

Minutes of the Imperial College Union  
Finance & Risk Committee  
28 April 2016  
Room 6, 16.30

**PRESENT:**

Lay Trustee	Jill Finney – Chair (JF)
Officer Trustee	Chris Kaye (CK)
President	Lucinda Sandon-Allum (LSA)
Council Chair	Richard Cameron (RC)
Student Trustee	Zain Rizvi (ZR)
<b><u>Permanent Observers</u></b>	
Head of Finance And Resources	Malcolm Martin (MM)
Interim Managing Director	Alex McKee (AMK)
Governance & Administration Manager – Clerk	Rebecca Coxhead (RC)

**Observer:** Appointed Student Trustee Tim Seers

**1. CHAIR'S BUSINESS**

NOTED:

- a) The agenda has been arranged to spend half the time on reports and half on discussion to ensure that there is a chance for members to feed in to the dialogue.

**2. DECLARATION OF CONFLICT – none**

**3. MINUTES OF LAST MEETING – 25 February 2016**

NOTED:

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

**RESOLVED:**

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

**4. MATTERS ARISING**

NOTED:

- a) Health and Safety has been a feature in the minutes for a long time and it is time now that it gets moved forward greater significance.
- b) The Foundry Review will be circulated outside of this meeting by the next meeting of the committee.

**ACTION:**

- 1. AMK/MM to circulate the Foundry Review document outside of this meeting by the next meeting of the committee.**

- c) A meeting has been scheduled to discuss how to best present the Board in relation to the increase in expenditure.
- d) The Strategic Risk Register will be taken to the June meeting of Board.
  - i. AMK and MM are to commit to a date to circulate the Strategic Risk Register to Finance & Risk Committee in advance of the Board meeting.

**ACTION:**

- 2. AMK and MM to commit to a date to circulate the Strategic Risk Register to Finance & Risk Committee in advance of the Board meeting.**

## 5. MONTH 7 AND 8 ACCOUNTS

RECEIVED: The accounts were presented by MM

NOTED:

- a) In regards to month 7 accounts, the following was discussed:
  - i. The disposal of vans haven't hit income yet as they have still been on the road.
  - ii. CX income is below budget. This is in part due to poor attendance at events.
  - iii. Unbudgeted expenditure is made up of investment in people assessment fee and costs pertaining to the Sports Strategy which will be claimed back from College.
  - iv. SK Bar is back on income trajectory.
  - v. Catering and Retail continue to be ahead of budget.
  - vi. CSP's need to start spending SGI as this can't be held for an unreasonable time. This is being monitored by the CSP finance group which meets regularly.
- b) In regards to month 8 accounts, the following was discussed:
  - i. Month 7 ended ahead of budget overall.
  - ii. Beit Venues had a budget challenge but this is not a regular occurrence and as such not a concern that needs attention. There are capacity issues which inhibit what space can be sold. There is a balance on CSP demand, internal demand and how they fit in commercial opportunities.
  - iii. Marketing income is down. The Communications and Marketing Manager has committed to draw this back before year end.
  - iv. Unbudgeted expenditure includes Managing Director recruitment.
  - v. There are some timing issues on expenditure.
  - vi. The amount on debtors has reduced due to a revised focus from the Finance Team.
  - vii. General Reserves are high due to the spend profile – this will decrease by year end.
  - viii. MM to investigate why there is a difference between free and general reserves. This may be due to adjustments.

**ACTION:**

**1. MM to investigate why there is a difference between free and general reserves.**

- ix. Admin is a new area which will be scrutinised closely during budgeting.
- x. CX shows variation on margin as a regular occurrence. This is due to the venue posing challenges on operational costs on low income. MM assured the committee that the financial performance is scrutinised monthly and so far there is nothing that cannot be justified. There is a refurbishment that is being launched next week which will help to make the space more appealing.
- xi. Catering is showing slim margins which in part are due to agency costs for staff shortages. This is looking to be resolved. The Union is aware that College are our main competitor and prices need to be competitive. It was suggested that some benchmarking data from similar institutions would be useful.

**ACTION:**

1. MM to seek benchmarking data on catering margins from similar institutions.

**RESOLVED:**

**1) To recommend that the Board of Trustees pass the Management Accounts.**

## 6. EVENT BUDGET APPROVAL

RECEIVED: The report was presented by CJK

NOTED:

- a) It was clarified that the purpose of the report coming to the committee was to ensure that the committee were aware of what events have gone through the system and followed correct procedures.
- b) It was noted that a small amount of members benefit from the Finance Society trip to Tanzania.
  - i. The purpose of the trip was outreach and it was highlighted that the club is spending their SGI.
  - ii. The Deputy President (Finance & Services) felt that the method of how members were selected to attend the trip was fair and transparent.
  - iii. There is a balance between club autonomy and the Union dictating what is 'fair'
  - iv. It was recommended that CK discuss with the Clubs, Societies & Projects Board to consider if activities are being run in a way that accessible to all with fair fund distribution.

**ACTION:**

- 1. CK to discuss with the Clubs, Societies & Projects Board to consider if activities are being run in a way that accessible to all with fair fund distribution.**

- c) The Committee noted the report.

## 7. APPOINTMENT OF EXTERNAL AUDITORS

RECEIVED: The paper was presented by MM

NOTED:

- a) MM stated that this is the last time that Knox Cropper will be recommended to undertake the external audit.
- b) It is prudent that Knox Cropper be appointed as the external auditors for this round as they have been integral in helping the Union switch to SORP reporting/
- c) A full tendering process will be commissioned in October.
  - i. The committee requested that a timetable come to the next meeting on the process and timeframe for the tender process.

**ACTION:**

- 1. MM to produce a document outlining the process and timetable for the tender of external auditors.**

**RESOLVED:**

- 1) To reappoint Knox Cropper as the External Auditors for the 2015/16 period.**

## 8. BANK SIGNATORY CHANGES

RECEIVED: The paper was presented by MM

NOTED:

- a) The committee agreed to the recommendations.

**RESOLVED:**

- 1) To add the following three senior college staff to the bank mandate. Mr Anh H Duong (Head of Treasury Management), Mr Neil Nottage (Treasury Officer) and Mr Tony Lawrence (Director of Financial Management).**

## **2) To add the Head of Finance and Resources to the bank mandate.**

### **9. RESERVES POLICY**

RECEIVED: The paper was presented by MM

NOTED:

- a) Asset purchases will be discussed at the budget holder presentations.

RESOLVED:

- 1) To recommend to Board to pass the Reserves Policy.**

### **10. HEALTH AND SAFETY TIMELINE**

RECEIVED: The paper was presented by MM

NOTED:

- a) The Managing Director is responsible through delegated authority for health and safety and they designated to the Departmental Safety Officer, of which is the Head of Finance and Resources.
- b) It is felt that the greatest exposure of risk is pertaining to CSP's.
- c) CSP's, where there is an expectation of high risk, are in generally extremely risk aware and will take prudent steps to mitigate where possible. It is the clubs that there is not an awareness of risk those pose a greater threat.
- d) Student members present expressed a knowledge gap in regards to the reporting of incidents which highlights a failure on part of the Union to impart the knowledge widely.
- e) There is a breakdown in the link between CSP's understanding the reporting structure and using it.
- f) Risk assessments are seen as a 'have to do' rather than a tool. It would be beneficial for clubs to receive feedback on submitted assessments.
- g) Committee members may not be aware of the personal liability attached to them.
- h) There is fear of punitive action if they report incidents which are a message that needs to be quashed.
- i) There are pockets of best practice that exist within the Union and these should be recognised and utilised.
- j) Members are doing the right thing but this is not known by the Union as there are no lines of reporting to feed this in to.
- k) Health and Safety in Sport College committee needs to be opened up.
- l) In regards to the Health and Safety of the premise, AMK is confident that this is being adhered to however the committee requires oversight and assurance.
- m) For the Health and Safety Policy to be 'successful, the Board needs to be assured that the Finance & Risk Committee has a high level of awareness and the Health and Safety committee is active.
- n) The following actions were agreed to be undertaken by MM:

**ACTIONS:**

- 1. To produce a more comprehensive timeline.**
- 2. To engage with the Student Activities Manager in regards to changing the culture.**
- 3. To consider what assurance the committee needs in regards to assurance that the policy is being followed.**
- 4. To create an action plan in regards to implementing the Health and Safety Policy.**
- 5. To determine what success we look like in 12 months**

## 11. COMMERCIAL RISK

RECEIVED: The paper was presented by MM

NOTED:

- a) The committee brainstormed performance measure that they would like to see in regards to commercial performance:
  - Customer satisfaction
  - Wastage (wet and dry)
  - Spend per head
  - Procurement
  - Footfall
  - Amount of space
  - Licencing objectives
  - Staff satisfaction, training
  - Honesty (till fiddling)
  - Profit from product mix
  - Breadth of service to members
  - Product and service mix
  - How many members are actually serviced and is the Union adapting to the increase and diversity of the membership.
- b) There is not a current pricing policy however this will feature in the commercial strategy which is coming to this committee by the end of the year

Meeting closed 18.15