

FINANCE & AUDIT COMMITTEE REPORTS							
From	Period start date			To	Period end date		
	26	02	2021		15	03	2021
Overview of Charity's key details							
Charity name:	The University of Bath Students' Union						
Other names:	The SU						
Charity number:	1143154						
Charity address:	The SU Bath, University of Bath, Claverton Down, Bath, BA2 7AY						
Governing document:	Articles of Association						
Constitution:	Unincorporated association						
Details of Charity's professional services							
Bank name:	National Westminster Bank Plc						
Bank address:	39 Milsom Street, Bath, BA1 1DS						
Auditor name:	RSM UK Audit LLP						
Auditor address:	Hartwell House, 55 – 61 Victoria Street, Bristol, BS1 6AD						
Committee Membership							
Trustee name	Office	Start date	End date	Appointment			
Francesco Masala	President	02/07/2019	02/07/2021	Elected by Members			
Tom Sawko	Sport Officer	02/07/2019	02/07/2021	Elected by Members			
Rob Clay	Independent Trustee	12/10/2015	12/10/2021	Appointed by the Board			
Jordan Kenny	Independent Trustee	19/12/2019	19/12/2022	Appointed by the Board			
Valerie Copenhagen	Independent Trustee	19/12/2019	19/12/2022	Appointed by the Board			
Kate Aldridge	Independent Trustee	19/12/2019	19/12/2022	Appointed by the Board			

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PURPOSE

To review the register of interests and identify any conflicts of interests in any items on the agenda.

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REPORT**1. BACKGROUND**

- 1.1. The register of interests exists to record the current and past interests of Trustees (*including partners, family members and close friends*) that may potentially influence their ability to make decisions in the best interests of The SU.
- 1.2. In the event that a Trustee becomes aware of an interest that they have not declared on the register they should inform The SU as soon as practical so that it can be updated.
- 1.3. It is the responsibility of Trustees to declare potential interests as and when such matters arise at meetings. Failure to declare an interest which is later found to have unfairly influenced your decisions making may be grounds for removal from the Board in serious cases.
- 1.4. For the purposes of transparency and accountability the register of interest will be reviewed quarterly and published as part of these Board papers on the website.

ACTIONS

- 1.5. Trustees are asked to review the registered interests and declare any possible conflicts of interests a trustee may have in any item on the agenda (*whether listed on the register or not*).
- 1.6. In the event of any disagreement, Article 104 of the Articles of Governance states '*If any question arises as to whether a person has a conflict of interest, the question shall be decided by a majority decision of the others present and voting at the meeting*'

CONTACT:	Gregory Noakes (Governance & Executive Support Manager)	Telephone: 01225 386362 E-Mail: g.d.noakes@bath.ac.uk
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APPENDIX 1: REGISTER OF INTERESTS

Trustee	Name of organisation	Nature of organisation	Nature of Interest	Date of appointment	Ended	Date of entry
Rob Clay	Constellation Software Inc	Software	Director/employee	January 2007		21/06/2018
Marian McNeir	Bath & North East Somerset Council	Local Authority	Local councillor	1994	2010	21/06/2018
	University of Bath	University	Lecturer	1998	2015	21/06/2018
	Friends of Victoria Art Gallery	Charity	Trustee			21/06/2018
Jordan Kenny	University of Roehampton	University	Employee	01/08/2016		19/12/2019
	University of Bath Student Union	Student Union - Charity	President and Chair of Board	16/06/2015	25/06/2016	19/12/2019
	Federation Internationale du Sport Universitaire	Sport Governing Body – Charity	Education committee member Student committee member	01/01/2014	21/11/2019	19/12/2019
Kate Aldridge	University of Bath	University	Dr Andrew Chinery (<i>Partner</i>) employed as lecturer in computer science	24/11/2017		24/11/2019
	University of Bath	University	Gold Scholar Programme – Mentor and Donor	10/2018		24/11/2019
Valerie Copenhagen	-	-	-	-	-	-
Alexander Robinson	University of Bath	University	Student (<i>Civil Engineering and Architecture</i>)			18/11/2019
	University of Bath	University	Casual Student Ambassador (<i>Civil Engineering and Architecture</i>)	09/10/2019	03/2020	18/11/2019
Francesco Masala	University of Bath	University	Council Member	29/06/2020		30/11/2020
	Office for Students	HE Regulator	Student Panel Member	31/07/2020		01/09/2020
Annie Willingham	University of Bath	University	Council Member	29/06/2020		29/06/2020
Freya Jackson	-	-	-	-	-	-
Ka Ho Ho	-	-	-	-	-	-
Tom Sawko	-	-	-	-	-	-

Trustee	Gifts received in relation to your involvement with The SU	Approximate value	Date received	From who	Date of entry
Rob Clay	-	-	-	-	-
Marian McNeir	-	-	-	-	-
Jordan Kenny	-	-	-	-	-
Kate Aldridge	-	-	-	-	-
Valerie Copenhagen	-	-	-	-	-
Alexander Robinson	-	-	-	-	-
Francesco Masala	-	-	-	-	-
Annie Willingham	-	-	-	-	-
Freya Jackson	-	-	-	-	-
Ka Ho Ho	-	-	-	-	-
Tom Sawko	-	-	-	-	-

PURPOSE

To:

- approve the minutes of the previous meeting;
- inform Trustees of the outcome of actions arising from that meeting;
- note any decision that have been made since without a meeting.

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Page 5-9	Appendix 2: 25/02/2021 minutes

REPORT**1. MINUTES OF THE PREVIOUS MEETING**

- 1.1. The minutes of the previous meetings are attached as appendix 1 and 2. Both require approval before being signed by the Chair.
- 1.2. If any Trustees have any amendments can they please email these to the secretary before the meeting. Any amendments made will be noted at the meeting.

2. OUTCOME OF ACTIONS ARISING FROM THE PREVIOUS MEETING

2.1. The table below reports on actions arising from previous meetings:

Action	Update
The Head of Finance, Sport Officer and Valerie Copenhagen to identify charity grants to apply for to help support The SU through the pandemic.	Progressing
New budget plans to be drawn up to reflect a plan A where the University provide financial support and a plan B where they do not.	Completed
Final Trustees' annual report and audited account to be shared with Board for formal approval before being submitted to the Charity Commission.	Completed
Rob Clay to negotiate with Crowe on the fee.	Completed

3. DECISIONS MADE WITHOUT A MEETING

3.1. No decisions have been made by the Trustees without a meeting since they last formally met.

ACTIONS

4. Trustees are asked to note the report.

CONTACT:	Gregory Noakes (Governance & Executive Support Manager)	Telephone: 01225 386362 E-Mail: g.d.noakes@bath.ac.uk
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APPENDIX 1: 17/12/2020 Finance & Audit Committee minutes

Meeting:	Finance & Audit Committee		
Location:	Microsoft Teams Meeting		
Date & Time:	Thursday 17th December 2020 at 9am		
Present:			
Tom Sawko	Sport Officer (<i>Chair</i>)		
Francesco Masala	President		
Jordan Kenny	Independent Trustee		
Rob Clay	Independent Trustee		
In attendance:			
Gregory Noakes	Governance & Executive Support Manager (<i>Secretary</i>)		
Helen McHenry	Head of Finance		
Mandy Wilson-Garner	Interim Chief Executive		
Item			
1.	Apologies for absence		
	Name	Reason	Accepted
	Kate Aldridge	Other commitments	Yes
	Valerie Copenhagen	Unknown	Yes
2.	Notice of any other business		
	No items were identified for discussion under any other business.		
3.	Declaration of conflict of interest		
	No conflicts of interests were declared in any items on the agenda.		
4.	Minutes of the previous meeting and matters arising		
	<p>The secretary reported that they had identified an error that needed to be amended in a previous set of Finance & Audit committee minutes (22/10/2020).</p> <p>The Committee re-approved these minutes subject to the following duplicated section being removed:</p> <p>P2 Agenda item 5: <i>'The Chief Executive explained the two plans contained within the confidential budget paper. Plan A outlined the financial support that The SU was looking for from the University. As part of this the Board would be asked to approve the use of £132k from the reserves to support The SU through the next year. Plan B outlined the measures that would be taken by The SU to make savings in the event that the University did not agree to plan A.</i></p> <p>QUESTION: <i>A Trustee asked whether the savings outlined in plan B would be made this year or next year.</i></p> <p>ANSWER: <i>The Chief Executive explained that half the savings would apply to the next financial year'</i></p> <p>The Committee received a report on the previous meeting (See R1 of the Committee reports).</p> <p>They approved the previous minutes and noted the following matters were still to be actioned:</p>		

	<p>ACTION: The Head of Finance, Sport Officer and Valerie Copenhagen to identify charity grants to apply for to help support The SU through the pandemic.</p> <p>ACTION: New budget plans to be drawn up to reflect a plan A where the University provide financial support and a plan B where they do not.</p> <p>The Head of Finance reported that they had checked what the impact of the proposed change to the capital expenditure limit would have been on last year’s asset register. It would have been negligible with only a few assets being affected.</p> <p>The Committee approved the capital expenditure limit to be changed from £1000 to £2500.</p>
<p>5.</p>	<p>Annual Accounts</p> <p>The Head of Finance reported that they had received the finalised version of the Trustees’ annual report and audited accounts from the auditors last night. This had been emailed directly to committee members separate to the reports.</p> <p>The Committee agreed that the President should sign the Trustees’ annual report and audited accounts to return to auditors today. It was also agreed that, in accordance with Article 59.5 of the Articles of Governance, the final report should be shared with the Board for formal approval before it is submitted to the Charity Commission. This would be done by email for a decision without a meeting.</p> <p>ACTION: Final Trustees’ annual report and audited account to be shared with Board for formal approval before being submitted to the Charity Commission.</p>
<p>7.</p>	<p>Finance & Audit</p> <p>The Committee received a report on finance and audit matters (<i>see R2 of the Committee reports</i>).</p> <p>The Head of Finance reported that under a worst case scenario they were forecasting an end of the year deficit of -£213,000. This would likely occur without the requested funding from the University. However, this was now unlikely as the University had informed The SU that their request for funding had been fully approved. With this additional funding and a successful insurance claim The SU might expect to achieve an end of year deficit of -£145,000 which would be the best case scenario.</p> <p>The Committee discussed the University email and queried whether the £60,000 allocated for sports was conditional on The SU exceeding a deficit of -£150,000. It was agreed that this should be clarified and if possible amended so that it was not conditional on exceeding a deficit of -£150,000. If The SU did not use all of £60,000 allocated to sports it could return this to the University. The Committee was confident that even if this was not possible the funding that was being provided would help The SU meet its previously agreed target end of year deficit budget of -£150,000. This would be covered by The SU reserves which would still leave £150,000 remaining in case of future need.</p> <p>The Head of Finance reported that their main area of concern was around whether the Bars area would be able to open after Christmas. This would all depend upon what COVID-19 restrictions were in place. If it was unable to operate effectively it would need to remain closed. The Interim Chief Executive confirmed that they had communicated this to the University as could result in the temporary loss of another student space. The University currently</p>

	<p>recognised the importance of these spaces during this time and would likely be keen to see it remain open.</p> <p>QUESTION: A Trustee asked how managers were feeling about the savings they've had to make.</p> <p>ANSWER: The Head of Finance reported that managers had taken well to the need to make savings recognising the importance. Some areas had used the opportunity to carefully review everything they were spending their money on to see if these changes could be permanently made.</p> <p>QUESTION: A Trustee asked what the next steps were with insurance claim.</p> <p>ANSWER: The Head of Finance explained that the £26,000 was being paid to The SU but that the insurance company was currently appealing to the high court about this. In the event they were successful this would mean The SU would lose the £26,000.</p> <p>QUESTION: A Trustee asked if students were aware how good The SU was doing compared to other student unions.</p> <p>ANSWER: The Chair confirmed that they believed students were aware. The Interim Chief Executive noted that the University were certainly aware of this. It was likely the reason they were prepared to provide additional funding to The SU.</p> <p>The Head of Finance reported that the audit tendering had been delayed by about four weeks as this could not begin without the Trustees' annual report and audited accounts being signed. To date the following companies had expressed an interest; RSM, Crowe, Mazars, Godfrey Wilson, Knox Cropper, Bishop Fleming and Goodman Jones.</p>
<p>8.</p>	<p>Any other business</p> <p>No items had been previously identified for discussion under any other business but the Head of Finance raised the following:</p> <p>1) Finance Team Restructure</p> <p>The Head of Finance reported that the finance team restructure had been successfully completed and that they would be seeking to recruit a new staff member to fill the new role in the new year.</p>
<p>9.</p>	<p>To confirm the date and time of future meetings</p> <p>The Committee agreed the following dates and times for future committee meetings:</p> <ul style="list-style-type: none"> • Thursday 25th February 2021 day • Monday 15th March 2021 9-11am • Thursday 20th May 2021 9-11am <p>The Committee agreed that the monthly management accounts for January should be shared with committee members and an extra-ordinary meeting arranged earlier if necessary.</p>
<p>The meeting ended at 10am</p>	
<p>Item number</p>	<p>Action</p>
<p>4</p>	<p>The Head of Finance, Sport Officer and Valerie Copenhagen to identify charity grants to apply for to help support The SU through the pandemic.</p>

4	New budget plans to be drawn up to reflect a plan A where the University provide financial support and a plan B where they do not.
5	Final Trustees' annual report and audited account to be shared with Board for formal approval before being submitted to the Charity Commission.

APPENDIX 2: 25/02/2021 Finance & Audit Committee minutes

Meeting:	Finance & Audit Committee		
Location:	Microsoft Teams Meeting		
Date & Time:	Thursday 25th February 2021 at 9.30am		
Present:			
Tom Sawko	Sport Officer (<i>Chair</i>)		
Jordan Kenny	Independent Trustee		
Rob Clay	Independent Trustee		
In attendance:			
Gregory Noakes	Governance & Executive Support Manager (<i>Secretary</i>)		
Helen McHenry	Head of Finance		
Mandy Wilson-Garner	Interim Chief Executive		
Item			
6.	Apologies for absence		
	Name	Reason	Accepted
	Kate Aldridge	Other commitments	Yes
	Francesco Masala	University Council meeting	Yes
	Jordan Kenny	Other commitments	Yes
7.	Notice of any other business		
	No items were identified for discussion under any other business.		
8.	Declaration of conflict of interest		
	No conflicts of interests were declared in any items on the agenda.		
9.	Minutes of the previous meeting and matters arising		
	This item was deferred to the next meeting.		
10.	Finance & Audit		
	This item was deferred to the next meeting.		
11.	Audit Presentations		
	The Head of Finance gave a brief overview on the background of the three audit companies that were coming to present.		

BISHOP FLEMING (9.30)

(David Butler, Jon Sparkes and Keely Noad joined the meeting at this point)

David Butler explained that Bishop Fleming was a small local firm employing around 400 staff based in seven offices across Bristol/Bath. Around 40% of its clients were charities and these were primarily of educational background such as schools/academies. As a company there focus was on providing a quality personal one to one service with their clients.

Keely Noad explained the approach that Bishop Fleming takes to audit. The first stage was planning which would involve identifying possible issues and agreeing timelines. At the second stage they would test the risk areas identified under the previous stage to identify possible improvement areas. At the end they would report their audit findings. It was noted that throughout the audit they would also report their findings as they go along to ensure there were no surprises at the end. In addition to this they also encouraged their clients to call them anytime outside the audit period if they had queries.

Jon Sparkes explained that their primary role was to help clients improve their VAT position. For this purpose they regularly attended the charity VAT group which keeps them up to date on the latest proposed changes within the sector. They noted that in the past they had worked with student unions elsewhere to help them improve their commercial income which was an area that unions usually struggled with. This would be one area that they would be happy to help The SU with if the company was successful in their bid to be the new auditors.

QUESTION: The Head of Finance asked if the audit fees are fixed or go up with inflation.

ANSWER: David Butler explained that they increase with inflation unless there is a significant change to the financial situation.

QUESTION: The Head of Finance asked how the auditors segregate duties when preparing financial accounts and auditing the accounts.

ANSWER: Keely Noad explained that they use a software which generates the first draft of the accounts automatically which they then check before sending.

QUESTION: The Head of Finance asked how long does it take to prepare the accounts.

ANSWER: David Butler explained that for the first year they would expect it to take about seven to eight days.

QUESTION: The Head of Finance asked about if new legislation coming out would affect how the auditors segregate duties when preparing financial accounts and auditing the accounts.

ANSWER: David Butler explained that as the auditors would be producing statutory accounts and not making managerial decisions there would be no need to segregate these.

QUESTION: The Head of Finance asked if auditors would provide advice around where something should be disclosed within the accounts.

ANSWER: David Butler explained that they would be able advise on this but the decision would ultimately be that of the client.

QUESTION: A Trustee asked how different would The SU be to other clients they had.

ANSWER: David Butler explained that they currently have one client that was a student union but noted that as a client they were not dissimilar to their other clients. As most of their clients have educational backgrounds they have similar issues which tends to be around income and reserves.

QUESTION: A Trustee explained that this year The SU had issues with going concern and asked if many of their clients had had similar issues with going concerns.

ANSWER: David Butler explained that due to recent changes a lot of their clients had found this more challenging than in previous years.

QUESTION: A Trustee explained last year that The SU had been charged an overcharge fee because of this area of work and asked what experiences they had of this with other clients.

ANSWER: David Butler explained that there had been a few experiences of this with their clients but in 85-90% of cases this had already been factored into the cost so no overcharge fee.

The Chair thanked David Butler, Jon Sparkes and Keely Noad for attending the meeting and informed them that they would be advised of the outcome by Monday at the latest.

(David Butler, Jon Sparkes and Keely Noad left the meeting at this point)

CROWE (10.30)

(Janette Joyce and Phuong Pollock joined the meeting at this point)

Janette Joyce explained that Crowe are the 10th largest auditors in the country, although not well known outside of the charity sector. This access to a large client base allows them to share best practice between their clients. In addition to this they are also auditors for other audit companies and had been voted number one for fair fees.

Phuong Pollock explained the approach that Crowe takes to audit. The first stage was planning which would involve identifying possible issues. At the second stage they would test the risk areas to identify possible improvement areas. At the end they would report their audit findings. In addition to this clients would be able to call them anytime outside the audit period if they had any queries.

Janette Joyce explained that they can provide support to the Board by helping them to identify the questions to ask management about the audit report. Alongside this Crowe also provide seminars and free access to specialist for help with wider issues that cover more than just audit.

QUESTION: The Head of Finance asked how the auditors segregate duties when preparing financial accounts and auditing the accounts.

ANSWER: Phuong Pollock explained that the same team prepares the financial accounts that audits them. There are rigorous internal procedures in place to ensure that work done is reviewed by an independent senior staff member.

QUESTION: The Head of Finance asked if auditors would provide advice around where something should be disclosed within the accounts.

ANSWER: Janette Joyce explained that they can answer any questions at any time so as long as it is not related to management decisions.

QUESTION: The Head of Finance asked auditors to talk through the timetable.

ANSWER: Phuong Pollock explained that in terms of timetable they are flexible to the clients' needs. However, normally it would start with a planning meeting followed by a week for the audit work, a second week for any necessary follow up and one week to prepare audited accounts.

QUESTION: The Head of Finance asked if the audit company would continue to work remotely post pandemic.

ANSWER: Janette Joyce explained that going forward they would be quite flexible to what the client wanted, offering both options. They noted that many student unions welcomed the remote style as means of reducing unnecessary travel.

QUESTION: A Trustee explained that this year The SU had issues with going concern and asked if many of their clients had had similar issues with going concerns.

ANSWER: Janette Joyce explained that due to recent changes a lot of their clients had found this more challenging than in previous years. They noted that student unions did have an advantage in this area in that University will have to provide funding to them. As long as student unions can demonstrate that the University will do this Crowe will be satisfied.

QUESTION: A Trustee asked how far forward would the auditors be looking for around going concern.

ANSWER: Janette Joyce explained that they would normally be satisfied with assurances up to 12 months.

QUESTION: A Trustee asked where The SU would rank among their clients.

ANSWER: Janette Joyce explained that they would rank in the top third of clients.

The Chair thanked Janette Joyce and Phuong Pollock for attending the meeting and informed them that they would be advised of the outcome by Monday at the latest.

GOODMAN JONES (11.30)

(Martin Bailey and Jennifer Frostick joined the meeting at this point)

Martin Bailey explained that Goodman Jones are an audit company that works across a wide range of sectors; construction, leisure & hospitality, charity and social businesses. Can also give further assistance and guidance on a range other things in addition to audit such as VAT.

Jennifer Frostick explained the approach that Goodman Jones takes to audit. The first stage would be to meet with managers or trustees to plan out work and identify possible issues. At the second stage they would test the risk areas to identify possible improvement areas. At the end they would report their audit findings along with a meeting with managers or trustees.

Jennifer Frostick explained that they can also offer trustee training and can meet with student trustees separately to talk through the accounts away from the Board meeting.

QUESTION: The Head of Finance asked how the auditors segregate duties when preparing financial accounts and auditing the accounts.

ANSWER: Jennifer Frostick explained that the same team prepares the financial accounts that audits them. As they are preparing accounts this is more a mechanical process so there is no need to segregate.

QUESTION: The Head of Finance asked auditors to talk through the timetable.

ANSWER: Jennifer Frostick explained that in terms of timetable they would work backwards from the Board meeting and be flexible to suit the clients' needs.

QUESTION: The Head of Finance asked if the audit company would continue to work remotely post pandemic.

ANSWER: Jennifer Frostick explained that going forward they would most likely be doing more work remotely.

QUESTION: A Trustee explained that this year The SU had issues with going concern and asked if many of their clients had had similar issues with going concerns.

	<p>ANSWER: Martin Bailey explained that this had been more challenging for clients this year than in previous years. They noted that student unions could rely on the University to provide funding to them. As long as student unions can demonstrate that the University will do this Goodman Jones will be satisfied.</p> <p>QUESTION: A Trustee asked where The SU would rank among their clients. ANSWER: Martin Bailey explained that they would rank in the top third of clients.</p> <p>The Chair thanked Martin Bailey and Jennifer Frostick for attending the meeting and informed them that they would be advised of the outcome by Monday at the latest.</p> <p>CONCLUSION</p> <p>The Committee discussed and agreed that their preferred top choice would be Crowe but at the current price offered they felt that Goodman Jones or Bishop Fleming might be the better value for money. If Crowe were prepared to negotiate a slightly lower fee then they agreed they should be given the contract.</p> <p>ACTION: Rob Clay to negotiate with Crowe on the fee.</p>
10.	<p>Any other business</p> <p>No items had been previously identified for discussion under any other business.</p>
11.	<p>To confirm the date and time of future meetings</p> <p>The Committee agreed the following dates and times for future committee meetings:</p> <ul style="list-style-type: none"> • Monday 15th March 2021 9-11am • Thursday 20th May 2021 9-11am
<p>The meeting ended at 12.30pm</p>	
<p>Item number</p>	<p>Action</p>
6	Rob Clay to negotiate with Crowe on the fee.

PURPOSE

To provide Trustees with:

- Finance Team Update
- An update on the SU financial position
- Update on Audit Recommendations

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Page 4:	Appendix 2: Revised Forecast

REPORT**1. FINANCE TEAM UPDATE**

- 1.1 The Finance Coordinator left on 31st December 2020. Following the consultation with HR and the Trade Unions the proposed new role was amended to a G7. In order to keep within budget, the role was reduced to a 0.6FTE and has been advertised. Interviews to be held on 15th March 2021.
- 1.2 In the interim the Bars Assistant Manager continues to provide some cover for the area. Both finance assistants placed on flexible furlough whilst transactions remain low.
- 1.3 As part of SU spaces project consideration is being made to future arrangement for finance staff. They are currently located with the activities team in the Edge. With no cash, and unlikely return of National Express Ticket sales there may not be a need to return to continue with a counter service in the Student Centre.

2.MANAGEMENT ACCOUNTS

- 2.1. Appendix 1 shows management accounts for February. These reflect a positive variance against budget to date. This is partly due to timing with activity budgets for semester two not yet getting expensed. Remainder of insurance pay-out has now been received.
- 2.2. BUCS league has been cancelled for the remainder of the year and with other NGBs limiting opportunities for sport no alternative competitive offer has been found. This gives budget saving of £35k which accounts for most of the move in the ytd variance.
- 2.3. Bars remain closed with staff furloughed in line with current guidance. Plans are being made with the AHS to reopen from mid-April with an outside venue on Chancellors Green until the end of May. Awaiting government advice before decision on reopening from 8 March.
- 2.4. Performance to date for other non-commercial area is lower than expected but in line with continued restrictions. Managers are still working on essential expenditure only and freeze remains on recruitment of non-key SU funded posts.
- 2.5. Block grant will be adjusted on 1st April with catch up payment and amended direct debit.

3.FORECAST

- 3.1. Appendix 2 shows an updated year end forecast showing a reduced deficit. Confirmed revisions are for the bar remaining closed in March, reopening mid-April in a joint venture with AHS running a beer garden on Chancellors Green.

- 3.2. The university has transferred £71k of £131k requested, holding back £60k which was allocated to support sport.
- 3.3. Assumes no Summer Ball. University is considering plans for end of year congratulatory events and on campus graduations ceremonies which may provide some opportunity for us to host some events.
- 3.4. Dartmouth is ready for SU to take use of as soon as return to work allowed. Some initial expenditure will be required, part of additional grant received.

4. AUDIT FINDINGS REPORT – UPDATE ON OUTSTANDING ITEMS

4.1. Segregation of Duties

Finance Coordinator has left, new role of p/t Finance Manager currently advertised. Role will help with delegation of tasks, better segregation and cover for Head of Finance to avoid single point of failure. Work on new Finance Policy planned for completion before year end.

4.2. Cash Controls

We’ve been advised by University cashiers that following closure of Barclays branch on campus the University is to go cashless. This will fully resolve this issue as no longer any need for using our cash office.

5. AUDIT TENDER PROJECT OUTCOME

- 5.1. The three shortlisted companies presented to members of the Finance and Audit Committee on 25th February: Bishop Fleming, Goodman Jones and Crowe UK. All gave really good presentations and were credible options. After much deliberation it was agreed that Crowe were the preferred choice having the most experience in dealing with SU’s, however their fees were considered too high. Rob negotiated a reduction with them from £15,250 to £13,950 and they have therefore been appointed. The fees are a reduction against last year’s audit fees of £15,600. The transition from RSM is now underway. Thanks to everyone who helped throughout the process.

ACTIONS

- 6. Trustees are asked to note the report.

CONTACT:	Helen McHenry (<i>SU Head of Finance</i>)	E-Mail: h.m.mchenry@bath.ac.uk
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APPENDIX 1: Management Accounts

Core Summary	Original budget 2020-21 £	Revised budget Nov 20 £	August	September	October	November	December	January	February	YTD			PRIOR YTD	Annual budget remaining £
			2020 Actual £	2020 Actual £	2020 Actual £	2020 Actual £	2020 Actual £	2021 Actual £	2021 Actual £	Actual 2020-21 £	Budget 2020-21 £	Variance to revised budget £	Actual Year-to-date 2019-20 £	
Income														
Block Grant	1,888,021	1,888,021	141,917	141,917	141,917	141,917	141,917	141,917	141,917	993,417	1,089,088	-95,671	993,417	894,605
Grant Agreed not received			3,175	3,175	17,875	17,868	17,868	17,868	17,868	95,699		95,699		-95,699
Commercial Income	218,679	123,062	0	20,404	38,201	4,223	2,073	0	0	64,901	68,962	-4,061	769,333	58,161
Student Groups	0	0	0	135	248	38	19	36	414	890	0	890	19,662	-890
Sports	123,950	44,800	0	180	1,978	-542	24	10,012	18	11,670	33,900	-22,230	120,286	33,130
Advertising & Sponsorship	29,000	21,825	3,023	3,960	25	1,452	6,450	279	1,249	16,437	17,346	-909	20,747	5,388
Events Income	55,307	54,917	0	39,690	265	1,458	0	0	0	41,413	47,521	-6,109	204,258	13,505
Union Income	124,090	100,250	81,005	5,307	1,534	24	22,386	25,877	6,697	142,831	97,896	44,935	55,869	-42,581
Motor	0	0	0	0	0	0	0	0	0	0	0	0	1,455	0
Internal Recharges	0	0	0	0	0	0	0	0	0	0	0	0	27,242	0
Total Income	2,439,047	2,232,876	229,119	214,768	202,042	166,436	190,738	195,990	168,163	1,367,256	1,354,713	12,543	2,212,270	865,620
Staff Costs														
Staff: Salaries & Wages	-1,741,604	-1,696,322	-126,041	-130,994	-135,625	-135,261	-132,134	-135,852	-124,701	-920,607	-987,119	66,511	-843,536	-775,715
Staff: Agency	-15,600	-15,600	0	-2,828	0	-2,514	-5,000	4,032	-1,200	-7,510	-9,100	1,590	-4,583	-8,090
Staff: Casual	-141,907	-112,296	-1,479	-16,603	-30,969	-10,147	-8,824	-3,902	-4,024	-75,948	-79,678	3,730	-192,816	-36,348
Total Staff Costs	-1,899,111	-1,824,218	-127,520	-150,425	-166,594	-147,923	-145,959	-135,721	-129,925	-1,004,066	-1,075,896	71,831	-1,040,933	-820,153
Other Expenditure														
Commercial	-71,306	-49,299	-1,789	-17,657	-16,547	-1,925	-555	-15	0	-38,488	-30,596	-7,892	-269,154	-10,811
Staff: Other	42,438	49,751	-3,868	-1,512	-1,479	-6,281	-605	-745	-5,253	-19,744	27,379	-47,122	-19,094	69,495
Student groups	-1,290	-600	0	-585	-390	-1,244	-2,561	-442	0	-5,221	0	-5,221	-25,075	4,621
Sports	-215,660	-119,110	-18,632	-364	-799	-6,583	-135	124	-31	-26,419	-62,041	35,622	-190,780	-92,691
Advertising & marketing	-26,500	-10,930	-3,525	-2,642	-2,855	-40	-60	-430	-250	-9,802	-6,376	-3,427	-7,033	-1,128
Event costs (direct)	-51,759	-98,600	-21,100	-33,662	-25,722	-3,854	0	0	0	-84,338	-98,558	14,221	-227,138	-14,262
Union expenses	-90,754	-87,614	142	-38,284	-2,503	-221	0	-206	-23,573	-64,645	-67,105	2,460	-6,426	-22,969
Administration	-34,514	-25,064	-1,454	-2,893	-1,514	-1,506	-1,163	-897	-762	-10,188	-13,440	3,252	-29,399	-14,876
Motor expense	0	-5,000	2,851	-1,234	-429	-372	-372	0	-372	70	-2,917	2,987	-45,268	-5,070
Internal Recharges	-16,548	-11,548	0	0	-16,548	0	5,000	0	0	-11,548	-11,548	0	-10,137	0
Volunteer and student costs	-13,739	-8,480	-84	0	-631	0	-350	0	-9,513	-10,578	-4,197	-6,381	-5,911	2,098
Establishment	-117,846	-116,676	-44,789	-11,082	-2,375	-13,464	-1,071	-1,055	-6,248	-80,085	-78,193	-1,892	-68,399	-36,592
Asset and finance expenses	-180,362	-122,959	-3,629	-11,278	-19,618	-4,959	-5,667	-2,599	-4,678	-52,428	-68,831	16,402	-76,117	-70,531
Depreciation	-15,600	-15,600	-1,217	-1,217	-1,217	-1,217	-1,019	-1,019	-11,677	-18,584	-9,100	-9,484	-8,521	2,984
Total Other Expenditure	-793,440	-621,730	-97,096	-122,411	-92,627	-41,666	-8,558	-7,284	-62,357	-431,997	-425,522	-6,475	-988,451	-189,733
Total Expenditure	-2,692,550	-2,445,948	-224,616	-272,836	-259,221	-189,588	-154,516	-143,005	-192,281	-1,436,063	-1,501,419	65,356	-2,029,384	-1,009,885
Net Surplus/(Deficit)	-253,503	-213,072	4,504	-58,068	-57,179	-23,152	36,221	52,984	-24,118	-68,807	-146,706	77,899	182,886	-144,265

APPENDIX 2: Forecast – Revised

Forecast	August 2020	September 2020	October 2020	November 2020	December 2020	January 2021	February 2021	March 2021	April 2021	May 2021	June 2021	July 2021	Forecast Total
	Actual for month £	Actual for month £	Actual for month £	Actual for month £	Actual for month £	Actual for month £	Actual for month £	Forecast for month £	Forecast for month £	Forecast for month £	Forecast for month £	Forecast for month £	£
Income													
Block Grant	141,917	141,917	141,917	141,917	141,917	141,917	141,917	163,683	163,683	163,683	163,683	163,683	1,811,832
Grant Agreed not received	3,175	3,175	17,875	17,868	17,868	17,868	17,868	-3,898	-3,898	-3,898	-3,898	-3,898	76,209
Addnl Grant Request								71,000					71,000
Commercial Income	0	20,404	38,201	4,223	2,073	0	0		880	1,760			67,541
Student Groups	0	135	248	38	19	36	414						889
Sports	0	180	1,978	-542	24	10,012	18						11,670
Advertising & Sponsorship	3,023	3,960	25	1,452	6,450	279	1,249	819	819	819	819	819	20,532
Events Income	0	39,690	265	1,458	0	0	0						41,413
Union Income	81,005	5,307	1,534	24	22,386	25,877	6,697	271	271	1,271	271	271	145,185
Motor													
Internal Recharges													
	229,119	214,768	202,042	166,436	190,738	195,990	168,163	231,875	161,755	163,635	160,875	160,875	2,246,271
Staff Costs													
Staff: Salaries & Wages	-126,041	-130,994	-135,625	-135,261	-132,134	-135,852	-124,701	-143,341	-143,341	-140,841	-140,841	-140,841	-1,629,811
Staff: Agency	0	-2,828	0	-2,514	-5,000	4,032	-1,200	-1,300	-1,300	-1,300	-1,300	-1,300	-14,010
Staff: Casual	-1,479	-16,603	-30,969	-10,147	-8,824	-3,902	-4,024	-4,024	-3,075	-5,389	-321	-321	-89,078
	-127,520	-150,425	-166,594	-147,923	-145,959	-135,721	-129,925	-148,665	-147,716	-147,530	-142,462	-142,462	-1,732,898
Other Expenditure													
Commercial	-1,789	-17,657	-16,547	-1,925	-555	-15	0		-1,075	-1,400	-750	-750	-42,462
Staff: Other	-3,868	-1,512	-1,479	-6,281	-605	-745	-5,253	4,759	4,759	4,759	3,604	3,859	1,998
Student Groups	0	-585	-390	-1,244	-2,561	-442	0	-290	-50	-50	-50	-50	-5,711
Sports	-18,632	-364	-799	-6,583	-135	124	-31	-1,126	-18,486	-819	-819	-819	-48,489
Advertising & Marketing	-3,525	-2,642	-2,855	-40	-60	-430	-250	-911	-911	-911	-911	-911	-14,357
Event Costs	-21,100	-33,662	-25,722	-3,854	0	0	0		-1,000	-1,000			-86,338
Union Expenses	142	-38,284	-2,503	-221	0	-206	-23,573	-3,822	-3,822	-3,822	-5,222	-3,822	-85,153
Administration	-1,454	-2,893	-1,514	-1,506	-1,163	-897	-762	-2,748	-2,628	-2,628	-1,855	-1,835	-21,883
Motor Expenses	2,851	-1,234	-429	-372	-372	0	-372	-417	-417	-417	-417	-417	-2,013
Internal Recharges	0	0	-16,548	0	5,000	0	0						-11,548
Volunteer & Student Costs	-84	0	-631	0	-350	0	-9,513	-457	-2,457	-457	-457	-457	-14,861
Establishment	-44,789	-11,082	-2,375	-13,464	-1,071	-1,055	-6,248	-5,107	-3,697	-3,697	-3,697	-23,697	-119,978
Asset & Finance Expenses	-3,629	-11,278	-19,618	-4,959	-5,667	-2,599	-4,678	-9,822	-8,682	-8,772	-8,792	-22,592	-111,086
Depreciation	-1,217	-1,217	-1,217	-1,217	-1,019	-1,019	-11,677	-2,700	-2,700	-2,700	-2,700	-2,700	-32,084
Total Other Expenditure	-97,096	-122,411	-92,627	-41,666	-8,558	-7,284	-62,356	-22,639	-41,163	-21,912	-22,064	-54,189	-593,964
Total Expenditure	-224,616	-272,836	-259,221	-189,588	-154,516	-143,006	-192,281	-171,303	-188,879	-169,441	-164,526	-196,651	-2,326,863
Net Surplus/(Deficit)	4,504	-58,068	-57,179	-23,152	36,221	52,984	-24,118	60,572	-27,124	-5,806	-3,651	-35,776	-80,592

PURPOSE

To provide Trustees with a proposed budget for the 2021/22 financial year

CONTENTS

Page1: Report

Page 2: Appendix 1: Proposed Budget

REPORT**1. ANNUAL PLANNING**

- 1.1. The University gave assurance that the SU block grant would be the same as awarded in FY20/21 adjusted for pay inflation. UPT meeting on 21st April.
- 1.2. Pay forecast assumes a 2% cost of living increase in line with University planning. Salary vacancy factor has been reduced to 4% for caution against risk averse job market.
- 1.3. NUS affiliation £30k remains following referendum. New graduation photo commission deal confirmed by the University, but no figures given yet. A cautious estimate of £20k has been included.
- 1.4. Facilities Coordinator post (vacant following retirement in December 2020) and the Digital Media assistant role (vacant since March 2020) have not been included.
- 1.5. Aim to achieve a breakeven budget whilst recovering from Covid-19. Reductions made to staff budget to achieve this.
- 1.6. Discussion regarding student clothing and printed materials ongoing.
- 1.7. Commercial areas assuming no restrictions following Government Roadmap.
- 1.8. Concern over Arts funding has been flagged by the University as possible target for cuts. Discussions are expected to continue on this as a matter of urgency.

ACTIONS

2. Trustees are asked to approve.

CONTACT:

Helen McHenry (*SU Head of Finance*)

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APPENDIX 1: PROPOSED BUDGET

 THE SU UNIVERSITY OF BATH			
	Budget V1	Revised Budget	Budget
	2020/21	2020/21	2021/22
Income	£	£	£
Block Grant	1,774,924	1,888,021	1,931,552
Commercial sales	1,087,934	123,063	1,033,250
Groups Income			5,500
Sports income	121,702	39,800	117,408
Advertising & Marketing	45,000	21,825	35,500
Event Income	400,865	54,917	410,765
Other	87,638	110,250	78,000
	3,518,063	2,237,876	3,611,975
Staff Costs			
Staff: Salaries & Wages	- 1,708,324	- 1,696,322	- 1,796,320
Staff: Casual	- 295,990	- 112,294	- 298,844
Staff: Training & Conferences	- 27,500	- 7,500	- 12,200
Staff: Vacancy Factor	62,533	61,627	53,852
Other	- 17,618	- 20,606	- 19,150
	- 1,986,899	- 1,775,095	- 2,072,662
Other Expenditure			
Commercial	- 364,417	- 49,299	- 341,669
Sport	- 271,805	- 124,110	- 251,606
Advertising & Marketing	- 24,620	- 10,930	- 20,950
Event costs	- 396,586	- 98,600	- 401,819
Affiliation	- 39,250	- 38,110	- 38,828
IT Management Fee	- 44,500	- 44,500	- 45,500
Administration Costs	- 47,483	- 21,896	- 35,014
Budget allocated to student group	- 19,773	- 15,023	- 17,567
Volunteer & Student Costs	- 34,533	- 8,480	- 29,146
Establishment	- 113,399	- 115,026	- 143,288
Capital Purchase Under £1000	- 19,700	- 11,670	- 18,500
Repairs & Maintenance	- 29,318	- 19,394	- 35,568
Irrecoverable VAT	- 26,500	- 14,000	- 25,000
Bank & Credit Card Charges	- 22,500	- 15,030	- 18,000
Professional fees	- 15,000	- 52,500	- 36,950
Depreciation	- 15,400	- 15,600	- 15,400
Other	- 46,161	- 22,313	- 64,452
	- 1,530,945	- 676,481	- 1,539,257
Total Expenditure	- 3,517,844	- 2,451,576	-3,611,919
Surplus / -Deficit	219	- 213,700	56

PURPOSE

To propose a project business case for approval by Finance & Audit Committee

CONTENTS

Page : 1	Report
Page : 3	Actions for the committee
Page : 5	Appendix 1: Breakdown of Costs

REPORT**1. BACKGROUND**

1.1. The following people are:

- Sponsor: Michael Dalton
- Project manager: Sally Williamson

2. OVERVIEW (DESIRED OUTCOMES)

2.1. The aim of this project is to identify which EPOS provider will be adopted for the SU's commercial activities. This will involve an amount of capital expenditure up front; and an ongoing annual subscription (currently approx. £7,000 p/a).

3. REASONS

3.1. This project is being considered for the following reasons:

- The current EPOS system has reached end of life for support and will need to be upgraded regardless of provider
- While currently no EPOS system is required and income is limited, at some point restrictions will be lifted and the bars team will need a robust, long-term system to generate the income figures seen in previous years
- The current system has been in place for over a decade and is significantly overdue an upgrade: both the software and hardware used are very dated; and the systems themselves have not been examined and overhauled in a long time
- Hospitality EPOS is a competitive industry with a number of providers. By tendering the contract we have a good chance of finding either a more cost-effective solution, or better value for money with a more advanced product.

4. BENEFITS EXPECTED

4.1. As mentioned, we will need to upgrade and make capital expenditure regardless. Changing provider gives an opportunity to review and improve our systems.

4.2. Our current system is both dated and expensive, though the provider has been invited to tender to offer them a chance to compete in the current climate

5. OPTIONS CONSIDERED

5.1. We initially investigated a number of companies, then invited 3 to tender.

5.2. The tenders considered are:

- Fidelity (the current provider)

- Access Group
- Zonal

- 5.3. Fidelity and Zonal are NUS partners, with experience working with Students' Unions
- 5.4. Access and Zonal are well recognised and established outside of the SU sector, with a number of well-known national clients giving strong testimonials.

6. COSTS

- 6.1. Please see appendix for full breakdown of costs. There are a number of points to consider in addition to the financial element.
- 6.2. Zonal's upfront cost is £18,188, with an ongoing monthly cost of £212.
Access's upfront cost is £10,601, with an ongoing monthly cost of £397
Fidelity's upfront cost is £12,256, with an ongoing monthly cost of £593
- 6.3. While Zonal has a higher initial expenditure, the warranty is over a longer time, and over the full length of this warranty (5 years) they are the cheaper option as their monthly costs are predicted to be lower.
- 6.4. The initial quote provided by Zonal included a number of additional options. They are the market leaders for innovative technologies and are often ahead of the curve for new developments in industry.
- 6.5. The hardware quote for both Access and Fidelity comprises 7 full terminals (across the two bars) and 2 tablets, with the argument a full terminal and the associated costs are wasted for two points that will likely only be used as entry and cloakroom for club nights.
Conversely, the hardware quote for Zonal comprises 9 terminals, with the argument a terminal is more robust than a tablet and in the event of technical failure (damaged, no charge etc) the guaranteed income from a full terminal is warranted. There was a suggestion from Zonal that if this difference is crucial, they could look to remove the price difference for their tech (£600) from elsewhere in the quote.
- 6.6. The hardware warranty offered by Access is 3 years. The hardware warranty offered by Zonal is 5 years with all necessary software upgrades included. Fidelity did not specify a hardware warranty.
- 6.7. The bars opening hours range from 8am on weekdays to 3am on club nights. Fidelity offer tech support 9am-5pm. Access offer tech support 9am-9pm Mon-F, and 9am-9pm Saturday. Zonal offer tech support 8am-midnight 365 days/year.
- 6.8. Set up quotes included here demonstrate very different offerings.
The set up quote for Zonal includes 4 days of in person training for all managers and a full set up by their tech team. It was suggested the actual figure will be lower if training takes less time.
The set up quote for Access instead is based on e-learning videos and remote conversations, where set up is done by our staff. The option for Access for full in person training is £4,900 (similar to Zonal).
- 6.9. Access are also used by Be At One, Fullers, Youngs, GBK, and Bath Ales
- 6.10. Zonal are also used by Greene King, The Lounges (eg Velo Lounge), Deltic Group (eg Pryzm), and the Bath Pub Company.
- 6.11. Zonal guarantee all hardware is manufactured in their UK-based carbon neutral facility
- 6.12. None of the quotes include card machine terminals, as the contract for the existing 7 is not yet expired and all companies offer full integration. This separate cost will continue as is and an additional 2 terminals will be required.

7. DEPENDENCIES

- 7.1. As the existing hardware would need to be upgraded this year regardless, some money has been set aside for the capital expenditure. Remaining resources used are bars management staff time in building and testing the new back office system and UI.

8. TIMESCALE

- 8.1. Please see appendix for breakdown of upfront and ongoing costs

9. KEY RISKS

Risk (what might go wrong)	Impact (Estimate 1-5)	Probability (Estimate 1-5)	Severity (Impact x probability)	Risk Response How will the possible impact be reduced?
Project exceeds budgeted costs	4	2	8	Assurances received from Zonal that all costs are included. All quotes are itemised and broken down to see expected anticipated costs. Only flexible other requirement is staff time
System incompatibility	5	1	5	Assurances that all systems comply with our existing PED terminals. Any integration with finance software is to be reviewed when Exchequer is reconsidered If mobile ordering pursued, each provider has compatibility with its own system; manual reconciliation can be done if necessary
Financial non-compliance	5	1	5	All systems are well-established and robust. In-house financial reporting procedures can be adapted to chosen system to ensure accountability and compliance as necessary. Cashless trading removes large element of risk and accountability requirements. All PCI DSS compliance covered with existing PED terminal contract.
System failure	5	2	10	Tech support systems assured by each provider. Personal testimonials received by users of new tender companies. Warranty given on all hardware.

10. EVALUATION

10.1. A robust, future-proof EPOS system will allow the Commercial team to continue to develop and generate income streams. Zonal provides the opportunity to expand and vary operations as desired, while investing in future technologies as they occur, allowing us to adopt new procedures easily.

ACTIONS FOR THE COMMITTEE

11. The committee is asked to decide if they accept the following recommendations:

Recommendation 1: Adopt Zonal as EPOS provider

Recommendation 2: Approve capital expenditure of £18,188

CONTACT:	Sally Williamson	Telephone: E-Mail: sw547@bath.ac.uk
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APPENDIX 1: Breakdown of costs for comparison

	Access	Fidelity	Zonal
Software monthly	298	286	212
Hardware monthly	100	307	
Hardware purchase	7,401	10,517	9,977
Software purchase			3,411
Set up	3,200	1,740	4,800
Cost over 1 year	15,372	19,373	20,733
Cost over 2 years	20,143	26,489	23,278
Cost over 3 years	24,913	33,605	25,823
Cost over 4 years	29,684	40,721	28,368
Cost over 5 years	34,455	47,837	30,913
Upfront cost	10,601	12,257	18,188
Annual cost	4,771	7,116	2,545
Monthly cost	398	593	212