities	37
Statement of Trustee Responsibilities	38
Report of the Auditor General	39-40

You can find out more about us, the work we do, who we work with and how you can get involved by visiting our website:
www.healthcharity.wales

Introduction from the Chair of the Charitable Funds Committee



I am delighted to report that in 2018 -19 Cardiff & Vale Health Charity had a very successful year supporting a wide variety of patient and staff projects throughout Cardiff and Vale University Health Board. The Health Charity spent £1,884,000 in total, supporting numerous good causes and enhancing services.

The Health Charity relies on the support of our generous fundraisers, donors and volunteers, and in 2018-19 we demonstrated a strong financial performance, generating an income of £2,000,000. It is pleasing to note that both donations and staff lottery income have increased; a testament to the hard work and care shown in our hospitals and community health centres.

This year has seen the Health Charity undergo a structural reorganisation, including the development of a business unit model, increasing its available resources and thereby maximising its support to fundraising opportunities, charitable events, appeals and awareness raising. All of which helps raise valuable funds to support patients, staff and the general public in our local community, who are connected with the Health Board in some way.

In 2018-19, the Health Charity experienced many fantastic successes and achievements which are highlighted in this report. I hope you find these stories as interesting and inspiring as I do.

**Akmal Hanuk,
Chair, Charitable Funds Committee**

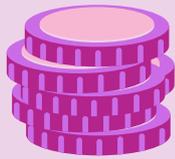
Tolley, Laura
01/16/2020 13:33:31

Our year in photos



Our year at a glance

This year, you've helped to raise a total of £2 million pounds to help make things better.



Donations
£732,000



Legacies
£740,000



Investments
£207,000

Other trading activities:



£242,000



£79,000



£46,408

Our Appeals



£15,993



£25,512



£150,950



£81,795

f 1,911
new followers

Tolley, Laura
02/16/2020 11:43:31



£1,681

593
new followers



Cardiff Bay Bed Push Challenge

Over 300 people came out in the May sunshine to take part in the first ever bed push and 5k and 10k run at Cardiff Bay Barrage to celebrate the NHS at 70. The event raised over £8,500 for the PROP Appeal and was featured on ITV Wales News, Walesonline.

Len's Challenge

Over 100 people supported the Health Board's Chief Executive, Len Richards on his challenge of walking 176 miles along Offa's Dyke Path raising over £6,000 to be divided between two charities close to his heart - Cardiff & Vale Health Charity and Improving Chances.



Parkrun NHS at 70

A special Parkrun event was held at Blackweir in Cardiff to celebrate the NHS at 70. Hundreds of Parkrunners came out to run 5k to say thank you to the NHS and their staff. The Health Charity reached out to runners in the local community, sharing information about events and how they could help raise funds for their local ward or hospital. The event was publicised on BBC Wales Today News.



#NHS70

You are invited to Cardiff parkrun to celebrate the 70th birthday of the NHS on Saturday 9 June 2018

Celebrating the NHS at 70

On the 70th birthday of the NHS, tea parties were held on the wards throughout hospitals within the Health Board to raise money for the Health Charity. Over 1,000 patients enjoyed a cream tea or fruit which was served to them by a member of the Executive Team so they felt part of the celebration, the tea was funded by the Health Charity.



Wellbeing sessions for staff

Wellbeing sessions have been extremely popular with staff throughout all hospitals to help them relax, unwind and take some time out of their hectic schedules.

These sessions were supported by the Health Charity and UNISON where staff could receive a neck, hand or back massage from a trained therapist. Electronic chair massagers and shiatsu neck massagers were also purchased for staff to use as part of the initiative.

Bees create a buzz

There was a buzz in the air when members of staff from the Health Board took part in an Introduction to Beekeeping course as part of the WellBeeing Project. The course helps staff to care for bees that will be located in hives around Health Board premises.

The WellBeeing project is a partnership collaboration between New Link Wales Buzzin' Project, Cardiff University, Cardiff & Vale Health Charity and the Health Board.



Cardiff Half Marathon

Over 450 people took part in the Cardiff Half Marathon, with income from the event reaching almost £100,000 for the Health Charity. Staff ran to raise money for their wards, patients and their families ran to say thank you for the care they received. The inspirational stories from our runners appeared on BBC Wales Today, Walesonline and hit international press with our social media reaching 300,000 people.



First ever PROP Ball

The Health Charity held its first ever Blue Tie Ball for the PROP Appeal at Cardiff City Football Club. Almost 400 people attended, all with the sole intention of raising money for the PROP Appeal, which supports those suffering from brain injuries at Rookwood Hospital. Income from the event reached £23,000 and cemented the relationship between the Health Charity and Cardiff City FC which has since led to bucket collections and promotional opportunities.

Christmas - a time for giving

From Christmas gift appeals for looked after children in the local community to sporting festive jumpers and taking part in toy appeals, the Health Charity had Christmas covered and raised plenty of funds as well as smiles during the festive period. Each ward was able to apply for funds to buy gifts for those patients on the wards at Christmas, helping to make it better.





Breast Centre gym opens

A gym opened at University Hospital Llandough to help those having treatment for breast cancer feel fitter, stronger and improve their confidence. Fundraiser, Irene Hicks raised money for the Breast Centre Appeal to develop the facility in memory of her three sons - the gym was named the McCarthy Suite in their memory. This story was covered on ITV Wales news, both daytime and evening.

Staff Recognition Awards

Every year we celebrate our fantastic staff at the annual Staff Recognition Awards ceremony.

The Health Charity has committed to financially supporting this event for the next five years, showing we're proud to support our staff. Twitter was used to publicise the event using #CAVSRA which was trending in the UK and staff had a tweet of good luck from Hollywood actor, Michael Sheen.



Every day staff and volunteers who work for the Health Board demonstrate excellent practice and dedication to ensure we are 'Caring for people, keeping people well'.

The nomination form can be found on the [Staff Recognition Awards](#) page of the Internet site. If you require any help please contact Nicky Punter on 02921 847832 or 47832

SUBMISSION BY : FRIDAY 14TH DECEMBER 2018 AT 5PM
JUDGING : FRIDAY 25TH JANUARY 2019
AWARDS CEREMONY : FRIDAY 15TH MARCH 2019



Ellie's Journey

10 year old Ellie Lewis, decided that she would undertake a year of fundraising for the Better Life Appeal. Ellie's father has Cystic Fibrosis and receives treatment at the centre in Llandough. Ellie has climbed Pen y Fan every month for six months, climbed Snowdon and plans to complete the SAS training climb called the Fan Dance. Her story has been aired on S4C, Walesonline and in the South Wales Guardian.

How we've spent your money

This year, we've spent £1,516,000 making things better for our patients and staff.



71%

**Patient education
and welfare**



24%

**Staff education
and welfare**



5%

**Research and
additional costs**

Tolley, Laura
01/16/2020 13:33:31

To find out more please visit
www.healthcharity.wales



GIG
CYMRU
NHS
WALES

Bwrdd Iechyd Prifysgol
Caerdydd a'r Fro
Cardiff and Vale
University Health Board



Cardiff & Vale

HealthCharity

Elusenlechyd

Caerdydd a'r Fro

Annual Accounts 2018-19



Tolley, Laura
01/16/2020 13:33:31

Every donation making healthcare better

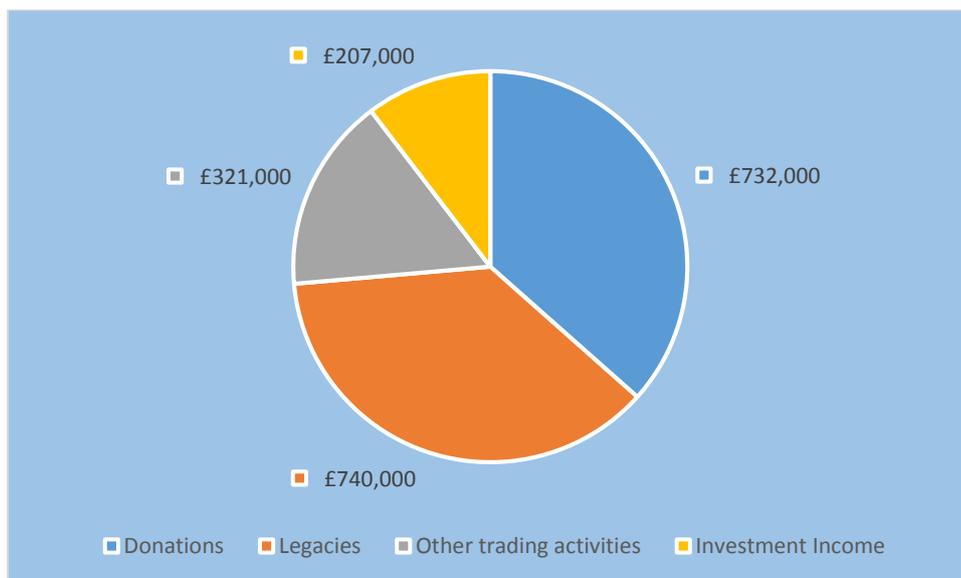
Financial Achievements and Performance

Income Summary

Incoming resources for the year 2018/19 totalled £2,000,000 which represents an increase of £540,000 from the previous financial year.

The Charity's income was generated from donations, legacies, investment income and other trading activities.

Income Analysis



Donations (36% - £732,000)

The Charity is very grateful to have received donations of £732,000 to help us achieve our goals and objectives.

Legacies (37% - £740,000)

The Charity received £740,000 in legacies. We are extremely grateful to those individuals who remembered our wards and departments in their will.

Other Trading Activities (16% - £321,000)

The Charity generated £242,000 from the Cardiff and Vale Staff Lottery and a further £79,000 from other trading activities.

Investment Income (11% - £207,000)

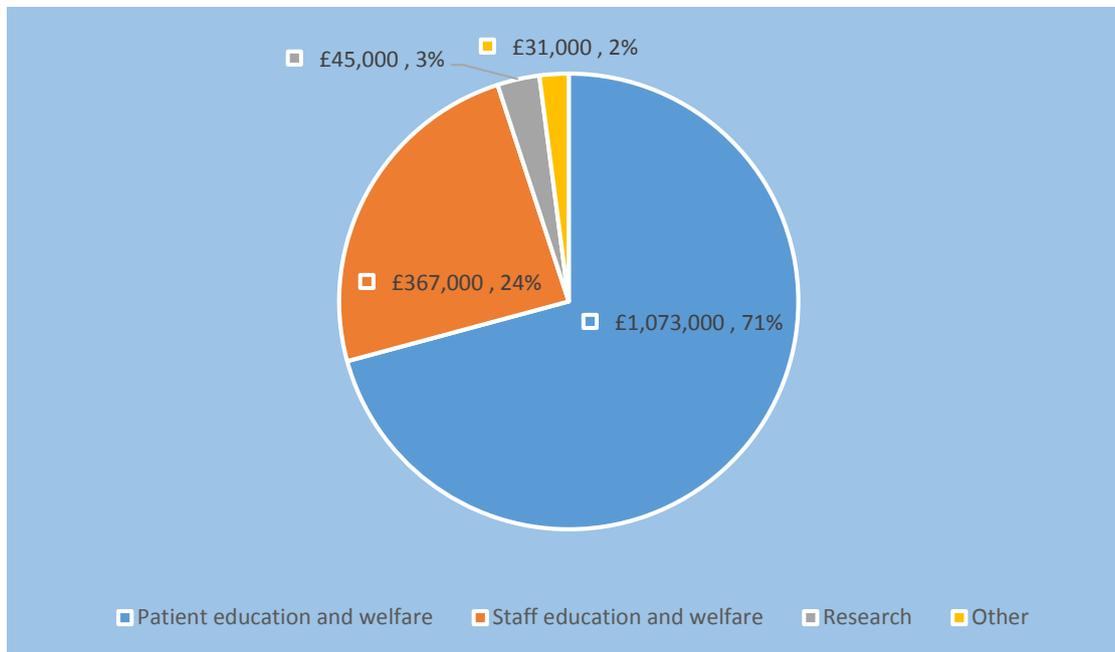
Dividends and Interest from the Charity's Investment Portfolio was £207,000.

*Polley, Laura
01/16/2020 13:33:31*

Expenditure Summary

In 2018/19 expenditure on charitable activities was £1,516,000. This included patient education and welfare, staff education and welfare, research and other expenditure.

Expenditure Analysis



Investments and Performance

During 2018/19 the Charity had market value gains of £337,000.

Overall financial position

Note 2 in the accounts provides additional information to the re-statement of the opening balances.

The overall value of the Charity as at 31st March 2019 has increased from an opening balance of £10,183,000 to £10,679,000. This movement of £496,000 is represented by net income of £116,000, investment gains of £337,000 and asset revaluation of £43,000.

Tolley, Laura
01/16/2020 13:33:31

Structure, Governance and Management

The Charity

The Health Charity was created on 3rd June 1996 by Declaration of Trust and following reorganisations of health services, was amended by Supplementary Deed on 12th July 2001 and 2nd December 2010. Cardiff and Vale University Local Health Board (UHB) is the Corporate Trustee for the Health Charity. The UHB delegates responsibility for the management of the funds to the Charitable Funds Committee. The aim of the Corporate Trustee (Trustee) is to raise and use charitable funds to provide the maximum benefit to the patients of Cardiff and Vale UHB and associated local health services in Cardiff and the Vale of Glamorgan, by supplementing and not substituting government funding of the core services of the NHS.

Registration

The Charitable Funds held by the Cardiff and Vale NHS Trust transferred to the Cardiff and Vale UHB by virtue of Statutory Instrument 2009 No. 1558 The National Health Service Trusts (Transfer of Staff, Property, Rights and Liabilities) (Wales) order 2009. The supplemental deed dated 2nd December 2010 formally changed the name of the Health Charity to Cardiff and Vale University Local Health Board General Purpose Charity – Registered Charity number 1056544. The Health Charity has a number of constituent charities and these are listed below:

- Catherine Jenkins
- Education and Training General Charity
- Rookwood Hospital Charity
- Rookwood Hospital General Charity
- Research and Development General Charity
- Staff and Patient Welfare and General Charity
- Training Research and Education Fund
- UHW General Charity

The registration also encompasses Cardiff and Vale University Health Board (Expendable Funds) Common Investment Fund. This combines the funds of the Health Charity into one pool for investment purposes.

Constitution

Cardiff and Vale University Local Health Board holds charitable funds as sole corporate trustee and the board members of the Health Board are jointly responsible for the management of those charitable funds. The membership of the board was as follows at the time the annual report was approved.

01/16/2020 13:33:31
Miley, Laura

Independent Members

Maria Battle	Chair (Until 18 th August 2019)
Charles Janczewski	Vice Chair (Until 5 th August 2019) and Interim Chair (from 6 th August 2019)
Akmal Hanuk	Independent Member – Local Community
Dawn Ward	Independent Member – Trade Union
Eileen Brandreth	Independent Member – Information, Communication and Technology
Prof Gary Baxter	Independent Member – University
John Union	Independent Member - Finance
John Antoniazzi	Independent Member – Estates
Sara Moseley	Independent Member – Third Sector
Michael Imperato	Independent Member – Legal
Susan Elsmore	Independent Member – Local Authority

Officer Members

Len Richards	Chief Executive
Dr Sharon Hopkins	Executive Director of Public Health until 30/09/18. Director of Transformation from 01/10/18. Deputy Chief Executive
Fiona Kinghorn	Interim Director of Public Health from 01/10/18
Robert Chadwick	Director of Finance
Stuart Walker	Executive Medical Director
Martin Driscoll	Director of Workforce and OD
Abigail Harris	Director of Planning
Fiona Jenkins	Director of Therapies and Health Sciences
Ruth Walker	Executive Nurse Director
Steve Curry	Chief Operating Officer
Nicola Foreman	Director of Corporate Governance

Charitable Funds Committee

The Committee is empowered with the responsibility to:

- Control, manage and monitor the use of the funds resources for the public benefit, having regard for the guidance issued by the Charity Commission
- Agree Governance arrangements for standards and monitoring
- Review strategy to maximise benefits to the Health Charity
- Determine the Health Charity's investment strategy
- Agree expenditure plans
- Determine fundraising objectives and strategy

The members of the committee who served during 2018/19 are listed below:

Akmal Hanuk	Chair CFC
Fiona Jenkins	Executive Director of Therapies
Maria Battle	Chair – Cardiff & Vale Health Board
Dawn Ward	Independent Member – Trade Union
Christopher Lewis	Deputy Director of Finance

Charitable Funds

Our Charity is made up of more than 300 different funds, each with a specific purpose whether for research, training or for a specific area of a hospital or department. All money received is allocated to these funds. The general purpose fund is used where the donor wishes the Charity to allocate money to support projects and activities most in need of support across the whole of the UHB. Each fund is managed by a specialist fund holder – generally a specialist in the particular field relevant to the fund. The Charity is responsible for providing guidance, financial information and advice to fund holders.

We manage three types of funds:

Unrestricted funds – these are general funds and are those funds that may be spent at the discretion of the Trustees to enhance the services across the UHB

Restricted funds – these can only be spent in accordance with the restrictions imposed when the funds were donated, granted or raised by the Charity.

Endowment funds – where capital funds are made available to our Charity and the Trustees are legally required to invest or retain them. Where a permanent endowment exists, Trustees have no automatic power to spend the capital. If the fund is an expendable endowment, trustees have the power to convert capital to income.

The day to day administration of funds is undertaken by:

Charitable Fund Department, Cardiff and Vale University Health Board
2nd Floor, Woodland House,
Cardiff, CF14 4HH

Investment Risk Management

Cazenove Capital Management screen the investments prior to purchase for compliance with the ethical policy. In addition existing holdings are screened on a regular basis to ensure continued compliance. If the fund were to purchase a position in a holding which did not comply and was identified as part of the post purchase process, Cazenove Capital Management would proceed with selling the investment.

Cazenove Capital does not invest in companies whose principal manufacturing activities are tobacco, alcohol, armaments and pornography / adult entertainment related. This includes common investment funds (and similar products) that incorporate these in their portfolio.

Reserves Policy

The strategy of the Corporate Trustee is to apply charitable funds within a reasonable time of receipt, ideally within one to two years, unless there are specific requirements attached to income. Historically, the level of expenditure has been generally approximated to the level of income, with greater than required reserves held to manage any fluctuations.

The current reserves policy states that the Charity should hold the following reserves:

- A separate fixed asset investment reserve, based on 10% of the value fixed asset investments (circa £550,000)

- A minimum of £500,000 to ensure that there is sufficient funds for on-going commitments

From a process point of view there is no individual fund that holds all the reserves, however the current level of reserves is considered more than adequate for current needs. Going forward the Charity will review the reserves policy to reflect any changes to the Charity's financial position.

Investment Contract Risk

Cardiff and Vale Health Charity currently has a contract with Cazenove Capital Management which was awarded in September 2015 for an initial period of two years with an option to extend for a further two years. The Charitable Funds Committee agreed to exercise the option of extending the contract for a further two years to September 2019. The current contract has been extended to 31st December 2019. The Health Board is to undertake a new procurement tender exercise and therefore in order to comply with Standing Financial Instructions an agreement will be put in place with Cazenove to the 31st March 2020 with the existing terms and conditions.

The Charity seeks to maximise the total return on funds while adopting a conservative policy on risk and flexible structure in respect of Asset Class Distribution. The portfolio is structured to enable a range of investments in order to yield a competitive rate of return. The investment director has delegated authority to purchase and sell investments as market opportunities arise. The Investment Managers formally attend and report to the Charitable Funds Committee twice a year.

Financial Control Risk

A financial control procedure, expenditure guideline, governance framework and strategy have been developed to ensure that there are sufficient management controls in place to:

- Ensure that spending is in accordance with objects and priorities agreed by the Charitable Funds Committee
- Ensure the criteria for spending charitable monies are fully met
- Ensure that accounting records are maintained
- Ensure devolved decision making is within specific parameters.

Internal Audit also undertakes annual reviews to evaluate the adequacy of procedures and controls, to ensure compliance and to provide reasonable assurance over:

- Achievement of management objectives for the systems
- Economic and efficient use of resources
- Compliance with policies and procedures
- Safeguarding of assets

The Internal Audit reports are presented to both the Charitable Funds Committee and the Audit Committee, and this is a key measure in mitigating control risk.

Tolley, Laura
01/16/2020 13:33:31

Advisors

Bankers

Government Banking Service
Southern House
7th Floor
Wellesley Grove
Croydon
CF9 1WW

Investment Managers

Cazenove Capital Management
12 Moorgate
London
EC2R 6DA

External Auditors

Auditor General for Wales
24 Cathedral Road
Cardiff
CF11 9LJ

Internal Auditors

NWSSP Internal Audit Department
1st Floor, Woodland House
Cardiff
CF14 4HH

VAT Advisors

Ernst & Young LLP
The Paragon
Counterslip
Bristol
BS1 6BX

Tolley, Laura
01/16/2020 13:33:31

CARDIFF & VALE HEALTH CHARITY ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

Foreword

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 on 16 July 2014 and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

Statutory Background

The Cardiff & Vale University Local Health Board is the corporate trustee of the charity under paragraph 16c of Schedule 2 of the NHS and Community Care Act 1990.

The Trustees have been appointed under s11 of the NHS and Community Care Act 1990.

Main Purpose of the Funds Held on Trust

The main purpose of the charity is to apply income for any charitable purposes relating to the National Health Service wholly or mainly for the services provided by the Cardiff & Vale University Local Health Board.

Tolley, Laura
01/16/2020 13:33:31

CARDIFF & VALE HEALTH CHARITY
STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2019

	Note	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Funds Total 2018/19 £000
Incoming resources from generated funds					
Donations and Legacies	4	947	525	0	1,472
Other trading activities	5	3	318	0	321
Investments	6	145	61	1	207
Total incoming resources		1,095	904	1	2,000
Expenditure on :					
Raising funds	7	211	157	0	368
Charitable activities	8	983	511	22	1,516
Total expenditure		1,194	668	22	1,884
Net gains / (losses) on investments	14	237	98	2	337
Net income / (expenditure)		138	334	-19	453
Transfer between funds		10	-6	-4	0
Net movement in funds		148	328	-23	453
Gains / (losses) on revaluation of fixed assets	13			43	43
Reconciliation of Funds		148	328	20	496
Total Funds brought forward as at 1 April 2018 (Restated)	20	5,997	1,663	2,523	10,183
Total Funds carried forward as at 31 March 2019		6,145	1,991	2,543	10,679

Note 2 provides additional information relating to the restatement of balances.

The notes on pages 22 to 36 form part of these accounts

Tolley, Laura
01/16/2020 13:33:31

CARDIFF & VALE HEALTH CHARITY
STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2018

	Note	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Funds Total 2017/18 (Restated) £000
Incoming resources from generated funds					
Donations and Legacies	4	648	358	0	1,006
Other trading activities	5	0	253	0	253
Investments	6	150	50	1	201
Total incoming resources		798	661	1	1,460
Expenditure on :					
Raising funds	7	93	102	0	195
Charitable activities	8	1,282	349	21	1,652
Total expenditure		1,375	451	21	1,847
Net gains / (losses) on investments	14	-92	-26	-1	-119
Net income / (expenditure)		-669	184	-21	-506
Transfer between funds		19	-19	0	0
Net movement in funds		-650	165	-21	-506
Gains / (losses) on revaluation of fixed assets	13			94	94
Reconciliation of Funds		-650	165	73	-412
Total Funds brought forward as at 1 April 2017	20	6,647	1,498	2,450	10,595
Total Funds carried forward as at 31 March 2018		5,997	1,663	2,523	10,183

Note 2 provides additional information relating to the restatement of balances.

Tolley, Laura
01/16/2020 13:33:31

CARDIFF & VALE HEALTH CHARITY
BALANCE SHEET AS AT 31 MARCH 2019

	Note	Unrestricted funds £000	Restricted Income funds £000	Endowment funds £000	Total 31 March 2019 £000	Total 31 March 2018 (Restated) £000
Fixed assets:						
Tangible Assets	13	0	0	2,503	2,503	2,480
Investments	14	4,498	1,576	40	6,114	6,477
Total fixed assets		4,498	1,576	2,543	8,617	8,957
Current assets:						
Debtors	15	467	31	0	498	238
Cash and cash equivalents	16	1,393	455	0	1,848	1,211
Total current assets		1,860	486	0	2,346	1,449
Liabilities:						
Creditors: Amounts falling due within one year	17	213	71	0	284	223
Net current assets / (liabilities)		1,647	415	0	2,062	1,226
Total assets less current liabilities		6,145	1,991	2,543	10,679	10,183
Total net assets / (liabilities)		6,145	1,991	2,543	10,679	10,183
The funds of the charity:						
Endowment Funds	20	0	0	40	40	43
Revaluation Reserve	20	0	0	2,503	2,503	2,480
Restricted income funds	20	0	1,991	0	1,991	1,663
Unrestricted income funds	20	6,145	0	0	6,145	5,997
Total funds		6,145	1,991	2,543	10,679	10,183

The notes on pages 22 to 36 form part of these accounts

On behalf of Director of Finance

Mr Robert Chadwick

Date.....

Tolley, Laura
01/16/2020 13:33:31

CARDIFF & VALE HEALTH CHARITY
STATEMENT OF CASH FLOWS FOR THE YEAR ENDING
31 MARCH 2019

	Note	Total Funds 2018-19 £000	Total Funds 2017-18 £000
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	18	-270	-477
Cash flows from investing activities:			
Dividend, interest and rents from investments	6	207	201
Movement in Investment Cash	14	104	-110
Proceeds from the sale of investments		1,570	579
Purchase of investments	14	-974	-469
Net cash provided by (used in) investing activities		907	201
Change in cash and cash equivalents in the reporting period		637	-276
Cash and cash equivalents at the beginning of the reporting period	16	1,211	1,487
Cash and cash equivalents at the end of the reporting period	16	1,848	1,211

The notes on pages 22 to 36 form part of these accounts

Tolley, Laura
01/16/2020 13:33:31

NOTES TO THE ACCOUNTS

1. Accounting policies

a) Basis of Preparation

The financial statements have been prepared under the historic cost convention, with the exception of tangible fixed assets and investments which have been included at a valuation.

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 on 16 July 2014 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 2015.

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 on 16 July 2014 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 a fall in investment income but the Trustees have arrangements in place to mitigate those risks (see the Investment Risk Management and Reserves Policy sections of the annual report for more information).

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

b) Where there is a legal restriction on the purpose to which a fund may be put, the fund is classified either as:

- A restricted fund or
- An endowment fund

Restricted funds are those where the donor has provided for the donation to be spent in furtherance of a specified charitable purpose.

Endowment funds arise when the donor has expressly provided that the gift is to be invested and only the income of the fund may be spent. These funds are sub-analysed between those where the trustees have the discretion to spend the capital (expendable) and those where there is no discretion to expend the capital (permanent endowment).

Those funds which are neither endowment nor restricted income fund, 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.

c) Incoming resources

All incoming resources are 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.

d) Income 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 generation are met.

e) Income resources from endowment funds

The incoming resources received from the invested endowment fund are wholly restricted.

f) 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.

A constructive obligation arises when:

- We have communicated our intention to award a grant to a recipient who then has a reasonable expectation that they will receive a grant
- We have made a public announcement about a commitment which is specific enough for the recipient to have a reasonable expectation that they will receive a grant
- There is an established pattern of practice which indicates to the recipient that we will honour our commitment.

The Trustees have control over the amount and timing of grant payments and consequently where approval has been given by the trustees and any of the above criteria have been met then a liability is recognised. Grants are not usually awarded with conditions attached. However, when they are then those conditions have to be met before the liability is recognised.

Where an intention has not been communicated, then no expenditure is recognised but an appropriate designation is made in the appropriate fund. If a grant has been offered but there is uncertainty as to whether it will be accepted or whether conditions will be met then no liability is recognised but a contingent liability is disclosed.

g) **Allocation of 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 are apportioned on an average fund balance basis.

h) **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 represent fundraising costs together with investment management fees. Fundraising costs include expenses for fundraising activities and a fee paid to a related party, the Health Board, under a fundraising agreement. The fee is used to pay the salaries and overhead costs of the Health Board's fundraising office.

Tolley, Laura
01/16/2020 13:33:31

i) 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 8.

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. Cash equivalents are short term, highly liquid investments, usually in 90 day notice interest bearing savings accounts.

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. Amounts which are owed in more than a year are shown as long term creditors.

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).

n) Fixed Assets

Investments are stated at market value at balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year. Tangible fixed assets are valued at current cost as follows:

- i) The land and buildings in respect of Rookwood Hospital was revalued as at 1st April 2017, and the revaluation reflected the restriction to hospital use only. Where appropriate between valuations an appropriate index, supplied from the Welsh Government, is applied to revalue the asset.
- ii) Assets in the course of construction are valued at current cost.
- iii) Capitalisation threshold is £5,000
- iv) Movements in revaluation are recorded in the revaluation reserve on the balance sheet

Professional valuations are carried out by the District Valuer Service every five years, which (as the commercial arm of the Valuation Office Agency) is part of HMRC. The valuations are carried out in accordance with Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual insofar as these terms are

consistent with the agreed requirements of the Welsh Government and HM Treasury. Movements in revaluations are recognised in the Revaluation Reserve.

Depreciation

- i) Depreciation is charged on each main class of tangible asset as follows: land and assets in the course of construction are not depreciated. Buildings, installations and fittings are depreciated on their revalued amount over the assessed remaining life of the asset as advised by the professional valuers;
- ii) Impairments, where incurred in the year, are separately identified in note 7 and charged to the funds of the charity where caused by price fluctuations and to the Statement of Financial Activities for the year when the impairment was recognised.
- iii) The estimated remaining life of the assets are split between engineering (15 years) and structure (45 years).

Donated Assets are capitalised at their valuation on full replacement cost basis on receipt and are revalued and depreciated as described above.

2. Prior Year Restatement (Expenditure)

During the course of the audit of the 2018/19 statements it emerged that expenditure totalling £61,580.76 had been omitted from the preparation of the 2017/18 statements. As a result the Statement of Financial Activities, Balance Sheet and relevant notes have been amended to include these omissions.

3. Related party transactions

Cardiff and Vale University Local Health Board is the Corporate Trustee of the Charity.

During the year, other than noted below, there are no other material related party transactions involving the Corporate Trustee, board members or senior key management staff.

Board Members (and other senior staff) take decisions both on Charity and Exchequer matters but endeavour to keep the interests of each discrete and do not benefit personally from such decisions. Declarations of personal interest have been made and are available to be inspected by the public.

The Local Health Board has close links with Cardiff University which includes the sharing of staff as well as sharing accommodation on the University Hospital of Wales Site.

Tolley, Laura
01/16/2020 13:33:31

Related Party	Payments to related party 2018/19 £000	Receipts from related party 2018/19 £000	Amounts owed to related party 2018/19 £000	Amounts due from related party 2018/19 £000
Cardiff and Vale Health Board	1,073		98	21
Cardiff University	43		19	1
Swansea University	2			
Welsh Government	4			
Blake Morgan Solicitors		1		
Cardiff Council	17		1	

The table below relates to the related party financial transactions for financial year 2017/18.

Related Party	Payments to related party 2017/18 £000	Receipts from related party 2017/18 £000	Amounts owed to related party 2017/18 £000	Amounts due from related party 2017/18 £000
Cardiff and Vale Health Board	348		41	11
Cardiff University	28			
University of South Wales	12			
Cardif City Council	5			
Vale of Glamorgan		4		
Abertawe Bro- Morgannwg	3			
Teenage Cancer Trust	42			

The table below includes the names of the individual board members and the relationship with the related party.

Board Member	Related Party Relationship
Mrs Eileen Brandeth	Director of Information and Technology at Cardiff University
Gary Baxter	Pro Vice Chancellor of the College of Biomedical and Life Sciences at Cardiff University
Charles Janczewski	Chair of Governance Board for Health & Wellbeing Academy at Swansea University
Susan Elsmore	Elected Member for Health Housing & Wellbeing for the City of Cardiff Council.
Len Richards	Advisor to the Life Sciences Hub Wales Board (Welsh Government). He is also independent member of Cardiff University.
John Union	Ambassador of Blake Morgan Solicitors

4. Income from donations and legacies

	Unrestricted funds £000	Restricted Income funds £000	Endowment funds £000	Total 2018-19 £000	Total 2017-18 £000
Donations	543	189	0	732	701
Legacies	404	336	0	740	305
	947	525	0	1,472	1,006

5. Other trading activities

	Unrestricted funds £000	Restricted Income funds £000	Endowment funds £000	Total 2018-19 £000	Total 2017-18 £000
Staff lottery	0	242	0	242	227
Other trading	3	76	0	79	26
	3	318	0	321	253

6. Gross investment income

	Unrestricted funds £000	Restricted Income funds £000	Endowment funds £000	Total 2018-19 £000	Total 2017-18 £000
Fixed asset equity and similar investments.	139	58	1	198	198
Short Term Investments	6	3	0	9	3
Deposits and cash on deposit					
	145	61	1	207	201

7. Analysis of expenditure on raising funds

	Unrestricted funds £000	Restricted funds £000	Total 2018-19 £000	Total 2017-18 £000
Fundraising office	194	72	266	97
Fundraising events	0	78	78	72
Investment management fees	17	7	24	26
	211	157	368	195

Tolley, Laura
01/16/2020 13:33:31

8. Analysis of charitable activity

	Activities taken directly	Support costs	Total 2018-19	Total 2017-18 (Restated)
	£000	£000	£000	£000
Patient education and welfare	991	82	1,073	997
Staff education and welfare	340	27	367	539
Research	42	3	45	95
Other	9	2	11	0
Depreciation	20	0	20	21
	1,402	114	1,516	1,652

9. Grants

The charity does not make grants to individuals or to the Health Board. The charity does operate a Charitable Funds Bids Panel which approves grants to the Third Sector on an annual basis. During 2018/19 the Charity approved a sum of £25,000 to the Third Sector. No grants were made available for the period 2017/18.

Organisation/ Activity	2018/19	2017/18
	£000	£000
Recovery Cymru Community	3	0
Wales Council For Deaf People	2	0
Cruse Bereavement Care	4	0
Church Army	7	0
ADHD	4	0
The Good Gym Ltd	5	0
Total	25	0

Tolley, Laura
01/16/2020 13:33:31

10. Allocation of support costs

	Raising funds £000	Charitable activities £000	Total 2018-19 £000	Total 2017-18 £000
Governance				
External audit (AGW)	0	10	10	10
Internal Audit	0	10	10	9
Investment management fees	24	0	24	26
Total governance	24	20	44	45
Finance and administration	0	94	94	92
	24	114	138	137
	Unrestricted funds £000	Restricted Income funds £000	Endowment funds £000	Total Funds 2018-19 £000
Raising funds	17	7	0	24
Charitable activities	80	34	0	114
	97	41	0	138

11. 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.

12. Auditor's remuneration

The auditor's remuneration of £10,000 (2017/18:£10,000) relates to the audit of the statutory annual report and accounts only.

Tolley, Laura
01/16/2020 13:33:31

13. Tangible fixed Assets

	Freehold land and buildings 2018/19 £000	Freehold land and buildings 2017/18 £000
<u>Cost or valuation</u>		
Opening Balance	2,500	2,512
Additions	0	0
Revaluations	43	-12
Disposals	0	0
Impairments	0	0
Closing Balance	2,543	2,500
<u>Accumulated depreciation</u>		
Opening Balance	20	106
Disposals	0	0
Revaluations	0	-106
Impairments	0	0
Charge for year	20	20
Closing Balance	40	20
Opening NBV	2,480	2,406
Closing NBV	2,503	2,480

Rookwood Hospital is the only Tangible Fixed Asset recognised in "Freehold Land and Buildings"

Tolley, Laura
01/16/2020 13:33:31

14.Fixed asset investments

Movement in fixed assets investments

	Investments Listed on Stock Exchange	Cash Held in Investment Portfolio	Total 2018-19	Total 2017-18
	£000	£000	£000	£000
Market value brought forward	6,114	363	6,477	6,596
Add: additions to investments at cost	974		974	469
Less disposals at carrying value	(1,454)		(1,454)	(551)
Add any gain / (loss) on revaluation	221		221	(147)
Movement of cash held as part of the investment portfolio		(104)	(104)	110
Market value as at 31st March 2019	5,855	259	6,114	6,477

The gain on revaluation relates to the unrealised gain, however the overall gain of £337,000 as shown in the Statement of Financial Activities is calculated by also adjusting for realised gains of £116,000 (2017-18 £28,000). As at 31 March 2019 the following Investment was considered material: UBS ETF MSCI USA Socially Responsible ETF: This holding represents 8.8% of the total portfolio.

The main shorter term risk from financial instruments lies in the combination of capital volatility and consistency in annual income. The current environment remains relatively challenging for investors, with escalating trade tensions and slowing economic growth likely to be continued source of shorter term volatility. Within such an environment, the focus remains on ensuring sufficient diversification across both asset class and geography to minimise risk towards any one specific event. To take Brexit as an example - given the ultimate outcome is uncertain the portfolio is managed with consideration for both a poor outcome (via, for example, also having overseas equity exposure rather than just the UK) and a good outcome (by having selective exposure to attractively valued UK domestic companies).

Against the long-term strategy, the portfolio holds a neutral position towards equities to benefit from continued earnings growth, although profits were taken over the course of the year. The equity exposure is highly diversified across different sectors and geographies. To provide differentiated sources of returns, the portfolio is overweight to alternatives, such as infrastructure, together with commercial property. Given the low yields available from bonds and the risk that capital values could be eroded, the portfolio retains an underweight position towards fixed income. The portfolio also holds a tactical cash weighting to allow for the investment advisors to take advantage of any volatility or opportunities as they arise. The Cardiff and Vale portfolio is being managed in line with other Charities at Cazenove Capital with a similar risk mandate.

The Charity's Investments are handled by investments advisors appointed by the Charity using the appropriate Health Board purchasing contract process. The Charity operates an investment policy that provides for a high degree of diversification of holdings within investment asset classes. A large proportion of investments are made with companies listed on a UK stock exchange or incorporated in the UK. The majority of expenditure is financed from donations and legacies and there are no borrowings, therefore the Charity is not exposed to significant liquidity risk. The Investment Management Company attends the Charitable Funds Committee twice a year to discuss all aspects of investment performance and the factors influencing the performance. The asset class allocation is an integral part of the discussion as this is intrinsically linked to minimising risk within the portfolio.

15. Analysis of current debtors

Debtors under 1 year	Total 31 March 2019 £000	Total 31 March 2018 £000
Accrued income		
Other debtors	445	164
Prepayments	53	74
	<u>498</u>	<u>238</u>
Debtors over 1 year		
Other debtors	0	0
	<u>0</u>	<u>0</u>
Total debtors	<u>498</u>	<u>238</u>

16. Analysis of cash and cash equivalents

	31 March 2019 £000	31 March 2018 £000
Cash in hand	1,848	1,211
	<u>1,848</u>	<u>1,211</u>

17. Analysis of liabilities

	Total 31 March 2019 £000	Total 31 March 2018 (Restated) £000
Creditors under 1 year		
Other creditors	245	205
Accruals	39	18
	<u>284</u>	<u>223</u>
Total creditors	<u>284</u>	<u>223</u>

Tolley, Laura
01/16/2020 13:33:31

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

	Total 2018-19 £000	Total 2017-18 (Restated) £000
Net income / (expenditure) (per Statement of Financial Activities)	453	(506)
Adjustment for:		
Depreciation charges	20	20
(Gains) / losses on investments	(337)	119
Dividends, interest and rents from investments	(207)	(201)
(Increase) / decrease in debtors	(260)	1
Increase / (decrease) in creditors	61	90
Net cash provided by (used in) operating activities	<u>(270)</u>	<u>(477)</u>

19. Role of volunteers

The Charity is extremely grateful to have such wonderful support from so many kind people who continually give their time, support and energy to help raise funds for the Cardiff and Vale Health Charity.

The Charity aims to work more closely with Health Board volunteers in order to develop more specific Charity Champion roles, including supporting our runners at the Cardiff Half Marathon and supervising the charity collection tins. 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.

Tolley, Laura
01/16/2020 13:33:31

20. Analysis of Funds

Catherine Jenkins

Balance 1 April 2018 £000	Income £000	Expenditure £000	Transfers £000	Gains and losses £000	Balance 31 March 2019 £000
43	1	(2)	(4)	2	40
43	1	(2)	(4)	2	40

b. Analysis of restricted and material designated fund movements

Cystic Fibrosis Better Life Appeal Fund
Phillips Legacy - Asthma Research
Breastcare Unit - General Purpose
May Legacy - Asthma Research
Murphy Legacy (Morfa Day Unit - General Purpose)
Childrens Telemetry Appeal (General Purpose)
Tweedie Legacy - Glaucoma Research
UHW General
Gould Legacy (Haematology)
Gould Legacy (Bone Marrow Unit)
Staff and Patient Welfare Summary
Other

Balance 1 April 2018 £000	Income £000	Expenditure £000	Transfers £000	Gains and losses £000	Balance 31 March 2019 £000
325	81	(24)			382
175	37	(5)			207
238	151	(182)	(14)		193
	145	(3)			142
104	4	(7)			101
90	4	(2)			92
89	3	(3)			89
78		(13)		16	81
	82				82
	82				82
76		(38)		48	86
488	315	(391)	8	34	454
1,663	904	(668)	(6)	98	1,991

c. Analysis of unrestricted and material designated fund movements

Unrestricted Delegated
Unrestricted Non Delegated
Hughes Legacy (Cardiology)
UHW Nurses
Biggs Legacy Cardiac Research
Geriatric Research (UHW)
Leukaemia & Lymphoma
UHW Patients General
Haematology Day Unit
Orchard (Llandough)
C.U.R.E. (UHW)
Barry Hospital General Purpose
Other

Balance 1 April 2018 (Restated) £000	Income £000	Expenditure £000	Transfers £000	Gains and losses £000	Balance 31 March 2019 £000
1,230		-187		237	1,280
967		-437	-86		444
	319	-1			318
233	64	-48			249
156	6	-12			150
132	5	-3			134
117	18	-8			127
121	4	-3			122
94	18	-6			106
84	16	-6			94
67	17	-3			81
	1	-7	100		94
2,796	627	-473	-4		2,946
5,997	1,095	-1,194	10	237	6,145

d. Revaluation Reserve

Rookwood

1 April 2018 £000	Income £000	Expenditure (Depreciation) £000	Transfers £000	Gains and losses £000	Balance 31 March 2019 £000
2,480		-20		43	2,503
2,480	0	-20	0	43	2,503

Tolley, Laura
01/16/2020 13:33:31

Additional notes

21. Commitments

All commitments are funded from unrestricted general funds.

Name of commitment	£000
Patient WIFI (CFC 15/027) (1 Year)	46
Third Sector Grants (CFC 18/069) (1 Year)	33
Horatio's Garden (CFC16/143) (1-3 Years)	500
Nutrition and Hydration extension on medical wards (CFC 16/160) (1-2 years)	123
Lung Research Studies (CFC 16/161) (1-2 years)	62
Arts Funding (CFC 18/074) (1-2 years)	50
Sign Language Training (CFC 18/075) (1 Year)	12
Promoting Health and Health Charity Messaging & Visability (CFC 18/077) (1 Year)	60
Platform events (CFC 19/03/24) (1 year)	20
	<hr/> 906 <hr/>

22. Donated Assets

During the year the Charity purchased assets to the value of £144,000. These are included in the Charity's Statement of Financial Activities and are classified as Donated Assets in the LHB Financial Statements.

23. Post Balance Sheet Events

The financial statements are required to reflect the conditions applying at the end of the financial year. Therefore no adjustments are made for any changes in fair value of investments between 31 March 2019 and the date the financial statements are approved. The fair value of investments held by the Charity at 31st March 2019 has changed in the intervening period as follows:

	31 March 2019	12 December 2019
	£000	£000
Investment	6,114	6,332

Tolley, Laura
01/16/2020 13:33:31

**STATEMENT OF TRUSTEE RESPONSIBILITIES
IN RESPECT OF THE ACCOUNTS**

The trustee is required 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 of 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 then apply them consistently;
- 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 ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 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 in preparing the accounts.

By order of the trustee

Signed:

Trustee Dated 2020

On behalf of Financial Trustee Dated 2020

Tolley, Laura
01/16/2020 13:33:31

The independent auditor's report of the Auditor General for Wales to the Trustee of Cardiff and Vale University Local Health Board Charity

Report on the audit of the financial statements

Opinion

I have audited the financial statements of Cardiff and Vale University Local Health Board Charity for the year ended 31 March 2019 under the Charities Act 2011. These comprise the Statement of Financial Activities, the Balance Sheet, the 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 2019 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 trustee's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustee has 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.

Tolley, Laura
01/16/2020 13:33:31

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 trustee's 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 responsibilities set out on page 43, 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 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
30 January 2020

24 Cathedral Road
Cardiff
CF11 9LJ



Chris Lewis
Deputy Director of Finance
Cardiff and Vale University Local
Health Board
Headquarters
University Hospital of Wales
Heath Park
CARDIFF
CF14 4XW

24 Cathedral Road / 24 Heol y Gadeirlan
Cardiff / Caerdydd
CF11 9LJ
Tel / Ffôn: 029 2032 0500
Fax / Ffacs: 029 2032 0600
Textphone / Ffôn testun: 029 2032 0660
info@audit.wales / post@archwilio.cymru
www.audit.wales / www.archwilio.cymru

Reference: MJ/NG

Date issued: 23 September 2019

Dear Chris

Cardiff and Vale University Local Health Board's Funds Held on Trust 2018/19 - audit enquiries to those charged with governance and management

As your external auditors we are responsible for obtaining reasonable assurance that the financial statements taken, as a whole, are free from material misstatement, whether caused by fraud or error. I also set out the respective responsibilities of auditors, management and those charged with governance.

This letter formally seeks documented consideration and understanding on a number of governance areas that impact on the audit of the Funds Held on Trust (FHOT) financial statements. These considerations are relevant to both:

- management; and
- the trustees, who are deemed to be 'those charged with governance'.

I have set out below the areas of governance on which I am seeking views.

Management's processes in relation to:

- undertaking an assessment of the risk that the financial statements may be materially misstated due to fraud;
- identifying and responding to risks of fraud in the organisation;
- communication to employees of views on business practice and ethical behaviour; and
- communication to those charged with governance the processes for identifying and responding to fraud.

Tolley, Laura
01/16/2020 13:33:31

I am also seeking views on:

- management's and the trustees' awareness of any actual or alleged instances of fraud;
- how management and the trustees gain assurance that all relevant laws and regulations have been complied with;
- whether there is any potential litigation or claims that would affect the financial statements;
- management processes to identify, authorise, approve, account for and disclose related party transactions and relationships and the trustees' oversight of these processes; and
- the information you provide will inform our understanding of the UHB and its business processes and support our work in providing an audit opinion on your 2018-19 financial statements.

I would be grateful if you could complete the attached tables in **Appendices 1 to 3**. Your responses should be formally considered and communicated to us on behalf of both management and those charged with governance by 25 October 2019. In the meantime, if you have queries, please contact me on 07748 181679 or by e-mail at mark.jones@audit.wales

Yours sincerely

A handwritten signature in blue ink, appearing to be 'MJ', followed by a horizontal line.

Mark Jones
Audit Manager

Tolley, Laura
01/16/2020 13:33:31

Appendix 1

Matters in relation to fraud

International Standard for Auditing (UK and Ireland) 240 covers auditors' responsibilities relating to fraud in an audit of financial statements.

The primary responsibility to prevent and detect fraud rests with both management, and the trustees 'those charged with governance'. Management, with the oversight of the trustees, should ensure there is a strong emphasis on fraud prevention and deterrence and create a culture of honest and ethical behaviour, reinforced by active oversight by those charged with governance.

As external auditors, we are responsible for obtaining reasonable assurance that the financial statements are free from material misstatement due to fraud or error. We are required to maintain professional scepticism throughout the audit, considering the potential for management override of controls.

What are we required to do?

As part of our risk assessment procedures we are required to consider the risks of material misstatement due to fraud. This includes understanding the arrangements management has put in place in respect of fraud risks. The ISA views fraud as either:

- the intentional misappropriation of assets; or
- the intentional manipulation or misstatement of the financial statements.

We also need to understand how the trustees exercise oversight of management's processes. We are also required to make enquiries of both management and the trustees as to their knowledge of any actual, suspected or alleged fraud and for identifying and responding to the risks of fraud and the internal controls established to mitigate them.

Tolley, Laura
01/16/2020 13:33:31

Enquiries of management - in relation to fraud

Question	2018-19 Response
<p>1. What is management's assessment of the risk that the financial statements may be materially misstated due to fraud and what are the principal reasons?</p>	<p>The assessed risk is extremely low as management are not aware of any fraud or potential fraud that would materially impact on the financial statements. This assessment is made on the basis of a robust and comprehensive counter fraud and internal audit services. Any potential fraud cases are rigorously investigated and pursued by counter fraud. Internal Audit have also undertaken a review of charitable funds and the main financial systems from which the financial statements are prepared, as part of their 2018/19 audit plan. Both were reviewed as having substantial assurance.</p>
<p>2. What processes are employed to identify and respond to the risks of fraud more generally and specific risks of misstatement in the financial statements?</p>	<p>The Health Board's internal auditors annually review charitable funds and the fundamental financial systems upon which the financial statements are based. This is also supported by a robust and well-resourced counter fraud programme. All senior staff in the Finance Department comply with professional ethics and accounting standards and any deliberate mis-statements would likely result in the individual being struck off from their professional body.</p>
<p>3. What arrangements are in place to report fraud issues and risks to the trustees?</p>	<p>The Audit Committee agrees a Counter Fraud Work Plan at the start of the year. It then receives regular Counter Fraud progress reports at all of its normal business meetings. It also receives an annual counter fraud report which details the work that has been</p>

Tolley, Laura
01/16/2020 13:33:31

Enquiries of management - in relation to fraud

Question	2018-19 Response
	undertaken during the year, together with a Self-Risk Assessment.
4. How has management communicated expectations of ethical governance and standards of conduct and behaviour to all relevant parties, and when?	All staff have access to the Standards of Behaviours Framework Policy via the Intra and Internet plus this is included upon recruitment and at induction. Consultant Medical and Dental Staff are reminded of the need to declare interests etc, when completing their job plans. Board members are made aware of the policy on recruitment and are also prompted to complete a declaration on an annual basis. This requires them to confirm that they have read and understood the policy. 'Declarations of Interest' is also a standing item on the agenda of all Board and Committee meetings, including the Trustee and Charitable Funds Committee meetings. In addition, the Standards of Behaviours Framework policy has been circulated and also raised at the Health Systems Management Board to ensure that it is cascaded through Clinical Boards. This has been done to make sure that expectations of ethical governance and standards of conduct and behaviour are being communicated to all professional staff and not only to Medical and Dental staff. This policy and process will be strengthened during the next financial year due to the fact that the Health Board has received a limited assurance report on Standards of Behaviour.

Tolley, Laura
01/16/2020 13:33:31

Enquiries of management - in relation to fraud

Question

5. Are you aware of any instances of actual, suspected or alleged fraud since 1 April 2018?

2018-19 Response

All actual and suspected fraud is fully reported to the Audit Committee at its regular business meeting in its private session via a counter fraud progress report. There were no actual or suspected frauds relating to Funds Held on Trust in 2018/19.

Tolley, Laura
01/16/2020 13:33:31

Enquiries of those charged with governance – in relation to fraud

Question	2018-19 Response
1. How do the trustees exercise oversight of management's processes for identifying and responding to the risks of fraud within the audited body and the internal control that management has established to mitigate those risks?	The Board/Trustee has delegated the review and monitoring of management processes for identifying and responding to fraud risks to the Audit Committee. This monitoring is supported by the work of the Audit Committee and the internal audit and counter fraud functions for which the Finance Director is the lead Executive. The Audit Committee receives regular reports on counter fraud matters and on the adequacy of internal control that exist within the Health Board/charity and on the actions being taken to mitigate these risks. The Chair of the Audit Committee is an Independent Member of the Board and reports back to the Health Board on these matters and the minutes of both the public and private meetings of the Audit Committee are included in the meeting papers of the Board.
2. Are you aware of any instances of actual, suspected or alleged fraud since 1 April 2018?	No, as part of their private meetings, the Board receives minutes from the private meeting of the Audit Committee, which includes any significant points highlighted in the Counter Fraud Progress Reports. There has been no suspected or actual fraud relating to funds held on Trust in 2018/19.

Tolley, Laura
01/16/2020 13:33:31

Appendix 2

Matters in relation to laws and regulations

International Standard for Auditing (UK and Ireland) 250 covers auditors' responsibilities to consider the impact of laws and regulations in an audit of financial statements.

Management, with the oversight of those charged with governance, the trustees are responsible for ensuring that the Fund's operations are conducted in accordance with laws and regulations, including compliance with those that determine the reported amounts and disclosures in the financial statements.

As external auditors, we are responsible for obtaining reasonable assurance that the financial statements are free from material misstatement due to fraud or error, taking into account the appropriate legal and regulatory framework. The ISA distinguishes two different categories of laws and regulations:

- laws and regulations that have a direct effect on determining material amounts and disclosures in the financial statements; and
- other laws and regulations where compliance may be fundamental to the continuance of operations, or to avoid material penalties.

What are we required to do?

As part of our risk assessment procedures we are required to make inquiries of management and the trustees as to whether the Fund is in compliance with relevant laws and regulations. Where we become aware of information of non-compliance or suspected non-compliance we need to gain an understanding of the non-compliance and the possible effect on the financial statements.

Tolley, Laura
01/16/2020 13:33:31

Enquiries of management – in relation to laws and regulations

Question	2018-19 Response
1. How have you gained assurance that all relevant laws and regulations have been complied with?	Assurances are gained via the Charitable Funds Committee and other appropriate Board Committees where these issues are discussed. The Charity has also issued detailed guidance as to what expenditure is appropriate to be funded from the charity. This has been subject to legal review and support and has been approved by the Trustee at their March 2019 meeting.
2. Have there been any instances of non-compliance or suspected non-compliance with relevant laws and regulations since 1 April 2018, or earlier with an ongoing impact on the 2018-19 financial statements?	There have been no instances of non-compliance or suspected non-compliance with relevant laws and regulations relating to the Funds Held on Trust during this period.
3. Are there any potential litigations or claims that would affect the financial statements?	Management is not aware of any potential litigations or claims that would affect the financial statements.
4. Have there been any reports from other regulatory bodies, which indicate non-compliance?	No such reports have been issued.

Enquiries of those charged with governance – in relation to laws and regulations

Question	2018-19 Response
1. How do trustees, in their role as those charged with governance, obtain assurance that all	Assurances are gained via the Charitable Funds Committee and other appropriate Board Committees where these issues are discussed.

Tolley, Laura
01/16/2020 13:33:31

relevant laws and regulations have been complied with?	
2. Are you aware of any instances of non-compliance with relevant laws and regulations?	No.

Tolley, Laura
01/16/2020 13:33:31

Appendix 3

Matters in relation to related parties

International Standard for Auditing (UK and Ireland) 550 covers auditors' responsibilities relating to related party relationships and transactions.

The nature of related party relationships and transactions may, in some circumstances, give rise to higher risks of material misstatement of the financial statements than transactions with unrelated parties.

Because related parties are not independent of each other, many financial reporting frameworks establish specific accounting and disclosure requirements for related party relationships, transactions and balances to enable users of the financial statements to understand their nature and actual or potential effects on the financial statements. An understanding of the entity's related party relationships and transactions is relevant to the auditor's evaluation of whether one or more fraud risk factors are present as required by ISA (UK and Ireland) 240, because fraud may be more easily committed through related parties.

What are we required to do?

As part of our risk assessment procedures, we are required to perform audit procedures to identify, assess and respond to the risks of material misstatement arising from the entity's failure to appropriately account for or disclose related party relationships, transactions or balances in accordance with the requirements of the framework.

Tolley, Laura
01/16/2020 13:33:31

Enquiries of management – in relation to related parties

Question	2018-19 Response
<p>1. Confirm that you have disclosed to the auditor:</p> <ul style="list-style-type: none"> • the identity of any related parties, including changes from the prior period; • the nature of the relationships with these related parties; and • details of any transactions with these related parties entered into during the period, including the type and purpose of the transactions. 	<p>Yes, these have been disclosed.</p>
<p>2. What controls are in place to identify, authorise, approve, account for and disclose related party transactions and relationships?</p>	<p>Staff are required to make declarations in accordance with the Standards of Behaviour Framework Policy, incorporating Gifts, Hospitality and Sponsorship. All Board members and other relevant staff are asked to make a declaration on an annual basis, which is then recorded and published in the Declarations of Board Members' Interests. Where a Board Member's interests change during the year, they have a personal responsibility to declare this and inform the Board Secretary.</p> <p>These related party transactions are identified in the Charity's Annual Report 2018/19. For all Committees and the Board, including the Trustee and Charitable Funds Committee meeting, there is a standing agenda item at the beginning of each meeting called 'Declaration of Interest' in relation to items on the agenda.</p>

Tolley, Laura
01/16/2020 13:33:31

Enquiries of those charged with governance – in relation to related parties

Question	2018-19 Response
1. How do the trustees, in their role as those charged with governance, exercise oversight of management's processes to identify, authorise, approve, account for and disclose related party transactions and relationships?	The Audit Committee receives bi-annual reports relating to compliance with the policy and the Gifts, Hospitality and Sponsorship Register. The Charitable Funds Committee will also scrutinise the Annual Accounts of the Charity which contain details of related party transactions.

Tolley, Laura
01/16/2020 13:33:31



WALES AUDIT OFFICE
SWYDDFA ARCHWILIO CYMRU

Archwilydd Cyffredinol Cymru
Auditor General for Wales

Audit of Financial Statements Report – Cardiff and Vale University Local Health Board Charity

Audit year: 2018-19

Date issued: January 2020

Document reference: 1656A2019-20

Tolley, Laura
01/16/2020 13:33:31

This document has been prepared as part of work performed in accordance with statutory functions.

In the event of receiving a request for information to which this document may be relevant, attention is drawn to the Code of Practice issued under section 45 of the Freedom of Information Act 2000.

The section 45 code sets out the practice in the handling of requests that is expected of public authorities, including consultation with relevant third parties. In relation to this document, the Auditor General for Wales and the Wales Audit Office are relevant third parties. Any enquiries regarding

disclosure or re-use of this document should be sent to the Wales Audit Office at

info.officer@audit.wales.

The team who delivered the work comprised Mike Usher, Mark Jones, Rhodri Davies, Amy Lord and Matthew Bowen.

Tolley, Laura
01/16/2020 13:33:31

Contents

This document summarises the conclusions on the audit of the Board's 2018-19 charity financial statements. The Auditor General intends to issue an unqualified audit report on the financial statements. There are some issues to report to you prior to their approval.

Summary report

Introduction	4
Status of the audit	4
Proposed audit report	4
Significant issues arising from the audit	5
Independence and objectivity	7

Appendices

Appendix 1 – Final Letter of Representation	8
Appendix 2 – The independent auditor's report of the Auditor General for Wales to the Trustee of Cardiff and Vale University Local Health Board Charity	11
Appendix 3 – Summary of corrections made to the draft financial statements which should be drawn to the attention of the Trustee of Cardiff and Vale University Local Health Board Charity	14

Tolley, Laura
01/16/2020 13:33:31

Summary report

Introduction

- 1 The purpose of this report is to:
 - set out the matters arising from the audit of the 2018-19 financial statements of Cardiff and Vale University Local Health Board Charity (the Charity), which those charged with governance are required to consider alongside the audited statements; and
 - formally communicate the completion of our audit.
- 2 The Auditor General is responsible for providing an audit opinion on whether the financial statements give a true and fair view of the financial position of the Charity at 31 March 2019 and its income and expenditure for the year then ended.
- 3 We do not try to obtain absolute assurance that the financial statements are correctly stated but adopt the concept of materiality. In planning and conducting the audit we seek to identify material misstatements in your financial statements, namely, those that might result in a reader of the accounts being misled.
- 4 The quantitative level at which we judge such misstatements to be material for the Charity's financial statements is £39,200. Whether an item is judged to be material can also be affected by certain qualitative issues such as legal and regulatory requirements and reporting sensitivity. We consider the disclosure of related party transactions to be material by nature.

Status of the audit

- 5 We received the draft financial statements on 16 September 2019. We have substantially completed the audit work and are therefore reporting to you the more significant issues arising from the audit, which we believe you must consider prior to your approval of the audited financial statements. We have discussed all significant issues with the Health Board's Deputy Director of Finance.

Proposed audit report

- 6 It is the Auditor General's intention to issue an unqualified audit report on the financial statements once you have provided us with a Letter of Representation based on that set out in [Appendix 1](#). The proposed audit report is set out in [Appendix 2](#).

Tolley, Laura
01/16/2020 13:33:31

Significant issues arising from the audit

Uncorrected misstatements

- 7 We set out below the non-material misstatements that we identified in the financial statements, which we have discussed with management but remain uncorrected.

Prepayments are overstated, and expenditure is understated, by £3,228

- 8 Our sample-based testing of prepayments identified two transactions totalling £3,228 that had been incorrectly classified as prepayments. In both cases all the expenditure related to 2018-19 and therefore should not have been classified as a prepayment, with certain expenditure deferred to 2019-20. Based on the extent of our testing in this area, we have been able to conclude that the misstatements do not represent a risk of material misstatement. The known error in the financial statements is that prepayments are overstated, and expenditure is understated, by the £3,228.

Creditors are overstated, and restricted-income funds are understated, by £6,000

- 9 Our review of the opening balances brought forward from the financial ledger identified that one of last year's audit adjustments had been incorrectly posted. The impact on the financial statements is that creditors are overstated, and restricted-income funds are understated, by £6,000.

Overall impact of the above misstatements

- 10 Management have decided not to correct these misstatements as they are immaterial. While the misstatements do not adversely affect the audit opinion, we report them to you to seek your confirmation that you agree not to amend them. The letter of representation at [Appendix 1](#) refers to these misstatements not being amended.

Corrected misstatements

- 11 There are misstatements that management have corrected, but which we consider should be drawn to your attention due to their relevance to your responsibilities over the financial reporting process. These corrections are set out in [Appendix 3](#).
- 12 The most significant audit error required a material correction within the financial statements. The error arose because expenditure that related to 2017-18 had been invoiced to the Charity by the Health Board very late and, as a result, had been incorrectly charged to 2018-19. The correction required a prior-period adjustment and an additional explanatory note (Note 2) to the financial statements. The impact on the accounts is that:

- 2018-19 expenditure has decreased by £61,581;
- the restated expenditure for 2017-18 has increased by £61,581; and
- the restated restricted funds at 31 March 2018 have decreased by £61,851.

Other significant issues arising from the audit

13 During the audit we consider a number of matters, both qualitative and quantitative, relating to the financial statements and we report any significant issues arising to you:

- **We have concerns over qualitative aspects of your accounting practices and financial reporting.** Last year we reported that: *'The draft financial statements submitted for audit contained numerous errors, which better preparation and a more robust quality assurance review would have identified and corrected prior to audit. The weaknesses gave rise to a significant amount of amendment that could have been avoided. Also, based on the last two years' audits, we still have concerns over the procedures for ensuring that expenditure is accounted for in the correct financial year.'*

Despite these comments, it is disappointing to note this year there has been no improvement in the quality of the draft financial statements submitted for our audit. The level of error remains high, as demonstrated by the adjustments set out in [Appendix 3](#). Better preparation and a robust quality-assurance review, which includes a pre-audit 'sign-off' by a senior finance officer, should help to support the submission of better quality financial statements that would shorten the audit and also reduce its cost to the Charity.

We will work with management to help strengthen the accounts preparation process. We will be providing a separate audit report to the Trustee, setting out our detailed findings, audit recommendations, and management's responses.

- **There were no other significant matters discussed and corresponded upon with management which we need to report to you.**
- **There are no other matters significant to the oversight of the financial reporting process that we need to report to you.**
- **We did not identify any material weaknesses in the Charity's internal controls. At paragraph 12 we do highlight the Health Board's very late invoicing of costs, which led to material misstatement in the Charity's financial statements submitted for audit.**
- **There are no other matters specifically required by auditing standards to be communicated to those charged with governance.**

Tolley, Laura
01/16/2020 13:33:31

Independence and objectivity

- 14 As part of the finalisation process, we are required to provide you with representations concerning our independence. We can confirm that we have complied with ethical standards and in our professional judgment we are independent, and our objectivity has not been compromised. There are no relationships between the audit team and the Charity that we consider to bear on our objectivity and independence.

Tolley, Laura
01/16/2020 13:33:31

Appendix 1

Final Letter of Representation

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

30 January 2020

Representations regarding the 2018-19 financial statements

This letter is provided in connection with your audit of the financial statements of Cardiff and Vale University Local Health Board Charity for the year ended 31 March 2019 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.
- 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 the Cardiff and Vale University Local Health Board Charity 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.
- Significant assumptions used in making accounting estimates, including those measured at fair value, are reasonable.
- 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 and consequently these items have not been adjusted for in the 2018-19 accounts. A summary of these are set out below:
 - prepayments are overstated and expenditure is understated by £3,228 because the expenditure relates to 2018-19 and therefore should not be classified as a prepayment and deferred to 2019-20; and
 - creditors are overstated and restricted-income funds understated by £6,000, because one of last year's audit adjustments was incorrectly posted.

Representations by those charged with governance

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 the Trustee on 30 January 2020. 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:

Chief Executive

30 January 2020

Signed by:

Trustee Chair

30 January 2020

Tolley, Laura
01/16/2020 13:33:31

Appendix 2

The independent auditor's report of the Auditor General for Wales to the Trustee of Cardiff and Vale University Local Health Board Charity

Report on the audit of the financial statements

Opinion

I have audited the financial statements of Cardiff and Vale University Local Health Board Charity for the year ended 31 March 2019 under the Charities Act 2011. These comprise the Statement of Financial Activities, the Balance Sheet, the 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 2019 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 trustee's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

- the trustee has 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 trustee's 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 responsibilities set out on page 43, 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 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
30 January 2020

24 Cathedral Road
Cardiff
CF11 9LJ

Tolley, Laura
01/16/2020 13:33:31

Appendix 3

Summary of corrections made to the draft financial statements which should be drawn to the attention of the Trustee of Cardiff and Vale University Local Health Board Charity

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 1: Summary of corrections made to the draft financial statements

Value of correction	Nature of correction	Reason for correction
£61,581	Unrestricted funds brought forward decreased by £61,581, and expenditure ('charitable activities') decreased by £61,581.	2017-18 expenditure incorrectly included in 2018-19. As the value is considered material to these accounts, a prior-year adjustment was needed to restate the position at 31 March 2018.
£16,740	Prepayments increased by £16,740, and expenditure (Charitable Activities) decreased by £16,740.	Expenditure relating to future years that had been incorrectly included in 2018/19.
£14,000	Note 19c Analysis of unrestricted and material designated fund movements Unrestricted delegated funds decreased by £14,000 and unrestricted non-delegated funds increased by £14,000.	Transfer was incorrectly allocated to unrestricted delegated funds.

Tolley, Laura
01/16/2020 13:33:31

Value of correction	Nature of correction	Reason for correction
Disclosure only	<p>The following disclosures have been added:</p> <p>Note 19b. Analysis of restricted Fund movements</p> <ul style="list-style-type: none"> • UHW General £81,637 • Gould Legacy - Haematology £82,167 • Gould Legacy - Bone Marrow Unit £82,167 • Staff and Patient Welfare Summary £89,397 <p>Note 19c Analysis of unrestricted and material designated fund movements</p> <ul style="list-style-type: none"> • Our Orchard Llandough £93,598 • C.U.R.E. (UHW)(6761) £81,152 • Barry Hospital General Purpose £93,968 	Per section 2.29 of the Charities SORP (FRS 102) details of the movements on material individual funds in the reporting period must be disclosed.
Disclosure only	<p>Note 2 Related party transactions</p> <p>The following disclosures were added:</p> <ul style="list-style-type: none"> • Cllr Susan Elsmore is an elected member for Health Housing & Wellbeing for the City of Cardiff Council. In 2018-19, the Charity paid £16,668 to the Council and owed £500 at year-end. • Len Richards is an Independent Member of Cardiff University. 	The related party note was updated to include the omitted disclosures.
Disclosure only	<p>Note 20 Commitments</p> <p>Decrease the 'UHB Transport Solutions' commitment by £29,000.</p>	Incorrect valuation of the year-end commitment.

Tolley, Laura
01/16/2020 13:33:31

Value of correction	Nature of correction	Reason for correction
Various	Presentational adjustments.	<p>They included:</p> <ul style="list-style-type: none"> • adjustments to note referencing and comparatives figures; • adjustments to ensure compliance with the SORP; • adjustments to improve the clarity of disclosures; • adjustments to the Trustee Report to ensure consistency with the financial statements; • related party comparatives; and • equipment accounting policy removed, as no equipment included in fixed assets.

Tolley, Laura
01/16/2020 13:33:31

Tolley, Laura
01/16/2020 13:33:31

Wales Audit Office
24 Cathedral Road
Cardiff CF11 9LJ

Tel: 029 2032 0500

Fax: 029 2032 0600

Textphone : 029 2032 0660

E-mail: info@audit.wales

Website: www.audit.wales

Swyddfa Archwilio Cymru
24 Heol y Gadeirlan
Caerdydd CF11 9LJ

Ffôn: 029 2032 0500

Ffacs: 029 2032 0600

Ffôn testun: 029 2032 0660

E-bost: post@archwilio.cymru

Gwefan: www.archwilio.cymru

Tolley, Laura
01/16/2020 11:33:31