



Date: Monday 08 June 2020
 Time: 18:00
 Venue: Online

Risk & Audit Committee Minutes

Acting Chair: Carol Paige, Democracy, Operations & Community Officer

Members:	P	AP	AB
Mary Basterfield - External Trustee (UCL Alumna), Chair		✓	
Carol Paige – Democracy, Operations & Community Officer, Acting Chair	✓		
D'arcy McGuinness – Activities Officer	✓		
Gbemisola Osabua – Student Member (GO)	✓		
Georgios Dougenis – Student Member (GD)	✓		
Jim Onyemenam – Postgraduate Students' Officer	✓		
Tishuana Mullings – Student Trustee	✓		

In Attendance:
Catherine Barrow – Interim Head of Finance
Deb Nichols – Head of Operations
Frankie Quinn – Minutes
Simon To – Leadership Development & Change Manager

1. Welcome and Introductions

The Chair opened the meeting and everyone introduced themselves.

NOTED

2. Minutes and Matters Arising from the meeting on 13 February 2020

The Chair asked if there were any comments on the previous minutes. There were none and the minutes were approved.

APPROVED

3. Audit Recommendations Action Plan Progress Update

The Interim Head of Finance provided an update on the action plan. They explained that they had picked up recommendations from the audit as a plan for improvements, although lockdown had caused some delays with this process.

They outlined the main issues flagged, in particular those related to bank authorisations and balance sheet reconciliations, stating that good progress had been made in these areas. On bank authorisation limits, recommendations for a new mandate with limits had been implemented and were up-to-date, despite an issue with admin rights. Regarding balance sheet reconciliations, they explained that the auditors had highlighted that this was not happening regularly, but that there is now a member of staff who does this on a regular basis.

The Interim Head of Finance also explained that there had been some delays in inputting the end of year balances into the finance system because of lockdown and delays with the signing off of

accounts from last year, but that new financial accounting was now in place. In addition they outlined that the fixed assets need to be reviewed, and will be considered by a new financial accountant, with anything over £1,000 needing to be put on the balance sheet. They also explained that bank mandates had now been added for the accounts held with Scottish Widows and Virgin Money.

The Acting Chair asked whether furlough had affected the progress of recommendations. The Interim Head of Finance stated that the main area affected by this was debtor's collection, but that some debt was so old that it had been chased for a considerable period of time. They also explained that only one permanent member of staff had been furloughed and student-staff were furloughed for a short period, but that most staff had now been brought back, and that more had been saved on furlough than would have been gathered from collecting the old debt.

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4. Internal Audit Update

The Interim Head of Finance explained that the Chair had suggested that on top of the external audit, which is a statutory requirement, more thought should be given to an internal audit which focusses more on the financial controls that are in place, how organisation is being protected against fraud and other related matters. They reported that the Chief Executive had secured some time with KPMG, who run the internal audit for UCL. They explained that the contract moving forward at UCL was currently out for tender, but that once this took place the Union would be allocated some hours as part of this contract.

The Interim Head of Finance outlined some of the areas KPMG mentioned would normally be covered within internal audit, and that they had completed similar audits with other students' unions, providing the potential for benchmarking. The areas covered include financial controls & budgeting, wider governance and risk management. They also explained that this would not be possible until the autumn, and that more work would be needed within the Finance Team to get processes properly documented and in line before the audit.

The Acting Chair asked whether helping the Union with its internal audit had been added to the tender process. The Interim Head of Finance responded that the Union had been offered 'contingency hours', which the tender offer always includes. They explained that even if the Union was charged, the amount would be per hour and would be significantly cheaper than elsewhere as it is bought as part of a larger contract. In addition, they stated that if there are spare hours, UCL will give these to the SU at no cost.

The Acting Chair asked how formal the agreement of this involvement with UCL was. The Interim Head of Finance responded that the agreement was informal with UCL's Director of Finance & Business Affairs, but that if the Union had to do its own internal audit then it would have to seriously consider the cost implications of doing so.

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5. Review of Risk Register

The Head of Operations presented the Risk Register. They reported that the Union had tightened up its approach towards risk, and had made some significant progress. They outlined this progress, including updating the organisation's critical incident plan with UCL, taking part in a mock critical incident, and completing a Health & Safety Review with a subject matter expert. They also explained that there was now an active Health & Safety Committee, as well as a complaints process now in place.

The Head of Operations also outlined that a proactive response had been made to COVID-19, with the Union closing its outlets and moving to remote working but that an audit was still needed in relation to this. They explained that the current plan regarding COVID-19 was to look at a phased return based on government guidance and in conjunction with UCL. They also explained that the register was a working document but that it needs an overhaul, and welcomed any feedback from the committee.

The Acting Chair expressed concerns regarding whether trustees should be named as owners of risk, as they should be holding the owners of risks to account, which may be difficult if they themselves are the owners of the risk. The Head of Operations expressed agreement with this, stating that they could take this forward and see what guidance they can receive, and that this may be an area where the Union can learn from UCL's approach.

The Student Member (GO) asked for more detail about the kind of overhaul which was being considered. The Head of Operations responded that this had not been decided at this stage, and that the Union would be looking at what UCL and other organisation do in this area. They also explained that the Union would be seeking input from the external auditors on this issue.

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6. Annual Health & Safety Report

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7. Any Other Business

The Acting Chair asked whether any members had any reflections for improving these meetings moving forward. The Student Trustee said that it was always beneficial when it was not assumed that members had specialist knowledge, and that at the beginning of the committee cycle a briefing would be good to help members understand abbreviations and technical terminology. They commented that expectations were fairly clear, but that it can sometimes feel like committee members spend a significant amount of time trying to learn, and that once this happens it was too late as their term was coming to an end.

The Activities Officer asked whether the new External Trustee that was in the process of being appointment would automatically chair the Risk & Audit Committee. The Leadership Development and Change Manager responded that it is not automatic that the new Chair would be the newly appointed External Trustee and that this would need to go back to the Board, but that the new Chair would definitely be an External Trustee.

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Minutes approved as a true and accurate record	
Chair:	Deepan Banati
Signature:	<i>Deepan Banati</i>
Date:	12/02/21