

Meeting:	<b>Finance &amp; Audit Committee</b>
Location:	<b>Microsoft Teams Meeting</b>
Date & Time:	<b>Thursday 11<sup>th</sup> November 2021 at 9am</b>

**Present:**

Elizabeth Stacey	Sport Officers ( <i>Chair</i> )
Jordan Kenny	Independent Trustee ( <i>Present for items 1-5</i> )
Kate Aldridge	Independent Trustee
Barry Hughes	Independent Trustee

**In attendance:**

Gregory Noakes	Governance & Executive Support Manager ( <i>Secretary</i> )
Helen McHenry	Head of Finance
Janette Joyce	Auditor ( <i>Present for items 1-5</i> )

Item			
1.	<b>Apologies for absence</b>		
	<b>Name</b>	<b>Reason</b>	<b>Accepted</b>
	Annie Willingham	Annual Leave	Yes
	Nicky Passmore	Authorised leave	Yes
	Valerie Copenhagen	Sick	Yes
2.	<b>Notice of any other business</b>		
	No items were identified for discussion under any other business.		
3.	<b>Declaration of conflict of interest</b>		
	No one had any conflicts of interests to declare in any items on the agenda.		
4.	<b>Minutes of the previous meeting and matters arising</b>		
	The Committee approved the previous minutes and noted the matters arising.		
5.	<b>Annual Accounts and Audit Findings</b>		
	The Committee received copies of the annual accounts and the audit findings report.		
	The auditor went through the accounts with the committee. They explained that they don't audit the trustee report itself but do check that the report covers the subjects required under SORP and any statements made about finances are accurate. The differences between restricted and unrestricted funds were explained and it was noted that auditors usually focus more on unrestricted which is where management have greater control. The overall bottom line for the accounts was a deficit of just over £20,000 which was in line with what they had seen with other Student Unions during the pandemic.		
	<b>QUESTION:</b> A Trustee asked if there was anything The SU did differently with its report and accounts compared to other Student Unions.		
	<b>ANSWER:</b> The auditor explained there was nothing significantly different and that they were in line with what they would expect for a Student Union.		
	The auditor explained the legal requirements for audit and the methodology behind how it is carried out. It includes testing all the systems in place and checking a range of sample transactions from the last year in order to reach an overall conclusion. This is then reported to		

Trustees along with any issues and/or recommendations. However, the report does not give details or comments about the smoothness of the audit itself.

The auditor reported to the committee that in terms of the audit itself this had been a clean audit with no errors within the numbers. This reflected the very hard work put in by the finance team and they wished their thanks to the finance team to be recorded.

The auditor went through the audit report section on '*significant matters from our audit*' explaining why the matters included were given more focus. Under management override of controls the auditors flagged two specific points. The first was a recommendation that an exercise to revisit the rent in kind in FY2022 should be carried out. The second point was in relation to segregation of duties as it is recommended practice that there should be a separate independent review of journals. For the year covered this was not fully done due to the small size of the team but the auditor understood that this had now been addressed through the recruitment of a new Finance Manager.

***(Jordan Kenny left the meeting at this point)***

Under the section on '*Other matters from our audit*' the auditor noted that their VAT team had concluded the University is solely responsible under VAT Law for ensuring that the VAT liability of its supplies is correct and that HMRC can only pursue the University for unpaid VAT.

The auditor noted that The SU has no memorandum of understanding with the University which is practice they have seen with other SUs. Such an agreement is not legally binding and doesn't need to be overly formal but can help clarify the relationship between the two organisations.

**QUESTION:** A Trustee asked if the good practice recommendation made within the report relating to including journal processing on the risk register had been actioned.

**ANSWER:** The Head of Finance and Governance & Executive Support Manager confirmed that this had not been done yet due to the Chief Executive's absence.

**ACTION: Head of Finance and Governance & Executive Support Manager to ensure that journal processing is added to the risk register.**

**QUESTION:** A Trustee asked if The SU still uses cash as they noted many organisations had gone cashless.

**ANSWER:** The Head of Finance confirmed that The SU and University were both cashless organisations now.

**QUESTION:** A Trustee asked if the Board of Trustees currently made a risk statement for The SU.

**ANSWER:** The Governance & Executive Support Manager explained that this had been looked at as part of the work done on the risk management policy but at the time the Chief Executive had suggested that this should be worked towards in the future.

***(The auditor left the meeting at this point)***

6. **Finance matters**

The Committee received a report on finance matters (*see R1 of the Committee reports*).

The Head of Finance reported that overall they had been very happy with the work done by the audit team. They noted that there was one issue which had since arisen in relation to audit that the committee should be aware of which was that the Finance Manager was leaving. This was



due to them being headhunted to a role in their previous specialist field and not because of any issues with the job. Currently the Head of Finance was hoping to get recruitment done pre-Christmas with a possible start date at the end of January. However, this was entirely dependent upon the University's HR team and the notice period required for the new appointee.

**QUESTION:** A Trustee asked what measures were being put in place to cover the interim.  
**ANSWER:** The Head of Finance explained that the Finance team would be drafting in a SU staff member from another area to help as a short term measure but any longer than Christmas they might need a temp staff member.

The Head of Finance reported that due to this and other pressing priorities which would be coming up in the next few months that would require their full attention they would not be able to carry forward work on updating the finance policy. A Trustee expressed concern over the delay but understood the reasons. The Head of Finance suggested that it might be possible to outsource this work to get this completed.

The Governance & Executive Support Manager gave an update on the policy work they had been carrying out since June. They reported that they had completed drafts of all policies requested except for the Fundraising policy which they were currently still working on. These were currently being shared with senior staff for feedback but could not be submitted due to the Chief Executive's absence.

It was noted that the Governance & Executive Support Manager would be leaving on the 23<sup>rd</sup> December and that due to Chief Executive's absence they couldn't immediately fill this role because there were discussions being had around making changes to it. The Deputy Chief Executive was looking into a number of possibilities in terms of how to cover this role.

The Head of Finance explained that because the meeting had been brought forward the management accounts were not ready to be presented. These would be ready for sending out to the committee the week commencing the 22<sup>nd</sup> November. They suggested and the committee agreed that an additional meeting should be held in January to review the year to date performance. The next scheduled meeting in March will be focussed on the budget for FY2022/23.

**ACTION: Governance & Executive Support Manager to book an additional meeting for January.**

The Head of Finance explained that previously the committee had agreed a set of financial scenario plans for the year. Currently The SU was off to a very strong start and were operating under scenario one which was for the best outcome.

7. **Management Accounts**

The Head of Finance presented new reports for the management accounts and went through these with the committee. These were positively received.

**QUESTION:** A Trustee asked if The SU was currently seeing a high level of sickness as other places were.  
**ANSWER:** The Deputy Chief Executive reported that in terms of sickness this had occurred earlier in the term and overall staff sickness wasn't any higher for this time of the year. However, staff vacancies were higher than normal at the moment but this was common across the sector and, while it had been slow at first, The SU was filling these vacancies.

**QUESTION:** A Trustee asked how staff salaries are set.

	<b>ANSWER:</b> The Deputy Chief Executive explained that this is set by University as they employ The SU staff.
8.	<b>Any other business</b>  No items had been previously identified for discussion under any other business.
9.	<b>To set the date and time of future meetings</b>  The Committee agreed the following dates and times for future committee meetings: <ul style="list-style-type: none"> <li>Monday 14th March 2022 9-11am</li> <li>Thursday 19th May 2022 9-11am</li> </ul>

**The meeting ended at 10.30**

Item	Action	Action Owner	Exp Finish
5	To ensure that journal processing is added to the risk register.	Head of Finance Governance & Executive Support Manager	01/2022
6	To book an additional meeting for January.	Governance & Executive Support Manager	01/2022