

Imperial College Students' Union  
Finance and Risk Sub-Committee / 03 February 2021

Minutes (14 October 2020 Finance and Risk)

**1. Introduction & Attendance**

Graham Parker (GP) (Chair)                      Kelvin Zhang (KZ)  
Stephen Richardson (SR)                      Sam Lee (SL)  
Abhijay Sood (AS)

In attendance

Tom Flynn (Managing Director) (TF)  
Jayne Hufford (Interim Finance Director) (JH)  
Victoria Agbontaen (Governance Officer) (VA)

**2. Apologies**

None.

**3. Minutes of previous meeting**

The minutes of the previous meeting were approved.

**4. Matters arising/Forward Agenda**

TF explained that Ashley Cory has carried out an EPOS review and due to cost to replace the EPOS system it will be considered in 2021-22 planning round around April 2021.  
TF stated that SRR will come to the December Board meeting for discussion.

**5. Conflict of interest declarations**

TF noted that item 11 contains some confidential business.

**6. Consideration of confidential business**

None.

**7. 2020/21 Final Budget**

TF gave an overview of the paper, stating that we are now at stage three of the budgeting process. Stage one included forecasting which took place in May/June, followed by stage two in July where the interim budget and cost reduction plan (based on the new staffing-model) were presented to the Board.

TF highlighted that 568 has re-opened and the income target for October has superseded its expectation. However, costs are substantially higher due to the additional security and additional staffing to run table service.

It was noted that there is a large payroll contingency in the budget as JH had not yet completed the huge project on calculating furlough costs, redundancy costs, staff salaried costs including notice periods offset by furlough etc.

- i. A question was asked by GP whether TF and JH could express any critical changes in thinking from the budget that was presented at the September Board meeting. Trustees were informed that the staffing changes had not delivered the targeted levels of cost reduction as expected due to the fact that the majority of staff that

were redeployed into other roles had higher salaries than ones that were not. Additionally, income expectations have been reduced, i.e., mini-bus incomes which are unlikely to materialise due to covid-19 restrictions. Lastly, the operational expenditure has been significantly reduced to mitigate the above.

JH added that the budget had assumed interest from Rathbones investment which has now been liquidised so income expectations on interest have also been significantly reduced.

- ii. A question was asked by SR whether the Union has ever had any of its reserves claimed back by the College. Trustees were informed from a Charity perspective, the Union and the College are two separate organisations, and they cannot reclaim reserves. However, it is likely that the College would take the measure to simply reduce the Block Grant as an alternative.
- iii. A question was asked by GP whether JH could highlight details of the asset register and whether there is likely to be any financial negative impact in the next 12 months. Trustees were informed that there is some uncertainty around whether there will be a substantial financial impact, but it is likely to be a 'non-cash financial impact' as there will be no CapEx this year but this will continue to be addressed this year.

*Sub-committee approved and recommended approval to Board of the stage three 'final budget' for the Union, subject to the half year reforecast and revised budget in February 2021 and thanked JH and TF for their hard work on the budgets.*

## **8. Management Account Template**

JH stated that it has been recognised that the management account reporting has not been fit for purpose and the budget holder reports have been very complicated and incredibly difficult to interpret. Due to this, the management accounts have been restructured and will now include a summary report, a concatenation of cost centre lines, etc. as per detailed the paper. JH explained that this will allow key variances that need to be monitored monthly to be much easier to understand at an organisational level.

JH added that Board will receive the commentary, summary report, summary cash position and the individual cost centre reports. A balance sheet, cash-flow statement or debtors' analysis will no longer be going to Board at this stage and all key items will be flagged in the commentary.

- i. A question was asked by GP whether it had been considered to keep comparative figures on the accounts as he believed the next 12-months' worth of figures may be valuable to compare to the last 12 months. Trustees were informed that in a charitable context, like-for-like comparisons can sometimes be inconsequential but in the Commercial operations aspect, this is something that is being considered when working on the commercial accounts.

*The sub-committee considered the changes and approved the new format.*

## **9. September Management Accounts**

JH advised the sub-committee that the September Management Accounts were unfortunately not yet completed due to a number of reasons including a recent change in process, loading

on of budgets and processing of year end changes. Trustees were informed that the September Accounts will be completed and circulated by the end of the week.

*The Sub-committee noted the update and expected circulation of the September Management Accounts.*

#### **10. Corporate Policies Review**

TF gave a verbal overview of the paper outlining that the main points are that a suite of corporate policies are required, which need to be reviewed on a clear regular cycle and stored in a central area. TF explained the policy review maps out which Officer Trustee and Staff member is the lead for each area as well as which policies will come to each F&R meeting.

- i. A question was asked by SL how staff will be able to access and view policies. Trustees were informed that the editor rights will sit with Ashley Cory and Victoria Agbontaen, however it will be open to all staff to access and review. AS added it needs to be considered how Senior student volunteers would view this.
- ii. A question was asked by GP as to how many policies we may be missing. Trustees were informed that all Health and Safety policies are required to be re-written. The Financial Management policies are to be revised and GDPR needs to be developed further.
- iii. A question was asked by AS whether Council policies would be considered separate to the corporate policies. Trustees were informed that these should be reviewed separately as corporate policies will be reviewed by the Board.

*Sub-committee considered the range of policies and approved the timeline for their development and ratification.*

#### **11. Staffing Update\***

TF gave a verbal update to F&R highlighting that JF will complete her contract with ICU at the end of December and although JF has been superb, the organisation currently needs a fulltime Head of Finance who will take over responsibility for Retail, Bars and Systems teams. TF noted that as this role is likely to start full-time in Feb/March, there is a risk in the organisation once JF leaves her role.

In light of this, the Finance Analyst, David Ashton in the Systems team will temporarily move to the Finance team full-time to work with JF from November onward and will take supervisory responsibility for the whole of the team as an interim arrangement while JF hands over and the new Head of Finance is recruited.

- i. A question was asked by AS whether David would be reporting directly to TF or his current Manager. Trustees were informed that David would be working with and reporting to Jayne during the handover and then directly to TF.
- ii. A question was asked by KZ whether there would be any initial impact to CSP related queries and key day-to-day CSP activities. Trustees were informed that the proposal is a positive step and would maintain and/or improve the current status as well as set up the Union for a much better service in the future.

- iii. A question was asked by AS whether using Student Volunteers in any capacity to help with finance admin has been considered. Trustees were informed that transforming some of these roles into apprentices for students is something this is being considered and developed.

*Sub-committee noted the staffing update and thanked Jayne for all the hard work she has done to support the Union.*

**Any Other Business**

None.