

**minutes**

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| Subject: | Finance Committee Minutes: 13 March 2018 |
| Produced by: | Oksana Shlonimskaya |
| To: | Finance Committee |
| Action: | To approve |
| Paper: | FC 1 18 |

Present: Daniel Mastrangelo (DM), Ravon Chhay (RC), Euan Scott (ES), Jenna Chapman (JC)

In attendance: T Cave (TCV), Oksana Shlonimskaya (OS)

Chair: Camille Koosyial (CK).

*Key Decisions and Action Points*

* *Research into Investment – what do other SUs do? Get someone to come in to talk about it at next FC?*
* *Banking Review: Cam to update with the formal project and assessment if it’s something we need to do*

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| **106**  **107**  **108**  **109**  **110**  **111**  **112**  **113**  **114**  **115** | **Statements from the Chair**  **Minutes of the meeting held on 12 Dec 2017**  The minutes were agreed.  **Matters arising**  **Financial Reports**  **Management Accounts for 6 months to Jan 2018**  Tim explained the accounts briefly  Comments:   * The present members accept that those are the numbers, and there are concerns, but it should be taken to higher boards (DOB for Venues or Retail). In future, how do we compensate if Venues/Shop underperforms – consider what can we do? Combat loss in future with Venues, especially with SPAR coming in. * If you plan that you’ll spend what you earn, but then you underperform, what would be the contingency plan to try to combat it?   **Update on Annual Report and Accounts for year ended 31.7.17**  Tim explained the accounts briefly. With only minor changes since the version previously reviewed, the accounts are now ready for sign-off by Board and Auditors.  **Audit findings: management response**  Tim briefly went through the Audit Findings Report highlighting areas where the Finance team would concentrate effort.   * Institute some process of review by trustees of our internal financial controls? * Fixed assets existence / catalogue check would require Union wide effort * Confirm we are happy to take credit card risks * We need to find a middle ground for review of nominal journals * Venues & Retail – update on these at the next FC   **Investments – Feedback from London event (Euan)**   * Euan went to London because in the last FC we spoke about the possibility of investing as on average there is a balance at bank of £2 million at any point in time earning next to nothing in our bank account, which is an opportunity cost. * Reserves requirement = £500,000. The difference is our average working capital position – i.e net creditors. * The means that there is an amount of cash permanently locked up that could be earning an investment return. * We need to understand that we can lose money by investing it * We would need to formulate an investment policy which addresses * Attitude to risk * Liquidity and Investment term * Ethical policy * We should be proud to be ethical investors (transparency). 80/90% of companies perform better with environmental ethical investments * Look into what other SUs do, especially those that have similar political stance * Cam * Target rich SUs * Identify Managers dedicated to charity investments (Euan made some contacts which can be pursued.) * Choosing an investment manager is as difficult as choosing an investment * Investment managers do what you ask them to do * Invest in funds that track things (example: footsie tracks the index of the footsie). You can’t really track investments over short term, only over long term * Is anyone against researching into investments? Everyone voted NO   **Banking Review**   * What is the criteria for a new bank that we are looking at? * Driven by necessity criteria or better value for money or safer/better banking environment? * Make a formal project and assess if it’s something we need to do (Cam to follow up and update on the next FC)?   **Any other business**  Tim highlighted an issue which as arisen in respect of the SUSS Pension scheme. An historic administrative issue has led to the likelihood that liabilities will be increased to backdate inflationary increases in the scheme, going back to the 1988 – 1995 period.  Although there will be no impact on the reported liability until the completing of the 2020 triennial valuation, there is likely to be an impact of c. £200k on the Union’s balance sheet.  The issue is currently being managed by the scheme Trustees and NUS as principle employer.  **Time, Date, and Place of next meeting**  The next meeting will need to fall between 12th – 18th June ahead of Trustee Board. Date and time to be arranged. |
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