

Draft Minutes of

THE ORDINARY MEETING OF THE AUDIT COMMITTEE

7th Week Hilary Term 2019

Friday 1st March

The President's Office, 11:00

Present: **The President** (Daniel Wilkinson, *Oriel College*), **The Treasurer** (Amy Gregg, *Somerville College*), **The Elected Member** (Troels Boesen, *St John's College*), **The Elected Member** (Hugh Bellamy, *Lady Margaret Hall*), **The Bursar** (Lindsay Warne)

Apologies:

None

Absent

None

Late

None

The President opens the meeting at 11:45pm

Apologies

Requests to Pass Absences from Previous Meetings

Matters Arising from Previous Minutes

Ratification of Minutes

Business

The President moves that the Committee appoints **The Elected Member** (Hugh Bellamy) as **Secretary**. Seconded by **The Elected Member** (Troels Boesen)
Nem. con.

1. Duties of the Committee

The President states that the Committee should meet at least once a term, but this has not been the case for some time. There is some doubt that the Committee has ever sat. Under Rule 66) (e)(vii) all powers of the Committee can be delegated to any member. Going forward, he suggests calling another meeting this term or calling one in the second term of Trinity. The committee must produce a statutory report to check how we are adhering with

the budget, assesses what financial controls are in place and how effective they are and monitors the Union's corporate governance.

The Bursar says that she brought the draft accounts to The Standing Committee and The Finance Committee last week.

The Elected Member (Troels Boesen) suggests passing the statutory report not just to abide by the rules, but also to send a signal about the Union's commitment to transparency. He says that existing discussion has not surrounded around (f)(i)(4) ("financial controls in place and the extent to which they have been adhered to").

There is some confusion surrounding the meaning and interpretation of financial controls and how to report on this clause. **The Elected Member** (Hugh Bellamy and Troels Boesen) suggests interpreting it as meaning "what oversight of the finances is there and do we regularly abide by them?"

The Elected Member (Troels Boesen) suggests using this report to dispel the reputation surrounding the Union's finances and also to give some suggestions or assessments.

The President notes that under the Rules the report must be circulated 7 days before the meeting in which it is discussed and agreed on. He says that the report should contain the management accounts, an assessment of financial controls and some normative assessment of the Union's financial processes.

2. Purposes of the Statutory Report

The President notes that perhaps the management account should be approved in this Committee as they only have to be presented to but not approved in Standing Committee and Finance Committee.

The Bursar notes that this may create three different locations for financial oversight.

The President suggests that as such the statutory report should emphasize points (1), (2) and (3) of Rule 66) (f)(i).

The Bursar suggests that this may be the role of Finance Committee – this has not occurred recently but in the past, the accounts have been discussed in depth.

The Elected Member (Troels Boesen) says that the report has a wider scope and has a different value and proposition than discussion in committees. He notes that there is a substantial difference between how things are in the Union and how things are perceived to be, and this should be addressed in the report.

The President suggests delegating the writing of the report to a member to be written over the weekend and circulated for 9th week.

The Elected Member (Troels Boesen) says that the production of the report may require the requisitioning of information.

The Elected Member (Hugh Bellamy) suggests that we need a definition of financial control that we can agree on as a committee.

The President provides a definition: “Financial control refers to the systems implemented in place to trace the directed resources of an organization with timely monitoring and measurement. These controls majorly track the accuracy of reporting which eliminates fraud, thereby protecting an organization's physical and intangible resources. An internal control also reduces the chances of process variation as a result of which the outcomes can be predicted with a high level of accuracy. Financial control can be implemented in various sections of an organization to achieve maximum performance and streamline the actions.”

The Elected Member (Troels Boesen) notes that previous attempts to gain access to receipts have not been successful.

The Bursar quotes GDPR and recognizes that previous (incorrect) figures were published in the national press from receipts causing embarrassment for a distinguished speaker.

The President suggests that the inaugural report should outline the financial controls that are in place currently.

The Elected Member (Troels Boesen) suggests that the Union is good at tracking movement in money, but there is no inventory of the material assets of the Union.

The Treasurer suggests this is especially important for socials where we tend to double purchase items.

3. Discussion of Business Plan

The President asks if the Union has a business plan.

The Elected Member (Troels Boesen) notes that the Society needs to identify long term goals.

The President notes that to make progress we need to identify long term goals such as “accessibility”, “Wi-Fi” or “fire escape”. He notes that membership is falling and a business plan needs to provide strategies to counteract this.

The Elected Member (Hugh Bellamy) suggests that the issue is that students perceive the Union as toxic or full of hacking and politics. A business plan should aim to address this problem.

The President notes that in order to pass a statutory report we need a business plan to assess how the budget meets it.

The Elected Member (Troels Boesen) disagrees and says that business plan is more about direction whereas financial controls are more about good practice.

The Treasurer suggests formulating a business plan and then each term Audit Committee assesses that.

The President states that we need to create a holistic picture of how the society should be governed. The financial reporting and budgeting part of this has been good, but we are now missing the normative element of this which is fulfilled by the production of a business plan. He says that business plan is actually more important than the statutory report. He suggests that the vacation would be the best time to produce a business plan and the statutory report.

The Elected Member (Troels Boesen) suggests producing the statutory report this term with the normative assessment that we need a business plan.

4. Production of Statutory Report

The President suggests the statutory report should be produced to be by Troels

The President moves to grant **The Elected Member** (Troels Boesen) any and all powers under Rule 66) (e)(vii) in relation to the duties of Rule 66) (f)(1) under the provisions of Rule 66) (e)(ii) for the purposes of the writing of the statutory report. Seconded by **The Elected Member** (Hugh Bellamy).

Nem. con.

The President will call a meeting in 9th week 7 days after **The Elected Member** (Troels Boesen) produces the report.

The Elected Member (Hugh Bellamy) suggests an informal meeting next week to go through the report before circulation.

Changes to the Composition of this Committee

Hugh Bellamy is now Secretary of this Committee.

Any Other Business

The Elected Member (Troels Boesen) moves a formal motion of thanks to **The President** for calling the first meeting of Audit Committee.

Nem. con.

Date of Next Meeting

The date of the next meeting of The Audit Committee is TBC pending circulation of the report.

The President closes the meeting at 12:43pm

Signed,

Hugh Bellamy
Director of Digital Operations
Lady Margaret Hall