

was raised with regard to the possibility of carrying the funding over due to the project not commencing until February 2024. This was agreed and the Trustees supported the bid for funding.

Outcome: *The trustees supported bid.*

6. **Minute of Endowment Committee Meeting held on 08 June 2023**

The Chair of the Endowment Committee presented Trustees with the highlights of the draft minute of the meeting on the 8 June 2023. At the meeting the committee received an overview of some Virtual Reality software which was funded in November 2022 for the Kilmarnock Station Railway Heritage Trust, to assist with their counselling service. Due to the interest of members it was felt it would be useful for this to be presented at a future Trustees meeting.

Action: Shirley Taylor

The annual accounts were presented and the external auditor from Azets attended and presented a clean audit report. The Director of Finance provided the assurance statement to give committee members assurance that the Endowment Fund is being managed appropriately.

Various bids were received, a few were approved for funding and others were sent on to the Nurse Director following the meeting for clinical input.

Trustees were reminded of a discussion which took place at the last meeting regarding the risk profile of the investment portfolio. Following this discussion, a workshop was arranged. At the workshop a request was received from Eden Tree to move our investment portfolio from an individually managed to a collective fund. Following the workshop a proposal paper was circulated and an agreement was made to move over to the collective fund for a six month period. It was noted that a tender for a new Investment manager will commence in December 2023.

The meeting concluded with the committee considering the Endowment risk register. No change was noted to any of the risks which were still within their review timescales.

Outcome: The trustees accepted the draft minute.

7. **2022/23 Financial Position**

7.1 General Fund Expenditure

The Assistant Director of Finance presented the general fund summary to Trustees. There is a £90k underspend on the £294k budget due to delays in the commencement of the Leadership Academy and delays with the billing of the Radiology bid. This will result in an opening balance of £335k for 2023-24. The Chief Executive thanked Trustees for extending the budget for the Leadership Academy and advised that a Pan Ayrshire hub will be developed to support this.

The majority of the patient amenities budget has been utilised and an overspend has been noted for the Performing Rights Society budget, the budget has been increased for the coming year.

Discussion took place with regard to the decrease in the investment fees and the rebates received within each quarter. The Assistant Director of Finance agreed to investigate this and report back at the next meeting.

Action: Fiona McGinnis

Outcome: *The Trustees received the general fund report.*

7.2 Portfolio Performance

The Assistant Director of Finance presented the fourth quarter investment report. There was a significant dip in the value of investments within quarter three due to the mini budget and the position of the global market. A reduction could still be seen within quarter four. Overall the value of investments was down £800k over the course of the year.

Outcome: The trustees received the report

7.3 Restricted fund summary

The Assistant Director of Finance provided Trustees with the routine restricted summary report, as a requirement of the charter, to provide detail of any funds over £50k. There were no particular issues of note however it was reported that the Endowment Committee routinely invite fundholders of larger funds along to the committee to discuss spending plans for the future. The Trustees felt it would also be useful to consider those funds with no spend against them to advise of a spending plan. At the last committee meeting the Director of Finance and Nurse Director presented the position of the remaining covid funding which will be utilised to support the Wellbeing hubs going forward.

Outcome: The trustees received the report

8. Annual Accounts

8.1 ISA 260 – Communication of matters relative to Corporate Governance

The Director of Finance advised that the Endowment Auditor attended the last Endowment Committee meeting. No issues were raised and they were content with the findings of the audit. The letter sets out the position and audit certificate for the Endowment accounts.

Outcome: *The trustees received the audit findings letter*

8.2 Assurance Statement

The Director of Finance presented the assurance statement which went to the Endowment Committee on 8 June 2023. Due to the endowment accounts being consolidated into Ayrshire and Arran's main accounts, the endowment accounts require to be approved by Trustees in the first instance before being consolidated. An internal audit review was conducted in 2022-23 into the Endowment process which was classified as low risk. The Trustees were asked to take assurance from the process and the endowment accounts.

Outcome: The trustees received assurance

8.3 Annual Accounts for endowment funds 2022/23
The Director of Finance advised that the accounts show the overall position of the Endowment Fund within 2022-23. £1.65 million was spent from restricted funds with £1.17 million on the wellbeing suites. The portfolio valuation has lost significant value throughout the year with a balance of £8 million in comparison to last year's balance of £10 million. Note 11 to the accounts was considered which showed there was a loss of £100k on sale of investments and £800k reduction on shares still held. The Trustees approved the annual accounts pending an amendment to the list of Trustees at the beginning of the accounts. A request was made for the accounts to be published on the public website.

Action: Shirley Taylor

Outcome: The trustees approved the annual accounts for submission to the Board.

8.4 Letter of management representation
The Director of Finance advised that the letter of management representation is required to assure auditors that all information has been made available to them. Approval was provided by Trustees for the letter of management representation to be signed.

Outcome: The trustees approved the letter for signature

9. Any other competent business

The Chair asked if consideration required to be given to the investment of the fund due to the further reduction. It was noted that the risk tolerance has not been considered for some time and the questionnaire requires to be completed to ensure a minimum amount is maintained within the fund. It was agreed that risk appetite should be included as part of the new tender process. Concern was expressed by the auditor a few years previous that the fund was not being utilised effectively, this has to be balanced against the requirement for investment income. There is investment income and dividends of approximately £300k each year which sets the general fund budget for the year and maintains a balance.

It was noted that the endowment accounts are audited by a separate firm from the main Board accounts due to these being a separate legal entity from the health board. It is expected that the Scottish Government will make changes in the future and board members will no longer automatically be Trustees and the accounts will no longer be consolidated. The Endowment Charter sets out the rules and regulations that Endowment Trustees must follow as required by OSCR.

10 Date of next meeting

The next meeting will take place on Friday 15th December 2023 at 0930 hours via Microsoft Teams/Meeting Room 1, Eglinton House

Approved:

Date: