



Date: Thursday 18 November 2021  
 Time: 09:30  
 Venue: Online

## Risk & Audit Committee Minutes

Chair: Deepan Banati, External Trustee (UCL Staff)

Members:	P	AP	AB
Arifa Aminy, Equity Officer	✓		
Deepan Banati, External Trustee (UCL Staff), Chair	✓		
Harry Traherne, Student Member (HT)		✓	
Ilyas Benmouna, Activities & Engagement Officer	✓		
Renato Corradini, Student Member (RC)	✓		
Viktoria Makai, Postgraduate Officer	✓		

In Attendance:
Catherine Barrow, Director of Finance
Deb Nichols, Director of Operations
Rebecca McLoughlin, Minutes
Shachi Blakemore, External Auditor, Buzzacott LLP (up to item 4)
Simon To, Policy, Governance & Insight Manager

### 1. Welcome and Introductions

The Chair welcomed everyone to the meeting and everyone introduced themselves.

**RECEIVED**

### 2. Terms of Reference & Membership

**RECEIVED**

### 3. Minutes and Matters Arising from the meeting on 18 May 2021

The Committee approved the minutes from the meeting on 18 May 2021 as a true and accurate record.

**APPROVED**

### 4. Post-Audit Review Report for Financial Year 2020-21 and Management Response

The Director of Finance introduced the External Auditor, Shachi Blakemore from Buzzacott LLP. The External Auditor confirmed that audit of the accounts for year ending 31 July 2021 was conducted in September. They noted that all audit points from the previous year have been addressed and were closed. There were two recommendations that came out of the audit report which were minor and are being addressed. The External Auditor stated that they were happy with the excellent progress that has been made and thanked the Director of Finance and their team. The Director of Finance thanked the External Auditor for their support and advice. The Director of Finance noted that there were no adjustments made to figures presented for the audit as only trivial misstatements were noted during the audit. They added that they were really pleased with the progress the Finance Team has made.

The Risk & Audit Committee received the Post-Audit Review Report for Financial Year 2020-21 and endorsed it to the Board of Trustees.

**RESOLVED**

## **5. Review of financial year 2020-21 financial statements**

The Director of Finance gave an overview of the financial statements for 2020-21. They noted that there was a surplus from operations of £116k, which included additional grants received from UCL that, due to covid, were partly unspent at the end of the year and will be kept in reserves for expenditure next year. There was a small increase in USS pension provision of £41k although it is acknowledged that this pension fund provision may need to increase more significantly in future years when a new actuarial valuation is carried out by USS. They added that the net expenditure for the year after the depreciation charge of £379k (relating to the amortisation of the capital grant for works in the Lewis's Building and Bloomsbury Gym), revaluation of investments and adjustment to pension provision, is a surplus of £273k versus a surplus of £59k last year. Total reserves at year end were £6,873k, up £273k on last year, reflecting the surplus achieved. General free reserves reduced by £161k, which was a much lower reduction than was anticipated at the beginning of the year. Despite delivering an operational surplus, free reserves did not increase as £278k of income received in the year needed to be transferred to restricted reserves, representing the unspent portion of the restricted grants.

The Director of Finance confirmed that the Union had a letter of support from UCL regarding an offer of financial help should we need it. The Equity Officer asked what extra activities the Union could do to increase revenue and become more financially independent. The Director of Finance responded that we are independent but most of our income comes from UCL. However, if we build up our free reserves then we can spend this on what we decide. The Chair added that our commercial income is completely unrestricted. The Director of Finance stated that the footfall on campus is still lower than we expected, and this is affecting our commercial income which is why we are doing regular reforecasts. The Head of Operations confirmed that the footfall is around 30-40% compared to the predicted 80% and added that there is also a supply chain issue.

The Postgraduate Officer asked why the Union needed funding from UCL and how could we change the dependency on this. The Director of Finance responded that we offer a lot of services to students that we do not generate an income from. This all contributes to delivering part of the UCL experience to students and we need to have funding to do this. It would be difficult to generate £3million surplus every year to fund all our services. The Chair added that the Union has fixed costs and there is very little left over from the UCL grant which raised the question of whether we are receiving enough funding.

The Equity Officer asked if there was a possibility of obtaining funding from the private sector. The Director of Finance replied that we currently do have some sponsorship from the private sector, but we need to make sure that they are in line with our charitable objectives. The Policy, Governance & Insight Manager stated that some Universities linked their block grant to student numbers and student fee income.

The Postgraduate Officer asked what would be the best way forward to avoid losing income due to the low footfall. The Director of Finance responded that they are in talks with UCL regarding additional funding and we would also need to look at areas we can cut to cover the gap. The Director of Operations confirmed they are looking at different funding models. The Postgraduate Officer asked if commercial would be the first area that we would restrict. The Director of Finance confirmed that cutting commercial would not work as we still have fixed costs and they would look at the area with the biggest funding which would be grants to clubs and societies but this is something we would not want to have to do.

The Risk & Audit Committee received the Financial Statements 2020-21.

**RECEIVED**

## 6. Risk Management Policy and Risk Register

The Director of Operations stated that the Senior Management Team undertook a workshop to undertake a major review of its Strategic Risk Register and align it to UCL's format. 21 risks were identified, scored and reviewed on the risk register. Of the 21 risks eight were identified as requiring further risk analysis and actioning. They noted that the Risk Management Policy had been reviewed and updated. They added that a Risk Management Working Group had been set up and will meet periodically to review the Strategic Risk Register for new risks or any risks where the likelihood or impact has changed significantly.

The Chair asked if the Risk Register feeds into the UCL Risk Register. The Director of Operations confirmed that it does. The Chair added that it would be useful to have a key to the abbreviated names in the Risk Register and they also suggested to make the commercial risk broader. The Director of Operations agreed with this.

**ACTION:** The Director of Operations to include a key to abbreviated names in the Risk Register.

**ACTION:** The Director of Operations to include more detail in the commercial risks.

The Postgraduate Officer asked how the Union would heat the office whilst also providing ventilation as per Covid guidelines. The Director of Operations replied that the Union has to follow government guidelines regarding ventilation and if staff find it too cold, they can opt to work from home. They confirmed that this would be communicated to staff.

The Risk & Audit Committee adopted the Risk Management Policy and new Risk Register and resolved that it be recommended to the Board of Trustees. The Committee also resolved those relevant sections of the risk register be considered by the relevant committee to ensure they were more visible for their considerations.

**ACTION:** The Director of Operations to take the relevant sections of the risk register to be considered by the relevant committee.

**RESOLVED**

## 7. Compliance Register Annual Update

The Policy, Governance & Insight Manager advised that the Compliance Register is reviewed annually. They stated that all areas are green except for two which have moved to amber. They noted that there is development work being done on the items marked amber. The Chair noted that the items marked amber were not major risks and confirmed that the development work needed on these could be discussed at the next meeting of Risk & Audit Committee.

**ACTION:** The Policy, Governance & Insight Manager to bring to the next meeting details on development work associated with those areas marked amber.

The Risk & Audit Committee approved the updated Compliance Register and recommended it to go forward to the Board.

**RESOLVED**

**8. Health & Safety Report (Quarter 1)**

**RECEIVED**

**9. Management Accounts (end of year 2020-21)**

**RECEIVED**

**10. Any Other Business**

The Director of Operations thanked the Chair for all their work as this would be their last meeting.

Minutes approved as a true and accurate record	
Chair:	Ben Booth
Signature:	
Date:	23 May 2022

**Action List**

Actions	
The Director of Operations to include a key to abbreviated names in the Risk Register.	Director of Operations
The Director of Operations to include more detail in the commercial risks.	Director of Operations
The Director of Operations to take the relevant sections of the risk register to be considered by the relevant committee.	Director of Operations
The Policy, Governance & Insight Manager to bring to the next meeting details on development work associated with those areas marked amber.	Policy, Governance & Insight Manager