



Imperial College Union
Finance and Risk Committee
 Thursday 21 March 2019

AGENDA ITEM NO.	19
TITLE	External Audit
AUTHOR	Malcolm Martin
EXECUTIVE SUMMARY	<p>The Union continues to fulfil its legal obligation to prepare a trustee’s annual report with a set of final accounts, submit an annual return and invite external auditors to review the accounts and give a professional opinion as to their authenticity.</p> <p>Even though the initial planning meeting with Crowe, our external auditor has not yet taken place, initial preparations are in place to begin the journey to ensure we have an unqualified audit opinion to present to the October Finance and Risk Committee. This work will be led by the Finance Manager and supported by the Head of Finance and Resources.</p> <p>Ahead of the year end audit in September 2019, the question of whether we should continue to consolidate our accounts with College has been raised. The ultimate decision is solely that of College and the key issue from an accounting perspective is one of control and influence.</p> <p>The Managing Director and Head of Finance and Resources have been in various discussions with John Neilson (College Secretary) and Tony Lawrence (Director of Finance). The attached note is a short summary which is due to be presented at College’s Audit and Risk Committee. It summarises the rationale for no longer consolidating the Union’s accounts.</p> <p>It’s important to note that the outcome of any discussion does not change the substance of the relationship between the Union and the College.</p> <p>Initial feedback from the College Audit and Risk Committee is that the Union will be invited to annually attend the March meeting rather than after each year end. This will give a better opportunity for discussion about any audit issues arising from either the internal or external audits.</p> <p><u>Impact</u> The removal of the requirement to consolidate will significantly ease the quarterly reporting requirements for the Finance team, ease the pressure on end of year reporting and production of the Trustee’s annual report and help embedded elements of autonomy and responsibility.</p>

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	<p>However, there is concern that some may misinterpret the change and suggest that Union staff relationships are not integrated into College life, therefore leading to an adverse impact on our ability to influence and contribute to relevant discussions.</p> <p>Questions: To what extent does the College control the Union? What is the real potential impact of this change on our members?</p>
PURPOSE	Bring awareness of the move to bring the statutory reporting more inline with the sector where the vast majority of Union accounts are not consolidated with the partner institution.
DECISION/ACTION REQUIRED	For Information discussion