

Meeting:	Finance & Audit Committee
Location:	1 East Meeting Room
Date & Time:	Friday 23 November 2018 at 10am
Present:	
Rob Clay	Independent Trustee
Jiani Zhou	Postgraduate Officer
Andy Galloway	Sport Officer (Chair)
Jack Kitchen	Education Officer
In attendance:	
Gregory Noakes	Governance & Executive Support Manager (Secretary)
Andrew McLaughlin	Chief Executive
Helen McHenry	Finance Manager
Item	
1.	<p>Apologies for absence</p> <p>All committee members were present.</p>
2.	<p>Election of Chair</p> <p>The Sport Officer was elected Chair of the committee.</p>
3.	<p>Notice of any other business</p> <p>The following items were identified for discussion under any other business:</p> <ul style="list-style-type: none"> 1) Enabling strategy 2) Making Tax Digital 3) Salary charges 4) Budget rounds
4.	<p>Declaration of conflict of interest</p> <p>No committee members declared a conflict of interest in any item on the agenda.</p> <p>Committee members were reminded to declare any conflict of interest if it arose during the course of the meeting.</p>
5.	<p>Terms of Reference</p> <p>The committee agreed that these terms of reference should be recommended to the Board of Trustees for adoption subject to the following amendments:</p> <p>Schedule 1: Financial Responsibilities Point 4: To receive, consider and approve unbudgeted expenditures that will exceed more than £10,000. New point 5: To receive, consider and approve budgeted expenditures that will exceed more than £50,000.</p> <p>Schedule 2: Audit Responsibilities Point 2: To receive and consider the auditor's report and recommendations Point 3: To oversee and monitor the implementation of the auditor's recommendations</p>

	ACTION: Governance & Executive Support Manager to amend the terms of reference of the Finance & Audit committee
6.	<p>Management Accounts</p> <p>The Finance Manager introduced and explained the management accounts to the committee.</p> <p>The committee noted that the marketing and bars areas were doing better financially than previously expected. They discussed why these areas had been doing better than expected.</p> <p>A trustee asked why there was a big difference in the halls budget. The Finance Manager explained that this was due to the University funding it last year and this year this being handed over to the union to pay for.</p> <p>The committee noted that the sport membership fee had been increased.</p> <p>They discussed and agreed that the current suggested reserve limit of £200,000 for The Student Union (SU) was appropriate.</p> <p>The committee discussed how clear the management accounts were and whether students would be able to understand them. The Chair explained that they didn't think it would be clear enough for a student to understand. They agreed that a different format could be used to give students an update on how union money is spent.</p>
7.	<p>Reserves statements</p> <p>The committee discussed the reserves statements.</p> <p>A trustee explained that the reserves had been built up over a number of years and that the University had expressed concerns over the amount of money that had been saved which they believed should be being spent on students.</p> <p>It was noted that the trustees had previously agreed that projects should be carried out to reduce the reserves. They noted that these projects were not designed to be sustainable but to achieve important strategic objectives.</p>
8.	<p>Audit recommendations</p> <p>The Finance Manager introduced and explained the audit recommendations.</p> <p>They noted that the recruitment of another Finance Assistant was allowing for some of these recommendations to be implemented which had been identified over the last few years. However, if the additional post was lost this would no longer be possible.</p> <p>The committee went through the recommendations with the Finance Manager discussing and noting progress to implement these.</p> <p>The committee discussed the current responsibilities of the Finance team and their relationship with University. Proposed changes and issues were noted. They agreed that separating the Finance team from the University and bringing them within The SU was the right direction to take in the long term.</p> <p>ACTION: Chief Executive to keep committee members up to date on The SU Finance team developments by email</p>
9.	Any other business

The following items had been previously identified for discussion:

1) Salary charges

The Finance Manager explained how SU staff recharges worked between the University and The SU. They noted that the University had not been charging VAT on staff recharges which it should have been. Going forward this would now need to be charged and this would have a significant impact on The SU budget from January 2019.

The University were exploring solutions and looking at what other student unions had done to get round this problem. The committee noted that most Student Unions employed their own staff for this reason. They agreed that it was important for The SU to be kept informed of what the University were doing in this area.

2) Making Tax Digital

The Finance Manager explained that new legal requirements by HMRC required VAT returns to be uploaded digitally. New software was required to carry this out. The Finance Manager was exploring possible solutions to this problem.

3) Enabling Strategy

The Finance Manager explained that the enabling strategy was a part of the strategic plan that specifically dealt with finance within The SU. They gave an update on the ongoing upgrade to finance systems. It was noted that these were the first big changes to be made to the SU finances in a long time.

Many of these changes were already in place in other student unions. One improvement noted was the introduction of the student expenses app which would allow for online claims to be submitted.

The Finance Manager reported that work with RSM audit company on fixed assets was completed in the summer 2018. They noted that the next planned piece of work was to redesign the chart of accounts.

The Finance Manager suggested and the committee agreed that a task and finish group should be set up to plan this work.

4) Budget round

The Chief Executive asked the committee about how they wanted to be involved in budgets rounds. They explained how these budget rounds worked. It was noted that the University were freezing budgets currently and asking departments to make efficiency savings where possible.

The Finance Manager noted that this year and last year deficits had been forecast for the first time in a long time for The SU.

The committee discussed the best way to be involved in the budget rounds and planned out the meetings for next year in relation to this.

10.

Review of meeting effectiveness

The Finance Manager noted that the management accounts and reserves statements were still being developed.

	The committee discussed and agreed that it would be useful for a column to be added to these to allow the Finance Manager to provide a running commentary down the side. They also agreed that as part of the Officer handover a session should be provided by the Finance Manager to train officers to understand the management accounts.
11.	To set the date and time of future meetings The committee noted and confirmed the following meeting dates: Monday 04 March 2019 at 10am Wednesday 05 June 2019 at 10am
The meeting ended at 11.43 am.	
Item number	Action
5	Governance & Executive Support Manager to amend the terms of reference of the finance & audit committee
6	Chief Executive to keep committee members up to date on The SU finance team developments by email