|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Meeting: | | | **Finance & Audit Committee** | | | | | |
| Location: | | | **Microsoft Teams Meeting** | | | | | |
| Date & Time: | | | **Thursday 19th May 2022 at 9am** | | | | | |
|  | | | | | | | | |
| **Present:** | | | | | | | | |
| Elizabeth Stacey | | | | Sport Officer *(Chair)* | | | | |
| Kate Aldridge | | | | Independent Trustee | | | | |
| Barry Hughes | | | | Independent Trustee (from 9.10am) | | | | |
| Jordan Kenny | | | | Independent Trustee | | | | |
| Valerie Copenhagen | | | | Independent Trustee (from 9.20am – 10.05am) | | | | |
| Annie Willingham | | | | President | | | | |
|  | | | | | | | | |
| **In attendance:** | | | | | | | | |
| Helen McHenry | | | | Head of Finance | | | | |
| Mandy Wilson-Garner | | | | Deputy Chief Exec | | | | |
| Emily Burstow | | | | Finance Manager | | | | |
| Charlie Slack | | | | Head of Student Voice *(Secretary)* | | | | |
| Item | |  | | | | | | |
|  | | **Apologies for absence** | | | | | | |
| **Name** | | | **Reason** | | **Accepted** | |
| Nicky Passmore | | | Sick | | Yes | |
|  | | | | | | |
|  | | **Notice of any other business**  Jordan Kenny requested a standing item on Commercial Risk and Mitigation | | | | | | |
|  | | **Declaration of conflict of interest**  No one had any conflicts of interests to declare in any items on the agenda. | | | | | | |
|  | | **Minutes of the previous meeting and matters arising**  One Trustee commented that the minutes contained reference to them leaving the meeting but did not say what time they had left. **The Head of Finance agreed to review the notes of the last meeting to see if this detail could be added**. The Committee approved the previous minutes otherwise and noted the matters arising.  Finance Policy: Currently **in progress** alongside the development of the Scheme of Delegation. Once completed will be circulated to Board members  Credit Card: This has been **completed.**  Scheme of Delegated Authority: **In progress** - as above.  Update for Board of Trustees: This has been **completed**. | | | | | | |
| 5. | | **Finance & Audit**  **SU Financial position:**  *Current expenditure*:  The Head of Finance gave a verbal report on the current situation. She reported that the financial position looked broadly healthy mostly due to salary underspend and related activities not taking place due to staff vacancies. Commercial income had been varied since the start of the calendar year with online exams impacting income for January/February although savings have been made on casual staffing. Issues with NUS and stock ordering through Diageo had caused problems.  The Head of Finance reported that there was a healthy surplus although mindful of staff salaries increasing with the Living Wage changes and there would be the expected end of year activities which account for a proportion of the remaining surplus.  *(Barry Hughes joined the meeting*)  *Forecasting:*  The Head of Finance reported that the year had a budgeted £24k deficit forecast however efforts were to be made to breakeven if possible. Currently there is a significant underspend of salaries and ongoing issues with filling vacant roles, with very minimal or no applicants for recent recruitment activities. In addition to other savings, The Head of Finance estimated that we are likely to end the year with a smaller deficit than budgeted.  The Finance Manager gave an overview of the forecasting method with areas and an update on the expenditure and forecast within individual areas. Whilst the coming months will provide greater clarity, the Finance Manager was confident on the anticipated expenditure.  **Question:** A Trustee asked about recruitment and the degree of flexibility in setting salaries for staffing roles and any expected increments.  The Head of Finance reported that wages were determined by the University and that conversations of the wage increment in light of inflation were currently ongoing but had been advised to budget for 3.5%.  The committee discussed various approaches to recruitment. The Deputy Chief Exec outlined the course of the discussion with HR and ongoing issues with a lack of a policy on flexible working.  *(Valerie Copenhagen joined the meeting)*  *Commercial risk:*  The Head of Finance reported a very successful semester 1 that had exceeded expectations. However the move to online exams had meant that many students did not return to campus until February which had affected trade. Club night attendance had been particularly challenging and a range approaches to mitigate have not had the desired impact. Low levels of engagement have been seen similarly in SUs across the sector and generally across the SU (e.g. elections). The Head of Finance outlined areas working well and areas that have been more challenging within the commercial area and activities undertaken to try to mitigate. Two key staff roles will be vacant in the Commercial/Bars team of which the vacancy costs will help to mitigate some shortfall.  Staff have been under pressure to deal with the challenges of recent years and with no CE currently in role, a consultancy firm (Greenhouse Consulting) have been recruited to support the team in looking at analysing operations, identifying sector trends and solutions.  The Deputy Chief Exec outlined that this work was fully funded by the University to support the team with the absence of the CE and that its role will be to look at both the challenges that Bars & Events are facing alongside the Marketing Team. Areas have reported the need for more support with Marketing and Communications activities. It is intended that it will support the CE in making strategic decisions upon returning, around these areas.  Question: A Trustee asked what was being done to support the Head of Commercial and mitigate against the single point of failure of his role in that work, now that the other members of the team had left?  The Head of Finance reported that whilst the Bars Manager had left, she was returning to support the running of the upcoming ball. The replacement for this role has been recently recruited. The Deputy Commercial Manager has left without another role to take up and has indicated that he may be able to offer support if needed.  Question: A Trustee asked if the Head of Commercial and Marketing Manager were positive about the consultation process?  The Deputy Chief Exec reported that the brief for the consultants was written in response to the issues raised by the two parties. Would have like to involve both more in the recruitment process in retrospect but the speed at which the process moved proved challenging. The DCE is meeting with them regularly to provide support. Both are also meeting with the consultants and involved with the process and the consultants themselves are very aware of how some may feel in their positions.  The President raised concerns about Freshers Week and the risks it presented through engaging with ‘pandemic’ students, changing expectations from the University and appropriate staff resource levels.  **SU Reserves:** The Head of Finance reported that there is not much movement in this area. The restricted funds are not decreasing. Some schemes are related to staff vacancies and associated workload. There is an increase in expenditure expected for the end of year particularly around sports clubs.  **Audit Recommendations:** The Head of Finance outlined action being taken in response to the recent audit.  Segregation of Duties – Finance Manager now in place. Chief Exec duties have been delegated to the Deputy Chief Exec.  Journal processing – Extra steps are now in place  Finance Policy – in progress, will come to the Board of Trustees at the end of the year.  Rents in Kind documentation – new calculation agreed by the University using their TRAC accounting methods (classification on size of space and purpose) and has increased from £350k to £500k although SU are not charged for this, it’s a nominal addition on our SOFA.  VAT review – University have written to HMRC, awaiting outcome | | | | | | |
| 6 | | **Annual Planning**  The Committee received a verbal report on the annual planning process.  The Head of Finance reported that she had recently attending the annual planning meeting with the Deputy Chief Exec. The meeting had been positive and the SU were thanked for their hard work during covid and throughout the recovery period. It had been helpful to agree the grant in advance including the living wage inflation and the reversal of the salary vacancy approach. All four Arts staff posts had been agreed but would still need confirmation by University Finance Committee. There had been a useful conversation about commercial trends, the implications of online exams, a growing market for Indian and Thai students, and students reduction in disposable income. Negotiations on the block grant multi-year approach will still need to take place to align with a new strategic plan.  The Deputy Chief Exec reported that the meeting had been an opportunity to lay the groundwork about additional staffing resource for Peer Support and Advice. She commended the Head of Finance for her work in this area.  Question: A Trustee asked about the risks attached to the Arts facilities and how these would be mitigated.  The Head of Finance outlined that discussion was pending on the equipment, fixtures and fittings for the Edge, the SU has been clear that cannot afford to cover repair and maintenance. The university have agreed to cover these at the moment but will be reviewed at a later date. | | | | | | |
| 7. | | **Any other business**  *Commercial Risk and mitigation*  The discussion on commercial risk and mitigation was discussed earlier in the agenda and no further discussion was required. The Head of Finance suggested inviting the Head of Commercial to future meetings to join the conversation.  *Chief Exec absence*  The President gave an update on the current absence of the Chief Exec and the anticipated return date and process agreed with HR  *(Valerie Copenhagen left the meeting)* | | | | | | |
| 8 | | **To set the date and time of future meetings**  The Head of Finance reported that beyond the June meeting of the Board of Trustees, no further dates had been set with the ongoing vacancy of the Governance Manager. The Head of Finance will create a draft proposal for meeting dates in line with this years calendar and circulate. The auditors will attend the November meeting. | | | | | | |
| **The meeting ended at 10.15** | | | | | | | | |
| **Item** | **Action** | | | | | **Action Owner** | | **Exp Finish** |
| 2 | Item on Commercial Ops risk and mitigation to be added for future reports | | | | | Head of Finance | | 1/09/2022 |
| 4 | The Head of Finance agreed to review the notes of the last meeting to see if this detail could be added | | | | | Head of Finance | | 23/05/2022 |
| 8 | Proposed dates for future meetings to be circulated to committee members | | | | | Head of Finance | | 31/02/2022 |