

**NHS GRAMPIAN**  
**Minute of the Annual General Meeting of Trustees of the**  
**NHS Grampian Endowment Funds**  
**held on 26 June 2018 at 1.30pmin Summerfield House**

**Present:**

Cllr Frank Brown, Non-Executive Board Member (Acting Chair)  
 Ms Amy Anderson, Non-Executive Board Member  
 Mrs Rhona Atkinson, Non-Executive Board Member  
 Prof Amanda Croft, Acting Chief Executive  
 Mrs Sharon Duncan, Employee Director  
 Prof Nick Fluck, Medical Director  
 Mr Alan Gray, Director of Finance  
 Mrs Laura Gray, Board Secretary/Director of Corporate Communications  
 Ms Luan Grugeon, Non-Executive Board Member  
 Prof Steve Heys, Non-Executive Board Member  
 Mrs Christine Lester, Non-Executive Board Member  
 Prof Stephen Logan, Chair, NHS Grampian  
 Cllr Douglas Lumsden, Non-Executive Board Member  
 Mr Jonathan Passmore, Non-Executive Board Member  
 Mr Eric Sinclair, Non-Executive Board Member  
 Mr Malcom Wright, Chief Executive

**In Attendance:**

Ms Jennifer Alexander, Audit Director, Scott-Moncrieff (Item 5.2)  
 Mr Gair Brisbane, Senior Portfolio Manager, Standard Life (Item 6)  
 Ms Carol Clark, Senior Portfolio Manager, Standard Life (Item 6)  
 Ms Anne MacDonald, Senior Audit Manager, Audit Scotland  
 Ms Gillian Woolman, Assistant Director, Audit Scotland  
 Mr Garry Kidd, Assistant Director of Finance  
 Ms Rachael Little, Employee Director Elect  
 Mrs Sheena Lonchay, Operational Manager for NMSG Charities  
 Mr Gary Mortimer, Director of Acute Services  
 Ms Else Smaaskjaer, Minuting Secretary

Item	Subject	Action
1.	<p><b>Apologies</b></p> <p>Dame Anne Begg, Non-Executive Board Member (Chair)            Cllr Isobel Davidson, Non-Executive Board Member            Dr Helen Moffat, Chair, Area Clinical Forum            Dr Lynda Lynch, Non-Executive Board Member            Ms Susan Webb, Director of Public Health</p> <p>Councillor Brown welcomed Trustees to the meeting and was pleased to note a good attendance.</p>	

2.	<p><b>Declaration of Interest</b></p> <p>No declarations of interest were noted.</p>	
3.	<p><b>Minute of meeting held on 27 June 2017.</b></p> <p>The minute was approved by the Trustees.</p>	
4.	<p><b>Matters arising from previous Annual General Meeting</b></p> <p><b>Action Log of 27 June 2017.</b></p> <p>There were no outstanding items from the action log of 27 June 2017.</p>	
5.  5.1	<p><b>Financial Overview of the Charity</b></p> <p><b>Annual Report and Accounts</b></p> <p>Mr Gray presented a paper detailing the Annual Report and Accounts which the charity is required to submit to the Office of the Scottish Charity Regulator. The results of the Endowment Funds had also been consolidated within the main NHS Board accounts.</p> <p>Mr Gray highlighted some key matters and informed Trustees that the Fund's external auditors, Scott-Moncrieff, had carried out additional work which confirmed they had not identified any retrospective awards and were assured that awards were approved in accordance with the Fund's procedures. He also advised that Scott-Moncrieff had recommended some updates regarding commitment accounting to ensure that all approved grants are provided for in the year approval is granted.</p> <p>In response to a query from Mr Passmore, Ms Alexander confirmed that Deloitte LLP were the Fund's auditors in previous years and Scott-Moncrieff had limited their audit to the 2017/18 financial year. Mr Passmore requested a review of prior years to provide assurance to Trustees concerning retrospective awards. Mr Kidd agreed that he would discuss with Deloitte LLP whether this had already been covered in previous audits, and if not would ask them to review audit materials from 1 April 2013 through to 31 March 2017 to provide the additional assurance requested.</p> <p>Mr Sinclair asked if the reduction in funds would indicate that income from investments will be reduced. Mr Kidd informed Trustees that during recent years investment income has exceeded the amount targeted and it is anticipated that this will continue. The aim going forward is to encourage applications</p>	GK

<p>5.2</p> <p>5.3</p>	<p>which will ensure funds are used strategically and in line with the purposes intended by those making donations. Mr Kidd advised that the Fund's Investment Managers, Standard Life Wealth, provide an update on investment performance at each quarterly meeting of the Endowment Committee.</p> <p>Ms Grugeon asked if there are occasions when projects supported by Endowment Funds seek additional funding to continue their activities. Mr Kidd reported that all applicants are advised that recurring funding of projects will not be supported and all requests are expected to include an exit strategy. Alternative funding sources should be identified if future support is required.</p> <p>Mr Gray asked Trustees to note Appendix 1 which provided a synopsis of the Annual Report and Accounts and a brief outline of the most important items for noting.</p> <p>The unqualified audit opinion from Scott Moncrieff recognised that funds have been distributed in line with the duties expected of Trustees and that they have properly fulfilled their financial governance responsibilities.</p> <p><b>Annual Audit Report</b></p> <p>Ms Alexander from Scott-Moncrieff gave an overview of the Annual Audit Report. She noted the conclusions from testing the three risk areas which are standard to a charity audit. She advised that there was nothing to bring to the attention of Trustees and she was confident in issuing an unqualified audit opinion. In response to a query from Mrs Lester, Ms Alexander confirmed that NHS Grampian compared positively against other organisations with regard to the accounting systems and internal controls in place.</p> <p><b>Approval of Accounts</b></p> <p>The Trustees reviewed the annual accounts.</p> <p><b>The Trustees approved the accounts and requested that the Chair sign-off the accounts on behalf of the Trustees. The Trustees also approved the contents of a letter of representation which attests to the accuracy of the financial statements submitted to Scott-Moncrieff during the audit.</b></p> <p><b>The Trustees thanked the Endowment Team and the audit team for all their hard work.</b></p>	<p>AB</p>
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5.4	<p><b>Reserves Policy</b></p> <p>Mr Kidd introduced a report asking Trustees to approve a formal reserves policy which they are required to review annually. Mr Gray explained that this provides assurance to Trustees that sufficient reserves are maintained to carry out the purposes of NHS Grampian Endowment Funds and to ensure flexibility in reacting to market fluctuations.</p> <p><b>The Trustees approved the reserves policy and agreed that a minimum balance of £3M should be maintained in the General Endowment Fund at all times.</b></p>	
6.  6.1	<p><b>Investment Performance</b></p> <p><b>Report from Investment Managers</b></p> <p>The Chair welcomed Ms Clark and Mr Brisbane from Standard Life Wealth.</p> <p>Ms Clark gave an overview of investment performance. She reported that there had been a steady growth during the year resulting in a positive return during 2017/18. She noted that markets had been uneasy during the early part of 2018 due to a number of events. Technology, one of the leading sectors in the global market, had gone through a particularly negative period. However, Ms Clark reported indications that the market is now steadily improving.</p> <p>Mr Brisbane reported that the overall value of the portfolio at the beginning of June 2018 was £44M. The annual yield was 3.8% which was more than the 2.8% benchmark figure, and annual income at the end of the 17/18 financial year was £1.66M which exceeded the target income of £1.25M.</p> <p>Ms Clark and Mr Brisbane summarised market performance during the year and advised that SLW have tended towards a diversified portfolio which is not reliant on single events. Mr Brisbane also noted that SLW along with NHS Grampian are vigilant in their monitoring of the portfolio and can react quickly if required.</p> <p>Mr Brisbane and Ms Clark advised Trustees that SLW are pleased with the strong performance across the portfolio. Trustees were also assured that the Endowment Sub-Committee were given regular updates from SLW at their meetings throughout the year.</p>	

	<b>The Trustees thanked Ms Clark and Mr Brisbane for the summary.</b>	
<b>7.</b>	<p><b>Investment Policy</b></p> <p>Mr Kidd introduced a report which asked Trustees to retain the current Investment Policy for NHS Grampian Endowment Funds.</p> <p><b>Trustees approved the Investment Policy.</b></p>	
<b>8.</b>	<p><b>Revised Operating Procedures</b></p> <p>Mrs Lonchay introduced a report outlining some proposed amendments to the Operating Instructions for NHS Grampian Endowment Funds. She reminded Trustees that a number of changes had been introduced at the meeting of Trustees in June 2017 and the amendments proposed were intended to improve the clarity of the Operating Instructions and encourage staff to be more mindful of the charitable nature of the Funds. The amendments will also ensure compliance with Standing Financial Instructions and Charity Law.</p> <p><b>The Trustees approved the proposed amendments to the Operating Instructions for NHS Grampian Endowment Funds.</b></p>	
<b>9.</b>	<p><b>AOCB</b></p> <p>Mrs Lonchay showed Trustees a short presentation which demonstrated how Endowment Funding is used for the benefit of patients and staff throughout the Grampian area. Mrs Gray highlighted that the newsletter and social media page which had been introduced during 2017 had been helpful in encouraging donations and in providing information regarding how funds are used.</p> <p>The presentation highlighted how Endowment Funds had been used to provide welcome improvements to the public areas at the mortuary, enhance and improve patient and staff facilities across a range of locations, make improvements to the medical lecture theatre, fund a number of research projects, purchase laboratory and theatre equipment and support the provision of a counselling service for amputees. The Small Grants Scheme had also supported a number of community initiatives including the Walking for Wellness programme.</p> <p>Ms Anderson asked about applications from Dr Gray's Hospital in Elgin and Mrs Lonchay confirmed that she is working with staff at Dr Gray's in preparing an application which will bring considerable benefits to patients and staff across the hospital.</p>	

	<p>Mrs Duncan expressed the appreciation of staff, particularly those who work in unseen services, for the improvements made with regard to accessibility and their work environment.</p> <p>Trustees thanked Mrs Lonchay for her work in promoting NHS Grampian Endowment Funds and agreed the presentation had been helpful in showing how the funds are used in practice and the positive impact they make across NHS Grampian.</p>	
<b>10.</b>	<b>Date of Next Annual General Meeting</b>  Tuesday 25 <sup>th</sup> June 2019 at 13.30 in the Conference Room, Summerfield House.	