



Date: Tuesday 19 November 2019
 Time: 18:00
 Venue: Wilkins Garden Room

Finance Committee Minutes

Chair: D'Arcy McGuinness, Activities Officer

| Members: | P | AP | AB |
|--|---|----|----|
| D'Arcy McGuinness Activities Officer, Chair | ✓ | | |
| Deepan Banati, External Advisor | ✓ | | |
| Aatikah Malik, Welfare and International Officer | ✓ | | |
| Carol Paige, Democracy, Operations and Community Officer | ✓ | | |
| Ashley Slanina-Davies, Education Officer | | ✓ | |
| Mae Faguere, Sustainability Officer | | | ✓ |
| Aimee Connolly, Student Trustee (AC) | | ✓ | |
| Vlad Dinu, Student Trustee (VD) | ✓ | | |
| Mihir Gupta, Appointed by Union Executive (MG) | ✓ | | |
| Aardra Chandra Mouli, Appointed by Union Executive (ACM) | | | ✓ |
| Zachary Baum, Appointed by Union Executive (ZB) | ✓ | | |
| Laura Dell'Antonio, Appointed by Union Executive (LD) | ✓ | | |

| In Attendance: |
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| John Dubber, Chief Executive |
| Gloria Lewis, Head of Finance |
| Deb Nichols, Head of Operations |
| John Glenister, Management Accountant (Interim) |
| Dan Hill-Roger, Commercial Development Manager |

1. Welcome and Introductions

The Chair opened the meeting and everyone introduced themselves. Apologies were received from Ashley Slanina-Davies and Aimee Connolly.

NOTED

2. Minutes and Matters Arising from the meeting on Thursday 6 December 2018

The Interim Head of Finance mentioned that on point 4, line 6, it should state Finance Manager not Head of Finance. The minutes were otherwise approved.

APPROVED

3. Auditors' Recommendation & Comments for 2018/19

The Interim Head of Finance explained there were 2 high risk areas identified by the auditors from their fieldwork; these were bank mandates and document retention. They explained that an action plan has been put in place to address the points raised including review dates. They then confirmed that a resolution to update bank mandates will be passed at the next Board of Trustees meeting and an external supplier has been commissioned to address the point about document retention. They mentioned that the issues with stock take recording and the physical count is still

a work in progress.

The External Advisor asked whether this control risk had affected commercial performance.

The Commercial Development Manager answered that was being investigated and going forward External Stock Takers will come in quarterly in addition to the monthly in-house stock taker.

RESOLVED

Action: Interim Head of Finance will update on progress of resolving auditors' recommendations at future meetings.

Regarding the debt issue, the Interim Head of Finance explained that there is a new staffing structure in place with someone accountable for chasing debts with regular reviews in place to ensure debts are kept to a reasonable level. They mentioned that the system is working because £30,000 was pulled back last year.

The Student Trustee (VD) and External Advisor asked what the estimate of debt to be written off this year would be. The Interim Head of Finance said there was a provision of c£42k.

In regards to discrepancies in commercial tills income, the Interim Head of Finance explained that anything over £5 would be looked at by the Senior Management Team monthly.

The Commercial Development Manager added that emails are sent out to outlets managers to chase up variances and are not closed off until a satisfactory response is received.

The Student Trustee (VD) asked what proportion of payments are made by card. The Commercial Development Manager said they would look into it and let the Student Trustee know.

RESOLVED

Action: The Commercial Development Manager to update Student Trustee (VD) on the proportion of tills payments made by card.

The Interim Head of Finance mentioned that overall, a plan of actions for controls will be put in place to address the areas of focus picked up by the auditors. The Committee recommended this to the Board.

RESOLVED

Action: The Interim Head of Finance to recommend the Auditors' Recommendation and Comments to the Board of Trustees.

4. Financial Statements for 2018/19

The Interim Management Accountant briefly summarised the overall financial standing for last year. They explained that the figures are currently draft subject to the finalisation of the audit process. They mentioned that there was separate capital fund with enough funding to fund depreciation. They further explained that there was a big provision made in last year's accounts for pension liabilities which doesn't impact immediately but might lead to payments in later years, if the pension contributions are insufficient to meet costs. They mentioned there was issues

reclaiming value added tax on inputs because the output value added tax is not sufficient. They also explained that the commercial outlets contribution was down a bit from last year with 2 big factors of cost being buying stock and student-staff costs.

The External Advisor raised a point that to compare management accounts actual to last year's actual was unhelpful as the Board of Trustees makes decision based upon comparison with budgets rather than last year's performance and asked for comparison to be made between actual performance to budget instead.

The External Advisor raised a concern that the Board of Trustees was previously informed the organisation was likely to be broadly on track to achieve a balanced year-end position, but the year-end results showed a different story.

The Head of Operations also raised a point that managing costs during the year was difficult due to lack of management accounts and information.

The Interim Head of Finance replied they have tried their best to get figures out but that some figures produced by the finance team were not credible. They noted they understood there was a problem and stated they were determined to resolve the problem.

The Chief Executive explained that numerous factors have led to this point including unrealistic commercial budgets and not having regular management accounts. They further mentioned that it is critical this year to have accurate monthly management accounts and action taken if budgets are exceeded.

The Interim Head of Finance reassured the Committee that they were taking action to resolve this.

The Committee recommended this to the Board of Trustees with the External Advisor's comment on the comparison of actuals and budget.

RESOLVED

Action: The Interim Head of Finance to recommend Financial Statements with comments to the Board of Trustees.

5. Management Accounts (Quarter 1)

The Interim Management Accountant explained the management accounts for the first quarter stating performance was ahead of budget.

The Student Trustee (VD) asked why the support costs were 10% more than expected.

The Interim Management Accountant mentioned that there was an issue with the timing of a cleaning invoice which contributed to this overspend.

The Student Trustee (VD) also asked about other costs being more than expected in which the

Interim Head of Finance said they would look into them.

RESOLVED

Action: The Interim Head of Finance to look into why other costs was more than expected and provide an update to the Committee on the reasons for the main variances.

The External Advisor suggested putting commentary with the documents for the committee explaining the variances. A discussion took place and the Interim Head of Finance said they would be happy to discuss variances in more detail outside of the meeting but will look into adding commentary for the top 3/5 variances for the Committee in particular for the forthcoming Board meeting.

RESOLVED

Action: The Interim Head of Finance to add commentary regarding the top 3-5 variances in future management accounts reports.

The Committee were happy to recommend to the Board of Trustees.

RESOLVED

Action: The Interim Head of Finance to recommend Management Accounts to the Board of Trustees.

6. Lewis' Building Project Proposal

The Commercial Development Manager presented plans for the building redevelopment including the project costs.

The Interim Head of Finance mentioned that if the project was funded by the Students' Union UCL, then there is an incentive for some money back from the capitals good scheme regarding tax.

The Democracy, Operations and Community Officer asked about the capacity of the pop-up trials and whether they will meet demand.

The Commercial Development Manager replied they have spoken to Estates about capacity on numbers and they will monitor and make changes along the way.

The External Advisor asked how the costs came about.

The Commercial Development Manager reassured all that they have spent time with the company and UCL Estates and looked at previous similar projects. They further added there is a contingency of £50,000.

The External Advisor also asked about any disruptions to which the Commercial Development Manager replied that it would take place over a closure period so disruption would be kept to a minimum.

RECEIVED

7. Union Commercial Strategy Discussion

The Head of Operations stated that other Students' Unions have a commercial strategy so it would be useful for us to do the same. They invited a discussion for feedback of things to include. The feedback included:

- More transparency around funding
- Research surveys yearly around commercial outlets to get a better say for what students want
- More transparency around what the Students' Union does
- Build stronger connections with departments
- More uniformity of Union branding around campus

The External Advisor asked about a deadline for the Strategy and it was agreed that this would be reviewed in the next Finance Committee meeting in March.

RESOLVED

Action: The Finance Committee in March 2020 to review the Union Commercial Strategy.

8. Students' ideas re: generating income

The Democracy, Operations and Community Officer said they would work on this issue and suggested that engagement with the Policy Zones could potentially lead to more student ideas.

The External Advisor suggested that incentivising for ideas would work, giving an example for setting a prize for the best idea.

RESOLVED

Action: The Democracy, Operations and Community Officer to lead gathering student ideas on generating income.

9. Debtors Report (Quarter 1)

The Interim Head of Finance restated that there is someone within the Finance team who is actively chasing debt.

The External Advisor asked whether there was any risk and was assured by the Interim Head of Finance that there wasn't because it is manageable and will be proposing the writing off debt that can no longer be chased.

RECEIVED**10. Treasury Report (Quarter 1)**

The Interim Head of Finance stated that they were not concerned about the report as the format was developed last year.

The Democracy, Operations and Community Officer raised a concern that G4S missed the pick-up time and student-staff have been expected to fill out paperwork and deal with the handover without training.

The Interim Head of Finance replied that they will pick this issue up afterwards as everything should be prepared beforehand ready for the pick-up.

RESOLVED

Action: The Interim Head of Finance to speak to the Democracy, Operations and Community Officer about cash collection issues to ensure any concerns are addressed.

The Student Trustee (VD) asked why the interest rates were low.

The Interim Head of Finance said they would further investigate this.

The Chief Executive added that a review of investments could factor into the Finance improvement plan for the next financial year.

RESOLVED

Action: The Interim Head of Finance to include a review of interest rates and possibility of transferring banks into the finance plan for the next 12 months.

11. Insurance Renewal Report

The Interim Head of Finance mentioned that the premium overall increase by 1% and 2 claims were settled with an ongoing claim not significantly affecting the premium.

RECEIVED**12. Investments Report**

The Interim Head of Finance explained that the performance of the Union's investments overall was strong.


The Democracy, Operations and Community Officer asked whether the Union could set their own investment policy. A discussion took place and it was agreed for The Democracy, Operations and Community Officer to follow it up with the UCL Head of Finance and Business Affairs.

RESOLVED

Action: The Democracy, Operations and Community Officer to consult with the UCL Head of Finance and Business Affairs about setting a Students' Union investment policy.

13. Any Other Business

There was none.

| Minutes approved as a true and accurate record | |
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| Chair: | Ilyas Benmouna |
| Signature: |  |
| Date: | 18/02/2021 |