

Minutes of the Imperial College Union
Finance & Risk Committee
16 October 2014
Room 6, 16.30

PRESENT:

Lay Trustee	Colin Kerr – Chair (CK)
Officer Trustee	Alex Savell (AS)
Student Trustee	Thomas Lim (TL)
Student Trustee	John Winters (JW)
<u>Permanent Observers</u>	
President	Tom Wheeler (TW)
Head of Finance	Malcolm Martin (MM)
Governance & Administration Manager – Clerk	Rebecca Coxhead (RC)

Observer: Kevin Lally (KL) – Knox Cropper

1. FINAL ACCOUNTS AND AUDIT REPORT

RECEIVED: The documents were presented by MM and KL

NOTED:

- a) This second year that the accounts have been presented in line with Charity Commission requirements.
- b) 'Unrestricted Funds' are the funds which can be spent within the confines of the Union's Aims and Objectives. Restricted funds can only be spent on items that the funds were raised for.
- c) Gross Profit on sales averaged at approximately 59% over the year.
- d) All overheads are distributed across Social Enterprise, Student Activities and Student Voice.
 - i. KL stated that there was a slightly different methodology used this year in the calculation so last year's accounts have been readjusted to make the accounts comparable.
- e) The Union has made huge improvements in debt recovery in the past 5 years.
- f) There has been a change to the reporting standards where in 2 years' time, pension contributions will be required to be reflected on the balance sheet, which will make it less strong.

This will also affect the amount of free reserves but Knox Cropper will work with the Union to guide through the process when required.
- g) Accruing for untaken holiday may need to be taken in to account and will need to calculate for this next year. This will have a small effect on the reserves.
- h) KL stated that in the Auditors Declaration in the Management Letter is standard terminology.
- i) The profit share of HBar between the Union and the College is explained in the Annual Report.
- j) The Balance Sheet has a reference to 'all members' and it was suggested that 'all' should be removed as not all members choose to engage in Union activities.
 - i. It was agreed to remove 'all' from the final sentence of paragraph 3 of page 3 of the final accounts.
- k) It was suggested that a target figure for the Union's level of reserves should be put in to the report.
 - i. The Reserves Policy is referred to in the full Annual Report.
 - ii. The Reserves Policy will be revisited in the December meeting of Finance & Risk Committee.
- l) In regards to reference to pensions on page 15, it was suggested that there was a typographical error.

- i. Clarification needs to be sought from College as this was information given from them.
- m) The Finance & Risk Committee unanimously agreed to recommend that Board of Trustees pass the presented accounts with the agreed amendments and on the proviso that clarification will be sought on the reference to pensions.

RESOLVED:

- 1) **To recommend that Board of Trustees pass the presented accounts with the agreed amendments and on the proviso that clarification will be sought on the reference to pensions.**

2. CHAIR'S BUSINESS

NOTED:

- 1) It was reported that the email decision in regards to the Bhangra Showdown budget was passed unanimously.

3. DECLARATION OF CONFLICT – none

4. MINUTES OF LAST MEETING

NOTED:

- a) The minutes were passed as a true record of the meeting

RESOLVED:

- 1) **To pass the minutes of the last meeting as a true record.**

5. MATTERS ARISING

NOTED:

- a) In regards to Oil and Gas Forum, it was reported that AS has been engaging with the organisers during the summer and the event is going ahead as planned.
 - i. The name 'Imperial College' will be used in the naming of the forum.
 - ii. One sponsor has been secured with a sizeable donation and another key sponsor is in the process of being secured.

6. MONTH ONE MANAGEMENT ACCOUNTS

RECEIVED: The accounts were presented by MM

NOTED:

- a) Month 2 Management Accounts will be circulated as soon as compiled.
- b) Month 1 tracked below budget but there are no major concerns.
- c) There is some 'lose ends' from month 12 that have crept in to month one.
- d) The list of debtors for August is mostly made up from Freshers and Careers Fair external clients booking stalls.
- e) The Committee agreed to recommend the Trustee Board to pass the management accounts.

RESOLVED:

- 1) **To recommend that the Trustee Board pass the Management Accounts.**

7. EVENT BUDGET APPROVAL

RECEIVED: The Report was presented by AS

NOTED:

- a) The ICSMSU Freshers Dinner Fortnight budget was a culmination of events happening over the fortnight.
- b) Events over £10k and under £50k aren't required to be approved by Executive Committee under the current Financial Procedures but this has been occurring to give another level of authority.
 - i. CSP Finance Group could possibly consider the budgets that fit in this category.
 - ii. There is a piece of work around other risks associated with events such as reputational risk.
 - iii. It was suggested that the Union should be aware of all events being undertaken by CSPs and that perhaps these could be logged somehow.
 - iv. AS and TW to investigate how event process work and if these can be improved.

ACTION:

- 1. AS and TW to investigate how event process work and if these can be improved.**

- v. There is balance between reporting and approval of all Union events
- vi. As an interim measure, it was agreed that the Finance & Risk Committee will consider the events that fall between the £10000 and £50000, until a process has been confirmed.

RESOLVED:

- 1) Finance & Risk Committee to consider events with expenditure between £10000 and £50000.**

8. SUMMER BALL BUDGET AND PLAN

RECEIVED: The papers were presented by MM

NOTED:

- a) It was agreed that an update will be required to come to the March meeting of Finance & Risk Committee and the committee can ask for any adhoc updates should they require them..

ACTION:

- 1. To receive a Summer Ball update at the March 2015 meeting of Finance & Risk Committee.**
- b) It was queried as to what 'maintenance' is under the logistics section of the budget.
- c) The Committee approved the budget as a framework for the commercial Services team to work within and noted that the plan looks very positive overall.

9. INTERNAL AUDIT

RECEIVED: The report was presented by MM

NOTED:

- a) It is a hugely positive outcome for the Union to move to substantial assurance and thanks were given to all those involved.
- b) This has led to College's confidence in the Union to grow.
 - i. It was highlighted that the Union will not be complacent and will always strive to increase this assurance.

- d) In regards to point 4, supplier contracts, it was stated that there is a positive value in not being tied in to long term supplier contracts.
 - i. MM reported that he has meet with the Commercial Services Manager and they are compiling a Risk Matrix to bring to this committee.
 - ii. The Commercial and Retail Mangers meet regularly with Reps to discuss contracts but there was not sufficient evidence of this for the Auditors.
- e) In regards to Club Supplier verification, it was suggested if officers could rate suppliers and have this information recorded.
 - i. One of the largest risks is around advance payments and the risk of non-delivery.
 - ii. MM welcomed the idea of using a suppler register.
- f) The next Internal Audit will be completed by KPMG instead of Deloitte.
 - i. The appointment of the auditors is a process that College manage.
 - ii. KPMG will have a different scoring system to Deloitte so this will need to be explained to the Board.
- g) The Committee unanimously agreed that Board pass the Internal Audit report.

RESOLVED:

- 1) **To recommend that Board pass the Internal Audit Report**

ANY OTHER BUSINESS

FINANCE RESTRUCTURE

NOTED:

- a) There are 2 Finance Administrator positions that are being advertised at the moment.
- b) During the restructure, some of the processing slowed due to temporary staff learning the processes.
- c) The new structure focuses on sharing of knowledge and that process being able to be completed by the whole team.
- d) MM welcomed any feedback in regards to the new structure and how things are working and stated that an update on the restructure will come to the next meeting of Finance & Risk Committee.

ACTION:

1. **MM to bring an update on the Finance Team restructure to the next meeting of Finance & Risk Committee.**

Meeting closed 19.00