

FINANCE & AUDIT COMMITTEE REPORTS						
From	Period start date			To	Period end date	
	19	11	2020		17	12
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		

Content	Report Number
Report on minutes of the previous meeting and actions arising	R1
Report on finance and audit	R2

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.

CONTENTS

Page 1: Report

Pages 2-5: Appendix 1: minutes

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

- 1.1. The minutes of the previous meeting are attached as appendix 1 and 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. ACTIONS COMPLETED SINCE THE LAST MEETING

- 2.1. The Trustees' annual report was circulated to committee members for feedback following the last meeting.

3. OUTSTANDING ACTIONS STILL TO BE COMPLETED

- 3.1. The Head of Finance, Sport Officer and Valerie Copenhagen to identify charity grants to apply for to help support The SU through the pandemic.
- 3.2. 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.
- 3.3. 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.

4. DECISIONS MADE WITHOUT A MEETING

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

ACTIONS

5. 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
-----------------	---	--

APPENDIX 1: Finance & Audit Committee minutes

Meeting:	Finance & Audit Committee	
Location:	Microsoft Teams Meeting	
Date & Time:	Thursday 19th November 2020 at 9am	
Present:		
Tom Sawko	Sport Officer (<i>Chair</i>)	
Francesco Masala	President	
Jordan Kenny	Independent Trustee	
Kate Aldridge	Independent Trustee	
Rob Clay	Independent Trustee	
Valerie Copenhagen	Independent Trustee	
In attendance:		
Gregory Noakes	Governance & Executive Support Manager (<i>Secretary</i>)	
Helen McHenry	Head of Finance	
Andrew McLaughlin	Chief Executive	
Anna Spencer-Gray	RSM Auditor (<i>Present for items 1, 2, 3, 4 and 6</i>)	
Item		
1.	Apologies for absence All Committee members were present.	
2.	Notice of any other business The following item was identified for discussion under any other business: 1) Rowing Club Purchase	
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 previous meeting (<i>See R1 of the Committee reports</i>). They approved the previous minutes and noted 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.	
6.	Audit Findings Report (<i>this agenda item was brought forward for discussion</i>) The Committee received a report on audit findings (<i>report circulated separately</i>) The auditor went through the audit findings report with the Committee noting that the only real issue identified was the ' <i>Going Concern</i> ' policy. It was explained that the auditors were looking for a 12 month forecast to be sure that The SU would remain a viable charity in the long term. This meant getting University assurances on next year's budget earlier than normal.	

	<p>The auditor reported that there were no new audit recommendations and only the segregation of duties recommendation remaining from last year. They recognised that this was a difficult recommendation to achieve for a small finance team, particularly when impacted by staff absence.</p> <p>QUESTION: A Trustee asked if the proposed restructure of the finance team would help address this recommendation.</p> <p>ANSWER: The Head of Finance explained that the new manger role would provide them with more support including being able to cover their position in the event of their own absence. This along with a review of the financial procedures would improve the segregation of duties within the team.</p> <p>The Trustees Rob Clay and Kate Aldridge reported that they had no concerns to share following their phone call with the auditors.</p> <p>The auditor thanked the Head of Finance and their team for all the work they had done during the audit.</p> <p><i>(Anna Spencer-Gray left the meeting at this point)</i></p>
<p>5.</p>	<p>Annual Accounts</p> <p>The Committee received a report on the Trustees’ annual report and audited accounts (<i>see R2 of the Committee reports</i>).</p> <p>QUESTION: A Trustee asked when was the final deadline for feeding back on the Trustees’ annual report.</p> <p>ANSWER: The Head of Finance reported that this was the end of November.</p> <p>QUESTION: A Trustee asked what the difference was between restricted and unrestricted funds.</p> <p>ANSWER: The Head of Finance explained that unrestricted funds can be re-purposed but restricted funds cannot as they can only be used for the purposes they were originally intended for.</p> <p>The Committee discussed the Trustees’ annual report and agreed that the tone of the report needed to be more celebratory of The SU successes. This report would be especially important in the future if The SU start applying for charitable grants. The inclusion of impact statements was suggested and it was noted that this had been done in the past.</p> <p>The Committee discussed the idea of having an impact report in addition to the Trustees’ annual report. Such a report could serve to better demonstrate the positive impact The SU was having in terms of achieving its Charitable Objectives. To be successful this would need to have a clear purpose and audience in mind. This report could be developed by the Marketing Team working with the Insights & Engagement Manager and approved by the Board.</p> <p>The Committee discussed the Going Concern section of the Trustees’ annual report and noted that this had been expanded on compared to previous years. This was to reflect the increased concerns brought about by the impact of COVID-19 on commercial income.</p> <p>ACTION: Trustees’ annual report to be circulated to committee members for feedback.</p>
<p>7.</p>	<p>Finance & Audit</p>

	<p>The Committee received a report on finance and audit matters (<i>see R3 of the Committee reports</i>).</p> <p>The Head of Finance reported that the University were indicating that it was their intent to fund The SU at current funding levels for the next few years. Once formally agreed by the University's Finance committee this would be put in writing to The SU. They had also indicated that they were prepared to reverse cuts previously made and provide financial support to help cover the deficit budget resulting from loss of commercial income.</p> <p>The Committee discussed and agreed that new budget plans needed to be drawn up to reflect a plan A where the University provide financial support and a plan B where they do not. They agreed that the University's reassurances were positive news but that in the event that the University did not follow through on this The SU would need to ensure it met the planned deficit of £150,000. This may require the need for drastic decisions to be made.</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 the insurance company had made an offer to The SU of £24,000. This was for a claim previously made to cover a month's worth of lost trading activity (£50,000) under the disruption to business insurance. It was the Head of Finance's recommendation that The SU accept the offer as there were still legal challenges going on in the Courts around whether the insurance company was obligated to pay this. It was not certain what the outcome would be and The SU needed to recover money where it could.</p> <p>QUESTION: A Trustee asked if this money was factored into the budget. ANSWER: The Head of Finance confirmed that the budget did not currently factor this in and therefore this money would help The SU financial position.</p>
<p>8.</p>	<p>Risk Management</p> <p>The Committee received a report on risk management (<i>see R4 of the Committee reports</i>).</p> <p>QUESTION: A Trustee asked if The SU had only one Business continuity and recovery plan. ANSWER: The Chief Executive confirmed that The SU had developed a single generic plan that shows how it would react in response to any business disruption. In almost all cases this was to switch to remote working.</p>
<p>9.</p>	<p>Any other business</p> <p>The following item had been previously identified for discussion under any other business.</p> <p>1) Rowing Club Purchase</p> <p>The Head of Finance reported that the Rowing Club wanted to make a purchase for a boat that would cost over £10,000. In order to do this the committee's permission was required.</p> <p>QUESTION: A Trustee asked if this was SU money? ANSWER: The Head of Finance explained that the Club was raising money for this themselves but The SU would have to underwrite this if they weren't successful. However, given their previous experience and successes in the past the Head of Finance believed there was little risk of them being unsuccessful.</p>

	<p>The Chair noted that the Club had money within their own budget ring fenced for a boat house project that could be used if needed to cover the cost of the boat in the event unlikely event they were unsuccessful.</p> <p>The Committee agreed to authorise the purchase.</p>
10.	<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 10th December 2020 9-10am • Thursday 21st January 2021 9-11am • Monday 15th March 2021 9-11am • Thursday 20th May 2021 9-11am <p>The Committee agreed to add a meeting on the 10th December to review and discuss the University's response to their request for financial support. This would be prior to the Board of Trustees meeting which the Committee would give a verbal report to. The Chief Executive confirmed they would share the University's response with Committee members once received.</p>
<p>The meeting ended at 10.35am</p>	
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	Trustees' annual report to be circulated to committee members for feedback.
7	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.

PURPOSE

To provide Trustees with:

- An update on the SU financial position
- Update on audit tendering process.

CONTENTS

Page1-2: Report

Page 3: Appendix 1: Management Accounts

Page 4: Appendix 2: Forecast – Worst case scenario

REPORT**1. MANAGEMENT ACCOUNTS**

1.1 Appendix 1 shows management accounts for November.

1.2 The budget has been revised to £213k deficit following a review of all areas, making as many savings as possible.

1.3 Detailed scenarios have been mapped out for the bars performance when trading under the different Tier restrictions. Our worst case is to try and trade whilst under tier 3. The most likely trading path has been used for the budget assuming tier 2 for February, March and April. The bar will remain closed until the end of January with management staff placed on furlough from 4th December.

1.4 The University has confirmed it has approved the additional funding request made by The SU. Separate email sent to committee members.

1.5 Performance to date for all non-commercial area is in line with expectation as managers are still working on essential expenditure only. Freeze remains on recruitment of SU funded posts.

1.6 Our Insurers increased their payout offer to £25,870 which we have accepted. We await the verdict of the industry appeal to the high court which is expected before Christmas. This is not yet included in forecast.

2. FORECAST - WORST CASE SCENARIO

2.1 Appendix 2 shows a year end forecast assuming our worst case scenario, ie bar operating under tier 3, no summer ball, no insurance payout. This is highly unlikely but demonstrates that the deficit would fall below the target £150k limit set by the committee.

3. RESERVES

3.1. The current unrestricted reserves balance is £323k. All projects from fy19/20 now complete.

3.2. One item pending, new bars EPOS system which will be £10k+ and will be purchased when the bar is allowed to open fully, expected any time before Aug 21. An integrated App is being used for booking and payments while restrictions remain in place. This will be tendered process and brought to this committee for review.

3.3. All other commitments to investment have been halted.

2. AUDIT TENDERING

- 2.1. Eight companies have expressed a wish to be formally invited to tender.
- 2.2. This project is delayed by a few weeks. The invitation document is being prepared and will include the Annual Accounts. This is to be approved by the committee via decision without a meeting and will then be sent to the prospective companies w/c 4th January.

ACTIONS

- 3. Trustees are asked to note the report.

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

REPORT ON RISK MANAGEMENT

APPENDIX 1: Management Accounts

Core Summary	Original budget 2020-21	Revised budget Nov 20	August	September	October	November	YTD			PRIOR YTD	Annual budget remaining
			2020 Actual	2020 Actual	2020 Actual	2020 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	567,667	609,727	-42,061	567,667	1,320,355
<i>Grant Agreed not received</i>			3,175	3,175	17,875	17,868	42,094		42,094		-42,094
<i>Addnl Grant Request</i>							0		0		
Commercial Income	218,679	123,062	0	20,404	38,201	4,223	62,828	60,702	2,126	473,837	60,234
Student Groups	0	0	0	135	248	38	420	0	420	15,154	-420
Sports	123,950	39,800	0	180	1,978	-542	1,616	0	1,616	100,102	38,184
Advertising & Sponsorship	29,000	21,825	3,023	6,010	411	1,065	10,509	7,275	3,234	6,090	11,316
Events Income	55,307	87,417	0	39,690	265	1,458	41,413	75,583	-34,171	202,523	46,005
Union Income	124,090	85,016	81,005	3,257	1,534	24	85,820	81,849	3,970	46,031	-804
Motor	0	0	0	0	0	0	0	0	0	785	0
Internal Recharges	0	5,000	0	0	0	0	0	1,667	-1,667	11,205	5,000
Total Income	2,439,047	2,250,142	225,944	211,593	184,553	148,182	812,366	836,804	-24,438	1,423,394	1,437,776
Staff Costs											
Staff: Salaries & Wages	-1,741,604	-1,696,322	-126,041	-130,994	-135,625	-137,745	-530,404	-563,600	33,196	-484,822	-1,165,918
Staff: Agency	-15,600	-15,600	0	-2,828	0	0	-2,828	-5,200	2,372	0	-12,772
Staff: Casual	-141,907	-104,296	-1,479	-16,603	-30,969	-10,147	-59,199	-59,832	633	-124,391	-45,097
Total Staff Costs	-1,899,111	-1,816,218	-127,520	-150,425	-166,594	-147,892	-592,430	-628,632	36,201	-609,214	-1,223,788
Other Expenditure											
Commercial	-71,306	-49,299	-1,789	-17,657	-16,529	-1,805	-37,780	-25,632	-12,148	-184,565	-11,519
Staff: Other	42,438	49,751	-3,868	-1,512	-1,479	-106	-6,966	13,731	-20,696	-13,707	56,717
Student groups	-1,290	-600	0	-585	-390	-1,221	-2,195	0	-2,195	-13,417	1,595
Sports	-215,660	-119,110	-18,632	-364	-799	-6,583	-26,378	-24,277	-2,101	-113,868	-92,732
Advertising & marketing	-26,500	-10,930	-3,525	-2,642	-2,855	-40	-9,062	-3,643	-5,419	-3,306	-1,868
Event costs (direct)	-51,759	-124,496	-7,500	-20,100	-20,743	-274	-48,616	-124,429	75,813	-103,093	-75,879
Union expenses	-90,754	-87,614	-3,566	-41,992	-6,211	-3,929	-55,698	-53,334	-2,364	-14,269	-31,916
Administration	-34,514	-25,064	-1,334	-2,893	-1,481	-1,142	-6,850	-6,946	96	-19,646	-18,215
Motor expense	0	-5,000	2,851	-1,234	-429	0	1,187	-1,667	2,854	-32,295	-6,187
Internal Recharges	-16,548	-11,548	0	0	-16,548	0	-16,548	-3,849	-12,699	-7,574	5,000
Volunteer and student costs	-13,739	-8,480	-84	0	-631	0	-715	-1,847	1,132	-5,834	-7,765
Establishment	-117,846	-116,676	-44,789	-11,082	-2,301	-4,442	-62,615	-60,953	-1,662	-82,125	-54,061
Asset and finance expenses	-180,362	-122,959	-17,229	-24,536	-24,597	-7,958	-74,320	-43,333	-30,986	-96,502	-48,640
Depreciation	-15,600	-15,600	-1,217	-1,217	-1,217	-1,217	-4,869	-5,200	331	-1,140	-10,731
Total Other Expenditure	-793,440	-647,626	-100,684	-125,815	-96,211	-28,716	-351,425	-341,380	-10,045	-691,341	-296,201
Total Expenditure	-2,692,550	-2,463,844	-228,204	-276,239	-262,805	-176,608	-943,856	-970,012	26,156	-1,300,555	-1,519,988
Net Surplus/(Deficit)	-253,503	-213,702	-2,259	-64,646	-78,252	-28,426	-131,490	-133,208	1,718	122,840	-82,212

REPORT ON RISK MANAGEMENT

APPENDIX 2: Forecast -Worst Case Scenario

"Plan A"	August 2020	September 2020	October 2020	November 2020	December 2020	January 2021	February 2021	March 2021	April 2021	May 2021	June 2021	July 2021	Total
	Budget for month	Budget for month	Budget for month	Plan A for month	Plan A for month	Plan A for month	Plan A for month	Plan A for month	Plan A for month	Plan A for month	Plan A for month	Plan A for month	£
	£	£	£	£	£	£	£	£	£	£	£	£	£
Income													
Block Grant	141,910	141,910	141,910	158,254	158,254	163,684	163,683	163,683	163,683	163,683	163,683	163,683	1,888,021
Grant Agreed not received	3,175	3,175	17,875	1,531	1,531	-3,899	-3,898	-3,898	-3,898	-3,898	-3,898	-3,898	0
Addtl Grant Request						34,000		60,000		37,000			131,000
Insurance Claim & Census Venue Refund													
Commercial Income		17,426	39,069	4,207		960	1,760	1,760	880	1,760			67,823
Student Groups													
Sports						18,000	10,900	10,900					39,800
Advertising & Sponsorship	1,819	1,819	1,819	1,819	1,819	1,819	1,819	1,819	1,819	1,819	1,819	1,819	21,825
Events Income	63	39,753	1,479	1,479	1,479	1,479	1,479	1,479	1,479	1,479	1,479	1,479	54,607
Union Income	81,271	271	271	271	15,271	271	271	271	271	1,271	271	271	100,250
Motor													
Internal Recharges	417	417	417	417	417	417	417	417	417	417	417	417	5,000
	228,654	204,770	202,840	167,978	178,771	216,731	176,431	236,431	164,651	203,531	163,771	163,771	2,308,326
Staff Costs													
Staff: Salaries & Wages	-136,828	-136,828	-147,098	-144,232	-139,397	-143,341	-143,341	-143,341	-143,341	-140,841	-140,841	-140,841	-1,700,266
Staff: Agency	-1,300	-1,300	-1,300	-1,300	-1,300	-1,300	-1,300	-1,300	-1,300	-1,300	-1,300	-1,300	-15,600
Staff: Casual	-267	-9,408	-36,592	-20,416	-3,533	-4,953	-5,391	-5,391	-3,075	-5,389	-321	-321	-95,055
	-138,394	-147,536	-184,989	-165,947	-144,230	-149,594	-150,032	-150,032	-147,716	-147,530	-142,462	-142,462	-1,810,921
Other Expenditure													
Commercial	-882	-10,353	-12,345	-3,350	-750	-1,104	-1,400	-1,400	-1,075	-1,400	-750	-750	-35,559
Staff: Other	903	3,005	4,142	4,759	4,759	4,759	4,759	4,759	4,759	4,759	3,604	3,859	48,830
Student Groups	-50	-50	-50	-50	-50	-50	-50	-290	-50	-50	-50	-50	-840
Sports	-15,819	-819	-819	-6,819	-819	-819	-36,126	-36,126	-18,486	-819	-819	-819	-119,110
Advertising & Marketing	-911	-911	-3,591	-911	-911	-911	-911	-911	-911	-911	-911	-911	-13,610
Event Costs	-7,508	-20,108	-20,751	-282	-8	-8	-8	-8	-8	-8	-8	-8	-48,716
Union Expenses	-3,822	-41,992	-4,277	-3,822	-3,822	-3,822	-5,887	-3,822	-3,822	-3,822	-5,222	-3,822	-87,951
Administration	-1,479	-2,897	-1,899	-1,865	-1,865	-1,865	-2,628	-2,748	-2,628	-2,628	-1,855	-1,835	-26,194
Motor Expenses	-417	-417	-417	-417	-417	-417	-417	-417	-417	-417	-417	-417	-5,000
Internal Recharges	-962	-962	-962	-962	-962	-962	-962	-962	-962	-962	-962	-962	-11,548
Volunteer & Student Costs	-541	-457	-457	-457	-457	-457	-1,457	-457	-2,457	-457	-457	-457	-8,564
Establishment	-43,280	-10,280	-3,697	-4,447	-3,926	-3,697	-8,437	-5,107	-3,697	-3,697	-3,697	-23,697	-117,656
Asset & Finance Expenses	-23,137	-19,073	-26,973	-12,372	-9,162	-8,592	-9,272	-9,822	-8,682	-8,772	-8,792	-22,592	-167,238
Depreciation	-1,300	-1,300	-1,300	-1,300	-1,300	-1,300	-1,300	-1,300	-1,300	-1,300	-1,300	-1,300	-15,600
Total Other Expenditure	-99,205	-106,615	-73,396	-32,294	-19,689	-19,244	-64,094	-58,609	-39,734	-20,482	-21,635	-53,760	-608,756
Total Expenditure	-237,599	-254,150	-258,385	-198,241	-163,919	-168,837	-214,125	-208,640	-187,449	-168,012	-164,096	-196,221	-2,419,677
Net Surplus/(Deficit)	-8,945	-49,381	-55,545	-30,263	14,851	47,893	-37,695	27,790	-22,799	35,519	-326	-32,451	-111,351