



STUDENTS UNION AT BOURNEMOUTH UNIVERSITY
 AUDIT AND RISK COMMITTEE MEETING
 THURSDAY 17TH DECEMBER 2015 | 11AM-12PM
 SC504 | STUDENT CENTRE | TALBOT CAMPUS
 CONFIRMED MINUTES

<p>PRESENT: Aaron Newbury (AN) <i>Student Trustee</i> Alan James (AJ) <i>Non-Trustee</i> – General Manager Alexis Drayson (AD) <i>Staff Trustee</i> Graham Briscoe (GB) <i>External Trustee</i> – Chair Ian Catley (IC) <i>External Trustee</i> Sarah Newland (SN) <i>Non-Trustee</i> – Finance Manager</p> <p>IN ATTENDANCE: Lucy Filer (LF) <i>Filer Knapper LLP</i> – Auditor Emma Pentecost (EP) <i>Non-Trustee</i> – Minute Taker</p>	<p>APOLOGIES: Chloe Schendel-Wilson (CSW) <i>Trustee</i> Scott Morgan (SM) <i>Student Trustee</i></p>
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AGENDA ITEM		DISCUSSION POINT	ACTION(S)
1	WELCOME / APOLOGIES	The Chair welcomed all present to the meeting and introductions were made.	
2	DECLARATIONS OF CONFLICTS OF INTEREST	GB noted that he is on the Trustee Board of Gloucestershire and Bath Spa Students' Unions, but there were no Conflicts of Interest.	
3	PREVIOUS MINUTES: 1 ST OCTOBER 2015	<p>Page 1 – IC suggested that “12pm” is changed to “12 noon” – all present approved.</p> <p>Page 3 – AJ suggested the change of “could have more influence” – all present approved.</p> <p>The minutes were approved as an accurate record of the meeting, subject to the amendments above. GB to sign at the end of the meeting.</p>	EP to amend document and GB to sign.
4	MATTERS ARISING	<p>(OCTOBER 2015) 10 REVIEW OF INTERNAL CONTROL SCHEDULE 2013-16 GB suggested AJ obtains Internal Audit action plan from BU.</p> <p>AJ confirmed that BU have provided the document but, due to confidentiality, it can only be shared with the Chair of ARC.</p>	AJ to share document with GB.
		<p>(October 2015) 13 Sub Committee Agenda Schedules AJ to undertake the research and produce paper for the Trustee Board Meeting in February on models of Trustee Board Committees at other Students' Unions.</p> <p>AJ mentioned that EP has undertaken some research and a paper will be produced for February's Trustee Board</p>	Ongoing action.

		<p>Meeting.</p> <p><i>AJ to produce two timelines (1- GM's annual appraisal. 2- SUBU annual targets/KPI review) for next ARC meeting.</i></p> <p>AJ confirmed that this has been done and will be tabled at the end of today's meeting.</p>	
5	APPROVAL OF THE ANNUAL REPORTS & ACCOUNTS	<p><i>5.1 AUDITORS MANAGEMENT LETTER 2014 – 2015</i></p> <p>LF explained that the document is a requirement from an audit perspective and describes areas for improvement. She noted that systems of control are working well. She went on to explain that the two items in the letter are for best practice, to which SN mentioned that the items are ongoing to improve and are included in regular controls. It was confirmed that the two items will be picked up on the Action Sheet.</p> <p>GB thanked LF for her comments and the letter and expressed that he is pleased the Internal Controls are working well. He noted the letter will go to the Trustee Board in February.</p> <p>AJ commented that an assistant to SN will be recruited, and that this will enable some of the work that has been identified by LF to be completed.</p>	
		<p><i>5.2 AUDITED ACCOUNTS 2014 – 2015</i></p> <p>IC queried whether it is normal for so much detail, to which LF confirmed it is. AJ added that the detail allows a good opportunity to show off to BU. GB noted that he has a document linked to this aspect and the SORP and will forward on to IC.</p> <p>LF commented that the draft Independent Auditors report recommends a clean audit report.</p> <p>She went on to explain that the 5% increase in income as noted on page 13 is mostly due to an increase in the block grant. She noted that there has been an increase in expenditure and that the net deficit is slightly lower than last year. The Auditors have carefully reviewed the reserves and it is felt that they are sufficient. GB noted that BU thought the reserves level was too high, which AJ also confirmed. AJ went on to mention that BU would not allow their Students' Union to get into financial difficulties.</p> <p>AJ mentioned that when he and SN talk to the SUBU Board – they talk net figures, and that depreciation is not included.</p>	<p>GB to forward document to IC.</p>

		<p>AN questioned the costs involved for SUBU with regards to the new building, to which AJ confirmed that SUBU pays nothing as it is a BU building. LF confirmed that the £430k recorded as both donation and expenditure reflects the rent that would be paid if BU didn't fund the building.</p> <p>There was a discussion about year ending dates. SN mentioned that 31st July is quieter from a practical perspective as there are no students over the summer and the commercial side of SUBU is quiet. AJ added that there are also cash flow issues over the summer when we're still paying out but have no income.</p> <p>With regards to Note 12 in respect of the Charity Commission requirement of the salaries of Trustees in a paid role being declared, LF commented that she is not convinced if SUBU is allowed to be as minimal with the declared salaries of staff officers. AJ confirmed to AD that her salary would be declared.</p> <p>LF noted at the bottom of page 24, the accounting requirements are changing from next year, with regards to the pension liability needing to be included in the balance sheet. This means it won't have a positive effect on balance sheet, but there will be a clear note about it on the balance sheet.</p> <p>AJ noted an amendment for page 3 – he will liaise with LF.</p> <p>GB thanked LF for the work by the Auditors.</p>	<p>AJ to advise LF of amendment.</p>
		<p><i>5.3 ANNUAL ARC REPORT TO THE TRUSTEES 2015</i></p> <p>GB explained that the document is based on a model used in FE.</p> <p>It was agreed that "Group" on page 1 is changed to "Committee". It was also agreed that the date on page 2 is changed to "over the past 3 years". It was also agreed that there is an addition to the paragraph under Internal Reviews, also on page 2, to say: "additional comfort to the Trustees of the effectiveness of the Internal Controls in our operations".</p> <p>IC queried whether it should state "authors of report" or "authors of review" on page 2, to which GB noted it should be changed to "review".</p> <p>A change was agreed for page 4: "in our accounting</p>	<p>SN to make amendments to document.</p>

	<p>processes”.</p> <p>GB sought approval from Committee members for the document to be taken to the Trustee Board, subject to the above amendments and the addition of the Self-Assessment as an Appendix. All present approved the document.</p>	
	<p><i>5.4 ANNUAL SELF-ASSESSMENT FOR ARC (GB changed running order for it to be considered between 5.2 and 5.3)</i></p> <p>GB confirmed that he and AJ had discussions prior to the meeting regarding the questions of the Self-Assessment. The document will form an Appendix as part of the Annual Audit and Risk Committee Report.</p> <p><u>Membership (item 1)</u> Question 1: GB mentioned that the Chair of Trustee Board is not normally a member of Audit and Risk Committee. GB suggested that this forms part of the Governance Review in 2016, to which all agreed.</p> <p>Question 2: GB mentioned that it was a Provisional category but could move to “Yes” – all present approved.</p> <p>There was a brief discussion about the recruitment of Trustees.</p> <p>Question 5: AJ to pick it up. GB noted that as the Chair of the ARC, he can be included in this and can share a presentation with new Trustees on the Audit and Risk Committee. IC commented that he would like to see this – GB to share.</p> <p>Question 6 – This will be picked up in the Governance Review.</p> <p>Question 8 – Action included in Question 1 above.</p> <p><u>Committee Chair (item 2)</u> Question 2: “The facility for the Committee Chair to contact the External Audit lead is available throughout the year; this was not required in 2014/15.”</p> <p><u>Terms of Reference (item 3)</u> Question 4 – Review of Terms of Reference in annual Self-Assessment schedule to be added in for future years.</p> <p><u>Operations (item 5)</u></p>	<p>AJ to ensure this is carried forward to Governance Review.</p> <p>AJ to amend the document.</p> <p>GB to share presentation with IC.</p> <p>AJ to ensure this is carried forward to Governance Review.</p>

		<p>Question 6 – To be picked up as part of Governance Review. This form will in future discharge that action.</p> <p>GB commented that a Risk Action Plan should be developed, which should then progress through ARC, with the full Business Risk Register to go to the Trustee Board if the risk changes up or down. GB will liaise with AJ regarding this.</p> <p>GB recommended that, due to the SORP situation, the current auditors should be in place for another 12 months. He went on to note that this needs formal approval at the next Trustee Board Meeting.</p> <p><i>AN left the meeting 12:00.</i></p> <p><u>Fraud/ Irregularity (item 9)</u> GB explained that there is a potential action – he noted that the possibility of needing an Anonymous Allegations Policy has been discussed offline with AJ.</p> <p>All present approved the document to be added into the Annual Report for Trustees as an Appendix. IC congratulated GB on the document.</p>	<p>AJ to ensure this is carried forward to Governance Review.</p> <p>GB to liaise with AJ.</p> <p>EP to ensure it's on the next TBM agenda.</p> <p>EP to add into the document as Appendix.</p>
		<p><i>5.5 APPROVAL OF ANNUAL ARC REPORT AND AUDITED ACCOUNTS 2014-15</i></p> <p>All present approved. GB noted that it will need to be taken to the Trustee Board for approval, too, and he advised that it has to be taken to the AGM for students to approve, too.</p>	<p>EP to ensure it's on the next TBM agenda. AJ to ensure it's on the AGM agenda.</p>
		<p><i>5.6 LETTER OF REPRESENTATION</i></p> <p>LF explained that it is a formal document between Trustees and Auditors. She raised point 11 from within the letter regarding the fact that the insurance doesn't categorically mention the two organisations, so she noted that the Auditors are taking the Trustees' word on it.</p> <p>All present approved the letter to go to the Trustee Board for ratification.</p>	<p>EP to ensure it's on the next TBM agenda.</p>
		<p><i>5.7 AUDITORS ETHICAL CONSIDERATIONS</i></p> <p>GB explained that this document is a new requirement</p>	

		<p>for Auditors. All present noted the letter and GB thanked LF for attending.</p> <p><i>LF left the meeting at 12:15 and noted that she is happy to attend next Trustee Board Meeting.</i></p>	
6	OUTSTANDING ACTIONS SPREADSHEET	<p>SN confirmed that there is nothing overdue or that won't be completed by due date.</p>	
7	APPROVAL OF THE NEXT SCHEDULE FOR INTERNAL REVIEWS	<p>With regards to the first item (Good Effective Governance) GB explained that AJ has commissioned an appropriate consultancy for the Governance Review. AJ and GB to discuss potential dates after today's meeting.</p> <p>IC questioned what the fourth item referred to (Financial Control – Purchase Systems). SN confirmed it is regarding stock, especially with drinks behind the bar, and that there is a stock taker who is in regularly.</p> <p>All present approved the schedule.</p>	
8	SUSS PENSION NEWSLETTER	<p>Experian, the Credit Reference Agency, have confirmed our score is as high as it can be, which will have a positive impact on the amount of the Pension Protection Fund Levy that we get charged.</p> <p>The Pension Trustees have been updating records to ensure that SUSS is "buy-out ready" when the time comes.</p> <p>The AGM is in February and SN will attend and report back.</p>	
9	MANAGEMENT ACCOUNTS UPDATE FOR 15/16	<p>SN explained that the management accounts have been brought to the ARC as they weren't presented at the last Trustee Board Meeting and confirmed that the next report will be taken to the next Trustee Board Meeting.</p> <p>GB expressed that he would like to see a positive figure at the end of the financial year.</p> <p>IC queried how and why the increased surplus cash has been generated – SN confirmed it is partly due to the block grant increase from BU.</p> <p>There was a discussion about the commercial income generated, and AJ expressed that it is cautiously in a good position. SN added that there will be higher costs due to more costs for more staffing.</p> <p>SN noted that she hopes that the update at next Trustee Board will be an extra month on top of this.</p> <p>GB thanked SN and AJ for report and expressed his</p>	

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		satisfaction that everything seems to be going well.	
10	VAT UPDATE	Ongoing – nothing further to report.	
11	ANY OTHER BUSINESS	<p>GB reconfirmed that the re-appointment of the External Auditor will be for a further year due to changes to SORP. SN will check with LF regarding fee.</p> <p>GB presented the timelines that were tabled, which specified 1) General Manager’s Annual Appraisal and 2) SUBU Annual Targets/KPIs. He went on to explain that they need to be approved for following year and that there should be a progress report on the SUBU Annual Targets/KPIs at every Trustee Board Meeting. All present approved the document to be taken to the Trustee Board for approval.</p> <p>GB thanked all for attending.</p>	<p>SN to check fee with LF.</p> <p>EP to ensure it’s on the next TBM agenda.</p>
12	REGISTERS FOR SIGNING		
13	NEXT ARC MEETING DATES	<p>There was a brief discussion about AD being on maternity leave.</p> <p>5th May 2016 16th September 2016 25th November 2016</p>	

APPROVED: _____

DATE: _____