

**Finance and Risk Committee – Thursday 6th February 2014 at 11am
Keynes**

SUMMARY

Item	Subject	Summary
4.0	Minutes of previous meeting	Approved
5.0	Actions Log	Noted
6.0	Reserves Policy	Approved for onward submission to Board
7.0	Financial Procedures	Approved
8.0	Health, Safety & Wellbeing Policy	Approved; future reviews of policies to include tracked-changes
9.0	Budget Assumptions & Guidelines	Approved; amendment to be made covering officer involvement in budget-setting processes
10.0	Strategic Risks – Risk Register	Approved; format to be looked at and 2 additional risks to be included on risk register
11.0	NUSSL Membership	Noted
12.0	IT Resources	Discussion took place
13.0	Capital Expenditure Update v Budget 2013/14	Noted
14.0	Whistleblowing Policy	Approved
15.0	Annual Cycle of Activity	Approved
16.0	December's Management Accounts	Noted
17.0	DCE's Report	Noted
20.0	Next Meeting	Ted Friswell to Chair meeting of 6 th May

MINUTES

1.0 Present

Derek Smith, Chair
Ted Friswell, Deputy Chair
Matt Williams
Megan Wells
Hannah Wallington
Chris Bull
Neil Oliver
Peter Cole
Tony Logan
Alex Murray
Chelsea Moore

2.0 Apologies

Elliot Massey

3.0 Conflicts of Interests

None

4.0 Minutes of the last meeting

The minutes of the last meeting, held on 8th October, were approved.

5.0 Actions Log

Finance and Risk Committee noted the updated actions log, and that all actions were complete.

FORMAL BUSINESS

Part 1: For Discussion and Approval

6.0 Reserves Policy (A)

Part of this item is Reserved

Paper 1 seeks approval of the annual review of the Reserves Policy, which is unchanged from the Policy approved by Board in February 2013. Assuming Kent Union budgets for and achieves a surplus of £69k each year a level of reserves will be achieved consistent with the mid-point (ie 3 months) of the Reserves Policy. Assuming Kent Union maintains its financial objective of ensuring capex does not exceed depreciation over the next 5 years, it will achieve a net current assets balance sheet position of £74k in 2019. It was raised that having an endowment fund would make a difference to the challenges facing Kent Union's budget and this could be something to raise with the university.

Finance and Risk Committee approved the Reserves Policy for onward submission to the Board.

7.0 Financial Procedures (A)

Kent Union's Financial Procedures and appendices have been subject to their annual review. The Procedures are well established and required only minimal revision. Changes to the procedures related to:

- The withdrawal of minimum spend limit to debit/credit card transactions in our outlets. The transaction fee for credit cards is around 2% of transaction value; for debit cards the fee is per use.
- Monthly Safe Audit & Reconciliation. This will be carried out by the outlet manager and supervisor. It will be carried out more frequently in departments but this is set out as a minimum for reporting to Finance.
- At GK Unions the Sports Volunteer Handbook/Society Volunteer Handbook replaces the Student Activities Handbook
- Reduction in timeframe for submission to Finance by Budget Holders of information for weekly Financial Performance Update (FPU), and subsequent earlier issue of FPU by Finance
- Substitution of the Deputy Director of Finance instead of the Deputy Chief Executive as authoriser/approver of certain items detailed in the paper

Finance and Risk Committee approved the revised Financial Procedures

8.0 Health, Safety and Wellbeing Policy

The Health and Safety Policy was last reviewed in January 2012. The Policy outlines all areas relating to the business, including training, safety operations and procedures in the event of an accident. The Committee suggested it would be helpful to know what changes have been made. The Policy has been made more user-friendly and the main changes relate to staff responsibilities so the policy can be better-used for training staff. It has also removed unnecessary information from the Policy. The Committee felt the Policy was quite prescriptive. Tony informed the Committee that it is used to train staff at induction and staff sign to acknowledge that they've been made aware of the changes.

AR: Peter Cole to feedback that the Committee would like it made clearer what changes have been made, whether through tracked changes or details made clearer in the summary.

The Committee approved the Health, Safety and Wellbeing Policy

9.0 Budget Guidelines and Assumptions

Part of this item is Reserved.

The Budget Assumptions and Guidelines detail key assumptions to be made by Budget Holders in compiling their budgets, and explains the methodology and process to be adopted and key budget timetable deadlines. The Committee discussed the effect of the NUS Extra Card, and the potential impact of what the margin would be. The margin has impacted less than thought as there is less of an uptake than expected of those using the card. Further work to promote the card will be carried out. The timeframe for the budget process doesn't work particular well this year in relation to the new strategy. However the draft strategy has been to the Board and the budget, strategy and operating plan will go to the May Board for final approval. Department Strategies will then be worked on but any significant budgetary requirements should be known before budget-setting. Contingency budgets will also be built in. C4 Building is not expected to

have any effect on income or expenditure but there could be some cap ex costs (for fitting out) towards the end of the year, the bulk of which would be funded by the University. Any expenditure needed in relation to the cultural changes in response to the new strategy will, for the first year, be covered by a contingency fund, and for future years will be included specifically to departments. The difficulty will be deciding what that amount is. Officer input into the budget process was discussed. There will be a meeting in March to get the officer priorities and have input; officers will be consulted on an early draft in April which should clarify expenditure lines further. There needs to be conversations between budget holders and officers. Budget presentations will take place 14-16 April, and Derek Smith would normally attend.

AR: Peter Cole to include details around officer involvement in the budget process.

AR: F&R Committee members to inform Peter Cole if they wish to attend any of the budget presentations

AR: Matt Williams agreed to attend budget presentations on 16th April, as Derek is unable to attend.

The Budget Assumptions and Guidelines were approved, subject to the amendment to have more details included in the documentation around officer involvement.

10.0 Strategic Risks – Risk Register (A)

Paper 5 provides a schedule of strategic risks and planned risk mitigation actions relating to these risks, for approval by Finance and Risk Committee. The schedule has been put together following a review of the strategic risk profile of Kent Union and has a minimum of a 5 year horizon scanning to allow management and mitigation of those risks to be planned and implemented effectively.

AR: Peter to look at format, which has a lot of white space and is difficult to read. This will then be re-sent to the Committee for comments offline.

AR: Peter will add Strategic Risks relating to providing interim management services, and press communication to a serious risk situation to the risk register, and bring to the next meeting of F&R Committee.

Finance and Risk Committee approved the Strategic Risks – Risk Register. The Risk Register will be re-sent electronically and any additional comments from the Committee would be sent to Peter Cole.

11.0 NUSSL Membership (N)

Paper 6 sets out the benefits to Kent Union in 2011/12 from its membership of NUSSL. The information for 2012/13 is not yet available. The paper provides a Benefits Statement, but the Committee were advised a caveat should be applied to the values as it is likely that an element of the savings shown could be achieved by Kent Union by direct negotiation with the suppliers if Kent Union was not a member of NUSSL.

Finance and Risk Committee noted the benefits to Kent Union from its membership of NUSSL.

12.0 IT Resource in Relation to delivering Strategic Objectives

This item is Reserved

PART 2: Taken as read and approved/noted

13.0 Capital Expenditure Update versus Budget 2013/14 (N)

The schedule provided shows actual capital expenditure for 2013/14 to date, versus the Capital Budget for 2013/14.

Finance and Risk Committee noted the update

14.0 Whistleblowing Policy (A)

The Whistleblowing Policy has been reviewed and revised to reflect reforms to whistleblowing legislation introduced in 2013. Peter Cole clarified that Kent Union had never had a whistleblowing incident and that the Policy applies to Part-time Officers, as well as sabbatical officers.

Finance and Risk Committee approved the Whistleblowing Policy

15.0 Annual Cycle of Activity (A)

Changes made to the Annual Cycle of activity include

- Adding an annual Safeguarding Management Report to the May meeting, for onward submission to the Board
- Adding Fundraising report to February and May meetings for note
- Moving approval of 3 items to Remuneration Committee as they have a better fit there
 - Terms and Conditions of Employment
 - Job Evaluation Scheme
 - Flexible Working, Reward and Recognition Policy

Finance and Risk Committee approved the Annual Cycle of Activity

16.0 December's Management Accounts (N)

The main Essentials shop was down about 1% mostly related to student term times which were a week later than previously. Sainsburys has also had an impact. The Shrinkage Budgets are all positive apart from that for the main shop but these are being investigated. The budget is for 0.7% and came out at 1.2% at cost level. Some of this is related to booking in errors and things not being recorded accurately rather than theft. Any emerging trends will be looked at later in the year but this is not thought to be related to the 2nd entry/exit door. Retail are working with Campus Watch and have an action plan in place to address concerns.

Finance and Risk Committee noted the December Management Accounts.

17.0 Deputy Chief Executive's Report (N)

The report comments on full year financial performance for the financial year 2013/14, the top 5 issues being managed by the Finance team and the planned financial focus prior to the next meeting of the Committee.

Finance and Risk Committee noted the Deputy Chief Executive's Report

18.0 Non officers to withdraw if required

This was not felt necessary on this occasion

19.0 Any Other Business

None

20.0 Next Meeting

The next meeting is due to take place on Tuesday 6th May. Derek Smith, Chair, is not available week of 5th or 12th May and suggested 29th April as an alternative date, though this may cause problems for the budget process. It was agreed that Ted Friswell would chair the next meeting if it is not possible to bring the meeting forward. **UPDATE: It is not going to be possible to bring the meeting forward to 29th April. The meeting will go ahead on 6th May at 11am, with Ted Friswell chairing.**

Signed: Date: ____ May 2014

Name:
(Chair, Finance and Risk Committee)