

FINANCE & AUDIT COMMITTEE REPORTS							
From	Period start date			To	Period end date		
	05	06	2019		17	10	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
05/06/2019 Finance & Audit Committee Minute	R1
Report on actions arising from the previous Committee meeting	R2
Annual Report and Audited Accounts	To follow
Report on SU Management Accounts, Budget and Reserves	R3
Report on progress made to implement audit recommendations	R4

Meeting:	Finance & Audit Committee		
Location:	1 East Meeting Room		
Date & Time:	Wednesday 5th June 2019 at 10am		
Present:			
Andy Galloway	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		
Item			
1.	Apologies for absence		
	Name	Reason	Accepted
	Jack Kitchen	Annual Leave	Yes
2.	Notice of any other business		
	The following item was identified for discussion under any other business:		
	1) Founders Hall Temporary Flooring		
3.	Declaration of conflict of interest		
	No committee members declared a conflict of interest in any item on the agenda.		
4.	Minutes of the previous meeting		
	The minutes of the previous meetings were approved and signed by the Chair subject to the following amendment:		
	Page 1 Item 2: 'Bath <u>Union Bus</u> Club (BUBC)' should read 'Bath <u>University Boat</u> Club (BUBC)'		
4.2.	Matters arising from the previous minutes		
	The Chief Executive reported that the Marketing Manager was still looking into alternative income options to replace the lost income from the low sales in NUS Totum cards. The NUS Totum card sales continued to remain down nationally.		
	The Chair reported that the Leadership committee had approved the Students' Union's (SU) transport fleet lease to be renewed for a further three years. It was anticipated that this would be the last time the fleet was renewed with it likely being disbanded in 2022.		
	The Chief Executive reported that consultation on the proposed staff restructure had begun on Monday 3 rd June. Due to HR identifying a role that would need a higher pay grade the annual planned surplus had gone down from £15,000 to around £2,000. A Trustee commented that they believed that a charity should aim for an appropriate surplus of £15,000-£20,000 to support future project investment. This will be addressed in future budget iterations.		
	QUESTION: A Trustee asked what the response of staff had been to the consultation so far?		
	ANSWER: The Chief Executive explained that they had met with all 15 staff members directly		

	<p>affected to explain the rationale for the proposed changes. Their responses had been mixed according to the impact on their roles/teams.</p>
5.	<p>Management Accounts</p> <p>The Finance Manager went through the management accounts with the committee explaining overspends and underspends within the accounts.</p> <p>The committee noted the drop in commercial income and were informed that the Events Manager was looking into alternative means to generate further commercial income.</p> <p>The Finance Manager advised that despite some minor fluctuations they believed The SU was still on course to meet its planned end of year budget.</p>
6.	<p>Reserves statements</p> <p>The Finance Manager went through the reserves statements with the committee.</p> <p>The committee discussed the 2018-19 planned project expenditures from the reserves. They noted that the Office refurbishments had not cost as much as had been budgeted for resulting in a significant saving. It was also noted that The SU had only spent half of the amount planned to be spent from the reserves on projects.</p> <p>The committee agreed that the Leadership committee should look at and consider what SU projects the reserves could be spent on for 2019-20.</p> <p>ACTION: Leadership committee to consider what investments from reserves they would like to recommend for 2019-20 and to bring a proposal to next Finance Committee meeting.</p>
7.	<p>Audit recommendations</p> <p>The Finance Manager reported on progress made towards completing the audit recommendations.</p> <p>They noted there were only two recommendations left to complete which were both ongoing.</p> <p>The recommendation to more clearly segregate functions within The SU finance team would be addressed by the planned staff restructure with the introduction of a grade 5 post on to the team.</p> <p>The recommendation to address cash controls with regards to AHS outlets using the SU finance team's cash for floats was still ongoing. Measures had been put in place to better separate cash which, while not a full solution, did result in a better situation than before. The Chief Executive reported that they would be having meetings with University to explain that this cannot be carried on indefinitely.</p>
8.	<p>SU Budget 2019/20</p> <p>The Finance Manager reported that the budget meeting with the University's Finance committee had gone well. They supported the actions The SU were taking to make savings and address the budgeted deficit.</p> <p>The Finance Manager noted that as they came to the end of this year's budget they would begin to have actual figures which might potentially result in some further changes to the budget planned for next year.</p>

9.	<p>Chart of Accounts Redesign</p> <p>The Finance Manager reported on and explained the main changes being made to the chart of accounts. They noted that if all went to plan the new structure would be in place for September 2019.</p> <p>A suite of budget report templates were shared with the committee, alongside a new chart of ledger codes. They discussed the various design options available to them and provided the Finance Manager with feedback on their preferences for what should be included.</p>
10.	<p>Any other business</p> <p>The following item had been previously identified for discussion:</p> <p>1) Founders Hall Temporary Flooring</p> <p>The committee Secretary explained that for the Summer ball and Fresher's week a temporary flooring was put down in the Founders Hall which cost a significant amount of money. Some concerns had been raised around the costs.</p> <p>The Finance & Audit committee discussed and agreed that as The SU was a charity they should ensure that they were getting best value for money. They requested that a breakdown of the costs for the Founders Hall temporary flooring be supplied to them.</p> <p>ACTION: Cost breakdown of the Founders Hall Temporary Flooring to be supplied to the Finance & Audit committee for their next meeting.</p>
11.	<p>To set the date and time of future meetings</p> <p>The committee discussed whether the Finance & Audit committee or Board of Trustees should meet with the auditors on the 17th October. They agreed that the committee should meet with the auditors as this would allow for more in-depth conversation around audit recommendations.</p> <p>The committee noted and confirmed the following meeting dates:</p> <p>Thursday 17th October 2019 at 9am Thursday 28th November 2019 at 9am</p>
<p>The meeting ended at 11.30 am.</p>	
Item number	Action
6	Leadership committee to consider what investments from reserves they would like to recommend for 2019-20 and to bring a proposal to next Finance Committee meeting.
10	Cost breakdown of the Founders Hall Temporary Flooring to be supplied to the Finance & Audit committee for their next meeting.

FINANCE & AUDIT COMMITTEE – 17 OCTOBER 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 June.

CONTENTS

Pages 1-2: Report

Page 2 Actions for the Committee

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

- 1.1. Leadership committee to consider what investments from reserves they would like to recommend for 2019-20 and to bring a proposal to next Finance Committee meeting.
- 1.2. Cost breakdown of the Founders Hall Temporary Flooring to be supplied to the Finance & Audit committee for their next meeting.

2. OUTCOME OF ACTIONS ARISING FROM THE LAST COMMITTEE MEETING

- 2.1. The Board of Trustees at their meeting in June agreed that the Leadership committee should review and agree projects for 2019/20. At their meeting on the 28th August they agreed the projects for 2019/20 (*See Appendix 1: Projects*).
- 2.2.

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
-----------------	---	--

APPENDIX 1: PROJECTS

Projects for 2019/20

Project	Information	Total budget	Status
Strategic plan	Range of strategic plan activities including New Citizenship Project, e-marketing trial, Alterline research.	-£54,824	Ends Feb 2020
Business Process Improvement	Exchequer upgrade and App, event planning programme, RSM Support to support finance development work.	-£20,000	Ends Oct 2019
Club Development Officer role	Project role to support the development of sports clubs	-£70,006	Ends Oct 2020
Staff development fund	Covers redundancy costs and staff development from Personal Development Plans	-£20,000	Ends July 2020
Meeting room improvements	Plan to re-decorate the 1E meeting room as a key 'heart space' within The SU, and to better reflect our purpose and approach. This is not a large budget given likely estates and any IT costs, but impact will be noticeable to student leaders and support new strategy	-£10,000	TBC.
Annual loss	This was a marker for a second year of budgeting at a loss. The restructure will remove this cost from the budget, however we have already been hit by some increased costs and threat of reduced income	-£15,000 (previously was -£45,000)	NA.

Completed Projects

Project	Information	Total budget	Status
Tub refurbishment	Redecoration of the Tub nightclub. Flo's included as project underspent.	-£44,840	Completed
Office refurbishment	Redecoration of the student voice area and other office improvements.	-£67,450	Completed
Additional finance support	Backfill role to enable Head of Finance to complete business improvements	-£15,000	Completed

Potential Projects no longer being considered

Project	Information	Rationale
AV replacement costs	The screens in The SU building are gradually failing and replacing entire system will potentially cost a lot.	The RedBus deal means we can replace many of the failing screens – and we can use these for our own content; the others can be covered through our annual budgeting process
IT catch-up	A number of computers will be reaching end-of-life in early 2020, so we may need to fund more upgrades than is usual in one year.	The redundancies mean that we can redeploy machines, and should be able to cover all costs within budget by careful re-allocation
SU Awards upgrade	This project was identified for spend in 2018/19 to increase the impact of selected SU awards events.	The project team did not require additional funding this year, and should be able to seek alternatives going forward.

FINANCE & AUDIT COMMITTEE – 17 OCTOBER 2019**REPORT ON THE SU MANAGEMENT ACCOUNTS, BUDGET AND RESERVES.****PURPOSE**

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

CONTENTS

Page1-2:	Report
Page 2:	Actions for the Board
Page 3-5:	Appendix 1: Management Accounts
Page 6:	Appendix 2: Revised Budget
Page:	Appendix 3: Reserves (To be presented separately)

REPORT**1. Management Accounts**

- 1.1. The management accounts for year ending 31 July 19 show a small surplus of £6k against a budgeted loss of £45k. This was the result of a high number of salary vacancies which exceeded the budgeted vacancy factor, and the corresponding operational underspend relating to some of these posts.
- 1.2. An £11k saving was made against the Enterprise budget as this project ceased when the post holder left earlier than planned. The under spend in Voice has been reflected in the area budget allocation for next year. The Sport area had an unexpected underspend at year end, notably in the coach education and coaching budgets where greater support was received from external bodies.

2. Revised Budget

- 2.1. Budget adjusted following outcome of the consultation and year end position. Significant changes;
- Saving as pay award 1.8% not 2%
 - Continuation of Bath Award until April 2020
 - Delay of Peer Support admin post appointment
 - Increase in NUS Affiliation fee
 - Recognition of expected HERA uplifts
 - Increase in Staff Vacancy Factor to bring core personnel in line with Statutory accounts. Allocation to remain at 5% for caution.

3. Reserves

- 3.1. This will be presented separately.

ACTIONS FOR THE COMMITTEE

4. 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

Management Accounts					
01 August 2018 - 31 July 19					
Department	Annual Budget (£)	Budget to Date (£)	Actual to Date (£)	(Over)/Under Spend to Date (£)	Actual to Date 2017/18 (£)
Administration					
Central Services	(1,493,683)	(1,493,683)	(1,424,627)	(69,056)	(1,438,865)
Reception	10,790	10,790	9,621	1,169	19,657
Information Services	54,750	54,750	54,457	293	58,227
NUS Affiliation	56,500	56,500	56,494	6	52,988
Virgil Building	500	500	257	243	1,008
Sub Total Administration	(1,371,143)	(1,371,143)	(1,303,797)	(67,346)	(1,306,985)
Advice & Support					
Central / Core	235,522	235,522	216,224	19,298	196,358
Advice & Information	4,900	4,900	2,010	2,890	4,741
Campaigns & Awareness	650	650	0	650	338
Nightline	1,033	1,033	1,044	(11)	1,291
LGBT	560	560	850	(290)	473
Student Parents & Mature Students	110	110	57	53	27
Enable (Access)	200	200	153	47	22
Race Equality Group (Global)	1,365	1,365	674	691	1,107
THINK Volunteers	0	0	0	0	0
Bath Exchange & Erasmus Group	220	220	224	(4)	137
Peer Mentoring Admin	3,700	3,700	3,368	332	3,533
Peer Support Training TDF	0	0	0	0	0
Gender Equality Group	50	50	0	50	0
Diversity & Support Executive	60	60	1	59	34
Hall Reps	13,800	13,800	13,288	512	3,015
Student Minds Peer Support Group	3,200	3,200	3,200	0	2,509
Sub Total Aware	265,370	265,370	241,092	24,278	213,585
Events					
Events Central	20,000	20,000	20,694	(694)	N/A
Summer Ball	(5,000)	(5,000)	(6,084)	1,084	(7,478)
Freshers Week	9,600	9,600	9,923	(323)	24,083
Sub Total Events	24,600	24,600	24,532	68	16,605
Student Development					
Joblink Central	50,503	50,373	46,921	3,452	61,567
Bath Award	30,487	30,487	30,540	(53)	27,068
Skills Training	57,872	57,872	39,584	18,288	49,304
Student Leaders Project	0	0	0	0	0
Sub Total Student Development	138,862	138,732	117,044	21,688	137,939
Marketing					
Marketing	59,984	59,984	66,784	(6,800)	45,355
Website	69,529	69,529	64,463	5,066	66,961
Freshers Week Marketing	9,750	9,750	9,410	340	11,830
Freshers Fair	(20,350)	(20,350)	(23,174)	2,824	(21,858)
Refresh Week	(1,400)	(1,400)	(1,371)	(29)	(1,293)
NUS Extra	(18,000)	(18,000)	(16,732)	(1,268)	(30,036)
Sub Total Marketing	99,513	99,513	99,381	132	70,959

Media & Communications					
Campus TV	560	560	560	0	0
Media Group	0	0	(176)	176	(72)
URB	3,620	3,620	5,093	(1,473)	2,199
Impact	6,900	6,900	6,828	72	7,473
URB Roadshow	0	0	(1,473)	1,473	0
Sub Total Media & Communications	11,080	11,080	10,832	248	9,599
Membership Services					
Membership Services Central	75,685	75,685	75,998	(313)	74,288
Personnel	15,000	15,000	19,122	(4,122)	14,717
Sabbatical Support	141,164	141,164	143,659	(2,495)	138,466
Transport	53,232	53,232	48,198	5,034	30,339
Volunteer Recognition	7,260	7,260	6,081	1,179	8,061
Student Training/Conferences	4,065	4,065	2,641	1,424	4,474
Sub Total Membership Services	296,406	296,406	295,699	707	270,345
Academic Representation Centre					
Academic Representation	224,877	224,877	209,873	15,004	204,631
Union Representation	6,640	6,640	4,024	2,616	2,815
Research	4,390	4,390	2,818	1,572	7,502
Campaigns	1,500	1,500	523	977	394
Academic Reps Conference	2,500	2,500	2,204	296	2,500
Post Grad Association	4,610	4,610	2,024	2,586	3,146
International Student Association	6,050	6,050	2,038	4,012	2,390
International Student Engagement	0	0	0	0	(1,941)
Language Café	0	0	0	0	0
Policy & Activism	0	0	0	(0)	0
Sub Total Academic Representation	250,567	250,567	223,505	27,062	221,438
Arts & Societies					
Individual Societies	12,602	12,602	8,544	4,058	5,507
Societies Central	83,587	83,587	76,869	6,718	77,775
Societies Events	2,100	2,100	3,066	(966)	2,276
Socs Special Request Fund	(4,602)	(4,602)	(5,021)	419	(1,829)
Sub Total Arts & Societies	93,687	93,687	83,458	10,229	83,729
Sports Association					
Sports Association General	135,702	135,702	139,244	(3,542)	134,543
Sports Equipment & Event Fund	3,400	3,400	1,219	2,181	2,227
Sports Coaching	58,587	58,587	52,458	6,129	52,495
SAS Membership	(182,580)	(182,580)	(182,580)	(0)	(92,547)
Sitec	0	0	0	0	0
Sports Association Clubs	105,590	105,590	95,399	10,191	(13,450)
Recreational, Wellness & Mental Health	14,300	14,300	15,516	(1,216)	2,031
BUCS League	75,330	75,330	69,433	5,897	68,725
BUCS Tournaments	38,000	38,000	38,102	(102)	65,203
Blues	3,930	3,930	8,905	(4,975)	10,389
Club Affiliations & Insurance	13,403	13,403	12,425	978	13,699
Coach Education	9,000	9,000	2,945	6,055	6,357
Sub Total Sports Association	274,662	274,662	253,066.55	21,595	249,671
Trading					
Vending	(21,500)	(21,500)	(15,873)	(5,627)	(17,490)
Bar & Entertainments	(122,440)	(122,440)	(123,437)	997	(128,232)
Flo's Café	0	0	1,601	(1,601)	N/A
Sub Total Trading	(143,940)	(143,940)	(137,709)	(6,231)	(145,722)
Volunteering					
Volunteering Central	90,360	90,360	83,223	7,137	84,763
V Team	1,300	1,300	1,300	0	700
Student Tutoring	0	0	0	0	0
Lloyds Scheme	0	0	530	(530)	181
Sub Total Volunteer Centre	91,660	91,660	85,053	6,607	85,644

Union Expenses	2,500	2,500	1,496	1,004	1,530
Enterprise	11,141	11,141	0	11,141	9,025
Grand Total Students' Union	44,965	44,835	(6,346)	51,181	(82,638)
Funded from Reserves					
Union Projects	0	0	182,418	(182,418)	97,087
Sub Total Union Expenditure	0	0	182,418	(182,418)	97,087
Alumni Bids	0	0	0	0	0
Student Community Partnership	0	0	0	(0)	0
SCP River Safety	0	0	0	0	N/A
Students' Union	0	0	0	(0)	0
Rag	0	0	0	(0)	0

APPENDIX 2: Revised Budget

Budgets			
	BUDGET	Budget after restructure	Budget revised after year end
	2018/2019	2019/2020	2019/2020
	£	£	£
UNIVERSITY FUNDING	(1,560,989)	(1,703,349)	(1,703,349)
CENTRAL SERVICES			
Sundry Income	(2,500)	(1,500)	(1,500)
Management / Administration	122,939	254,197	257,389
NUS Affiliation	56,500	53,000	60,000
Central Reception	10,790	3,190	3,190
Information Technology	54,750	53,500	53,500
Union Expenses	3,500	4,330	4,330
Marketing	29,984	40,382	48,143
Events	24,600	33,500	33,500
TOTAL CENTRAL SERVICES	300,563	440,599	458,552
TRADING	(143,940)	(149,116)	(149,116)
MEMBERSHIP SERVICES			
Central Costs	102,010	104,226	104,070
Student Officers	141,164	149,209	148,938
Academic Representation	249,567	262,170	261,764
Web	69,529	76,228	79,067
Transport	53,232	36,448	36,185
Skills Training	69,013	55,161	55,060
Bath Award	30,487	-	26,238
Student Volunteering	91,660	95,514	95,300
Jobs	50,503	5,010	5,010
Media Groups	11,080	11,080	11,080
Societies	93,687	98,982	98,803
Sports	274,662	276,009	275,722
Advice & Support	265,370	290,335	271,801
Vacancy Factor	(52,632)	(50,417)	(60,082)
TOTAL MEMBERSHIP SERVICES	1,449,332	1,409,955	1,408,956
NET RESULT (surplus)/deficit	44,965	(1,911)	15,043

FINANCE & AUDIT COMMITTEE – 17 OCTOBER 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

Finance Coordinator position has been made permanent providing extra level of segregation. Chief Exec reviews nominal journalled by Head of Finance to provide oversight. Head of Finance will continue to monitor duties and processes to mitigate any risks from small team.

ii. Cash Controls

The SU has a new security carrier but the University continue to use G4s and still use the SU cash office for all their deliveries and collections. Cash bags from both organisation are still mixed up in one safe. This will continue until the University find a new location for their cash. AHS would not take back responsibility for their cash. The SU stopped providing retail with cash floats from its own monies on 12 August 19. We have given AHS use of our small safe for their own cash delivery from G4s, and use of our cash office two sessions a week to distribute to their outlets. SU staff still have to receive the delivery from G4s, the banking and paperwork from all AHS outlets and oversee the G4s daily collections.

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
-----------------	------------------------------------	--