



FINANCE AND RISK COMMITTEE

The third ordinary meeting of the Finance and Risk Committee for the 2017/18 session, was held on Tuesday 24th April 2018 in Meeting Room 6, Beit Quad at 2:30pm.

Unconfirmed minutes

Present:	Graham Parker Jill Finney Alex Chippy Compton Tom Bacarese-Hamilton Matt Blackett Tom Waite	Finance and Risk Chair Chair of Board Union President Deputy President (Clubs and Societies) Deputy President (Finance and Services) Elected Student
In Attendance:	Jarlath O'Hara Malcolm Martin Julia Mattingley Jomana Al Ahmad Paul Buckley Edmond Burke	Managing Director Head of Finance and Resources Head of Commercial Services Administration Support Officer Head of Student Experience Finance Manager
Apologies:	None	

<u>Item 1 – Welcome and Chair's Business</u>	Action
<ol style="list-style-type: none"> The Chair welcomed the Committee to the third F&R meeting for 2017/18 and introduced his aims to drive the F&R Committee to be more strategic with a limit on operational discussions The Chair added that it is important for the Chair and Committee members to have a general awareness of how the organisation connects, in terms of the work of other Committees, Council, activities within College etc The Chair expressed his interest in inviting students to deliver presentations and hear their perspectives within the Union 	
<u>Item 2 – Conflict of Interest</u> <ol style="list-style-type: none"> GP notified the Committee members of his business interests which do not have a conflict of interest with his responsibility as of Chair of F&R, the Chair will be circulating his business interests to the secretary following the meeting. 	
<u>Item 3 – Apologies</u> <ol style="list-style-type: none"> None 	

Item 4 – Meeting minutes 24th January 2018

1. JF requested an update on GDPR as this is not listed on the Agenda for this meeting
2. Minutes confirmed

Item 5 – Action tracker

The Chair requested for the actions listed in meeting minutes to be added in the action tracker to ensure that all actions are being recorded in a central document. JA will ensure that this is to be done going forward.

1. **Capital investment plan** – MM updated the Committee that the progress on the Capital investment plan is to be presented in June's meeting. JF enquired about how the business plan will be factored into the capital investment plan, JOH responded that plan will not be in place by June, but the presentation will be a list of purchases for 18/19, JOH then confirmed that the main focus is the business plan, capital investment and budgets are all to be aligned to it.
2. **Sponsorship working group** – MB updated the Committee that an offer has been accepted for the Sales & Sponsorship Manager position and made a suggestion to change the action to writing a sponsorship strategy rather than assembling a sponsorship working group. Further updates on the progress of this role to be given next meeting.
3. **Bank account closure** – EB mentioned that a formal closure has not been done yet, however EB will follow up and give a verbal update next meeting to confirm the account closure
4. **Designated fund provision** –TBH mentioned that there is no progress on this action, the aim of this is to put guidelines for CSPs to make the process easier for them.

Actions from meeting minutes:

1. **Action 17** - MM gave a brief update on GDPR, he mentioned that training sessions with the majority of Union staff have been delivered to raise awareness, online training courses were also recommended to staff. Communications to Clubs & Societies have also been circulated to ensure they are aware of data handling. The Union is also working with College and their process timeline. MM pointed out that the concern may be the reach and the shift in culture in terms of handling data.
TW enquired on whether there is a timeline and checklist to ensure progress is recorded against a timeline, MM confirmed that a month by month plan was previously presented and progress against this will be circulated. GP added that the Union must be able to demonstrate that it is addressing the concerns and that it is working towards full compliance of the new regulations

MM to report on Capital investment plan progress on 12th June F&R meeting

An update on the progress of the S&S Manager to be given on 12th June F&R meeting

EB to give verbal update on Bank account closure next meeting

MM to circulate timeline document regarding the Unions actions towards GDPR regulations

<p>JF requested a report with percentages in terms of training done, JOH confirmed that they are keeping track of numbers, and this can be presented in a report to the next committee meeting.</p> <p>2. Action 18 – JOH has been in contact with Fire Officers at College, however they did not agree to release their Fire Office reports, MM added that no reasons were given for this as there seems to be a general lack of visibility. JF suggested for the Chair to write a letter to express the Committee’s concerns about the lack of knowledge of the Unions fire risks and to request the report again</p> <p>3. Action 20 - JM has arranged training on the risk of terrorism for the Summer Ball JOH clarified that major incidents are handled by College, the procedure followed by the Union advises alerting College security and there is steep escalation process built into event plans</p> <p>4. Action 21 - MM updated the Committee that a review of the Union minibuses has taken place, the Union is aiming to purchase more minibuses and providers are currently being shortlisted according to a criteria, he added that the Union is almost ready to select a provider. JOH mentioned that historically the Union has purchased minibuses that did not meet requirements, the criteria mentioned by MM is put together to avoid this from happening again.</p>	<p>MM to prepare a report on GDPR training given</p> <p>Chair to write a letter to the Fire Officer department to request reports</p>
<p><u>Item 6 – Committee work plan</u></p> <p>1. JA will circulate the work plan to Committee members with the meeting minutes following the meeting</p> <p>2. MM mentioned that all scheduled topics are on the Agenda except Business Continuity and Financial Policy. GP made a suggestion to revisit the work plan to ensure all topics are covered, MM will organise with GP to revisit the work plan and include terms of reference for F&R</p>	<p>JA to circulate work plan with meeting minutes</p> <p>MM to revisit the work plan with GP</p>
<p><u>Item 7 – Management accounts</u></p> <p>1. EB gave a brief report of the March Management account report, highlighting:</p> <ul style="list-style-type: none"> - To-date the Union is currently approx. £19k behind budget - The year-end forecast shows a net deficit of £39k - Non-core performance was positive, whereas core business wasn’t performing very well this month - The main factor for negative performance on core performance was bad weather in the 1st week of March, this impacted Licensed Trade and Retail - Catering core income was still positive - Mini bus hire is behind budget - The Union is in a good position in terms of cash balances, this is ~£3m 	

<ul style="list-style-type: none"> - The debtors remain higher than this time last year, there is some focused work being carried out on uncollected debt, EB is satisfied that a large amount of this debt will be paid and noted that CSP sponsorship debts are more difficult to follow up - He concluded that debt is 0.2% of total income. <p>2. TW enquired on why debt is worse than last year, EM mentioned a number of factors in response, this includes staff turnover and training, in addition to the Union's focus on front line customer service. This meant that chasing up customer debt has not been a priority, he added that it is important to also view the finance team as a service to Clubs & Societies EB will share a copy of the debtors list with GP</p> <p>3. EB added that credit control is a weekly process</p> <p>4. GP enquired about the capital funds in the February accounts. He also enquired about the CSP balance and whether this is a timing issue causing the large difference in variance, he added that last year the figure was ~£470k and right now it is ~£668k EB responded that Club & Society activity varies year to year which may be the cause of this difference in figures</p>	<p>EB to share the debtors list with GP</p>
<p><u>Item 8 – Balanced Scorecard</u></p> <p>1. MM provided hard copies of the BS and asked if the Chair would like him to present it as it was not circulated prior to meeting JF expressed concerns about the circulation of papers and late distribution of the BS. MM confirmed that he will circulate the BS after the meeting. The Chair asked MM to present the main BS headlines, MM reported:</p> <ul style="list-style-type: none"> - The income and credit control are in the red, whilst expenditure in amber - Training attended by staff is an accumulative number and it is within target - The number of risk assessments completed is still in amber - Staff turnover and retention remains behind target <p>2. JOH added that the rag rating is not yet scientific and many numbers do not have a benchmark, however the BS has been in constant evaluation and has improved during the past few months GP pointed out that the interpretation of scorecard is the most important aspect and made a suggestion to include how the Union is moving from the red rag in the different areas JOH mentioned that these are early days of developing this tool and more work needs to be done to ensure that its interpretation is more useful</p> <p>3. GP asked if any Committee members thought that anything is omitted from the BS, TBH responded that student satisfaction with the Union is missing, however the main reason for this is due to the difficulty in measuring this in numbers</p>	<p>MM to circulate BS with all Committee members</p>

JOH added that the members wellbeing is missing - student satisfaction is somewhat captured in some of the measures but wellbeing is not

JOH added that he is positive that the BS has resulted in initiating very important discussions. JOH clarified that he is responsible for improving the BS as it represents the state of the Health and Performance of Union

4. JF pointed out that the BS is a strategic management tool and would like to see the Senior Managers deliverables alongside each category within the BS, she suggested coupling the BS with the business plan and to ensure that Senior Management ownership of various areas within the BS is clear

GP agreed with JF and added that the BS is a snapshot of where the organisation is, however, it is important to add future steps to improve performance

JF concluded that the BS does not work as a standalone tool and should be part of a pack.

GP said that he would like a brief paper to be presented at future F&R meetings giving the update on the Balanced Scorecard and the Business Plan

Item 9 - Events budgets

1. TBH reported on the highest debt figure in the paper due to an event held by the Punjabi society, he explained that this society had issues with paper work in the past with regards to external performer bookings, as a result, the venue withheld the payments until the paper work issues had been resolved. This year they have the same issues with paper work and to-date the venue has not released the payment. TBH confirmed that steps are to be taken to secure at least 80% of the payment from the venue and they are chasing the society to ensure the paper work is completed. He added that the Society is looking at a £5k loss from this event due to lower attendance.

MB expressed disappointment that they did not follow the correct procedure despite their knowledge of past issues, and pointed out that he will inform the incoming DPFS to be more cautious in the future

2. EB added that this is a particular case and the Union must ensure that the procedure is managed and communicated well with regards to external performer bookings, MB agreed that HMRC guidelines need to be communicated and published in a clear manner
TBH added that we must also ensure that societies hold responsibility to update Officers rather than being constantly chased by Officers
TBH and MB suggested a discussion on whether some events can be too risky and if the Union can decline them on these basis

3. MB reported on the Sapphire event and the issue of "charge backs" for the event, this has resulted in a £7k worth of tickets sold in a fraudulent manner. He added that in the future, the Union will be protected as the online shop will

<p>become 3D secure, this means that the Union is protected as a merchant against fraudulent activity MB suggested that the budget of this event should always be presented to the Committee in the future. He also suggested that an update should be given by systems team on the first F&R meeting of the academic year</p> <ol style="list-style-type: none"> MB also reported on another issue which is not very tightly regulated within the events budget approval procedure, that is the approval of extra expenditure after the initial event budget was approved by the DPFS and DPS. This is because of a recent event in which £3k worth of free drinks was ordered on the night of the event and this amount was not approved in the initial budget MB posed the questions: how do we ensure that this type of activity is stopped as it is a reputational concern, do we need to put a policy in place for this? TW enquired about the high cost of the San Francisco trip and whether this is a good use of Union's resource, MB responded that he will need to investigate the SGI vs sponsorship for this trip, TBH confirmed that expenditure for this type of event is generated mainly through sponsorship. MB concluded that non-approved budgets are not included in the paper presented, and posed the question for discussion: what should the purpose of the paper be? GP asked for this discussion to be taken offline 	<p>Systems team to report on 3D secure online shop on the first F&R meeting of next year</p> <p>MB to organise a discussion offline around the aim of the events budgets paper</p>
<p><u>Item 10 – Strategic Risk Register</u></p> <ol style="list-style-type: none"> MM reported that the Risk Register has been recently scrutinised in the board residential, and posed the question for the Committee: what process should Board adopt to review the SRR going forward? GP made a suggestion to divide SRR and review a few risks at each committee meeting. He suggested that this proposal should be taken to Board. JF and JOH agreed with this suggestion JF raised a concern with updating the risk register in July and mentioned that there is more benefit in updating this as soon as possible, MM responded that the reason for the delay is to ensure a realistic timeline is given in terms of priorities, additionally to fit this with the timeline of the internal audit report 	<p>Strategic Risk Register suggestion to be taken to Board meeting by the Chair of F&R</p>
<p><u>Item 11 – Investment strategy</u></p> <ol style="list-style-type: none"> MM provided a brief summary of the shortlisting process of identifying a partner who will be working on the investment strategy, he mentioned that a sub-committee was made and was involved in a three-stage process, a consultation was carried also out with students to ensure student voice is factored into the process and a final 3 candidates were chosen for the last stage of the process. MM pointed out that the team favoured a customer service focus and ongoing trustee support and added that this is a 	

<p>JM also fed back that she received positive feedback from managers so far.</p> <p>2. GP requested a timeline for the completion of the steps being/to be taken and as progress is slow, GP enquired about the financial impact that the delay is going to cause JM pointed out that staff time has been lost, however the business is still running as usual MM added that a review will be conducted by the Internal Auditors to evaluate the benefits of the EPOS system to the Union</p>	<p>MM to put together a timeline for the progress of the EPOS Dashboard Implementation</p>
<p><u>Item 14 – Insurance review</u></p> <p>1. MM reported that the Union’s current insurance cover is a blanket cover, TBH enquired about the details of the cover and how we can find out if CSPs are pushing limits in terms of their activities, TBH also pointed out that students assume that all types of activities are covered and the Union needs to provide clarity to CSPs about this</p> <p>2. MM confirmed that a conversation with College is needed to enquire about the specifics of the cover, PB is currently working on this and he will follow up with TBH once an update is provided GP added that more clarity and assurance is needed on this issue</p>	<p>PB and MM to follow up on the details of the Insurance cover with College and discuss with TBH</p>
<p><u>Item 15 – External Audit</u></p> <p>1. MM explained that the External audit is a year-end piece of work and is focused on controls, financial processes etc... which are in place within the Union</p> <p>3. GP enquired about last year’s audit and whether there were any major concerns reported, MM confirmed that no issues of major concern were reported last year</p>	
<p><u>Item 16 – Summer Ball</u></p> <p>1. JM reported that the plans for the Summer Ball are ahead of schedule. GP requested a comparison with previous year’s figures to be brought to the next F&R meeting.</p>	<p>JM to compare current figures with last year’s summer ball figures and report to the next F&R meeting</p>
<p><u>Item 17 - Reserves policy</u></p> <p>1. MM reported that the paper presents a figure of ~£1.2 million in reserves and made a recommendation that the reserves target should remain at this figure. He added that the capital forecast in terms of the assets profile shows a big spike in 2026/2027 to replace capital assets in the Union’s Bars and Offices. MM also posed an operational challenge that the current financial model has a high degree of fixed costs, and this does not allow the Union flexibility in terms of applying added resources</p> <p>2. GP pointed out the paper is a starter for a wider discussion at Board, where the questions of whether the Union is on</p>	

<p>the right trajectory and what reserves need to be built, need to be answered. GP added that the discussion must include the wish list of items the Union needs for the next 2-5 years and a prediction of the risks that the Union will be able to take. He added that the appropriate reserves level can only be determined once these questions have been resolved.</p> <p>3. MM pointed out that the charity is required to revisit reserves policy once a year to fulfil its obligation and make amendments if necessary GP requested that the figure remains the same, however, it may need to be revisited after a discussion with Board</p> <p>4. MB enquired on whether the figure should be increased based on investment groups recent decision, GP responded that it is important to ask the following question first: what is the Union going to do with the reserves before increasing/decreasing the figure JOH added that the main question to be answered is what is the Union trying to achieve now/later and JF also pointed out that the business plan should also be included in this discussion</p>	<p>A discussion on the reserves policy to be taken to Board by the Chair of F&R</p>
<p><u>Item 18 – AOB</u></p> <p>1. MM briefly mentioned that an Evaluation form will be distributed next meeting to gather feedback regarding the organisation of Committee meetings</p> <p>2. GP encouraged all Committee members to arrange 121's with him whenever necessary for any further discussions</p>	