

# AUDIT & RISK COMMITTEE MEETING | [WEDNESDAY 27<sup>TH</sup> NOVEMBER 2019]

CONFIRMED MINUTES

STUDENTS' UNION AT BOURNEMOUTH UNIVERSITY

AUDIT & RISK COMMITTEE MEETING |

[27<sup>TH</sup> NOVEMBER 2019]

[14:00PM] | [SC504] | [TALBOT CAMPUS]

CONFIRMED MINUTES



## PRESENT

*Martin James (MJ) Chair*  
*Adeyinka Balogun (AB) Sabbatical Trustee*  
*Jenni Winter (JW) External Trustee*  
*Catriona Cannon (CC) External Trustee*  
*Olu Baptist (OB) External Trustee*  
*Mark Stephenson (MS) Student Trustee*  
*Sophie Nott (SNo) Staff Trustee*  
*Abidemi Abiodun (AA) Sabbatical Trustee*  
*Joanna Ann (JA) Sabbatical Trustee*  
*Lea Ediale (LE) Sabbatical Trustee*  
*Lenrick Greaves (LG) Sabbatical Trustee*

## IN ATTENDANCE

*Samantha Leahy-Harland (SLH) Chief Executive*  
*Sarah Newland (SN) Accounts Manager*  
*Debbie D'Silva (DD) Minute Taker*

## PART ATTENDANCE (TO PRESENT THEIR REPORTS)

*Chris Herbert (CH) Filer Knapper Auditors*

## APOLOGIES

*None.*

### **1. FORMAL WELCOME /INTRODUCTION TO NEW TRUSTEES & APOLOGIES**

1.1 Formal welcome extended to all new Trustees by Chair.

### **2. DECLARATIONS OF CONFLICTS OF INTERESTS**

2.1 None reported

### **3. MINUTES OF PREVIOUS MEETING FOR APPROVAL – 13<sup>TH</sup> SEPTEMBER 2019**

3.1 SN advised of a small adjustment in the wording in Section 4.

3.2 Minutes of the previous meeting were approved by all present.

**ACTION: DD to make revision to the minutes as recorded.**

### **4. MATTERS ARISING/ ACTION LOG**

#### **INCLUDING ITEM 60: ADVICE RESPONSE**

4.1 SN provided an update for the progress of outstanding items.

- Item 1: Completed, IZ has advised that the SUBU Advice team do not require DBS checking.
- Item 21: CH happy to chase the response from Filer Knapper to bring this to a close.
- Item 13 / 32/ 34: SLH confirms that the Staff Satisfaction survey for 2019 has been released with a closing date of Friday 29<sup>th</sup> November.
- Item 38: SLH noted that due to the 19/20 forecast position discussed at the last Trustee Board Meeting (and associated actions surrounding that); a plan for utilising any unspent reserves will be put on hold until Jan.

**ACTION: DD to update action log and liaise with relevant staff members to complete actions.**

### **5. INTERNAL REVIEW & MANAGEMENT LETTER OUTSTANDING ITEMS ACTION LOG**

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- 5.1 SN Explained the purpose of the document. Any recommendations made in the Auditor's management letter and ongoing internal reviews will be added to this document to track through and allow us to address any ongoing concerns.
- 5.2 CC noted item regarding Venue Hire and its potential for reputational damage. Suggestions were made that this requires more detail to explain clearly. SN to update accordingly.
- 5.3 In addition the Internal Review schedule was presented to the committee. It was requested that this document should be reviewed at the next ARC for the benefit of the new members.

**ACTION: SN to check for a Venue Hire agreement with Commercial services.**

**ACTION: SN /DD Internal review internal control document to next ARC meeting agenda.**

### **6. AUDITED ACCOUNTS**

- 6.1 CH representing Filer Knapper explained the reason for the delay in producing the accounts and to bringing them to the Committee.
- 6.2 Members were given opportunity to ask questions directly to CH who provided responses accordingly.
- 6.3 Due to the fact that the Board did not have adequate time to review the papers in their entirety it was decided by the Chair that the committee would reschedule this item once they have received a complete set of draft accounts.
- 6.4 Discussion on calling for an Extraordinary ARC meeting to review the accounts. It was suggested that the Committee examine the papers and forward any comments they have to SN, who will forward to CH for a response. It was suggested that the Audited accounts review could be added to the scheduled finance session on 11<sup>th</sup> December, so that members would have an opportunity to raise questions or concerns.
- 6.5 MJ extended thanks to CH for his audit work.
- 6.6 CH leaves

**ACTION: SN/ DD Add ARC papers to the Trustee Finance session agenda on 11.12.2019 and / or arrange for an additional ARC meeting to reschedule approval of Accounts.**

**ACTION: SN/ DD to arrange feedback and co-ordinate with Auditors after the rescheduled meeting.**

### **7. CHARITY CODE OF GOVERNANCE, HR, & GOVERNANCE REVIEW**

- 7.1 SN updated the Board on the Charity Code of Governance review, which would be circulated to the trustee board on completion.
- 7.2 SLH set out proposals for a governance and democracy review. The first step in this process would be to engage NUS who offer a free health check / diagnostic as part of our membership. This would focus on the trustee board and a date for the healthcheck would be circulated as soon as possible.

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- 7.3 The second stage would involve a more detailed independent review of SUBU's governance and democracy arrangements. SLH provided an update on the tendering arrangements for the work. A preferred supplier has been identified.
- 7.4 The work would need to be completed in early March, to allow for any changes to the constitution or By-Laws, and subsequent ratification.
- 7.5 SLH requested endorsement from the Board to proceed with the NUS health check and the investment needed for the review from the Committee.
- 7.6 It was noted that the University is keen for this to happen.
- 7.7 Members were all in agreement to proceed.

**ACTION: DD to forward Code of Governance document to all Trustees.**

**ACTION: SLH /DD details of the NUS Health check to be forwarded to Trustees.**

**ACTION: SLH to proceed with Democracy & Governance Review.**

### **8. TOP SUPPLIERS LIST**

- 8.1 Noted by all present. Recommended that the purpose of having this presented and how this information is relevant and measureable is identified, by adding prior year figures for comparisons and a summary report with decisions required from the Board.

**ACTION: SN to revise the top suppliers list as per recommendations.**

### **9. RISK REGISTER REVIEW**

- 9.1 MJ requested that critical risks only should be brought to the Board in the future.
- 9.2 SLH commented that a full review and revision of the risk register would take place for the next meeting. For this meeting, the existing register had been updated and SLH highlighted a strategic risk around human resources and updated the group on the first meeting of the newly formed HR Sub-Committee. The Trustee Board will be presented a fuller update on this group in January.
- 9.3 SLH described the recommended HR review and audit which will help to identify any improvements required to policy and/or practice.
- 9.4 OB Noted that Item 35 should be revised to Amber with the risk surrounding potential HR issues increasing risk levels to minimum of 4.
- 9.5 CC highlighted that when reviewing the Terms of Reference (ToR) for the HR Sub-Committee, ARC's ToR should be reviewed to ensure that there is no cross over or duplication of responsibilities.

**ACTION: SLH /DD to provide feedback from the HR, Strategy and Finance sessions to the subsequent TBM**

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**ACTION: SLH /DD to provide HR Subcommittee ToR to TBM, ensuring there is no cross over with ARC current ToR.**

**ACTION: DD to make adjustment to Item 35 to reflect Amber risk level, with a value of 4. Only critical risks to be presented to TBM going forward.**

#### **10. INTERNAL REVIEW – VAT**

- 10.1 A VAT consultant has begun the VAT internal review. Reserves have been set aside to provide for listed items. It is anticipated that the VAT arrangements will be clarified by the end of the financial year.
- 10.2 There is potential for more investigations. SUBU will therefore continue to add a provision for this.

#### **11. RESERVES POLICY COMPLIANCE 19/20**

- 11.1 SN provided the calculations for 19/20 to show that we are compliant with our reserves policy.
- 11.2 SLH noted that an action from BU's Finance and Resources Committee in October was for a more detailed discussion of risk to be included in SUBU's budget report.

**ACTION: SLH to discuss SUBUs financial position and forecast with BU in early January 2020.**

#### **12. SUSS UPDATE**

- 12.1 SN reported that the additional costs involved are now significantly smaller than originally advised.

#### **13. HMRC VAT ISSUE UPDATE**

- 13.1 Noted by all present.

#### **14. MAKING TAX DIGITAL**

- 14.1 Noted by all present.

#### **15. CHARITY COMMISSION – NEW GUIDANCE FOR CHARITIES**

- 15.1 Noted by all present. SN commented there is a need to outline what we will need to do to ensure that we are up to speed.

**ACTION: SN recommendations to be forward for review at next ARC in March.**

#### **16. ANY OTHER BUSINESS**

- 16.1 Doodle to be created for the next ARC Meeting Date.