

# Healthy Minds Finance Sub Committee Meeting

## Videoconference

Monday 30th November 2020 5.00 – 6.55

### 1. Welcome, Present and Apologies

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

### 2. Minutes and Matters Arising:

Mandate: PH is to be added to the mandate (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. Ann stated that this had become less of a priority due to remote working. However the policy will be revisited when the organisation returns to normal working arrangements.

New bank account: Ann was in the process of opening a new Unity instant access, interest bearing bank account. We currently only hold £85k in the Shawbrook bank account. Ann mentioned that the Shawbrook bank mandate would need to be updated (Action: AD)

Bearders Fund: Income had been received but it was held on behalf of an individual. JG is in the process of offering the money back to the Bearders Fund (Action: JG)

MIND funding: The Mind funding application for £20k was superseded by a Lloyds application for £15k. An amount of £9k was subsequently received from Lloyds which is to be used for the Welfare Rights project. The organisation has also pursued CAF and Lottery Covid funding applications (Action: JG)

Sage: Ann stated that the accounting package requires updating to an online version. The current system does not provide the necessary functionality for the efficient running of the finance function. Ann was asked to source some quotes for an online Sage package and report back to the next meeting (Action: AD)

Funding strategy: JG stated that he had received input from trustees on the funding strategy and ratings had been provided on a number of areas. He would present a report on the results of this feedback to the next Board meeting (Action: JG)

### 3. Update on 19/20 final accounts and audit

JM reported that he had a final conversation with WYCAS in order to wrap up the 19/20 audit. The only outstanding issues related to deferred income and reserves. WYCAS wanted all income to be recognised in the period in which it was received as that complied with the charity financial accounting standards. Therefore last year's accounts have been restated with the result that restricted funds increased by £50k. In respect of reserves WYCAS were looking for an upper limit which has now been agreed as 3 months future budgeted expenditure. JG agreed to amend our reserves policy to include the upper limit and bring it back to the next meeting (Action: JG) All audit issues are now resolved and JM and PH have signed off the accounts and annual report.

### 4. Latest financial position

The committee reviewed the latest profit and loss statement from Sage showing the 7 month position. JM commented that the very healthy £170k positive variance against the budget was explained by additional income of £100k and reduced costs of £70k. Donations are not currently budgeted for but Freda suggested

that we could budget for them in 21/22. The underspend on project worker costs has arisen due to vacancies and home working has led to a reduced cost on office rent and venue hire. It was agreed that the statement would be taken to the next Board meeting (Action: JM) However PH requested that the budgets for project managers and volunteer coordinators should be revisited (Action: AD) It was felt that there should be no variance against those budgets.

Ann mentioned that she would now start on the budget for the 21/22 financial year.

#### **5. Recent and future funding**

JG updated the committee on the shortfall in funding for the Todmorden project. A long list of potential funding sources had been pursued and winter resilience monies of £20k have now been secured from the CCG. This will enable the Todmorden and Hebden projects to continue until the end of the financial year. JG reported that further funding for 21/22 was now being sought from the Council, Lottery fund and Environment Agency.

JG stated that funding applications were made for the Money in Mind and Roshani projects. The outcome of these bids is expected in January.

#### **6. Review of financial controls**

JM introduced this subject by stating that all charities with a turnover in excess of £1m are required to have an annual audit of their financial controls. Whilst Healthy Minds turnover is less than £1m the committee believes it is important to consider whether the organisation has sufficiently robust control over its financial procedures.

JM had circulated two papers on financial controls to committee members: Charities Commission report (CC8) and a Women's Council report. All were asked to identify the 3 controls that they felt were the most important. There was a general consensus that segregation of duties was vital and that good quality financial reporting to trustees was necessary. Other areas identified as being important included budgetary control and ensuring appropriate use of restricted funds. The possibility of trustees undertaking occasional checks of financial controls was also raised.

Ann mentioned that some financial controls are already reflected in the financial policy and that they would be subject to the annual audit. She also raised a concern about financial controls relating to fundraising arrangements.

There was a further discussion about the work that Healthy Minds should undertake on financial controls and the role that WYCAS could play in assessing the risks. Freda felt that a discussion with WYCAS would be beneficial in order to ascertain their views and find out the services that they offer.

It was agreed that JM would write a paper for a future Board meeting in order to summarise the issues and prompt a discussion about the best way forward (Action: JM)

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

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

#### **8. A.O.B.**

AD mentioned that the Community Foundation Awards ceremony was soon to be held. Healthy Minds had a representative who had been nominated for an award.