

Meeting:	Finance & Audit Committee		
Location:	Microsoft Teams Meeting		
Date & Time:	Thursday 22nd October 2020 at 9am		
Present:			
Francesco Masala	President		
Jordan Kenny	Independent Trustee		
Kate Aldridge	Independent Trustee		
Rob Clay	Independent Trustee		
Valerie Copenhagen	Independent Trustee (<i>Acting Chair</i>)		
In attendance:			
Gregory Noakes	Governance & Executive Support Manager (<i>Secretary</i>)		
Helen McHenry	Head of Finance		
Andrew McLaughlin	Chief Executive		
Item			
1.	Apologies for absence		
	Name	Reason	Accepted
	Tom Sawko	Annual Leave	Yes
	The Committee elected Valerie Copenhagen as Acting Chair for this meeting only.		
2.	Notice of any other business		
	The following items were identified for discussion under any other business:		
	1) Finance Team Restructure		
	2) Chief Executive Recruitment		
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		
	The Committee received a report on the minutes of the previous meeting and matters arising (<i>See R1 of the Committee reports</i>).		
	They approved the previous minutes for the Chair to sign and noted that the following matters were still to be actioned:		
	ACTION: The Head of Finance to check what the impact of the proposed change to the limit authorisation would have been on last year's asset register.		
	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.		
	The Chief Executive reported that they had communicated the SU priorities to key University stakeholders following the previous meeting. In response the University had requested that The SU outline what financial support they needed to achieve these. This would be discussed in more detail later in the meeting with the confidential budget paper.		
5.	Finance & Audit		

The Committee received a report on finance and audit matters (*see R2 of the Committee reports*).

The Head of Finance noted that staffing matters within the Finance team were continuing to impact on their workload.

The Head of Finance reported on commercial income performance to date. Unfortunately, low campus footfall, a 10pm curfew and increased staffing costs meant that commercial contributions have been lower than previously expected. On top of this the University cut The SU budget by £34k a few weeks ago following their decision not to implement a 2% pay increase. Due to a breakdown in communication this was not clearly communicated to The SU at the time. With clear indications that restrictions will persist until Spring/Summer The SU is now working under the worst-case scenario planned for 2020/21. Under this scenario projected income is reduced by 33%. Through budget cost-savings, non-pay expenditure has been reduced by 47% and pay expenditure reduced by 9%.

The Chief Executive shared a confidential budget paper with the Committee that they were planning to submit to the University. Recognising the key role The SU plays within the student experience the University had previously identified potential funding (*strike fund*) that could be used to support The SU under the worst-case scenario.

QUESTION: A Trustee asked for clarification on what the strike fund was.

ANSWER: The Chief Executive explained that the strike fund was the University's savings made from strike action taken last year by staff. These had been put aside to be used on supporting student mental health and the student experience.

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.

QUESTION: A Trustee asked whether the savings outlined in plan B would be made this year or next year.

ANSWER: The Chief Executive explained that half the savings would apply to the next financial year.

The Committee agreed that additional funding should now be requested from the University as any further savings would now likely have a lasting impact on the student experience. The Chief Executive would submit the request to the University for additional funding by the end of the week.

ACTION: Confidential budget paper to be circulated to Committee members for amending before submission to the University.

QUESTION: A Trustee asked when The SU could expect an answer from the University.

ANSWER: The Chief Executive expressed their confidence that they believed they could expect to receive a quick response from the University on this.

The Committee advised that The SU would need to manage communications carefully around finances ensuring that reasons for tough decisions were clearly communicated to stakeholders. They also noted the need to be planning ahead financially for the next two years. The Head of Finance highlighted that the auditors were encouraging this longer term planning but that currently this was difficult to do due to the University agreeing the block grant yearly.

The Committee discussed whether alumni funding might be another way of diversifying income streams. The President explained that currently The SU already receives £20k to use towards improving the student experience. A Trustee suggested this might want to be better communicated as they were a donor and did not know that some of it was given to The SU. Another possibility was that The SU could increase its own fundraising activities to generate money to support its own charitable cause.

The Chief Executive reported that the East Village had been a very successful venture with the University looking to not only support its continued running but also fund a possible expansion of its activities. This had become an example of best practice in the sector which had received positive media press. The President noted that The SU should be proud of its achievements within this area.

The Head of Finance reported that feedback received from Auditors working on the ongoing audit had been positive to date. This work was still to be completed so there were no new audit recommendations to share with the Committee at this time. However, one action flagged by the Auditors that would need to be completed before the end of October was that a 'Going Concerns' policy would need to be written.

The Head of Finance explained that segregation of duties which was an audit recommendation from last time would likely continue to be a recommended action. This would always be difficult to address due to the small size of the team as staff absences could easily affect the team's ability to fully segregate their duties. However, the other audit recommendation concerning cash controls had now been addressed by the decision previously made to go fully cashless.

The Committee approved the Audit Tendering project (*see appendix 3 of R2 of the Committee reports*) to proceed and appointed the following:

- Client: Sport Officer;
- Sponsor: Chief Executive/Deputy Chief Executive;
- Project manager: Governance & Executive Support Manager.

QUESTION: A Trustee asked for clarification on the 'TBC Independent Trustee' list under the project team.

ANSWER: The Secretary explained that it would be good governance to ensure that there was more than one Independent Trustee involved in the project team. It was important to ensure that Trustees did not become overly reliant on a single Trustee for finance matters.

Valerie Copenhagen volunteered to be the second Independent Trustee on the project team.

QUESTION: The Chair asked if the Head of Finance had the necessary time to carry out this project work.

ANSWER: The Head of Finance confirmed that this shouldn't impact too much on their workload.

QUESTION: The Chair asked what were the risks if this work was not completed.

ANSWER: The Secretary explained that in the worst case scenario the current auditors could be rolled over for another year. Therefore the impact of not completing this work was quite low. However, it was good governance to be regularly reviewing contracts to ensure best value for money.

6. **Risk Management**

The Committee received a report on risk management (*see R3 of the Committee reports*).

	<p>QUESTION: The Chair asked about measures taken to ensure activities were Covid-19 secure.</p> <p>ANSWER: The Chief Executive explained that all activities and offices across The SU had been appropriately risk assessed to ensure they were Covid-19 secure. They were confident in the work that had been done and noted that the current trend for transmissions was in households. To date there had been no cases of transmission identified as happening at an SU activity.</p> <p>The Committee discussed and agreed to add Covid-19 to the risk register along with a detailed list of all the Covid-19 risk assessments in place across The SU. The Committee would carry out random spot checks of these risk assessments going forward for assurance purposes.</p> <p>ACTION: Covid-19 to be added to the risk register.</p>
7.	<p>Any other business</p> <p>The following items had been previously identified for discussion under any other business.</p> <p>1) Finance Team Restructure</p> <p>The Chief Executive reported on plans to restructure the Finance Team in order to provide the Head of Finance with the level of support they needed. This would be completed by the first week of December and had been modelled on a cost neutral basis.</p> <p>2) Chief Executive Recruitment</p> <p>The President reported on the progress made towards the recruitment of the next Chief Executive. Currently they were on course for making an appointment before Christmas. A revised job description had been submitted to the University staff vacancy group for approval. Following a benchmarking exercise, this also included a salary increase to bring it in line with the rest of the sector. The University had agreed that the salary increase would be matched by an increase in the block grant.</p> <p>The Committee discussed and agreed that it was vital to ensure that they recruited the right person for the role. This should not be rushed and if more time was needed to achieve this then this should be taken. It was also important to ensure that it was clearly communicated that the Chief Executive was not leaving for financial reasons.</p> <p>Thank you to staff</p> <p>The Committee formally requested that their thanks and appreciation for all the hard work that staff were doing during these difficult times be formally minuted. A special thanks was given to the Head of Finance in recognition of the extra work they've had done during this time.</p>
8.	<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 19th November 2020 9-11am • Thursday 21st January 2021 9-11am • Monday 15th March 2021 9-11am • Thursday 20th May 2021 9-11am

The meeting ended at 10.50am.	
Item number	Action
4	The Head of Finance to check what the impact of the proposed change to the limit authorisation would have been on last year's asset register.
4	The Head of Finance, Sport Officer and Valerie Copenhagen to identify charity grants to apply for to help support The SU through the pandemic.
5	Confidential budget paper to be circulated to Committee members for amending before submission to the University.
6	Covid-19 to be added to the risk register.