FINANCE & AUDIT COMMITTEE REPORTS									
From		Period start of	date	To	0		Perio	d end date	9
	16	6 03 2020 21 05 202							
Overview of Charity's key details									
Charity name:	The	The University of Bath Students' Union							
Other names:	The	e SU							
Charity number:	114	13154							
Charity address:	The	e SU Bath, Uni	iversity of Bat	h, Clav	erton [Down, B	ath, E	BA2 7AY	
Governing documer	nt: Art	Articles of Association							
Constitution:	Uni	Unincorporated association							
	D	etails of Char	ity's profess	ional s	service	S			
Bank name:	Na	tional Westmin	ster Bank Plo)					
Bank address:	39	Milsom Street,	Bath, BA1 1I	DS					
Auditor name:	RS	M UK Audit LL	.P						
Auditor address:	Ha	rtwell House, 5	55 – 61 Victor	ia Stree	et, Bris	tol, BS1	6AD		
		Comm	nittee Membe	ership					
Trustee name		Office	Start da	ate	End	date		Appointm	ent
Jiani Zhou	Postgr	aduate Officer	02/07/20	018	02/07	/2020	Ele	ected by Me	mbers
Tom Sawko	Sp	ort Officer	02/07/20	019	02/07	/2020	Ele	ected by Me	mbers
Ruqia Osman	Educ	cation Officer	02/07/20	019	02/07	/2020	Ele	ected by Me	mbers
Rob Clay	Indepe	dependent Trustee 12/10/2015 12/10/2021 Appointed by the Board						e Board	
Vacancy	Indepe	ndependent Trustee - Appointed by the Bo							e Board

Content	Report Number
Report on minutes of previous meeting and actions arising	R1
Report on SU Management Accounts and Reserves	R2
Report on progress made to implement audit recommendations	R3
Report on Business Continuity Policy	R4

REPORT ON MINUTES OF THE PREVIOUS MEETING AND ACTIONS ARISING

PURPOSE

To:

- approve the minutes of the previous meeting;
- inform the committee of the outcome of actions arising from that meeting;
- note any decision that have been made by the committee since without a meeting.

CONTENTS

Page 1: Report

Page 2-4 Committee Minutes 16/03/2020

REPORT

1. MINUTES OF THE PREVIOUS MEETING

- 1.1. The minutes of the previous meeting are attached as appendix 1 and require the committee's 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 to the committee at the meeting.

2. OUTCOME OF ACTIONS ARISING FROM THE PREVIOUS MEETING

2.1. There were no actions arising from the previous meeting.

3. DECISIONS MADE BY THE COMMITTEE WITHOUT A MEETING

3.1. There have been no decisions made by the committee without a meeting since they last met.

ACTIONS FOR THE COMMITTEE

4. The Finance & Audit committee is asked to note the report.

CONTACT:	Gregory Noakes (Governance & Executive Support	Telephone: 01225 386362
	Manager)	E-Mail: g.d.noakes@bath.ac.uk

Appendi	x 1: Finan	ce & Audit (Committee minutes			
Meeting:			Audit Committee			
Location	1		0 meeting room			
Date & T			6 th March 2020 at 9.00a	nm (Started at 10pm)		
				and to the second		
Present:						
Tom Sav	/ko	Spor	t Officer (Chair)			
Ruqia Os	sman	Educ	cation Officer			
Rob Clay	1	Inde	pendent Trustee			
In attend						
Gregory			ernance & Executive Supp	ort Manager (Secretary)		
Helen Mo			d of Finance			
	<u>McLaughlin</u>		f Executive (Joined the me	eeting under item 4)		
	r Robinsor	n Inde	pendent Trustee			
Item	A					
1.	Apologie	es for absen	ce			
	Name		Reason	Accepted		
	Jiani Zho		Illness	Yes		
	Jidi ii Ziil	<u>u</u>	1111033	103		
	joined the	e meeting.		Clay and the meeting was postponed unti	I they	
2.	Notice of	f any other I	business			
	No items	were identifi	ed for discussion under ar	y other business.		
3.	Minutes	of the previ	ous meeting			
			evious meeting were appro nittee reports).	oved by the committee and signed by the	Chair	
3.1.	Matters	arising from	the previous minutes			
	The Committee received a report on matters arising from the previous meeting (see R2 of the Board reports).					
	The Head of Finance reported plans for the retendering of the charity's auditors which was due. They also explained the changes that had been made to the cycle of approving the Trustees Annual Report and Audited Accounts. These would now be presented to this committee in October before being approved by the Board of Trustees in December.					
4.	Manager	ment Accou	nts			
	The Committee received a report on the Student Union (SU) management accounts and reserves (see R3 of the Committee reports).					
	The Head of Finance reported that there had been a drop in commercial income at the end of semester one but that this was up again in January. It was noted that the current pandemic was likely to have an impact on commercial income which The SU was reliant on to support staffing costs.					
	(The Chi	ef Executive	e joined the meeting at th	nis point)		
5.	Reserve	s statement	<u> </u>			
			-			

The committee received a report on reserves statements (see R3 of the Committee reports).

The committee discussed the reserves noting that due to the current pandemic it was likely that The SU would need to draw on these to support the operational costs while commercial income was down.

The committee agreed that all actions that can be taken to reduce the potential hit on the reserves by freezing all non-essential expenditure immediately. The Head of Finance noted that advice had already been issued to staff to this affect.

The committee discussed upcoming events such as the summer ball and actions being considered to save money. It was noted that currently £35,000 had already been committed in expenditure which was not recoverable. This would increase to £50,000 by the end of the week if action was not taken. The committee agreed that decisions should be made on the assumption that this event would likely be cancelled.

QUESTION: A Trustee asked if there was any danger of The SU going bankrupt. **ANSWER:** The Head of Finance explained that this was not likely as The SU had large reserves but that it would take considerable time to restore these once depleted.

6. **SU Budget 2020/21**

The Head of Finance reported that they don't have a draft budget to present to the committee at this time but this will be ready for the Board meeting. They noted that the University have not made any changes to the budget submission deadline.

The Chief Executive reported that the University have concerns about future student numbers due to Brexit and the pandemic which are likely to impact on their budget going forward.

The Head of Finance reported that the University had requested that The SU present several budget forecasts based on different scenarios. They explained they were getting support from an external consultant to help with this.

The Head of Finance reported that due to the high cost of the transport fleet The SU were now looking at the cost for early exit from the current lease. They noted that lease had been reviewed and agreed last year.

The Head of Finance reported on two requests proposed to the University for new staff posts which were currently in the process of being considered.

The committee discussed and agreed that The SU should aim for a break even for this financial year.

7. Audit recommendations

The Committee received a report on the current management accounts and reserves (see R4 of the Committee reports)

The committee noted the current pressures within the Finance team resulting from staff absence which was making it impossible to address the auditor's recommendation regarding segregation of duties. They agreed that they wanted their concern regarding this to be formally noted.

8. **Business Continuity Plan**

The committee noted the Business Continuity Plan.

9.	Risk Register
	The committee noted the Risk Register.
10.	Any other business
	No items had been previously identified for discussion under any other business.
11.	To set the date and time of future meetings
	The committee noted and confirmed the following meeting dates: Thursday 21st May 2020 at 9am
The mee	ting ended at 11.12 am.
Item number	Action

REPORT ON THE SU MANAGEMENT ACCOUNTS AND RESERVES.

PURPOSE

To provide the Finance & Audit committee with an update on the financial position of The SU.

CONTENTS

Page1: Report

Page 1: Actions for the Committee

Page 2: Appendix 1: Management Accounts

Page 3: Appendix 2: Reserves

REPORT

1. Management Accounts

- 1.1. Appendix 1 shows the management accounts for period ending 30 April 2020. They show a deficit against year to date budget of £102k which reflects the loss of commercial income since bars closed on 17th March.
- 1.2. Casual staff costs were high while students submitted their final time sheets.
- 1.3. Advertising and sponsorship were reviewing outstanding payments to see what provision should be made for bad debts.
- 1.4. Non-commercial areas show no significant movement yet.
- 1.5. Student groups were processing high volumes of refunds for cancelled events, trips and merchandise orders.
- 1.6. Work will be done on phasing for next months accounts to eliminate all known timing differences.

2. Reserves

2.1. Appendix 2 shows the reserves balance as at 14 May 2020. Current expenditure is in line with expectation with a free reserve balance of £159k. This has not been adjusted for any forecast loss figure.

ACTIONS FOR THE COMMITTEE

3. The Finance & Audit committee is asked to note the report.

CONTACT:	Helen McHenry (SU Head of Finance)	Telephone: 01225 38 6903
		E-Mail: h.m.mchenry@bath.ac.uk

APPENDIX 1: Management Accounts

1982 1985				August	September	October	November	December	January	February	March	April		YTD		
Description of part 1,703,80 10,0518 1	_	2019-2020		Actual for month	Year-to-date 2019- 20	Year-to-date 2019- 20	budget									
Description of part 1,703,80 10,0518 1																
Subset groups																
Sports cluber income \$97,800 \$30 \$2.129 \$72,804 \$38,939 \$19,339 \$49,97 \$64,81 \$1.412 \$13,970 \$11,976 \$33,903 \$30,744 \$17,934 \$40,000 \$10,000																
Gemeratinsone 1,200,885 30 8,161 100,339 197,221 114,524 81,323 54,295 126,005 72,77 10,441 855,395 107,687 21,088 136,004 104,005 1																
Advertising \$ sponoming \$ spon									- 7.							
Event Income \$20,000 \$50 \$40 \$01,111 \$41 \$70 \$10,00 \$1,511 \$2,00 \$1,510 \$2,00 \$1,510 \$1,500 \$1,510																
Union income 117800 500 31,189 10,041 19,70 12,090 4,179 59,90 19,01 13,071 10,00 100,074 494,00 51,184 17,000 100 motor at treet income 5,000 370 0 0 0 275 5,275 15,559 3,359 3,355 1,155 599 3,745 33,759 5,955 3,255 5,255 5,255 101 income 3,663,080 181,491 159,500 150,500 16,529 56,674 105,900 1,157																
Mone Are val income					- /-				,	,						
Suff Cost Suff																
Suff Costs Staff: Payroll 1,713,201 1,713,201 118,011 129,560 152,716 128,240 139,820 139,729 138,250 120,729 120,72	Internal recharges	45,000	580	0	0	9,225	5,217	16,559	3,193	3,365	1,195	990	39,745	33,750	5,995	-5,255
Staff-Payroll	Total Income	3,693,908		181,493	529,505	746,583	566,740	308,083	296,520	399,551	266,806	145,803	3,441,083	3,009,755	431,328	-252,824
Staff-Payroll	C. II C I.															
Staff-Agency 20,000 06 0 0 0 3,872 2,792 4,198 2,373 2,372 11,293 1,760 34,221 15,000 19,221 14,221 15,000 19,221 14,221 15,000 19,221 14,221 15,000 19,221 14,221 15,000 19,221 14,221 15,000 19,221 14,221 15,000 19,221 14,221 15,000 19,221 14,221 15,000 19,221 15,000 19,221 15,000 19,221 15,000 19,221 15,000 19,221 15,000 19,221 15,000 19,221 15,000 19,221 15,000 19,221 15,000 19,221 15,000 19,221 15,000 19,221 15,000 19,221 15,000 19,221 15,000 19,221 15,000 19,221 15,000 19,221 15,000 19,221 15,000 19,221 15,000 15,0		1 712 201	705	110 011	120 500	152 710	124 240	120 020	120 720	122.250	126.010	120 902	1 104 227	1 204 001	100 664	E20.064
Total Staff Costs			_													
Student groups	Starr: Agency	-20,000	706	0	0	-3,872	-2,792	-4,198	-7,933	-2,372	-11,293	-1,/60	-34,221	-15,000	-19,221	-14,221
Student groups -14,203 720 -6,982 -12,558 34,653 39,369 29,885 -6,903 32,816 -19,531 4,076 -18,6774 -10,652 -176,122 -172,571 -172,	Total Staff Costs	-1,733,201		-118,011	-129,560	-156,588	-127,032	-144,018	-138,662	-135,622	-137,312	-131,652	-1,218,458	-1,299,901	81,443	514,743
Student groups -14,203 720 -6,982 -12,558 34,653 39,369 29,885 -6,903 32,816 -19,531 4,076 -18,6774 -10,652 -176,122 -172,571 -172,	Other Expenditure															
Volunter and student costs -44,757 785 2,169 3.999 2,488 1.793 4.10 230 4.20 1.591 1.4 1.3,054 4.0,856 27,802 41,421 Commercial costs (direct) 4.17,269 710 -11,134 4.6569 68,399 63,521 8.524 -2.5092 5.0,667 -28,206 0 302,110 -312,952 10,841 15,158 Staff: Other 2,89,087 700 6.925 1.13,788 7.4,039 5.4,819 32,297 3.0,039 1.2,75 -1.40 0 0 11,557 13,898 2,340 4.6,573 4.6,673 4.6,		-14,203	720	-6,982	-12,558	-34,653	-39,369	-29,885	-6,903	-32,816	-19,531	-4,076	-186,774	-10,652	-176,122	-172,571
Volunter and student costs -44,757 785 2,169 3.999 2,488 1.793 4.10 230 4.20 1.591 1.4 1.3,054 4.0,856 27,802 41,421 Commercial costs (direct) 4.17,269 710 -11,134 4.6569 68,399 63,521 8.524 -2.5092 5.0,667 -28,206 0 302,110 -312,952 10,841 15,158 Staff: Other 2,89,087 700 6.925 1.13,788 7.4,039 5.4,819 32,297 3.0,039 1.2,75 -1.40 0 0 11,557 13,898 2,340 4.6,573 4.6,673 4.6,		-423,293	730	-72.550	-47.575	-97.971	-176.071	-74.356	-80.100	-97.651	-48,210	-8.985	-703.468	-317.470	-385.998	-280.175
Commercial costs (direct)																
Staff: Other			_													
Advertising & marketing			_													
Event costs (direct)			_													
Union expenses			_													
Internal Recharges			_													
Establishment 1-28,693 790			_													-
Asset and finance expenses																
Administration			_													
Motor expense			_													
Depreciation -16,100 799 -1,217 -1,21			_													
Total Other Expenditure			_													
Total Expenditure -3,708,951 -356,327 -418,484 -562,698 -491,985 -359,260 -323,654 -363,012 -310,803 -171,220 -3,357,443 -3,853,47 -533,897 351,508 Surplus/(Deficit) -15,043 -174,835 -111,021 -183,883 -4,755 -51,177 -7,714 -7,721 -7,734 -7,731	Depreciation	-16,100	799	-1,217	-1,217	-1,217	-1,217	-1,217	-1,217	-1,217	-1,217	-1,217	-10,955	-12,075	1,120	5,145
Surplus/(Deficit) -15,043 -174,835 111,021 183,885 74,755 -51,177 -27,134 36,538 -43,996 -25,417 83,640 186,209 -102,569 98,683 Union Projects Spend from Reserves -9,108 -6,413 -6,270 -6,498 -7,671 -5,925 -7,031 -5,712 -10,857 -65,484 -	Total Other Expenditure	-1,975,750		-238,317	-288,924	-406,110	-364,953	-215,242	-184,992	-227,390	-173,490	-39,568	-2,138,985	-1,523,646	-615,340	-163,236
Union Projects Spend from Reserves -9,108 -6,413 -6,270 -6,498 -7,671 -5,925 -7,031 -5,712 -10,857 -65,484 Net Union Surplus/(Deficit) -183,942 104,608 177,614 68,257 -58,848 -33,059 29,508 -49,708 -36,274 18,156 Other Restricted Activities:	Total Expenditure	-3,708,951		-356,327	-418,484	-562,698	-491,985	-359,260	-323,654	-363,012	-310,803	-171,220	-3,357,443	-2,823,547	-533,897	351,508
Net Union Surplus/(Deficit) -183,942 104,668 177,614 68,257 -58,848 -33,059 29,508 -49,708 -36,274 18,156	Surplus/(Deficit)	-15,043		-174,835	111,021	183,885	74,755	-51,177	-27,134	36,538	-43,996	-25,417	83,640	186,209	-102,569	98,683
Net Union Surplus/(Deficit) -183,942 104,668 177,614 68,257 -58,848 -33,059 29,508 -49,708 -36,274 18,156																
Other Restricted Activities: Other	Union Projects Spend from Reserves			-9,108	-6,413	-6,270	-6,498	-7,671	-5,925	-7,031	-5,712	-10,857	-65,484			
Alumni Bids 0 -5-43 0 0 0 0 0 -4-56 -999 1 Student Community Partnership -3,030 31,759 -3,581 -3,262 -4,169 -4,857 -4,106 -3,895 -4,271 587	Net Union Surplus/(Deficit)			-183,942	104,608	177,614	68,257	-58,848	-33,059	29,508	-49,708	-36,274	18,156			
Alumni Bids 0 -5-43 0 0 0 0 0 -4-56 -999 1 Student Community Partnership -3,030 31,759 -3,581 -3,262 -4,169 -4,857 -4,106 -3,895 -4,271 587	Other Restricted Activities:															
SCP River Safety Fund				0	-543	0	0	0	0	0	0	-456	-999			
RAG -4,567 -97 5,310 1,029 4,983 4,656 3,176 3,265 -479 17,278	Student Community Partnership						-3,262									
	SCP River Safety Fund			-404	0	-1,125	0	0	0	0	0	0	-1,529			
Net Surglus/(Deficit) Per Exchequer -191 944 135.728 178.219 66.024 -58.034 -33.260 28.578 -50.338 -41.481 33.493	RAG			-4,567	-97	5,310	1,029	4,983	4,656	3,176	3,265	-479	17,278			
	Net Surplus/(Deficit) Per Exchequer			-191,944	135,728	178,219	66,024	-58,034	-33,260	28,578	-50,338	-41,481	33,493			

APPENDIX 2: Reserves

		Forecast	2019/20	Actua 2019		Notes
Opening Balance at 1 Aug 19	10% Full Annual		434,487		434,487	
Permanent Reserves Held	Cost	186,751		186,751		
	25% Trading Margin	37,279		37,279		
			224,030		224,030	
Reserves available for Investment	t		210,457		210,457	
Forecast Operating Surplus/(Defi	cit)		(15,043)		0	
Committed Reserves projects spe	nd					
2. Strategic plan		(9,867)		(13,199)		Complete
4. Business process		(2.222)		(2.161)		Commista
improvements 9. CDO role		(3,232) (38,625)		(3,161) (26,744)		Complete Ongoing
3. CDO Tole	Total	(38,023)	(51,724)	(20,744)	(43,104)	Ongoing
Outline projects spend						
5. Rowing club investment		13,859				
10. Meeting room improvements		(10,000)				
11. Staff development fund		(20,000)		(7,996)		
	Total		(16,141)		(7,996)	
Forecast Reserves available for Ir	nvestment at FYE19/20		127,549		159,357	

REPORT ON PROGRESS MADE TO IMPLEMENT AUDIT RECOMMENDATIONS.

PURPOSE

To provide the committee with an update on progress made to implement audit recommendations.

CONTENTS

Page 1: Report

Page 1: Actions for the Committee

REPORT

1. Audit Findings Report – update on outstanding items

i. Segregation of Duties

Work on creation of procedures manual and replacement of existing Bye Laws and regulations pushed back to the Summer.

The team has been affected by the absence of a key staff member, meaning some tasks not fully segregated as Head of Finance has to cover some of their tasks. This situation is still ongoing. Two staff on furlough.

Focus has been directed at ensuring all financial procedures and processes maintained in transfer to remote working.

ii. Cash Controls

No action until University finds an alternative location for its cash deposits and security collections, and AHS to use own facilities for providing change for its outlets.

ACTIONS FOR THE COMMITTEE

2. The Finance and Audit Committee is asked to note the report.

CONTACT:	Helen McHenry (SU Head of Finance)	Telephone: 01225 38 6903
		E-Mail: h.m.mchenry@bath.ac.uk

REPORT ON BUSINESS CONTINUITY AND RECOVERY POLICY.

PURPOSE

To propose a Business Continuity and Recovery Policy to the committee for approval before being recommended to the Board for adoption.

CONTENTS

Page 1: Report

Page 1: Actions for the Committee

Page 2: Appendix 1: Business Continuity and Recovery policy

REPORT

1. SUMMARY

- 1.1. The Business Continuity and Recovery policy exists to set out a process of good practice to be followed in the event of disruption to normal SU business.
- 1.2. Appendix 1 contains a draft that currently reflects at its core the approach that The SU has taken in response to the current pandemic.
- 1.3. It builds on this by considering other possible eventualities and decisions that may have had to be taken which have not, so far, needed to be made in response to the current pandemic. These include covering such possibilities as both the Chief Executive and Deputy Chief Executive being absent or unreachable in the event of a business disruption.
- 1.4. It also sets out in writing the relationship and role that the Board should play within this process and looks to the future by considering the good practice that should be followed when The SU exits this business disruption.

ACTIONS FOR THE COMMITTEE

2. The Finance and Audit Committee is asked to agree whether the proposed policy should be recommended to the Board subject to any amendments they may decide.

CONTACT:	Gregory Noakes (Governance & Executive	Telephone:
	Support Manager)	E-Mail: gdn26@bath.ac.uk

APPENDIX 1: Business Continuity and Recovery Policy

THE STUDENTS' UNION (THE SU) BUSINESS CONTINUITY AND RECOVERY POLICY

Vision: Supporting Student Members to be at the heart of all decisions made about business continuity and recovery of The SU.

Rationale: To ensure that The SU is prepared and able to respond effectively in the event of disruption to normal services and activities.

Content	Page
Definition of business disruption	1
Preparing for business disruption	1
Responding to business disruption	1-2
Reviewing a business disruption	2
Testing preparations for business disruption	2

Definition of business disruption

The SU defines business disruption as a national or local event which has the potential to disrupt its ability to continue its conventional day to day activities for a period of more than seven days.

Some examples of business disruption include:

- A fire, chemical leak or serve storm that has made part or all of campus inaccessible;
- A sudden or unexpected loss of staffing;
- A political event causing wide-scale national unrest;
- The outbreak of a disease that results in social isolation or quarantine.

Preparing for business disruption

To ensure that The SU is prepared to respond in the event of business disruption it keeps a business continuity plan.

The business continuity plan focuses only on the essential activities and records for each;

- the impact that its loss or disruption would have on The SU;
- the maximum amount of time that a loss or disruption could be tolerated;
- the target time for recovery;
- the actions that can be taken to reduce the impact of disruption and/or ensure continuity;
- the staff responsible for oversight of the activity.

An essential activity is defined as one which must be considered or continued in the event of disruption due to:

- it being vital for ensuring that Student Members can be advised, supported and represented;
- the serve financial impact that it could have on the long term future of The SU;
- the impact that it could have on the health & safety of staff and Student Members;
- it being a legal requirement.

The Board of Trustees and senior management are responsible for annually reviewing the business continuity plan to ensure that it is kept up to date.

Responding to business disruption

When the threat of a potential business disruption to The SU is identified the business continuity group (Officers and senior management) will hold regular meetings until the disruption has been resolved.

To limit the risk associated with the group being assembled in a single place meetings will be held virtually.

This group will normally be led by the Chief Executive but, if absent, by the following staff in descending order:

- Deputy Chief Executive;
- Head of Student Voice & Engagement;
- Another Head of Department as determined most appropriate by the group.

Where a staff member acts up in the place of the Chief Executive or Deputy Chief Executive they may be eligible for acting up allowance in accordance with University policy.

The group lead will be responsible for:

- deciding the frequency and length of meetings, and who else should be invited to attend;
- making decisions regarding essential activities included on the business continuity plan;
- determining what other (if any) non-essential activities should be prioritised;
- monitoring the impact the disruption is having on the budget and making decisions to help reduce this;
- resolving further issues that might arise as a result of the disruption;
- communicating the impact of the disruption to Student Members, staff, Trustees and the University;
- planning how The SU will recover in the long term from the disruption.

The Board should be informed when a business disruption is occurring and consulted where;

- it needs to be reported to the Charity Commission as a serious incident;
- decisions need to be made which will permanently affect staffing;
- decisions need to be made which will significantly impact on the planned budget for the year;
- money needs to be authorised from the reserves to support The SU operating costs.

Reviewing a business disruption

Following an end to business disruption the business continuity group should review their response to identify:

- any long term implications of the disruption to The SU;
- possible opportunities missed to avoid or reduce the impact of the disruption:
- any amendments that need to be made to the business continuity plan;
- any new practices adopted temporarily during the disruption that should be kept going forward;

This should be written up as a report and submitted for review and consideration at the next meeting of the:

- Finance & Audit committee:
- Board of Trustees.

Testing preparations for business disruption

As it is unlikely that a business disruption will occur often The SU should test annually its ability to respond.

This should be done by having the business continuity group respond to a hypothetical business disruption.

The purpose of this should be to:

- test and familiarise senior management with the procedures within this policy;
- test the effectiveness of the current business continuity plan and identify any improvements needed;
- prepare senior management by getting them to think about how The SU can continue to function under potentially different and more challenging circumstances.

The test should also ensure that a review of the hypothetical business disruption is carried out exactly in accordance with the procedures above for reviewing a business disruption.