

**Finance and Audit Committee
MINUTES
4.00pm 26TH May 2015
Room 1, The Union Building**

Present:

Grant Clarke (GC) – Chair, Ian Lockwood (IL), Nick Johnson (NJ), Mario Oliveros (MO), Ian Watson (IW)

In Attendance:

Anna Clodfelter (AC), Tom Worman (TW), Cherelyn Cuthbert (CC), Elisa Kanagarajah (EK), Carla Watton (CW), Orion Brooks (OB), Jamie Mitchell (JM), Emily Dell (ED), Kayleigh Teague (KT), Lucy Simpson – Minutes

1. Apologies for Absence

None received. Chair welcomed new Sabbs and introductions made.

2. Declaration of Interests

None.

3. Minutes of Previous Meeting

Minutes from 23rd February 2015 agreed.

4. Matters Arising and Action Points From Those Minutes

4.1 Investigate liability of hire vehicles - FL – complete

FL worked with lease company and it's been agreed that the lease company is responsible for the vehicle until the student group picks up the keys from UPSU.

4.2 Clubs underspend – drive development - FL - complete, see item 5.1

MO – has the underspend been resolved?

CC – the development pot is not apportioned to individual groups and some has been spent on an overspend in H&S (broken and new equipment) so AU has a breakeven budget. Membership money goes back to individual groups (£9k) but this can't go back until end of year to accommodate for final invoices where POs haven't been completed.

4.3 Email decision required on surplus expenditure - ALL - complete

4.4 Reserves Policy to go to BoT - GC - completed on 23/02/15

4.5 Club 8 outstanding debt £2.9K (28/10/14 minutes) – AC – update

This outstanding sponsorship club money has gone to small claims court after a NWNF attempt didn't work. This is the situation that TW detailed in BoD where the Union has been involved between clubs and sponsors for agreed attendance at events in exchange for funds. A far clearer situation would be for sponsors to pay for kit items or embroidery on kit direct rather than funds paid to clubs at the end of seasons if they have fulfilled the t&cs of an agreement.

4.6 Ethical framework - update is that GC has agreed that AC can propose to roll the action into 15/16 year as it has not been a union priority this year

5. Business Matters

5.1 Quarterly management accounts, including proposals for surplus spending

Overview – CC:

- Q3 looks very underspent due to extra PSUT funds and management charges from PSUT (charges made to PSUT for their share of UPSU services and staff to enable it to be a self-sustaining business).
- Student Opportunities where a lot of this money is membership and will go back to AU and Societies at year end.
- Repairs on lease mini-buses will be £5500.
- Investment in light weight staging is £4500 as the heavy (University owned) staging cannot be shifted up and down stairs due to H&S concerns.
- Actual overspend will only be £788 (so no surplus).
- The £15k spend on staging and building maintenance was approved by Leadership so we could breakeven.
- Underspend in salaries due to staffing gaps.
- Overspend in central due to the Section 75 issue as all costs associated (£30k for CB and £8k legal fees) have been pulled into this financial year.

AC – overall we were predicting a deficit but took the decision to break even and not come in at deficit.

AC gave brief overview of Section 75 issue for Sabb Elects benefit.

FINANCE & AUDIT COMMITTEE NOTED UPSU Q3 MANAGEMENT ACCOUNTS & SURPLUS SPEND

5.2 Reserves update

AC – notes from reserves meeting circulated. UPSU has a pot of reserves of around £600k and has a reserves policy currently set at £250k. UPSU is a low risk organisation. The 15/16 budget details £200k to be invested which is required to get us to deliver this strategy (staff and physical resources) leaving £160k free reserves. As agreed at last Board group has been set up to discuss what to do with the excess free reserves and so RJ/DF/TW/GC/MO/AC/FL met to check the group is happy with the budget proposal and identify the way forward. The next step is consultation for future plans and may come back to Board in November but more realistically in February.

FINANCE & AUDIT COMMITTEE NOTED THE RESERVES UPDATE

Action: reserves planning to continue and report back in November or February

5.3 Budget for discussion and final approval

AC – overview of budget process:

- UPSU has a strategy and an operational plan of things that we need to achieve in the coming year.
- Departments look at those plans and come back to us with a budget on how they want to spend the money to deliver the things we are asking them to do. We also ask people to be innovative, daring and brave and put things in budgets that they would like to do and they think are going to have a significant impact on students.
- The end budget then has to go through the budget refinement process which last year involved, SMT / President / President Elect, this year it involved SMT / President / Operational Managers.
- Unfortunately we couldn't refine enough out this year and still ended up about £400k too much. The things that remained in the budget were in the strategy and if we didn't invest in them we wouldn't be able to deliver the strategy.
- So this year we have a 2 phase budget. A Core Budget which is a yearly activities budget and we also have an Investment Budget which is investment out of reserves for

one off items (assets which will depreciate, pilot staff & projects and investment in the building).

- The £100k for investment in the building will get the building and environment up to a standard to meet staff and student expectations.
- Next year core costs must be cut to enable any of the investment costs to be included in the core budget for 16/17.
- We cannot keep on posting surpluses when this money could be invested in staff.
- As a service level industry standard, 50% of turnover should be spent on staff and we are only at 37% at the moment.

IL – concerned about spending £100k on what should be paid for by the University as it sets a precedent and this should be communicated back to the University.

AC – the only areas where we are not responsible for the upkeep according to the lease, are the communal areas (about £10-£12k out of the £100k).

MO – what about the meeting rooms?

AC - the meeting rooms are not ours and eventually the University may take back control of these rooms.

MO – is there budget for the Student Activities Office to have a window?

TW – there is budget for an air con unit.

IL – in future years we will have a rolling programme and budget for this.

AC – we will still be challenging this with the University and making a point as students deserve better facilities.

MO – can we come up with a budget plan to go to the University for the meeting rooms?

AC – we can put an investment proposal to the University on behalf of our members and lobby them to do something.

ACTION: AC to draft investment proposal for improvement plans to the Meeting Rooms.

ED – in the budget under fair funding, RAG/VIP aren't supposed to have budgets only development pots but budgets have been put in.

AC – this is worst case scenario as fair funding has not been passed yet and middle ground phased funding for Media.

FINANCE & AUDIT COMMITTEE APPROVED THE PROPOSED UPSU 2015/16 BUDGET

6. AOB

6.1 CC – proposed amendments to signatories to prevent issues with having cheques signed:

Increase Sabb authorised signatories from 3 to 5 Sabbs.

Increase SMT authorised signatories from 2 to 3 members.

FINANCE & AUDIT COMMITTEE AGREED AN OVERRULE OF FINANCIAL PROCEDURES AND THE ADDITION OF PROPOSED AUTHORISED SIGNATORIES

6.2 AC – point of note for F&A Committee:

As part of the Governance Review we looked at the makeup of all committees and all of the memberships will stay the same but there is a change to this committee. From August or November 2015 it will be Finance, Audit & Risk Committee so the terms of reference will change.

AC – thanked Chair and the members of the F&A Committee meeting.

7. Date and Time of Next Meeting

Tuesday 25th August 2015 at 4pm, Room 1, The Union Building

ACTIONS

Action	Who	Update	Status
5.2 - reserves consultation and planning to continue - reporting back in Nov/Feb	AC and group		
5.3 - draft investment proposal for improvement plans to the Meeting Rooms.	AC		On-going
6.2 - amend Sabb signatories in financial procedures	CC		

CONFIDENTIAL ITEMS

NONE

Minutes Approved: _____

Date: _____