

**Imperial College Students' Union
Finance and Risk Sub-Committee / 17 March 2021**

Minutes (4 February 2021 Finance and Risk)

1. Introduction & Attendance

Graham Parker (GP) (Chair) Kelvin Zhang (KZ)
Stephen Richardson (SR) Sam Lee (SL)
Abhijay Sood (AS)

In attendance

Ross Unwin (DPFS) (RU) Victoria Agbontaen (Governance Officer) (VA)
Tom Flynn (Managing Director) (TF) Jayne Hufford (Interim Finance Director) (JH)
Rob Scully (Finance Director) (RS)
Tom Newman (Head of Membership Services) (TN)

2. Apologies

None.

3. Minutes of previous meeting

The minutes of the previous meeting were approved.

4. Matters arising/Forward Agenda

TF confirmed that all actions have been completed. Noting that JF had successfully moved David Ashton into the Finance team and amongst challenges they have still made progress.

5. Conflict of interest declarations

None.

6. Consideration of confidential business

None.

7. December Management Accounts

JH gave an overview of the paper, stating that we were expecting December to be a challenging month but had not been as bad as anticipated with a surplus of £29,000 which is in line with budget. Although retail, bars and venues were closed for the majority of December, there were one-off surpluses which offset the deficits which included extensive use of the furlough scheme, selling of mini-buses and various staff vacancies.

JH outlined that YTD we are showing an operating deficit of £38,000 but noted that we are holding back some budgets as opposed to anticipating underspends. JH said she is undertaking reforecasting with budget holders to know whether some of those budgets will be used in the next few months.

JH highlighted that as schools are closed as per current government guidance, that the Union's Commercial room hire system is temporarily paused with zero income. Nonetheless, since the launch of the online shop, sales have been successful and is exceeding budget expectations. JH explained that all the redundancy payments have now gone through the accounts and there was about a £5,000 underspend on what was expected.

TF added that the Union is making use of full-time furlough in commercial settings and part-time furlough within the Charitable staff which is helping to offset some of the commercial closures. However, furlough is being used across the organisation to fully maximise savings where possible which will continue until the end of March.

- i. GP expressed that the reports demonstrate that costs are being controlled well and the use of part-time furlough is a useful tool to help stabilise the Union's finances. GP added that he was assured by the way staff furlough is being used in a flexible manner to ensure key projects and services are still being delivered.
- ii. GP noted that an excellent paper was produced regarding mini-buses as it was the best paper GP had seen for a while and explained questions he had for years which had not previously been understood.

Trustees considered the update on the financial performance of the Union against budget for the 5 months to 31 December 2020.

8. CSP Grant Allocations

RU highlighted that during the CSP budgeting round last year, his predecessor had allocated approximately £425,000 which was reduced to £328,000 to guarantee the underspend.

The working group responsible for this noted they could make further reductions beyond that value and it would therefore be sensible to put the funds into a pot which could be used by CSP's to spend on activities that could be delivered remotely rather than the restricted in-person funds currently in their accounts.

- i. A question was asked by GP whether there is a process in place which ensures those deserving CSP cases are recognised and supported. Trustees were informed that there is a full grants process for CSPs and a policy and procedure which are mapped out against certain criteria which is approved by CSPB.
- ii. TF noted that of the £328,000 that has been budgeted for, there will be an underspend of £53,000 which will form part of the reforecast. Any additional underspend will be a consequence of further lockdown and restricted activity.

Trustees approved the reallocation of CSP 'general grant' into a designated fund to support previously unbudgeted activities in the third term.

9. Audit Update

TF gave a verbal update and advised that the work on the inter-company balance has been completed and will impact the Union around £40,000. Trustees were informed there is another substantial piece of work on impress (which is the sum of £160,000) before the accounts can be reconciled.

TF expressed there had been failures on an operational level as there are thousands of impress transactions that have not been reconciled and are on the accounts as debtors. Secondly, there is a failure at a strategic level due to risks associated with these types of transactions at the Union and finally the auditors should have flagged this for the last three years. Therefore, the Union is now a month away from getting the final version of the accounts as a definitive amount of work will have to be done to confirm whether Finance have all the invoices, if any money has been returned etc.

- i. AS stated that changing the audit partner appears essential at this time and this is also an internal negligence issue which needs to be remediated.
- ii. A question was asked by AS where that leaves papers and reporting for the College Audit and Risk committee which have an upcoming meeting. Trustees were informed that TF and JH are meeting with Tony Lawrence to inform him and obtain his view and will then feed back to the rest of the committee, but it is likely the annual accounts will go to the next meeting.
- iii. A question was asked by RU whether there are plans to remove Impress as an option for CSP's as a large number of clubs use this method. Trustees were informed Impress should be used on a minimal basis but there will be better processes in place to run it better and reduce its usage.
- iv. GP expressed it is very poor practice and whether Trustees should consider sending a letter of complaint to the audit body.

10. Financial Procedure Changes

JH gave a verbal overview, outlining that the purpose of the paper is to approve financial procedure changes such as payment run processes and Bankline authorisations has been a huge administrative burden for staff and has not worked efficiently enough.

JH explained that the key changes are that the Finance Manager has been set up as an authoriser on Bankline with an upper limit of £25,000. The dual authorisation threshold on Bankline has been changes to £10,000 which decreases the number of weekly authorisations. JH stated that these changes mean the finance team will be less dependent on Senior Managers and Officers as authorisers as most of them will take place within the team.

GP informed Trustees he had previously been asked to make a Chair's decision on these changes and had agreed to them prior to the meeting as they aligned with his requests over the last few years so would like the rest of the committee to confirm they are also happy to proceed with these changes.

- i. A question was asked by KZ if and when in-person activity resumes if there will still be a mechanism for urgent one-off payment requests to be made by CSPs. Trustees were informed that a number of other financial process changes will mean that the number of urgent payment requests will decrease as they are time-consuming but will be allowed in exceptional circumstances.
- ii. SL stated there in the short-term there is unlikely to be a change in student opinion as majority of the issues are around the mailbox and response time. However, the workload of the Officers has been reduced which they are all grateful for.

Sub-committee ratified the Chair's Action and approved changes to our financial procedures and authorisation limits for Bankline payments.

11. Sponsorship Policy

SL gave a verbal update to F&R highlighting that sponsorships are a key part of the income that is generated by CSPs of about £300,000. SL noted there is currently no policy in place overseeing sponsorships as well as F&R having limited insight to sponsorships.

The sponsorship approval process has been owned by the DPFS and given the amount of sponsorship contracts there is clear motive for this workload to be spread across student development and opportunities team as well as the Trustees when required.

SL noted that the policy review date had been set for June so this policy can be approved for the next academic year as per approval from SSB, CSPB and F&R. Currently, there are no limitations on what CSP's can gather from sponsorship but under charity law, we are able to reject policies that are unacceptable for financial risk etc.

- i. A question was asked by KZ whether there is going to be any knowledge transfer because there are always cases where companies have bad relationships with CSP's, and it would be helpful to have a central place where staff can look-up the relationship history with the sponsor in the past. Trustees were informed that as we review sponsorship procedures, this would be considered and implemented there.
- ii. A question was asked by KZ whether there should be an escalation procedure between level one and level two and whether there should be an escalation as opposed to a direct rejection if staff are unsure of what measures to take. Trustees were informed that if a staff member is unsure of the process then that should be escalated to the DPFS who will then make a decision. This is specified in part 4 of the paper.
- iii. A question was asked by GP whether an extended or separate flow chart could be provided to demonstrate how this policy will be a working document, so those staff who use the document can state how useful and effective it is. Trustees were informed this would be challenging as there is no previous data and moving forward the way to gauge usefulness is feedback from students.

Sub-committee approved the process for CSP sponsorships to ensure proper oversight and management.

JH and RU left the meeting.

12. Health and Safety Policies (A-H)

TN noted a list of policies have been developed that need to be newly written or reviewed and nine policies had been brought to F&R. TN added that both he and SL had obtained consultancy support from Sam Bosch the Union Health and Safety consultant.

SR suggested there should be a master policy to avoid inconsistencies in terminology and it must be a working document that is helpful for all staff and students.

SL set a three-year review was set (internally and at F&R) as they will require several modifications due to the newness of the policies and to ensure they are working documents which are serving a purpose.

GP noted his concern is that having a general master copy presents a danger that you lose the detail of each policy. Trustees agreed the contents of the policies and agreed for SL + TN to provide an umbrella policy.

Any Other Business

None.