

Meeting:	<b>Finance &amp; Audit Committee</b>		
Location:	<b>Microsoft Teams Meeting</b>		
Date & Time:	<b>Monday 27<sup>th</sup> July 2020 at 2pm</b>		
<b>Present:</b>			
Tom Sawko	Sport Officer ( <i>Chair</i> )		
Jordan Kenny	Independent Trustee		
Katie Aldridge	Independent Trustee		
Rob Clay	Independent Trustee		
<b>In attendance:</b>			
Gregory Noakes	Governance & Executive Support Manager ( <i>Secretary</i> )		
Helen McHenry	Head of Finance		
Andrew McLaughlin	Chief Executive		
Item			
1.	<b>Apologies for absence</b>		
	<b>Name</b>	<b>Reason</b>	<b>Accepted</b>
	Valerie Copenhagen	Sick	Yes
	Francesco Masala	University Council	Yes
2.	<b>Election of Chair</b>		
	The Committee elected the Sport Officer to be Chair of the committee for the year.		
3.	<b>Notice of any other business</b>		
	The following items were identified for discussion under any other business:		
	<ul style="list-style-type: none"> <li>Proposed change to asset capitalisation limit;</li> <li>Audit arrangements.</li> </ul>		
4.	<b>Declaration of conflict of interest</b>		
	No conflicts of interests were declared in any items on the agenda.		
5.	<b>Minutes of the previous meeting and matters arising</b>		
	The Committee received a report on the minutes of the previous meeting and matters arising ( <i>See R1 of the Committee reports</i> ).		
	They approved the previous minutes for the Chair to sign, subject to the following amendment:		
	<ul style="list-style-type: none"> <li><b>P3 Agenda Item 7 Audit recommendations:</b> <i>The Committee received a report on the <u>current management accounts and reserves</u> should read 'The Committee received a report on the <u>progress made on the audit recommendations</u>'</i></li> </ul>		
6.	<b>Finance &amp; Audit</b>		
	The Committee received a report on finance and audit matters ( <i>see R3 of the Committee reports</i> ).		
	The Head of Finance explained that The SU would not be receiving the furlough job retention grant as this would go to the employer which, for most SU staff, was the University. The		

Committee discussed the possibility that The SU might receive the furlough job retention bonus in February.

The Head of Finance reported on a legal case which had gone to the High Court which, depending on the ruling, might determine whether the insurance company paid The SU a £50,000 insurance claim for business disruption caused by Covid-19.

**QUESTION:** A Trustee asked what was the worst case scenario predicted for this financial year.

**ANSWER:** The Head of Finance explained that the best case scenario was a deficit end of year budget of -£60,000 with -£120,000 being the worst case. This would dependent upon the outcome of the insurance claim submitted for business disruption caused by Covid-19, bad debts provision and movements in restricted funds.

**QUESTION:** A Trustee asked would the worst case scenario completely wipe out The SU reserves.

**ANSWER:** The Head of Finance explained that this would wipe of the free reserves but there would still be restricted reserves.

**QUESTION:** A Trustee asked what would be the impact on The SU if the free reserves were wiped out.

**ANSWER:** The Head of Finance explained that free reserves were for projects so the impact would be that there would be no money to spend on this in the future until restored.

**QUESTION:** A Trustee asked what was happening with the Club Development Officer role.

**ANSWER:** The Head of Finance explained that the funding for this project supported role would end in September. A business case had been put into the University to replace another currently vacant staff role with this new role on a permeant basis. Therefore in future this role would be paid for from the staff budget.

The Head of Finance reported on the progress made to address the audit recommendations. Due to staffing absence it has not been possible to implement full segregation this year. It has also not been possible to address cash controls as this is not a priority for the University who do not see this as an issue. Potentially this might be addressed if The SU takes the decision to go cashless for 2020/21 which might prompt action from the University.

**QUESTION:** A Trustee asked for clarity on what the issue with cash control was.

**ANSWER:** The Head of Finance explained that the auditors had flagged it as an issue because SU and University cash were being kept in the same safe which could lead to increased risk of accidentally mixing cash up.

**QUESTION:** A Trustee asked how big an issue would auditors consider it that these recommendations had not addressed.

**ANSWER:** The Head of Finance explained that they would likely be understanding of the circumstances and recognise that The SU was trying to address these issues.

The Head of Finance noted that auditors would likely focus scrutiny on authorisation this year due to the sudden change to remote working as a result of Covid-19.

7. **SU Scenario Planning**

The committee received a report on scenario planning (*see additional report circulated late to the Committee*).

	<p>The Head of Finance reported on the Bars team's plans for generating commercial income while adhering to social distancing restrictions.</p> <p><b>QUESTION:</b> The Chair asked what would student staffing be like under these plans?  <b>ANSWER:</b> The Head of Finance explained that student staffing would be reduced to the minimum required to carry out the proposed offer.</p> <p>The Chief Executive reported that the University were in discussions over the potential to have The SU take over a former primary school in Dartmouth Avenue. Currently this was being offered with maintenance costs to be covered by the University.</p> <p><b>QUESTION:</b> A Trustee asked if the University already owned it.  <b>ANSWER:</b> The Chief Executive explained that it was currently owned by the Local Authority and the University were considering renting it off them.</p> <p>The Chief Executive reported on progress towards securing the Edge for The SU. Current plans were for maintenance costs to be covered by the University. An additional four staff members would be transferred to The SU with the budget to cover them.</p> <p>The Committee discussed the different scenarios and agreed that more work was required to identify what decisions would need to be made in the event of the worst case (<i>scenario 3</i>). This would potentially be useful to share with the University to highlight the possible impact of a worst case scenario on The SU. Understanding the possible impact might prompt the University to give financial support to The SU to help avoid this worst case.</p> <p>The Committee discussed and agreed that each area should review their budgets again to identify activities that might possibly be suspended to make further savings for The SU. Essential savings should be made now to reduce the need to draw on the reserves next year.</p> <p><b>ACTION: Head of Finance to meet with area budget managers to identify further savings that could be made.</b></p> <p><i>(Jordan Kenny left the meeting at this point)</i></p> <p>The Chief Executive explained that another big saving could be made by disaffiliating from National Union of Students. This year affiliation would cost The SU £37,500. Possibly exploring the alternatives for this might allow to make large savings.</p>
8.	<p><b>Risk Management</b></p> <p>The committee received a report on risk management (<i>see R3 of the Committee reports</i>).</p> <p>The Chief Executive reported that changes being considered to The SU data protection arrangements might require the risk register to be updated to reflect the increased risk of potentially handling more sensitive data.</p>
9.	<p><b>Proposal to go Cashless</b></p> <p>The Committee received a report on a proposal to make The SU cashless (<i>see R4 of the Committee reports</i>).</p> <p>The Committee discussed and agreed that The SU should go cashless. They noted that for international students this might be an issue at the start of term when many were still in the process of sorting out their banking arrangements and might need to obtain cash from The SU</p>

	finance office. It was agreed that early communications should be sent to these students to help them with sorting this out.
10.	<p><b>Any other business</b></p> <p>The following items had been previously identified for discussion under any other business:</p> <p><b>1) Proposed change to asset capitalisation limit</b></p> <p>The Committee discussed the proposal to change the limit from a £1000 capital expenditure limit to £2,500. This would cut out the need to record the lower level assets on the asset register. They agreed that the Head of Finance should first check what the impact of the proposed change would have been on last year's asset register.</p> <p><b>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.</b></p> <p><b>2) Audit arrangements</b></p> <p>The Committee discussed and agreed that the following Trustees should be involved in the annual arranged call with the auditors:</p> <ul style="list-style-type: none"> <li>• Kate Aldridge;</li> <li>• Rob Clay;</li> <li>• Tom Sawko.</li> </ul> <p>The Head of Finance noted that the auditors had reported that a new requirement required that The SU have 'Going Concern' policy. This was needed to set out how the Board holds The SU accountable for managing its ongoing financial obligations.</p>
11.	<p><b>To confirm the date and time of future meetings</b></p> <p>The Committee noted the following dates and times for future committee meetings:</p> <ul style="list-style-type: none"> <li>• Thursday 27<sup>th</sup> August 2020 9-11am</li> <li>• Thursday 22<sup>nd</sup> October 2020 9-11am</li> <li>• Thursday 19<sup>th</sup> November 2020 9-11am</li> <li>• Monday 15<sup>th</sup> March 2021 9-11am</li> <li>• Thursday 20<sup>th</sup> May 2021 9-11am</li> </ul>
<b>The meeting ended at</b>	
<b>Item number</b>	<b>Action</b>
7	Head of Finance to meet with area budget managers to identify further savings that could be made.
10	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.