**Imperial College Union**

**Finance, Audit & Risk Sub-Committee**

**Minutes of the 2pm 31 August 2022 Sub-Committee Meeting held via Microsoft Teams**

**[Minutes confirmed by the 2 November 2022 meeting of Finance, Audit & Risk]**

**Trustees Present:**

Dan Wagner in the Chair (DW)

Hayley Wong (HW)

Niamh McAuley (NM)

Dylan Hughes (DPCS)

Charlotte Drastich (CD)

Michaela Flegrova (MF)

**In attendance:**

Tom Flynn (Managing Director) (TF)

Rob Scully (Director of Finance & Resources) (RS)

David Ashton (Financial Controller) (DA)

Clem Jones (Governance & Democracy Coordinator) (CJ)

Chid Ofoego (Director of Financial Reporting and Planning, Imperial College London)

1. **Welcome**

DW welcomed everyone to the meeting and introductions were done.

1. **Apologies**

Noted from Tom Newman. Noted that a vacancy for a Lay Trustee on the Sub-Committee, to be filled in due course, has arisen due to Stephen Richardson taking on the responsibility of Board Chair.

1. **Minutes of the Previous Meeting**

Approved by consensus as an accurate record of proceedings.

1. **Matters Arising**

Noted that there were a couple of matters on the Action Tracker due for the meeting but that have been postponed to the next meeting in November, notably the further updates to the Financial Procedures Manual.

1. **Identification of Conflicts of Interest**

None

1. **Identification of Confidential Business**

Noted the confidentiality of Item 8.

1. **Draft Year End Update**

RS provided a verbal update, apologising for the lack of written report. RS noted that the reason for this would be contextualized by the next item on the agenda, with a significant amount RS’s time being taken up dealing with the venues at present. RS recapped that in the 2021-22 Financial Year ICU took a multi-staged approach to budgeting, with the latest iteration being produced following the May Management Accounts and the Stage 5 budget being approved by the Trustee Board. RS noted that the budget was looking at overall delivering a surplus of just over £100k, due to vacancy savings (as a result of late recruitment) and surplus generated from the shop offsetting a shortfall from venues and events. RS further noted that the draft numbers show the actuals short of achieving that.

1. CO asked what ICU’s process is for reconciling balance sheet accounts. RS noted that they are reconciled on a regular basis, with the major ones being done each month. RS further noted that one of the major reconciliations is the ‘unknown creditors’ balance sheet account, which is unexplained income, most likely related to Clubs and Societies doing activities and paying monies into the bank but not giving ICU information to allow the Finance team to allocate it to the correct CSP. RS also noted that one of the processes significantly improved upon this year is the supplier and customer statement reconciliations that 18 months ago was a big problem but now at the end of year the Finance Team contact all ICU’s main suppliers to make sure nothing has been missed.
2. CO also asked if there is someone who reconciles the accounts and someone else who sign off the accounts. DA noted that the assistant management accountant in the team prepares the reconciliations and then DA reviews them and suggests resolutions to any issues.
3. DW noted queried minibuses being a standing item on the agenda. TF noted that there had not previously been a sensible transport strategy for CSPs, and that historically the Union has bid for CapEx from the Harlington Fund to buy additional minibuses, leading to the Union having a sizeable fleet but without a transport strategy. TF further noted that the Directorate undertook a review 12-18 months ago, but then the Covid pandemic impeded implementation, leading the team to purposefully slow the transition from a wholly owned fleet to some form of mixed model between owned and leased. TF urged the committee to undertake a reanalysis of the broader transport strategy in due course.

**Action For Action Tracker: Review Transport Strategy at next meeting.**

DW noted that the September meeting of Board will expect the Sub-Committee to have scrutinised the financial year end performance, and suggested scheduling an additional Sub-Committee meeting for 14th September 2022 at 4pm, which CJ agreed to organise.

1. **ICU Venues Review**

RS presented paper FAR/22-23/02. Further to the paper, RS noted that 3 candidates have accepted for 3 venues roles that were in recruitment, with 2 of them having 2-month notice periods at their present employers. RS also noted that he is keen they go through a full induction process.

1. TF noted the venues team’s good work during the pandemic in navigate changing coronavirus restrictions. TF also noted that the incoming team members come from a Students’ Union background, having been student staff themselves, which should help in building team culture.
2. CO asked if there had been any consideration of the scope of venues at the moment. RS noted that the venues are now classified as part of the Union’s core operation in terms of provision for students, however, whether the Union delivers all aspects of that service (i.e., the kitchen) will be considered over Autumn Term, and a proposal will be brought to the Committee soon regarding options for what such service-provision might look like from 2023 and beyond.

**Action for Action Tracker: Bring Proposal to the Committee regarding kitchen service provision model for 2023 onwards.**

1. CO asked whether there is a risk relating to RS needing to devote more time to the venues, given the timing of financial year end. RS expressed full confidence in DA and the team regarding the handling of the financial audit and financial reporting.
2. DW asked about risks identified in the consultant’s report relating to Health & Safety, and Training. RS noted that the Union is already progressing solutions across the organisation through the Health & Safety Strategic Roadmap led by the Facilities, Health & Safety Manager. RS also noted that such related processes are already in place in the venues, but it has become clear that they were not being overseen as effectively as possible recently. DW asked if there were any ongoing Health & Safety issues, e.g., anything so concerning that it might require the venues to need to close. RS noted that there were not, noting that the immediate Health & Safety risk concerns raised by the consultant were in relation to the kitchen, which had had a deep clean to address said concerns. DW queried if there are lessons learnt for SMT in terms of catching issues at the earliest opportunity. RS noted that as steps in the venues are progressed he will document updates, so that the Sub-Committee can be reported back to.

**Action for Action Tracker: Bring Venues Review Update to Trustees in due course.**

1. DW asked a question on the venues’ commercial viability and long-term viability. RS noted that there will be a termly rather than yearly stock valuation moving forward.
2. DW asked how realistic the interim plan provided in the review report is, given the notice periods of the recruited members of staff. RS noted his agreement with the interim plan and also that there is a live prioritisation exercise required, dependent on staff start dates. RS also noted the strong need to ensure training and induction is in place prior to Welcome Week due to the importance in setting culture.
3. MF queried risk associated with delivery of the welcome week operational action plan due to staff changeovers. RS noted that a significant risk related to transferring the Designated Premises Supervisors (DPS) role to a new member of staff, which has now been transferred to RS as of 31 August 2022. RS further noted that ICU has a kitchen consultant in today to assist with a kitchen remobilisation plan.

*Finance, Audit & Risk Sub-Committee duly considered the ICU Venues Review.*

1. **Firearms Policy**

TF presented paper FAR/22-23/03.TF noted that that the policy needs to be sent to the local licencing authority once the Sub-Committee has approved it.

*Finance, Audit & Risk Sub-Committee approved the Firearms Policy.*

1. **Credit Card Policy**

RS presented paper FAR/22-23/04.

1. DW asked what the overall credit limit for the scheme is. RS noted it is £75k.

*Finance, Audit & Risk Sub-Committee approved the proposed Corporate Credit Card Policy, and approved the proposed replacement of section 9.5 of the financial procedures manual with the following:*

*9.5.1 Finance, Audit & Risk Sub-Committee shall approve and own a Corporate Credit Card Policy.*

*9.5.2 All staff will be expected to know, understand and abide by this policy.*

*9.5.3 The Director of Finance & Resources will be responsible for the operational implementation of the policy.*

*9.5.4 Finance, Audit & Risk Sub-Committee will approve the overall credit limit of the credit card scheme, and any fundamental changes to the scheme.*

1. **Digital Transformation Project**

DW introduced the verbal update by providing some wider context, noting that there are some risks relating to single points of failure within the Union’s systems landscape. AC noted that the project is to undertake an evaluation of the Union’s digital systems, intending to make recommendations in order to improve the Union’s digital infrastructure. AC also noted that he intends to propose Terms of Reference for a Task and Finish group for the project to the September Board meeting.

*Finance, Audit & Risk Sub-Committee noted the verbal update.*

1. **AOB**

June 2022 Fraud Incident Update

DW observed that at the last meeting the Sub-Committee noted that the Union had been subject to a bank transfer fraud, and asked for an update. DA noted that the Union’s bank has indicated they are closing their case on it, and the receiving bank have stated they are unable to reclaim the money directly from the account.

Summer Ball

DW noted that in March 2022 the outgoing DPFS proposed that any profits from the 2022 Summer Ball be designated for future Summer Balls.

1. DW asked if the 2022 Summer Ball had made a profit. RS noted that the Ball had made a marginal deficit of £1-2k. TF noted that the June 2022 Sub-Committee meeting considered that a designated funds policy might come to a future Board discussion.
2. CO cautioned regarding such an approach that if a significant surplus is built up via the Summer Ball whereas other areas of the Union struggle in a given year, it may not help to restrict financial flexibility. Vice versa, MF asked what would happen if such a policy was in place and consecutive summer balls did not make a profit. RS suggested that Board might like to agree principles, but make an annual decision on designations (and, e.g., capping such a fund at a certain amount).

**Action for Action Tracker: Designation of Funds policy to be drafted for next Board.**

DW closed the meeting at 3:45pm.