

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			
1.	Apologies for absence		
	Name	Reason	Accepted
	Kate Aldridge	Other commitments	Yes
	Francesco Masala	University Council meeting	Yes
	Jordan Kenny	Other commitments	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		
	This item was deferred to the next meeting.		
5.	Finance & Audit		
	This item was deferred to the next meeting.		
6.	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)		
	<i>(David Butler, Jon Sparkes and Keely Noad joined the meeting at this point)</i>		
	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.

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.

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.

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.

CONCLUSION

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.

ACTION: Rob Clay to negotiate with Crowe on the fee.

7.	Any other business
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	No items had been previously identified for discussion under any other business.
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"> Monday 15th March 2021 9-11am Thursday 20th May 2021 9-11am
The meeting ended at 12.30pm	
Item number	Action
6	Rob Clay to negotiate with Crowe on the fee.