

**Imperial College Students' Union  
Finance, Audit and Risk Sub-Committee / 1 September 2021**

**Minutes (9 June 2021 Finance and Risk)**

**1. Introduction & Attendance**

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

In attendance

Tom Flynn (Managing Director) (TF)  
Rob Scully (Finance Director) (RS)  
Tom Newman (Head of Membership Services) (TN)  
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**

RS noted he will send the letter of complaint regarding Crowe to GP for approval next week.

**5. Conflict of interest declarations**

None.

**6. Consideration of confidential business**

None.

**7. April Management Accounts**

RS gave an overview of the paper, stating that the Management accounts for April is reported just under £60,000 better than budget. However, this is an outstanding 19/20 payroll reconciliation issue with the College that is still being worked through and will be accrued in the June Management accounts.

RS noted that the £12,500 block grant is an element of additional grant that the Union has had for a number of years but gets dealt with separately to the rest of the grant as College provide these funds for staff welfare. RS added that as a result of a number of vacant staff positions, there are some favourable staff variances in the budget until these positions are filled.

TF added that although the Union is operating better than the budget expected, it is still expected to post a deficit this year because of the redundancy costs due to the staff reorganisation between August – October.

*Trustees noted the position and narrative.*

**8. Initial 2021/22 Draft Budget**

RS noted that this was developed in-line with the timeline that was agreed at the Trustee Board and it has been drafted based on the fact there is no agreement yet from the College

confirming they will increase the block grant in line with the proposal. Therefore, this is an indicative suggestion and will only be required if the College respond negatively to our request for additional block grant funding and we are required to operate with the 20/21 grant level. This is seen as unlikely but remains a possibility until the College formally respond to the proposal.

TF added that the College have agreed to include the Union as part of its CapEx round every year now, which means the Union will be able to bid for major CapEx projects at the same time as other departments in the College. College have also requested any immediate CapEx needs that are required to be brought forward ready for August. This will include the shop re-fit and the EPOS upgrade.

- i. SR advised that what impresses College when requested further funding is to have a plan of action for this year and subsequent years outlining how changes are going to be implemented and managed.
- ii. A question was asked by AS as to pegging volatile income to the CSP Grant instead of staff roles and explicitly prioritised Representation and Advice roles over other roles. Trustees were informed this would be recorded and made a priority.

*F&R considered the baseline budget and discussed further action needed in order to recommend to the Board of Trustees for approval (if required).*

## **9. Strategic Risk Register**

TF stated that a new risk management framework was approved in December for the Union, setting out the three lines of defence for how the Union would approach risk management. One of the key elements is the strategic risk register and this has been rebuilt on the basis of the strategic plan and consultation with the Trustees and College.

TF noted that the strategic risk register maps out the inherent risk and residual risk. This will be used as a live document, so Trustees are aware of where the risks are and to review the outstanding actions in terms of mitigating and controls. TF added that this will be reviewed every F&R meeting with an update on the work in progress and any changes to the risk profile.

- i. A question was asked by GP as to whether there will be more clarity on items that are considered a threat against those that are actual risks to the Union, i.e. would the risk register reflect under-performance of the Union. Trustees were informed that it being a 'threat register' is a symptom of the size of the organisation and the nature of being a student Union as part of the wider College.
- ii. A suggestion was made by SR as to whether the risk register would include an update of the increasing size of the risks to enable the committee to have oversight on this. Trustees were informed that when every paper is presented, there will be commentary on which risks are becoming more and less risky.

*Trustees considered the Strategic Risk Register for the Union and agreed to recommend the Strategic Risk Register for consideration and approval by the full Board.*

## **10. Capitalisation and Depreciation Policy**

RS gave an overview of the paper, noting that current policy related to fixed assets and capitalisation and depreciation is contained within the Financial Procedures (May 2015) and

has not been reviewed for at least six years. The current policy has a extremely low financial threshold of £500 which means the fixed asset register contains a very large number of low value items. Similarly, an impairment review has not been undertaken for several years and there are almost 500 lines of fully depreciated assets on the register.

RS proposed that the policy changes are to only items with a cost of over £3,000 and a useful life of over 1 year will be capitalised and depreciated and all items will be depreciated on a straight-line basis. RS added that the residual value at the end of the useful economic life will normally be £zero unless there is evidence to support that the asset will still have value at that stage.

Finally, there will be an annual impairment review of all fixed assets as part of the year end timetable and assets will be depreciated over the useful economic life in line with the table below. Any exceptions to this will be evidenced and presented to the Finance & Risk Subcommittee for approval.

- i. A question was asked by SL as to whether this includes CSP assets as they get depreciated in their own accounts. Trustees were informed that it includes CSP assets that exist on the fixed assets register. The current policy is that the vast majority of CSP assets and there will be a review on whether these assets still exist.

*Trustees approved a new capitalisation and depreciation policy to be implemented for the 2020/21-year end.*

## **11. H&S Policies Implementation Summary**

TN stated that the policies are now in the implementation stage and noted it is likely that a paper will be brought to the next F&R meeting summarising the implementation and how it is progressing. TN added that the firearms policy and driver safety policy are still in the process of being updated and will be brought to the next meeting.

TN note that a task and finish group, led by himself, has been established and is supported by Rob, Sam and Ross. The group have identified the priority policies that need to be implemented first based on the risk of not completing them urgently. This is being worked on by staff as well as an external H&S consultant who has been supporting the Union throughout the last 18 months. Methodology for implementation has been discussed and the group have produced an action plan for resources, timescales and specific actions etc.

*Trustees noted the update of the implementation plan.*

## **Any Other Business**

TF noted that the College undertook an internal audit a few weeks ago and there is a paper going to the May Board meeting summarising their updates and findings but so far, feedback has been incredibly positive.

TF expressed that the Union is now looking at a 'return to the office' plan for May if the restrictions continue to follow the Governments road map. TF stated that he is meeting with the College's Health and Safety Director to reconfirm the risk assessment, the set of rules for staff that are working in the building and procedure for staff if any individuals test positive for covid-19.