

STUDENTS' UNION AT BOURNEMOUTH UNIVERSITY
AUDIT AND RISK COMMITTEE MEETING
MONDAY 04TH DECEMBER 2017 | 11.00AM -12:30PM
SC301 | TALBOT CAMPUS
CONFIRMED MINUTES



PRESENT

Graham Briscoe (GB) *External Trustee* – Chair
Daniel Asaya (DA) *Sabbatical Trustee*
Mark Smith (MS) *Student Trustee*
Libby Howe (LH) *Student Trustee*
Robert Garza – (RH) *Student Trustee*
Karen Churchill (KC) *Student Trustee*

IN ATTENDANCE

Alan James (AJ) *General Manager, Non-Trustee*
Sarah Newland (SN) *Finance Manager, Non-Trustee*
Gillian Lewis (GL) *Minute Taker, Non-Trustee*
Debbie De Silva – *Minute Taker, Non-Trustee*
Lucy Filer – (LF) *Filer Napper External Auditor*

1. WELCOME/APOLOGIES

Ian Catley has resigned from the Board and as a consequence from this Committee.

No other apologies were received.

GB stated that the Committee would be joined at 11.00am by Lucy Filer - the External Auditor.

The meeting was declared as Quorate.

2. CONFLICTS OF INTERESTS

No conflicts of interests were declared.

3. PREVIOUS MINUTES: 15TH MAY 2017

The minutes were reviewed and everyone agreed that they were a true and accurate record.

4. MATTERS ARISING/ACTION LOG OF OUTSTANDING ITEMS

(DA enters)

All items on the Action Log were completed except for Item 8 regarding the Payroll Review.

SN reported that this was still work in progress and she was awaiting the final report from Filer Knapper.

SN reported on Item 3 regarding the security of the SUBU website. GB clarified that it was raised at the time due to the NHS hacking experience.

5. OUTSTANDING ACTIONS FROM INTERNAL REVIEWS SPREADSHEET

(RG enters)

SN reported on outstanding items from the Internal Reviews.

Item 2: This item had appeared in the 2015/16 accounts Management Letter. SN was pleased to report that on the basis of some internal changes the External Auditors were happy that we had mitigated the risk. AJ commented that BU would be happy with this also.

Item 3: Testing of controls. SN stated that we were awaiting an internal review report on Payroll.

Item 5: Concerns regarding discrepancies between actual takings and till readings at the Old Fire Station. New integrated tills had been installed over the summer 2017 and these had effectively dealt with the previous issues.

Item 6: Payroll Review was a separate item on the Agenda (Item 6)

ACTION - GB recommends bringing internal review of income forward.

6. INTERNAL REVIEW PAYROLL 2017

SN gave a verbal update. The External Auditors had visited in September 2017 and will be publishing a report for the next ARC meeting. There were no major concerns.

7. IMPORTANT DOCUMENTS AND THEIR LOCATIONS

This had been brought up previously at ARC. SN was pleased to report that the required detail was now recorded and regularly checked and updated. GB advised that the detail on such matters should become part of the Business Continuity Plan.

8. RISK REGISTER – ACTION PLANS -2016/17 UPDATE AND 2017/18 ACTION PLAN

AJ updated the Committee on the Action Plan from last year.

GB suggested that both documents should go to the next Trustee Board Meeting.

The only 2016/17 item outstanding was about investigating alternative sources of funding. AJ reported that he would set up a small Task and Finish Group to look into this.

He was aware of some Unions 'selling' their services such as Design back to the host University.

In the new 2017/18 Action Plan AJ mentioned that he had introduced a new risk regarding SUBU offering services to vulnerable students without safeguarding measures being in place.

GB asked what is in place already and AJ stated that the students are generally over eighteen and therefore not children. To date they have not been considered to be 'vulnerable'.

ACTION - GB recommended a comparison to BU on staff DBS checks and AJ agreed to check, as well as with Alexis Drayson (Head of Advice) regarding her views on the matter.

KC wondered as to why the Election Issues (of 16/17) were not on the Risk Register.

GB agreed that they should be as there was clearly a reputational risk for SUBU and BU.

ACTION AJ agreed to add and as advised by GB to bring to the attention of the Trustee Board at the next meeting.

9. REVIEW OF TOR TO ENSURE ALL DELEGATED ITEMS HAVE BEEN ADDRESSED

GB noted that this has been included later in the agenda under Item 11.4

10. POLICIES FOR REVIEW

10.1 FRAUD POLICY

SN had reviewed this policy. 'Chairman' as a term was changed to 'Chair'. Everything else was appropriate.

MS noted that the policy stated that the Internal Auditors were to investigate.

GB recommended removing the word 'Internal'.

ACTION SN Review and amend the wording

10.2 TRAVEL AND SUBSISTENCE POLICY

SN reported that she had checked that all the links still work and that she had updated p1 to accurately reflect practice. GB also recommended the AA webpage for travel mileage. On p5 the BU Travel link was removed as it was being updated.

ACTION AJ to update the policy.

10.3 HOSPITALITY & GIFT POLICY

SN commented that the allowances were changed to reflect an increase in prices.

GB suggested that there should be a short sentence to reflect this change.

ACTION AJ to update the policy.

All present approved the policy amendments.

11 APPROVAL OF THE ANNUAL REPORTS AND ACCOUNTS

GB explained how the Annual Report & Accounts were composed and that the following presentations were structured for the Audit and Risk Committee (ARC) to recommend them to go to the Trustee Board to be approved.

11.1 EXTERNAL AUDITORS MANAGEMENT LETTER 2016/17

LF explained the Management Letter and drew the following matters to the Committee's attention.

Continuity of the role of the Senior Accountant. She spoke about the reduction in concerns about this, which had been raised in 15/16. She stated that there had been actions taken to mitigate this risk.

Testing of Controls. LF felt that the system of peer reviews conducted by senior managers had also mitigated the concerns stated last year on controls testing.

DA suggested that 'Dear sirs' be replaced by Dear All, or Dear Committee.

GB commented that he would still prefer a statement at the beginning of the Management Letter referring to the External Auditors' view that the accounts were given an 'unqualified opinion'.

Action : Salutation to be amended

Action: All present agreed. To be referred to Trustee Board.

11.2 AUDITED ACCOUNTS 2016/17 – NARRATIVE

LF referred the committee to the various parts of the financial statements P17 was a snapshot of the year from an income and expenditure perspective. She also explained how the accounting policies were included in notes with special attention drawn to p22 and VAT treatment. The Balance Sheet on p18 was also looked at and assets and depreciation explained. The negative net assets figure was clarified as due to the pension fund liability. DA pointed out that on p12 it stated that there were eight members of the Executive Committee when in fact there were ten.

GB explained how this correlates with the Letter of Representation.

On p20 a comment was made under 'Going Concern' to confirm that SUBU remains a going concern and to address the FRS102 requirements regarding pension deficits.

GB stated that the Remuneration declaration on p27 is a statutory requirement.

LF stated that the External Auditor's opinion as stated on p14 was that the financial statements give a true and fair view of the state of the Charity's affairs as at 31 July 2017.

11.3 AUDITED ACCOUNTS – FIGURES

LF and SN talked through accounts figures as per the documents presented to the Committee

11.4 – ANNUAL ARC REPORT TO THE TRUSTEE BOARD.

GB explained the document and its purpose. The Terms of Reference were reviewed this year.

He stated that it is a positive report that confirms to the Trustee Board that the Terms of Reference have been implemented. See Appendix 2.

GB recommended that the Annual ARC Report be approved and that it goes to the Trustee Board for noting as part of the approval process for the Annual Report & Accounts.

All present agreed. ACTION - GB to sign off.

11.5 APPROVAL OF ANNUAL REPORT AND AUDITED ACCOUNT 2016 – 2017

GB proposed Annual Report and Accounts to go to Trustee Board for approval.

All present agreed.

Following the Trustee Board approval copies would be forwarded to BU and statutory authorities such as the Charity Commission.

11.6– LETTER OF REPRESENTATION.

LF explained the letter for the President and General Manager to sign off.

All present agreed to Sign Off.

11.7 – AUDITORS ETHICAL CONSIDERATIONS

LF explained the letter entitled Ethical Letter.

GB advised that SUBU had gone out to tender this year. A new partner will be appearing so this is Lucy's last meeting to present the final accounts.

He proposed that we accept the letter. DA stated that the 'Dear Sirs' should be changed again.

All present agreed.

GB – Action Code of Conduct, finalised for new candidates after new Trustees are appointed..

GB thanked Lucy Filer for over a decade of dedicated work to ensure thorough financial audits of SUBU.

LK mentioned Christopher Ratcliffe who will be taking over from Lucy.

12 V.A.T. UPDATE

SN reported that the situation was still ongoing, although there had been a hearing called for January 2018.

13 ANY OTHER BUSINESS

GB advised that his second term was coming to an end. Recruitment had started for new External Trustees.

The new Chair for the ARC would need to be decided by the Trustee Board at their next meeting.

GB had spent six years as Chair which he has enjoyed in supporting SUBU in moving to being an independent Charity from its previous position as an exempt Charity under HEFCE. He had enjoyed supporting AJ and all the Presidents. He was very proud of his role at SUBU.

All present thanked GB for his outstanding contribution. AJ stated that there would be a formal leaving do before the next Trustee Board meeting on Feb 28th 2017.

Next Dates advised.

14 REGISTERS & MINUTES FOR SIGNING

FRAUD AND HOSPITALITY

MINUTES FOR PREVIOUS MEETING

15 EXPENSES FORMS

16 NEXT MEETING DATES

TRUSTEE BOARD MEETINGS

28th February 2018 – 10:00am – 14:00pm

20th April 2018 time TBC

06th June 2018 time TBC

2nd November 2018 time TBC

AUDIT AND RISK COMMITTEE (ARC) MEETINGS

16th March 2018 11:30am

5th October 2018 11:30am

23rd November 2018 11:30am

APPROVED: _____

DATE: _____