

Healthy Minds Finance Sub Committee Meeting

Videoconference

Friday 3rd July 2020 11.00-12.55

1. Welcome, Present and Apologies

Present: Ann Dower, Jonny Glenn, Freda Davis, Jonathan Morrish (Chair), Paul Hunt, Peter Boyle

2. Minutes and Matters Arising:

Mandate: The mandate has now been changed to include JM, PH, FD and Jen. AD will forward links to PH and JM to set up online access. (Action: AD)

VAT registration: The committee has asked Ann to compile a list of all outgoings where VAT is charged. (Action: AD)

Expenses policy: This action is outstanding from the last meeting. Diane and Peter have reviewed the policy and forwarded it to Ann. Peter and Ann will undertake a further review and forward the policy to JM for consideration at the next finance subcommittee meeting. (Action: AD/PB)

New bank account: Ann was in the process of opening a new instant access, interest bearing bank account. This would ensure that we do not hold in excess of £85k in any one bank account. It was agreed that in the interim £50k would be transferred into the Shawbrook account (Action: AD).

Upper Valley Project: There was still some income outstanding on this project. The Upper Valley team has now provided the necessary information and JG has written a report which when submitted will lead to the funds being released. (Action: JG)

Bearders Fund: Income had been received but Tamsin is no longer working on the project. JG agreed to clarify and resolve this issue during the exit interview with Tamsin. (Action: JG)

Todmorden overspend: This has been allocated against the office rent core funding. It was agreed that utilising the Henry Smith funds rather than the project specific funding was a lower risk to future income.

MIND funding: The Mind funding application for £20k was superseded by a Lloyds application for £15k. This bid has been submitted and a decision is awaited.

3. Update on 19/20 final accounts and audit

JM had spoken with Helen Galvin who is scheduled to undertake the independent examination in August. The committee confirmed that the final accounts and Annual Report will be completed in time for her visit. It is also expected that the AGM will take place in November this year.

4. 20/21 Final Budget

The budget for 20/21 had been significantly updated since the version presented to the Board meeting in June. The latest funding for Safe Space, the Advice and Information service and a number of smaller items have now been incorporated. It was therefore agreed that this revised statement would be taken to the July Board meeting.

It is anticipated that this budget will now remain static during the course of 20/21 unless any significant funding developments arise which necessitate a revision.

5. Report on current finances and balance

Funding Summary

AD presented the funding summary as at 31st May 2020 which showed a credit balance of £215k.

There was a discussion about Advice and Guidance service as Christians Together had not invoiced HM since March 2019. It was agreed that Ann and Jonny would contact them to resolve the issue (Action: AD/JG)

There was a large credit balance on the Time Out project. Ann explained that this was because 6 months of income was showing in the 2 month period.

The Big Lottery project was also showing a large credit balance. This was a consequence of an underspend in 19/20 and also a large amount of funding received in advance.

There was a discussion about the Cooperative community fund and the Todmorden allotment. It was agreed that no more expenditure should be made until the land ownership issue had been resolved. (Action: AD/JG)

It was noted that there was a large underspend against the Lloyds core funding. Ann explained that this was due to an underspend on salary costs.

All Funds Variance Summary

AD also presented the summary of actual and budget figures by all income and expense categories.

There was an amount of £37.5k showing as unrestricted income which Ann recognised that needed moving to grants (Action: AD).

It was noted that there was a large underspend on project worker costs. This reflected the current gap in recruitment.

6. Report on recent and future funding, options, applications and outcomes

JG reported that there were no further funding opportunities at present other than the previously mentioned Lloyds application for £15k and the Upper Valley funding that is outstanding.

7. Standard financial reporting to Board meetings

Jonathan informed the committee that JM and PH had attended a financial seminar for charities where financial reporting was discussed. Charities were recommended to provide statements showing income and expenditure against budget, cash flow forecasts and rolling 12 month forecasts to Board meetings.

The committee agreed that the first of these statements should be routinely presented at Board meetings. Ann had a report in mind which she believed would fulfil this requirement and agreed to send it to JM (Action: AD). All agreed that the report should be concise, accurate and easy to understand.

It was not felt necessary to present a cash flow statement to each Board meeting as the charity is currently in a healthy position. However it was agreed that Trustees should be kept informed of the current bank balance and anticipated level of expenditure over the next 3 months.

Freda commented that it was possible that AD and JG had different levels of knowledge about potential future funding. This was felt to be more likely at present due to the current need for remote working.

PH raised the importance of ensuring that Trustees are aware when projects are coming to an end and progress made with securing future funding.

8. Review of financial controls

Jonathan provided the committee with some background to this agenda item. Any charity that has a turnover of £1m is required to have an audit which includes a review of their financial controls. HM has a turnover of less than £1m so is therefore only subject to an independent examination. However JM and PH feel that a review of the charity's financial controls would still be prudent.

There was a discussion about how this issue could be progressed and Ann mentioned that the Women's Centre may be able to provide some useful information. This has subsequently been forthcoming. The Charities Commission also cover this area extensively in their CC8 report. The committee therefore decided that the next finance subcommittee would review both of these reports and make recommendations about the way to proceed.

9. Matters to take to Board meeting

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

10. A.O.B.

Freda mentioned that the Women's Centre may be able to offer some financial training to Board members. Ann agreed to follow this up with the Women's Centre (Action: AD).