

FINANCE & AUDIT COMMITTEE REPORTS							
From	Period start date			To	Period end date		
	17	10	2019		16	12	2019
Overview of Charity's key details							
Charity name:	The University of Bath Students' Union						
Other names:	The SU						
Charity number:	1143154						
Charity address:	The SU Bath, University of Bath, Claverton Down, Bath, BA2 7AY						
Governing document:	Articles of Association						
Constitution:	Unincorporated association						
Details of Charity's professional services							
Bank name:	National Westminster Bank Plc						
Bank address:	39 Milsom Street, Bath, BA1 1DS						
Auditor name:	RSM UK Audit LLP						
Auditor address:	Hartwell House, 55 – 61 Victoria Street, Bristol, BS1 6AD						
Senior SU Management							
Chief Executive:	Andrew McLaughlin						
Deputy Chief Executive:	Mandy Wilson-Garner						
Secretary to the Board:	Greg Noakes						
Committee Membership							
Trustee name	Office	Start date	End date	Appointment			
Jiani Zhou	Postgraduate Officer	02/07/2018	02/07/2020	Elected by Members			
Tom Sawko	Sport Officer	02/07/2018	02/07/2020	Elected by Members			
Rob Clay	Independent Trustee	12/10/2015	12/10/2021	Appointed by the Board			
Vacancy	Independent Trustee	-	-	Appointed by the Board			
SU General Management							
Manager name	Job Title			Staff			
Naomi Galliford	Advice & Community			6			
Polly Hawker	Activities			6			
Anna Boneham	Student Volunteer			3			
Charlie Slack	Student Voice			6			
Helen Webb	Marketing			2			
Mike Dalton	Bars & Entertainment			4			
Greg Noakes	Governance & Executive Support			1			

Content	Report Number
17/10/2019 Finance & Audit Committee Minute	R1
Report on actions arising from the previous Committee meeting	R2
Report on SU Management Accounts and Reserves	R3
Report on progress made to implement audit recommendations	R4

Meeting:	Finance & Audit Committee
Location:	Virgil Building 307
Date & Time:	Thursday 17 October 2019 at 9.30am
Present:	
Tom Sawko	Sport Officer (Chair)
Jiani Zhou	Postgraduate Officer
Rob Clay	Independent Trustee
In attendance:	
Gregory Noakes	Governance & Executive Support Manager (Secretary)
Andrew McLaughlin	Chief Executive
Helen McHenry	Finance Manager
Sam Wright	RSM Auditor
Item	
1.	Apologies for absence All committee members were present at the meeting.
2.	Election of committee chair The committee elected Tom Sawko as Chair of the committee.
3.	Notice of any other business No items were identified for discussion under any other business.
4.	Declaration of conflict of interest No committee members declared a conflict of interest in any item on the agenda.
5.	Minutes of the previous meeting The minutes of the previous meeting were approved by the committee and signed by the Chair (<i>See R1 of the Committee reports</i>). 5.1. Matters arising from the previous minutes The Committee received a report on matters arising from the previous meeting (<i>see R2 of the Board reports</i>). QUESTION: A Trustee asked if they had got an answer around the cost for putting down temporary flooring in the founders hall. ANSWER: The Chief Executive explained that they had broken down the cost and estimated that this should be around half the amount currently being paid to Estates. This matter would be raised with senior management in the University. ACTION: Chief Executive to discuss the cost of putting temporary flooring down in the founders hall with senior management in the University.
6.	Annual Report and Audited Accounts The committee received a report on the annual report and audited accounts (<i>see additional Committee reports</i>).

	<p>The committee discussed the auditor's recommendation to have the financial procedures clearly written down. Currently they were written down in Bye-law 2 and regulation 2 but these documents were dated and not clear. They agreed that the financial procedures should be re-written over the next academic year as part of the ongoing governance work.</p> <p>The committee noted that the auditor's contract was overdue going out to re-tender. They discussed when it would be best to carry this out so as to minimise any disruption this could have on the service they were currently receiving which was vital for ongoing work.</p> <p>ACTION: Head of Finance to develop a timeline for carrying out the auditors re-tendering process.</p>
7.	<p>Management Accounts</p> <p>The Committee received a report on SU management accounts, budget and reserves (see R3 of the Committee reports).</p> <p>The committee discussed media sales and the issues that had arisen around the role of media sales person. It was explained that The SU had switched from the National Union of Students (NUS) to a joint arrangement with Bath Spa Student Union due to the poor service they had been receiving previously. The SU and Bath Spa Student Union were seeking to fill this vacant role but were finding recruitment difficult.</p> <p>The committee discussed the commission that The SU receives on photographs for graduations. They noted that the University were currently relooking at arrangements around graduations. The committee noted that this source of income was not likely to be a sustainable income source in the future.</p>
8.	<p>Revised Budget</p> <p>The Committee received a report on SU management accounts, budget and reserves (see R3 of the Committee reports).</p> <p>The Head of Finance explained the main changes that had been made to the budget since Trustees had last seen it. These were the extension of the Bath Award and the renewal of the transport fleet.</p> <p>The Committee noted the potential large savings that might result from the NUS restructure which due to reduced services would be reducing student union affiliation fees in 2020/21.</p> <p>The committee noted that the these changes had brought the end of year budget down from the planned £1,900 surplus to a deficit of £15,000.</p> <p>The Head of Finance warned the committee about some unexpected high expenditures which had not been budgeted for. These were from transport fleet repair work and essential computer upgrades to the bar tills.</p>
9.	<p>Reserves statements</p> <p>The committee received a report on reserves statements (<i>see additional Committee reports</i>).</p> <p>The committee discussed the amount of money that they felt should go into the reserves yearly and agreed this should bet 10% of operational costs and 25% of trading income.</p> <p>ACTION: Head of Finance to factor this into future reserves statements.</p> <p>QUESTION: A Trustee asked what the rowing club investment related to.</p>

	<p>ANSWER: The Head of Finance explained this was for the repayment of a loan previously given to club which had been approved by the Board in the past.</p> <p>The committee discussed the two roles currently funded as part of ongoing projects. They agreed that the impact of these roles needed reviewing ahead of these projects coming to an end.</p>
10.	<p>Audit recommendations</p> <p>The Committee received a report on the current management accounts and reserves (<i>see R4 of the Committee reports</i>)</p>
11.	<p>Any other business</p> <p>No items had been previously identified for discussion under any other business.</p>
12.	<p>To set the date and time of future meetings</p> <p>The committee noted and confirmed the following meeting dates:</p> <p>Thursday 28th November 2019 at 9am Monday 16th March 2020 at 9am.</p>
<p>The meeting ended at 10.30 am.</p>	
Item number	Action
5.2	Chief Executive to discuss the cost of putting temporary flooring down in the founders hall with senior management in the University.
6	Head of Finance to develop a timeline for carrying out the auditors re-tendering process.
9	Head of Finance to factor this into future reserves statements.

FINANCE & AUDIT COMMITTEE – 18 DECEMBER 2019**REPORT ON ACTIONS ARISING FROM THE PREVIOUS COMMITTEE MEETING****PURPOSE**

To inform the committee of the outcome of actions arising from their previous meeting in October.

CONTENTS

Pages 1-2: Report

Page 2 Actions for the Committee

REPORT**1. ACTIONS ARISING FROM THE LAST COMMITTEE MEETING**

- 1.1. Chief Executive to discuss the cost of putting temporary flooring down in the founders hall with senior management in the University.
- 1.2. Head of Finance to develop a timeline for carrying out the auditors re-tendering process.
- 1.3. Head of Finance to factor the amount of money that should go in to reserves on future reserves statements.

2. OUTCOME OF ACTIONS ARISING FROM THE LAST COMMITTEE MEETING

- 2.1. The Chief Executive is still to discuss the cost of putting temporary flooring down in the founders hall with senior management in the University.
- 2.2. The Head of Finance still to develop a timeline for carrying out the auditors re-tendering process.
- 2.3. The Head of Finance will factor the amount of money that should go in to reserves on future reserves statements.

ACTIONS FOR THE COMMITTEE

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

CONTACT:	Gregory Noakes (Governance & Executive Support Manager)	Telephone: 01225 386362 E-Mail: g.d.noakes@bath.ac.uk
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FINANCE & AUDIT COMMITTEE – 18 DECEMBER 2019**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 31 October 19. These are the first accounts produced in the new report format following the new chart of accounts which was inputted over the summer. Please note that the prior year column will be blank for this year until we have comparable amounts/codes to be able to populate automatically next year. These reports are still a work in progress and feedback from Trustees is appreciated.
- 1.2. The accounts show current surplus of £40k against expected year to date budget which is usual for this time of year considering the high volume of transactions that come in at the start. Freshers Week was successful and the commercial area has made a strong start to the semester.

2. Reserves

- 2.1. Appendix 2 shows the reserves balance as at 31 October 19. As requested by the board the permanent reserves held balance has been recalculated. This report format is unchanged however new versions will be presented to the board for approval. Current expenditure is in line with expectation.

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
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APPENDIX 1: Management Accounts

Student's Union Budget Summary	Annual budget 2019-2020 £	August	September	October	YTD			PRIOR YTD	Annual budget remaining £
		2019 Actual for month £	2019 Actual for month £	2019 Actual for month £	Actual Year-to-date 2019-20	Budget Year-to-date 2019-20	Variance to budget	Actual Year-to-date 2018-19 £	
					£	£	£		
Income									
University block grant	-1,703,349	-130,583	-130,583	-130,583	-391,750	-391,750	0		-1,311,599
Student groups	-5,975	-521	-9,055	-49,997	-59,573	-51,494	-8,079		53,598
Sports clubs income	-330,713	-2,129	-75,264	-337,900	-415,293	-393,478	-21,815		84,580
Commercial income	-1,202,083	-8,161	-118,742	-183,053	-309,956	-329,914	19,958		-892,128
Advertising & Sponsorship	-58,000	-8,510	-2,038	348	-10,200	-14,500	4,300		-47,800
Event income	-203,000	-400	-179,391	-11,741	-191,532	-182,000	-9,532		-11,468
Union income	-118,700	-81,543	-10,414	-19,776	-111,733	-103,425	-8,308		-6,967
Motor & travel income	-5,000	0	0	0	0	-1,250	1,250		-5,000
Internal recharges	-35,000	0	0	-3,825	-3,825	-8,750	4,925		-31,176
Total Income	-3,661,821	-231,846	-525,489	-736,527	-1,493,862	-1,476,561	-17,301	0	-2,167,959
Staff Costs									
Staff: Payroll	1,713,201	118,011	129,560	139,541	387,112	428,300	-41,189		1,326,089
Staff: Agency	0	0	0	3,472	3,472	0	3,472		-3,472
Total Staff Costs	1,713,201	118,011	129,560	143,013	390,584	428,300	-37,716	0	1,322,617
Other Expenditure									
Student groups	16,203	6,890	12,495	34,721	54,106	54,051	56		-37,903
Sports clubs	382,608	72,380	46,075	96,730	215,185	215,652	-467		167,423
Volunteer and student costs	54,475	2,169	439	2,531	5,139	13,619	-8,479		49,336
Commercial costs (direct)	417,269	11,519	10,041	65,936	87,495	104,317	-16,822		329,774
Staff: Other	307,687	6,926	11,378	74,039	92,342	90,786	1,556		215,345
Advertising & marketing	18,530	455	2,064	495	3,014	4,633	-1,618		15,516
Event costs (direct)	263,400	20,173	32,848	35,136	88,157	85,850	2,307		175,243
Union expenses	121,135	21	71,405	12,843	84,269	74,751	9,518		36,866
Internal Recharges	31,300	0	0	3,825	3,825	7,825	-4,000		27,476
Establishment	128,693	61,053	7,105	351	68,509	67,173	1,336		60,184
Asset and finance expenses	111,910	20,283	43,924	36,424	100,631	94,478	6,154		11,279
Administration	50,977	13,408	-3,537	27,384	37,254	32,744	4,510		13,723
Motor expense	43,375	15,930	7,489	3,494	26,913	10,844	16,069		16,462
Depreciation	16,100	2,818	2,818	2,818	8,454	4,025	4,429		7,646
Total Other Expenditure	1,963,662	234,026	244,543	396,727	875,296	860,748	14,548	0	1,088,367
Total Expenditure	3,676,863	352,036	374,104	539,740	1,265,880	1,289,048	-23,168	0	2,410,984
(Surplus)/Deficit	15,043	120,190	-151,385	-196,787	-227,982	-187,513	-40,469	0	243,025
Other Restricted Activities:									
Alumni Bids		0	543	0	543				
Student Community Partnership		3,030	-31,759	3,581	-25,148				
SCP River Safety Fund		404	0	1,125	1,529				
Union Projects Spend		9,108	6,413	6,270	21,791				
Net Union Surplus/(Deficit)		132,732	-126,582	-207,763	-229,267				
RAG		4,567	97	-5,100	-436				
Net Surplus/(Deficit) Per Exchequer		137,299	-126,678	-202,663	-229,703				

APPENDIX 2: Reserves

	Forecast 2019/20	Actual YTD 2019/20
Opening Balance at 1 Aug 19	434,487	434,487
Permanent Reserves Held		
10% Full Annual Cost	186,751	186,751
25% Trading Margin	37,279	37,279
	224,030	224,030
Reserves available for Investment	210,457	210,457
Forecast Operating Surplus/(Deficit)	(15,043)	6,382
Committed Reserves projects spend		
2. Strategic plan	(9,867)	(4,936)
4. Business process improvements	(3,232)	(2,868)
9. CDO role	(38,625)	(8,891)
Total	(51,724)	(16,695)
Outline projects spend		
5. Rowing club investment	13,859	
10. Meeting room improvements	(10,000)	
11. Staff development fund	(20,000)	
Total	(16,141)	
Forecast Reserves available for Investment at FYE19/20	127,549	200,144

FINANCE & AUDIT COMMITTEE – 18 DECEMBER 2019**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 to begin in Semester Two on creation of procedures manual and replacement of existing Bye Laws and regulations

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
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