

St Raphael's Hospice
Minutes of a Meeting of the Finance & Resources Committee
Held at St Raphael's, London Road, Cheam, Sutton, SM3 9DX with video call access

At 14:00 on Tuesday 14th October 2025

Members: Alan Cogbill (AC – Trustee)
Steve Chambers (SC – Trustee)
Ed Cook (EC – Co-opted Committee member and Board Advisor)
Paul Holmes (PH – Trustee, virtual)
Sr Kathleen O'Reilly (KO'R – Trustee)

In attendance: Nick Stevens (NS – Joint CEO)
Rebecca Trower (RT – Joint CEO, virtual)
John Groom (JG – Director of IT & Estates)
Alex Rudkin (AR – Director of Quality & Governance, virtual)
Neena Vadgama (NV – Head of Finance)
Dipesh Chhatralia (DC – Crowe Audit Partner, virtual – item 4)
Charlene Wilson (CW – Senior Manager, Crowe LLP, virtual – item 4)
Karen Monaghan (KM – Governance)

Actions arising

Agenda item	Action	Responsible	Timeline	Ref.
3. Matters Arising	Enhanced Money Laundering and Anti-Fraud Procedures completed for approval.	Nick Stevens / Neena Vadgama	January 2026	14.10.25/01
4. External Audit Report	Finalise management comments and adjustments for audit completion and signature	Nick Stevens / Neena Vadgama	Immediate	14.10.25/02
	Present Letter of Representation for Board approval	Committee / Board	October Board meeting	14.10.25/03
	Add annual fraud and control discussion into Board cycle	Karen Monaghan	2026 cycle	14.10.25/04
7. Non-Clinical Governance	Expand H&S retail audit template to include interpersonal risk and aggression	Alex Rudkin	January 2026	14.10.25/05
8. IT & Estates	Provide completion update on Hospice UK-funded projects	John Groom	January 2026	14.10.25/06
9. AOB	Amend and re-present Cash Handling Policy to include lottery and money-laundering controls	Neena Vadgama	January 2026	14.10.25/07

The meeting commenced at 2.00pm

1. Welcome, apologies for absence and declarations of interest

Alan Cogbill welcomed members and attendees to the meeting. There were no declarations of interest in relation to the items on the agenda.

2. Review of minutes from 15th July 2025 Committee meeting & matters arising

The minutes of the previous meeting were reviewed and approved as an accurate record of proceedings by the Committee.

3. Actions list and matters arising

Outstanding actions were reviewed. The Committee noted that the enhanced money laundering and anti-fraud procedures remain in draft and will return for approval at the January 2026 meeting. All other actions were completed.

Action: NV/NS to complete Enhanced Money Laundering and Anti-Fraud Procedures for the January meeting.

4. Annual Report and Audit

4.1 External Auditor's Report: Dipesh Chhatralia (DC) and Charlene Wilson (CW) of Crowe LLP presented the external audit findings for the 2024/25 financial year. DC commended the hospice for the professionalism and transparency of the Finance Team throughout the process, noting the audit was complex due to the first-year onboarding, system reconciliations, and several adjustments arising late in the cycle.

The Committee discussed the key findings:

- **Audit status and opinion:** The audit is substantially complete with a clean, unqualified audit opinion anticipated once final management representations are received and reviewed. Minor editorial and rounding adjustments are to be made to the accounts before submission to the Board.
- **Materiality and risk assessment:** Materiality was set at 2% of income (£184k), which Crowe confirmed remains consistent with sector benchmarks and appropriate for an organisation of St Raphael's scale and complexity.
- **Significant risk areas:** The auditors highlighted their assessment of key risk areas, including going concern, legacy income recognition, capital grant income, and management override of controls.
- **Going Concern:** Crowe reviewed detailed financial projections, stress-testing hospice scenarios, and sensitivities. They acknowledged that while the hospice, like many in the sector, faces structural funding challenges—with only around 30% of income from statutory sources—the combination of cost controls, legacy income and the Daughters of the Cross (DoC) support provided sufficient comfort to sustain operations for the foreseeable 12-month period. A clean opinion on going concern will therefore be issued.
- **Legacy Income:** The hospice's policy to recognise legacy income at the point of probate was confirmed as compliant with the Charity SORP. Adjustments were made to include two large legacies notified shortly after year-end but relating to pre-year-end probates. Crowe agreed this treatment was appropriate, and the management judgement to apply a 15% reduction factor was reasonable based on historical receipts.
- **Capital Grant Income:** The audit confirmed correct treatment of Hospice UK grant income. The funds were appropriately classified as restricted and clearly linked to patient benefit, covering IT improvements, estate refurbishment, and garden enhancements.

- **Management Override of Controls:** The auditors reinforced the importance of ensuring journal review and sign-off processes remain robust. NS confirmed that all journals would be reviewed monthly in future by either himself or NV (where she is not the originator), introducing a proactive oversight mechanism. The Committee agreed this was proportionate and pragmatic given the hospice's small Finance Team size.
- **Retail Income and Controls:** Crowe applied data analytics across the full dataset of retail transactions, testing for outliers and anomalies. Site visits to two retail locations provided additional assurance. No exceptions were identified.
- **IT Systems and Access Controls:** The audit raised two control recommendations: (i) to ensure administrative system access is held by IT rather than operational users, and (ii) to align password configurations with current good practice. DC noted that such findings are common and easily remediated.

In response, John Groom (JG) queried the recommendation around password expiry, noting that NHS Digital and Microsoft now discourage mandatory periodic password changes. Crowe agreed to reflect this in their final management letter to ensure consistency with sector practice.

AC reiterated that an annual fraud and control discussion should be built into the governance cycle. The Committee recognised that the risk of internal fraud remains low, with controls requiring collusion by multiple individuals to override system checks.

The Committee thanked Crowe for their report and noted that management responses will be finalised prior to Board approval.

Decision: It was agreed that the Letter of Representation will be presented to the Board for signing alongside the accounts.

Actions:

- **NS/NV to finalise the management comments and adjustments for audit completion and signature.**
- **AC to present Letter of Representation for Board approval on 22nd October 2025.**
- **KM to add annual fraud and control discussion into Board cycle.**

4.2 Annual Report and Accounts 2024/25:

NS presented the final draft financial statements for 2024/25, incorporating audit adjustments and management refinements. Key adjustments and outcomes were:

- Recognition of £307k additional legacy income (relating to prior year probate notifications).
- Write-off of £35–40k linked to closure and decommissioning of the Wimbledon retail unit.
- Write-off of £17–18k relating to replaced IT systems.
- Reversal of an over-accrued Gift Aid balance of £35k.

Collectively, these adjustments reduce the 2024/25 surplus by c. £200k, now standing at £330k. NS confirmed that rounding, presentation, and cross-referencing checks will be completed before submission to the Board.

Decision: The Committee endorsed the accounts and recommended them for Board approval subject to these final amendments.

5. Finance Report

NV and NS provided a detailed financial overview for the year-to-date (end August 2025). The overall position shows a deficit of -£220k, compared with -£1.2m at the same point in the prior year – representing a strong improvement. It was noted that the shortfall of £1.2m is before taking account of the gift of £1m from DoC. Income performance is also ahead of budget. The NHS/ICB funding of 4.83% uplift, while modest, provides £88k additional income. Engagement with ICB leadership has strengthened, and St Raphael's continues to play an active role in SW London hospice collaboration groups.

Donations income has exceeded budget by c. 55%, with major donor income particularly strong. While legacy receipts are currently lower than historical highs, the pattern is consistent with long-term averages and overall confidence remains that the annual target will be achieved. Retail trading has moved slightly above budget with contribution margins (22%) achieved earlier than forecast. A positive trajectory is expected as estate expands.

Expenditure has seen overall costs below budget, with non-pay savings achieved through prudent management and contract efficiencies. Cash flow sees a closing cash balance at £3.7m, in line with the forecast. Legacy debtors stand at £1.5m, versus a budgeted £500k, reflecting timing differences in receipts. The Committee welcomed the continued strengthening of the hospice's financial resilience and commended the team's progress towards operational self-sufficiency. AC observed that sector-wide deficits and closures continue to attract national attention, reinforcing the importance of maintaining prudent reserves and diversified income.

6. Departmental Risk Register

NS presented the updated risk register, noting inclusion of inflationary pressures and financial fraud as discrete risks. The Legacy debtor exposure remains stable and closely monitored, with two outstanding estates (£50k and £30k, the latter in dispute). The Committee agreed that the overall financial risk profile remains within tolerance and that mitigating actions are appropriate.

7. Non-Clinical Governance update

AR introduced the report summarising non-clinical governance activity:

- Information Governance: The NHS Data Security Protection Toolkit updates are due by June 2026, with an emphasis on asset registers and data mapping. The work will be led by the new Data and Insight Manager.
- Policy management: The Committee noted that St Raphael's hold over 190 active organisational policies, with 89% compliance achieved. It was noted that several new financial control policies are being drafted following audit recommendations.
- Health & Safety: Internal audits have been completed for retail sites and the main hospice, with good outcomes. A new external audit cycle for fire and H&S assessments will take place during 2026–27.

The Committee discussed whether the H&S audit tool adequately captures interpersonal and customer aggression risks in retail settings. PB and AC suggested broadening the template to address staff safety and confidence in handling challenging interactions.

Action: AR to expand the H&S retail audit template to include interpersonal risk and aggression report back to the Committee in January 2026.

8. IT & Estates Report

JG presented an overview of IT and Estates developments. The migration to MS Teams telephony has been completed, realising £5k annual savings and improved integration with business systems.

The ongoing Hospice UK–funded capital programme has seen the following progress:

- Drug store refurbishment nearing completion.
- Female changing rooms and mortuary refurbishment underway.
- Replacement of all patient bedroom doors/windows, with added individually controlled air conditioning, nearing completion.
- Access control system rollout completed successfully.
- The front garden and pathway improvement project will commence January 2026 and is on track for completion by end-February 2026.

It was noted that the website redevelopment is scheduled for launch in January 2026, as part of the digital improvement plan. The Committee congratulated JG for leading multiple concurrent projects under tight deadlines with minimal disruption to hospice operations. JG and RT will present at the Hospice UK Conference and the Technology in Care Conference in early 2026, sharing learning from the hospice’s cyber security and digital transformation journey.

Action: JG to provide a completion update on Hospice UK–funded projects by the next meeting in January 2026.

9. Any Other Business and Dates of future meetings

9.1 Cash Handling Policy - The Committee reviewed the policy, which was approved in principle subject to addition of a lottery and money-laundering compliance section. NV will revise and bring back the final version in January 2026.

Action: NV to present the updated Cash Handling Policy to the Committee at the next meeting.

9.2. AOB - There were no further items raised under Any Other Business. AC reiterated appreciation to the Finance and Management teams for the quality of reporting and for continued vigilance in managing both operational and strategic financial risk.

9.3. Dates of future meetings - The date of the next meeting was proposed as Tuesday 20th January 2026 at 2pm, with proposed dates for the remainder of the year being as follows (all meetings 2- 4pm, in person): Tuesday 5th May 2026; Tuesday 14th July 2026; Tuesday 13th October 2026.

The meeting ended at 3.57pm.

Approved.....

Date.....