



Minutes of:	Board of Trustees
Location:	M.R. Safin Room, New Academic Building, 8 th floor
Date and Time:	24 th October 2019 at 2pm
Members:	Zulum Elumogo (Chair), Wil Barber, Jack Boyd, David Gordon, Inka Pearson.
In attendance:	James Hann (Chief Executive), Janette Joyce (Crowe LLP), Maddy Thompson (Finance Manager), Nick Smith (Secretary).

Item

1. Members were **welcomed** and apologies.
2. There were **no declarations** of interest that required declaring.
3. The board **approved** the Minutes of the Last Meeting without amendment.
4. The board **noted** that a contract had been signed for £60,000 for the Athletics Union ball on behalf of the board by the Chair.
5. The board **approved** the Audited Accounts & Trustees Report. The following was raised in discussion.
 - a) There had been a large amount of change in the senior financial management team over the past year and while the majority of
 - b) As expected, the partnership review was the single largest area of impact on the union with £196,000 of costs shared between the two organisations. Even after income provided by the School this was still a £80,000 cost to the SU within the year.

Income

- c) Income for the year was £6.3Million. Commercial income had experienced a difficult financial year in line with the rest of the sector. In part this was due to the decision not to hold as many external events in the bar. At present there was not clear indicator of performance, but a verbal update would be given to the November trustee board.

Action: JH

- d) The clubs and societies income was lower than previous years because the students' union fund was not shown within the SU accounts.

Expenditure

- e) While this year's £6.25M expenditure was lower than the spending of £6.6M in 2017/8 this included society funding which had reduced because of the treatment of the students' union funds. Taking sport and society monies aside, the Union had spent more money on student activities.

Cash position

- f) There was a £57,000 surplus shown on the accounts, but this was split between general and restricted funds (the latter including £105,000 of students' union fund). The £197,000 unreserved.
- g) The board **approved** that £52,000 should be held towards bad debtors. These debts were a mixture between venue sales and student activity groups.

- h) There was a £70,000 reduction in the stock position at the end of the academic year associated with the sale of the shop to the School. The School had agreed the stock value of £76,000 but this would not impact on the balance sheet as the figure moved from a stock asset to a debtor. General reserves were £222,000 which were higher than the policy but lower the expectation.

Budget

- i) Given the revised position uncovered during the audit it was calculated that taking a pension payment holiday as previously proposed would cost more money because of compound interest. The board **approved** the decision to make a pension contribution this year.
- j) The current spending levels given the income of the union was not sustainable in the future and this would be a major concern for the board in setting the budget for the 2020/21 academic year.

Trustees Report

- k) There would be minor adjustments required to the Trustees Report and authority had been delegated to the chair to sign.

6. The board **noted** the Audit Findings report.

- a) The audit had taken place on a sample basis and had taken 1% income was the materiality level (£50,000). It was unusual to have the audit so close to the end of financial year and so there was less evidence for the figures while, for example, late invoice payments were coming in. However, there was nothing requiring adjustment.
- b) While there were significant matters raised these were not evidence of fraud just risk areas associated with them.
- c) Last year the Audit raised that "Z Readings" (the last report from an electronic till) should be checked but this had not happened. It was hoped that with a dedicated finance team and increased capacity should be done more meticulously. Also the passing of retail onto the School meant there would be fewer Z readings to check.
- d) There had been a case of fraud to the value of £8,500 through an email address that appeared very similar to that of the CEO. Staff were being given training to avoid this in the future.
- e) Posted journals would be checked regularly and working with a finance manager from another SU was being investigated.
- f) The Union was a going concern and had a letter from the School confirming their support.
- g) Actions on the Audit should return to the February Audit subcommittees.

Action: NS

7. The board **approved** the Letter of Representation and delegated authority to the General Secretary to sign the form.
8. The board had an opportunity to talk to Auditors without staff present.
9. The board **approved** the closed minutes without amendment.

DATE OF NEXT MEETING:

To be rescheduled by Nick Smith

SIGNED.....

Trustee Board Chair