

AUDIT & RISK COMMITTEE MEETING | [23RD NOVEMBER 2018]

CONFIRMED MINUTES

STUDENTS' UNION AT BOURNEMOUTH UNIVERSITY
AUDIT & RISK COMMITTEE MEETING |
[23RD NOVEMBER 2018]
[12 NOON] | [PG30D] | [TALBOT CAMPUS]
CONFIRMED MINUTES



STUDENTS' UNION
AT BOURNEMOUTH
UNIVERSITY

PRESENT

Martin James (MJ) Chair
Catriona Cannon(CC)External Trustee
Karen Churchill (KC) Student Trustee
Mark Smith (MS) Student Trustee
Sophie Nott (NS) Staff Trustee

PRESENT / PART ATTENDANCE

Ade Balogun (AB) SU President
Lotachukwu Nwokolo (LN) Student Trustee
Margaret Eddo (ME) Minute Taker
Chris Ratcliffe (CR) Filer Knapper
Dean Pullen (DP) Filer Knapper

IN ATTENDANCE

Alan James (AJ) General Manager
Sarah Newland (SN) Accounts Manager
Debbie D'Silva (DD) Minute Taker

APOLOGIES

Arthur Richier (AR) External Trustee

1. WELCOME / APOLOGIES

Apologises sent from Arthur Richier.

Meeting quoracy met.

2. CONFLICTS OF INTEREST

None.

3. MINUTES OF THE LAST MEETING – 5TH OCTOBER 2018

Approved subject to the amendment to Page 4 noted by KC, to be emailed to DD

4. MATTERS ARISING / ACTION LOG

The committee reviewed the completed and ongoing items.

5. OUTSTANDING ACTIONS FORM INTERNAL REVIEWS SPREADSHEET

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Review of the fixed assets disposals. How many fixed assets disposals through the year? If it was a serious issue it would be flagged up by the Auditors, but there were only 2/3 low value items that it applies to.

The Management letter noted three items for improvement. All agreed that proposed actions would resolve them.

6. APPROVAL OF ANNUAL REPORTS & ACCOUNTS

6.1 AUDITORS MANAGEMENT LETTER 2017 / 18

6.2 AUDITED ACCOUNTS 2017 / 2018 - NARRATIVE

6.3 AUDITED ACCOUNTS 2017 / 2018 - FIGURES

6.4 ANNUAL ARC REPORT TO THE TRUSTEES (INC SELF-ASSESSMENT) 2018

6.5 APPROVAL OF ANNUAL REPORT AND AUDITED ACCOUNTS 2017 / 2018

6.6 LETTER OF REPRESENTATION

6.7 AUDITORS ETHICAL CONSIDERATIONS

CR provides a synopsis of the services that Filer Knapper (FK) provide, what they achieve and the implications involved. He goes on to explain the accounts documents and the purpose of the Balance Sheet. CR continues to talk through the liabilities and our pension obligations.

SN: The current position is due to the new requirement to show future liabilities in full but not to include future incomes even though they are fairly certain.

NS Questions if the HMRC interest is frozen. It is ongoing.

CR: HMCR could turn round and say that our VAT returns for the last 5 years were wrong. So we need someone to champion this appropriately.

CC where do the reverses sit on the accounts? It seems counterproductive to say we need to make more money when we have those reserves in place.

CR and SN clarify.

CC what is the effect on the pension in relation to Bournemouth by the SUSS pension orphans?

CR explains the main issues are the pension liabilities and the HMRC VAT Tribunal, we have added figures to the accounts, but need to confirm this position.

Feelprime has fed through its profits to the Union.

AB the full name should be used throughout the Audited Accounts. (FK to update).

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ARC Report - amend Arthur's surname and mark item 5 on page 8 to show this item needs further work to be complete.

CR explained the purpose of the Letter of Representation document, and remarked that the VAT and pension element will need to be included, to ensure it is a fair representation.

MJ thanks Filer Knapper for their work and cooperation. Their efforts are noted.

Subject to the noted amendments the above documents are recommended to be approved at the next Trustee Board Meeting.

<CR, DP, LN LEAVE>

MJ Noted that we could be a little exposed when KC leaves taking her financial background; going forward a trustee with accounts knowledge is essential.

SN when recruiting for future Trustee members we do look at skill sets.

MJ states if there was no accountancy skills then he would feel vulnerable, knowing he has to sign the accounting documents without the backup of alternative members who would challenge any irregularities.

KC would appointing DP at FK at a cost, be a solution? He has relevant experience, knowledge and impartialness as a third party.

SN mentioned that Graham Beard, University Staff member, offered in the past.

ACTION: AJ will ensure appropriate skills are recruited to at the next round of recruitment.

ITEM 6.4 ANNUAL ARC REPORT TO THE TRUSTEES (INC SELF-ASSESSMENT) 2018

ACTION: DD amend "acting chair" to Chair.

ACTION: DD Adjustment to the Self-Assessment document – for the GM / ARC chair to provide an introductory session.

7. VAT UPDATE

Update on HMRC VAT Tribunal.

History provided by SN.

KC noted that we were not well represented going on the provided transcript. What is Filer Knapper's opinion going forward?

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CR As no money paid to consultants as yet, he recommends appointing someone with relevant experience, for the costs involved it may be worthwhile to get a barrister to look at it, we need someone to categorically say whether it is worth taking it further.

KC Suggested after this initial consultation, we can bring it back to the Board to make a final decision based on this report.

Discussion on costs and the levels of expenses depending on who is brought on to the case followed. All agreed that there is a need to find the right person that can help, be it a VAT consultant or lawyer. But due to the sheer amount involved all agreed it is worth trying.

KC has a possible recommendation for a contact.

<AB joins>

SN From the HMRC perspective it is the distortion of competition that it hinges on. AJ continues to explain the details regarding this.

SN asked CR how will this be reflected in the accounts?

CR come February we will have a better idea of how to move forward, and how to reflect this in the Audited Accounts before they are signed by the Trustee Board.

Action: SN Find a consultant to review at a reasonable cost. AJ to reappoint himself with lawyers.

8. REVIEW OF PAYROLL & CREWSITE

SN updated.

NOTED

9. INTERNAL CONTROL REVIEW UPDATE - SALES INCOME

SN Internal review booked for next week for sales income. When ready, it will be brought to the next meeting.

10. IMPORTANT DOCUMENTS LOCATIONS

SN clarified that highlighted items were still to be confirmed.

MJ has there been sample checks carried with an uninitiated staff member?

Action: SN / ME to do a third party check of locating documents and progress outstanding items.

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MJ commented that signed employee contracts were kept in various locations, for clarity this should be amended so it doesn't use the term random.

SN and AJ confirmed the current locations.

ACTION: DD Update document to add specific file locations.

KC reminded us that GPRD regulations mean that all stored, sensitive, information and shadow copies need to be removed from digital storage, and to be especially prudent with the staff crewsite.

MJ clarifies the correct procedures to ensure we are compliant.

SN confirms that we have assurances from Crewsite that it is GDPR compliant.

ACTION: AJ / SN to look into this further, work with staff working in HR and GPDR to review and report back.

11. UPDATE ON TFG CODE OF GOVERNANCE

SN Code of Governance document sent to the task and finish group, Arthur has provided comments to be incorporated.

Action: DD To doodle T&F group for a meeting in January.

12. RISK REGISTER - CRITICAL RISKS REVIEW

AJ recently amended the noise risk to red, due to a recent challenge with nearby student and office accommodation, which is converting into regular residences.

This could mean that we may need to adjust the ways that we run our business; AD is on top of this.

NUS added as a risk. AJ is attending an NUS strategic conversation in Bristol next week, so he will be able to provide more information.

ACTION: AJ to provide an update on NUS position at next Trustee Meeting.

13. POLICY REVIEWS

13.1 TRAVEL & SUBSISTENCE POLICY

AJ suggested amend it to reflect journeys of 6 hours or more, air travel could be an alternative to train journey.

SN Due to our sustainability aims, proposed maybe a personal contribution to upgrade to air travel that individuals make up the cost difference.

Noted that air fares are often cheaper

Policy is currently worded ok, more practical operational approach applied - **NO further action required, the Policy is Approved.**

Action : DD to update the review date on the policy.

13.2 RESERVES POLICY

KC explains her point regarding the VAT figure and it's placement in accounts. SN comments that the VAT value is not definite at this point.

Board agreed in principle that the provision for 3 month salaries is acceptable.

Discussion for the excess of reserves follows, and how any surplus should be spent in line with strategic goals.

ACTION SN to speak to FK and make the relevant amendment to Reserves policy, regarding the treatment of VAT.

14. SUSS UPDATE AND OPTIONS

SN narrated the history behind the SUSS pension and the impacts of the buyout process.

There are 5 options submitted SN talked through the alternatives.

Board concludes that the preferred recommendation is: Option 3, with the reversal to option 2 if it doesn't work.

Action: SN to forward decision to SUSS.

15. BU CODE OF PRACTICE FOR STUDENTS' UNION

AJ wanted to bring it to the Trustees attention after the recent BU Board meeting. The alterations to the document are that the GPRD regulations and safeguarding procedures have been updated.

There was a further discussion about this topic.

NOTED

Action: AJ to confirm amendments are acceptable to BU.

16. ANY OTHER BUSINESS

MJ thanked KC for her valuable contributions as this is her last ARC meeting.

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AJ confirmed the change to the next Trustee board meeting dates to 13th and 14th February.

Registers & Minutes for Signing
Fraud & Hospitality
Minutes for previous meeting
Expenses Forms

Next Meeting Dates

Trustee Board Meetings:

13.02.19 Time TBC

14.02.2019 Time TBC

23.04.2019 Time TBC

05.06.2019 Time TBC

Audit and Risk Committee Meetings:

15.03.2019 12 noon

Big Student Meeting / AGM

tbc

APPROVED: _____

DATE: _____