



FINANCE AND RISK COMMITTEE

The fourth ordinary meeting of the Finance and Risk Committee for the 2017/18 session, was held on Tuesday 19th June 2018 in Meeting Room 6, Beit Quad at 2:00pm.

Unconfirmed minutes

Present:	Graham Parker Tom Bacarese-Hamilton Matt Blackett Tom Waite	Finance and Risk Chair Deputy President (Clubs and Societies) Deputy President (Finance and Services) Elected Student
In Attendance:	Jarlath O'Hara Malcolm Martin Julia Mattingley Jomana Al Ahmad Edmond Burke Dean Gibbs	Managing Director Head of Finance and Resources Head of Commercial Services Administration Support Officer Finance Manager Senior Manager at KPMG (for Item 14)
Apologies:	Alex Chippy Compton Paul Buckley	Union President Head of Student Experience

<u>Item 01 – Welcome and Chairs Business</u>	Action
<ul style="list-style-type: none"> - The Chair welcomed the Committee to the fourth F&R meeting of 2017/18 and gave a reminder about the importance of timely distribution of papers, he added that Committee members must ensure that a summary update is circulated if a full report or paper will not be submitted on time. 	
<u>Item 03 – Apologies</u> <ul style="list-style-type: none"> - Alex 'Chippy' Compton and Paul Buckley 	
<u>Item 04 – Meeting minutes 24 April 2018</u> <ul style="list-style-type: none"> - The minutes were confirmed as an accurate record of the meeting on 24th April 2018. 	
<u>Item 05 – Action Tracker</u> <ul style="list-style-type: none"> - MM gave an update that a paper had been submitted to Board in May on EPOS. An Agenda item for today's meeting requires the committee to make a decision on releasing funds to EPOS as Orbis Tech have now delivered 	

<p>the missing functionality that was the reason for withholding the funds.</p> <ul style="list-style-type: none"> - GP clarified that since the capital investment plan is a long-term strategic piece of work, this should be more accurately captured in the year work plan instead of the Action tracker - MB suggested that the sponsorship working group should be changed to sponsorship strategy. GP also suggested that a brief paper of intent for the strategy should be submitted to the committee as an Agenda item for the next F&R meeting. JOH clarified that the new sponsorship manager is currently working on generating income for welcome week and building relationships with project recruiters. GP requested that a brief timeline of these objectives be submitted to the committee - EB is currently working on ensuring that the bank account closure takes effect prior to the start of the academic year, - TBH gave a brief update on the designated provision fund by mentioning that only a low amount of money was spent so far, he clarified that any remaining balance will be taken back to reserves - GP asked TBH to provide a short review and recommendation based on this year, MM clarified that going forward the clubs and Society development fund will come out of the Activities Development Fund (ADF) - MM conformed that he has circulated the timeline document on GDPR - MM confirmed that we now have access to the Fire Office Reports. - MB confirmed that he has communicated with systems regarding the need for 3D security and an update will be given to the first F&R meeting next year. - A Progress report is to be completed by MB and TBH to show where we are in terms of events budgets on Events budgets - GP updated the committee that Board approved his suggestion to update the Strategic Risk register throughout the year as a rolling exercise. JOH mentioned that he has put together a timeline for next year and had brought the designated risks to look at this meeting - GP suggested to do the same with policies, JOH responded that the Governance Committee is in charge of looking at policies - MB asked the Committee if an update could be shared with Council regarding the appointment of Rathbones as an investment partner. The Committee confirmed that this can be done 	<p>MM to include capital investment plan in the year workplan</p> <p>Sponsorship manager to submit a paper of intent to the first F&R meeting on 18/19</p> <p>EB to circulate update on bank closure prior to next F&R meeting</p> <p>TBH to provide a short review on provision funds</p> <p>Progress report to be submitted by MB and TBH on events budgets</p> <p>MM to circulate College's response on insurance to Committee</p>
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- MM informed the Committee that the Union had received a confirmation from the College about the blanket insurance cover, and that they had encouraged the Union to update the College about the Union's activities regularly to ensure transparency
- GP asked MM to circulate the College's response to the Committee
- GP asked for reassurance that the reserves policy would be discussed as part of the package of the Union's activities, and that it will be planned and managed alongside the business plan

Item 06 – Committee Work plan

- The Committee agreed that the number of meetings will not increase next year, as Management accounts are now being circulated every month. GP added that he would like the F&R meetings to be more forward facing and strategic.
- JM briefly outlined the draft Commercial strategy and advised the Committee that the strategy will be complete by the end of July. Work is currently ongoing on the financial aspects of the strategy. EB is helping with this work and a model/templates will be created which focuses on short, medium and long-term financial objectives
- JOH circulated a brief paper on various income generation initiatives. He mentioned that more block grant funds from College could be requested if the Union takes part in projects which focus on the College-Union partnership priorities
- JOH stated that the Commercial strategy will have 4 key building blocks. These are: planning, process improvement and efficiency, managing quality, and ensuring a good reputation with customers
- JOH briefly mentioned the Sponsorship strategy and advised that the new sponsorship manager is currently focusing on the 2018 welcome period, graduate recruiters and career services
- JOH added that in terms of investments, the Union will soon be releasing funds to Rathbones - no later than 1st August
- JOH concluded his updates by highlighting the Union's willingness to seize new commercial opportunities for income generation.
- GP commended the paper as a good summary of where the Union is in terms of income generation and added that it is a good example of a brief update paper

Item 07 – May Management Accounts

- EB presented the MA's by mentioning that May was a mixed month in terms of commercial sales. He added that sales are ahead in Catering and in Shop extra, but that bars are currently behind budget
- EB also mentioned that the Union will save £15k on cleaning costs as agreed with College estates. He added that the Union's surplus is approx. £390k which is approx.. £8k ahead of budget. Overall, the Union's net deficit is now approx. £1k for the year, which places the Union on track to meet the target budget
- TW pointed out that it is positive that debtor number of days has reduced. EB agreed and clarified that the reason for this is the writing-off of some debtors, where the Union has exhausted its efforts on trying to recoup the debts. All old debtors have been reviewed and all debtors from last year have been written off, if the funds were not received

Item 08 - Balanced Scorecard

- EB presented the Balanced scorecard by pointing out that the variance on income has grown month on month, that there is an improved turnout at elections, and over all, the BS is stable month on month and is allowing management to track key trends
- GP asked whether the Committee should be evaluating the metrics without targets. JOH responded that the measures must have either a target or a comparator and assured the Committee that from 1st August all BS metrics will have comparators/targets
- GP asked about how the comparators will be organised in terms of timelines. JOH responded - that it depends on what is most suitable, be that monthly, termly or annually.
- GP pointed out that the most important element in a BS are the comparators because they show trends and allow us to interact these trends , TW added that the graphs are very useful to show trends and suggested plotting comparisons with last year's data.
- GP asked if feedback about the scorecard had been gathered from teams across the Union. JOH responded that this has happened, and confirmed that management is continuing to gather views from staff members on what might be helpful

**MB to circulate
CSP finance
meeting minutes**

Item 09 - CSP finance

- MB briefly mentioned that there are no major updates as the summertime is a quiet period. He added that he will shortly circulate the minutes of the CSP finance meeting

Item 10 - Strategic Risk Register

<ul style="list-style-type: none"> - JOH made a suggestion for the Committee to focus on risks 8 and 9 as the IIP results have recently been received, and the people strategy is being put together by the PARC committee - MM added that Risk 9 is also an important focus due to the recent GDPR legislative changes effective from 25th May. The Union has been asked to register with the Information Commissioner's Office separately, rather than be part of the College - TW enquired about the reason that the Union registered separately. JOH responded that the Union cannot be immune from freedom of information requests and at the same time be a part of College, this would be contradictory - JOH added that this means that the Union will continue to use College processes, without it having to bear its own responsibility - GP enquired about whether assurance has been given to College that we are doing everything that we need to do and whether we have adapted our policies due to GDPR. MM confirmed that the Union have revised and is working on fresh policies - JOH made a suggestion to focus on risks 10 and 11 for the next F&R as the start of the academic year means that there is usually a greater risk of behavioural incidents - JOH confirmed that he will attach the risks plan with the work-plan to ensure that the Committee is aware of the risks to be revised ahead of time. He added that the Operational risk register is not as well developed as the SRR - GP suggested the putting together of a separate document which shows a historic log of changes made to the SRR, and for a similar exercise to be done for policies <p><u>Item 11 - Health and Safety Reports</u></p> <ul style="list-style-type: none"> - MM presented the May health and safety report by mentioning that there is an increase of SALUS reporting as shown by the comparative figures for May last year. Additionally, there has been a high increase in First Aid training given to CSPs which is positive. <p><u>Item 12 - New Bankline authoriser</u></p> <ul style="list-style-type: none"> - EB asked the Committee to approve JM as a new Bankline Authoriser. He confirmed that training will be given to those who are being authorised, including OTs, who by virtue of their role automatically become Bankline authorisers - The Committee approved JM as new Bankline authoriser <p><u>Item 14 – Internal Audit</u></p> <ul style="list-style-type: none"> - DG joined the meeting and presented the main points from the report, he mentioned that it is clear that risk 	<p>JOH to add SRR timeline to year work plan</p>
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<p>management structures are currently being developed by the Union, and pointed out that more consistency is needed of what is being expected from people within the Union. He added that clear progress has been made over the last 2-3 years</p> <ul style="list-style-type: none">- DG also mentioned that the audit looked at core financial systems and that there is a clean bill of health in that area,- With regards to EPOS, he added that controls on price changes could be handled in a better way- MM mentioned that management has not yet provided comments to the audit report, and assured the committee that this will be done over the next 2-3 weeks and will be sent to KPMG to be added to the report- DG mentioned that comparatively, the Union is doing better than some other Unions, and added that the Union is taking the right steps. Engagement with people is however a crucial next step.- MM pointed out that at a quick glance the report seemed fair and agreed that some aspects of the EPOS implementation were aspirational and was proving to be a challenge- MM asked the Committee for ideas of what the priorities for next year should be, and if there are any themes that the committee wants to focus on?- DG suggested focusing on Governance structure and student involvement- GP suggested looking at how much the organisation is interconnected with itself, staff, students and community etc- MM added that it is importance to look at controls and effectiveness of controls, and to focus on the potential of fraud in the charity sector- JOH suggested focusing on project management and capacity for the year ahead as it is an important issue for the Union to tackle- GP added that it is also important for the Union to challenge what it does and re-evaluate processes continuously- GP concluded by mentioning that the value of this exercise should be to take the recommendations on what changes should be made in the Union and implement them. JOH added that the positive aspect of this report is the prompt it gives to the Union to take actions regarding the issues it is currently facing, and added that the College needed the assurance that their funds were being well managed. This report will be sent to them with the Union's management comments- MM pointed out that we should be discussing what our expectations are from these audits	
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Item 13 – Annual Budget

- EB presented the process carried out to deliver the 2018/2019 Budget Proposal. He mentioned that initially, guidance notes were issued and sent to budget holders, that a budget panel was put together to look at proposals, that various budget holders had presented their budgets to the panel
- He summarised the key points as being that a Breakeven budget was the target and briefly highlighted the key assumptions and highlights as presented in the paper and asked the Committee for any questions or comments
- TW enquired about the increase in the prices for drinks. MB responded that he is disappointed that this increase had to be included in the budget, but gave the assurance that this addition was a last resort. EB gave assurance that this would be balanced by the investment being made into the quality which the students will receive
- EB added that a balanced budget would be a challenge for the Union to deliver and that there was no advantage to the Union in it outpricing itself
- EB also mentioned that one key risk is the assumption of a 2% inflation. MM added that if the actual salary inflation is 3%, that the College may be able to cover the additional 1% not budgeted for by the Union
- The Committee approved the Breakeven Budget
- The Committee approved the Capital Expenditure Plan
- MM made a recommendation that this should also go to Board for approval and GP agreed that this should be done at the next Board.

DPFS/Chair to present the 18/19 budget for approval at 28th June Board

Item 15 - Investment Strategy (Rathbones authorisations)

- The Committee approved the signatories to be the following role holders: Union President, Managing Director, Finance & Risk Committee Chair and Head of Finance and Resources

EB to update the finance manual

Item 16 – Standard Operating Procedures

- JM presented the paper by mentioning that the commercial operating procedures cover the key principles for each process and their exceptions. A process chart for each procedure was also put together for ease of access. She asked the Committee for comments and to give their approval to the SOP's
- MB mentioned that both DPFS and DPCS currently approve refunds and agreed with changing this to budget holders
- MM added that this paper is a specific recommendation to update the finance manual. This recommendation was

<p>endorsed by the Committee and an action taken by EB to update the finance manual</p> <ul style="list-style-type: none">- The recommendations of the paper were ratified by the Committee <p><u>Item 17 – EPOS Dashboard</u></p> <ul style="list-style-type: none">- MM presented a paper in which he proposed that the Union should now pay the retained funds to Orbis Tech, as they had now delivered the missing functionality. He added that the dashboard had now been rolled out across some services within the Union- MM added that the project delivery timescales had not been met, but that the project had now been delivered. However some aspects (bank reconciliation) were still being tested within the Union. GP enquired whether the Union has the full assurance that it will receive support should it ever be required during the testing phase- MM responded that the key objectives had been delivered and that Orbis continue to provide ongoing support- The Committee approved the release of the funds to Orbis tech. <p><u>Item 18 – Alcohol policy</u></p> <ul style="list-style-type: none">- JM presented an updated Alcohol Policy and asked the Committee to ratify the changes. The Committee ratified the updated Alcohol Policy. <p><u>Item 19 – AOB</u></p> <ul style="list-style-type: none">- As this is the last time EB will be joining a F&R Committee meeting, MM bid him a warm farewell from the Committee and expressed his gratitude for the work that he had done as a member of the finance team. The Chair also expressed his appreciation to EB and wished him well for the future- The Chair also bid farewell to all trustees who were standing down from the Committee, thanking them for the contributions that they had made to the Committee and to the Union, and warmly wished them well for the future	
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