

# Healthy Minds Finance Sub Committee Meeting

Causey Hall, Halifax

Wednesday 27<sup>th</sup> November 2019 7-9pm

## 1. Welcome, Present and Apologies

**Present:** Ann Dower, Jonny Glenn, Paul Hunt, Jonathan Morrish (Chair)

Apologies from Freda Davis.

## 2. Minutes and Matters Arising:

Correction to page 1, A, paragraph 2: AD shared JRG's Section 19 Charity Commission information, not Kings Fundadvice, with Helen Galvin.

Independent Examiner: alternatives continue to be sought, and the matter debated later in the agenda. (Action: AD, JM).

Spot checks: Trustees to be made aware they are always welcome to review any financial papers. (Action: JM).

Accounts understanding: Trustees to consider development to underpin collective responsibility for accounts. (Action: PH).

Unrestricted funds: the Finance Sub Committee recommends that unrestricted funds budget be set at the level of expenditure in the previous financial year, adjusted by the amounts of actual extraordinary expenditure in the previous financial year, and forecast extraordinary expenditure in the current financial year. This is to be implemented with regard to the 2020/2021 budget. (Action: AD).

Insurance policy: the revised premium had been agreed following trustee consultation, and has now been paid.

## 3. Reserves policy

The Finance Policy will be updated in line with information provided to the Independent Examiner. (AD).

Healthy Minds Trustees exercise their power to hold income in reserves, in accordance with our constitution, which states:

the Charity has the following powers in order to further the Objects ... To set aside income as a reserve against future expenditure but only in accordance with a written policy about reserves [4(1)(k)]

and in line with Charities Commission guidance CC19 (5.2):

Some charities have a power to hold reserves in their governing document – all others can rely on powers implicit in the law. Trustees can use these powers where they are satisfied that to do so is in the best interests of the charity: their charity's reserves policy should reflect their reasoning.

Our policy is that, where possible, project budgets will include a proportionate contribution to reserves; this is stated in budgets submitted in funding applications and in subsequent reports to funders. When the purpose for which grants received has been discharged, any small residual balances may be transferred into reserves, with funders' agreement (implicit or explicit) as grants

are finalised or signed-off on acceptance of a final grant report, which includes a detailed breakdown of expenditure showing the contribution to reserves.

Once a year the Board will consider the level of reserves that it is prudent for the organisation to hold. Consideration will be given to redundancy liabilities, lease agreements, cash flow requirements significant factors and key risks that should be taken into account if the organisation were to close. A designated reserve account should be set up to clearly identify such funds. This will be reviewed annually before the AGM, and agreed as part of the budget setting for the next financial year.

The Finance Sub Committee recommends to the board adoption of the revisions to the Finance Policy. (Action: JM).

#### **4. Independent Examiner**

AD has obtained an estimate for new examiner of £3,000 including VAT, on review of the 2018/19 accounts, which is half of the amount being charged to another organisation.

JM had approached another company, who have requested additional information, before providing a quotation.

WYCAS charged just over £2,000 including VAT for 2018/19 accounts.

The Finance Sub Committee considered the benefit of contracting a larger firm, against the potential additional cost of £1,000 and risk of new issues being identified. The Finance Sub Committee recommends:

- a) Seeking quotations from WYCAS and a second organisation, for 2019/20's accounts, informed by forecast turnover for 2019/20. (Action: AD).
- b) JM or PH to speak with WYCAS to seek assurance on timescales for return of the 2019/20 accounts, with intention of receiving the final annual report and accounts in October 2021. (Action: JM).

#### **5. 2018/29 annual report and accounts**

JM, PH and the majority of trustees who have given their individual approval to the accounts. It was agreed for JM to sign immediately on behalf of the board (Action: JM), and for the annual report and accounts to be brought to the next meeting of the board for formal sign off (Action: JRG).

The Management Letter issues (Grid) were noted. All actions are in hand, to be completed by JRG, with exception of:

- a) Coding corrections (AD).
- b) Third bank account (JRG, AD).

#### **6. Report on current finances and balance**

##### *Funding summary*

AD presented the funding summary as at 31<sup>st</sup> October 2019.

It was noted that £15,500 is awaited for Upper Valley, but the Sub Committee was assured that this will be received.

Less than 10% of the Co-operative Community Fund has been spent, but additional appropriate expenditure against the award was identified.

No significant risks were identified, with regard to income or expenditure.

### *2019/20 adjusted budget*

Forecast income: ££707k. Forecast expenditure: £632k. Forecast net funds balance £75k. The Finance Sub Committee noted a high degree of confidence for delivering a net funds balance in excess of £65k.

### *2020/21 Budget*

AD has begun drafting the 2020/21 budget, with input from a volunteer.

### *Pensions*

Re-enrolment has been done (a three yearly requirement), with one member of staff opting out.

### *Insurance*

The insurance has been renewed, with an increase due to HM's increased turnover.

### *Mandate*

JM and PH to be added to the CAF mandate, to supplement other signatories: JRG, Di Derby, Jen Fagan, Freda Davis. (Action: AD).

## **7. Report on recent and future funding, options, applications and outcomes**

JRG identified our top risk as being the future funding for SafeSpace. There is no assurance with regard to timescale for confirmation of future funding or of procurement arrangements. PH is meeting commissioners in early December 2019 and will raise this when he does. (Action: PH).

Todmorden and Money In Mind funding ends at the end of the financial year, but we have received assurance that funding is likely to continue into 2020/21. Confirmation is anticipated by the end of December 2019 and will be reported to the next meeting of the Finance Sub Committee. (Action: JRG).

JRG is developing a description of how HM's income is spent:

- E.g 91% of income is spent on frontline services.

Whilst this is for completion, the Sub Committee noted that this gives a good presentation.

## **8. Matters to take to Board meeting**

JM to table minutes with cover note at next meeting of the board.(Action: JM).

## **9. A.O.B.**

JRG asked the Sub Committee to consider VAT registration. JRG to bring a paper to the next meeting of the Sub Committee.