



**University of Hertfordshire Students' Union Board of Trustees Meeting
Tuesday, 14th November 2023 on campus and via MS Teams**

Present:

- Hamnah Baig (HB)
- Sarah Fuell (SF)
- Oluronke Oluwalere (OO)
- Umar Mohamad (UM)
- Manoj Kumar Nagireddy (MKN)
- Md Sajal (MS)
- Padmavathi Valluri (PV)
- Chinmay Vyas (CV)
- Bob Walder (BW)
- Dr Mairi Watson (MW)

In attendance:

- Guy Blake, *Godfrey Wilson* (GB)
- Alison Godfrey, *Godfrey Wilson* (AG)
- Rajiv Sudan, *incoming External Trustee* (RS)
- Luci Ablett, *Finance Manager, HSU* (LAb)
- Rebecca Hobbs, *Chief Executive Officer, HSU* (RH)
- Sean Ferrie, *Head of Operations, HSU* (SFe)
- Steve Owen, *Head of Student Services, HSU* (SO)
- Leena Patel, *Head of People and Resources, HSU* (LP)
- Karen McKenna, *Secretary, HSU* (KM)

1. Apologies for absence

None

Non-Attendance

None

Welcome

BW welcomed everyone to the meeting.

He thanked MS and CV for their attendance and contributions to meetings this year, as part of the rotating membership programme for Elected Officers.

BW also paid tribute to SF at her last meeting as an External Trustee, thanking her for her considerable contribution and commitment over her term of office.

2. Declarations of Interest

None noted.

3. Minutes of the last meeting

The Board of Trustees approved the minutes of the previous meeting, which was held on Thursday, 12th October 2023.

4. Year-end Accounts and Audit Report

RH introduced Guy Blake, Audit Manager, and Alison Godfrey, Audit Partner, Godfrey Wilson. The Board received a briefing on the Audit Report. GB said that overall the Audit had proceeded very smoothly, with systems and controls in place that were generally very good.

GB and AG highlighted the following in respect of the Management Letter:

- Section 5 of the Letter confirms that the Audit Opinion for both entities is expected to be unqualified, there being sufficient evidence that the Accounts give a true and fair view of the finances of the last year.
- Section 7 of the Letter deals with Significant Matters Discussed During the Audit.
 - Forum accommodation grant from the University. The review identified the build-up of a substantial intercompany balance owing from Enterprises to HSU, arising from cash flow payments made during the year. In the prior year, a balance of £400k had been moved from this intercompany account to be recognised as Enterprises' income at year end. Concern centred on the fact that the charity could be open to challenge from regulators that it is using its charitable funds to support a potentially loss-making subsidiary. However, it was established that it is intended for Enterprises to receive the grant from UH to cover the rental costs of the Forum premises. Unfortunately, there is no formal paperwork to confirm this arrangement and it appears a lack of understanding of this arrangement both internally and by previous auditors. In the prior year, the £400k recognised by Enterprises exceeded the actual accommodation grant by approximately £31k and as such, an adjustment has been posted to balance out the overpayment over two years. GB said that the recommendation is that HSU seeks a formal agreement with UH to obtain written confirmation that the Forum grant income should be passed onto Enterprises. In response to SF, GB replied that given that the lease is between Enterprises and UH, it should not be a problem for UH to provide comfort here, or else the terms of the lease should be re-examined. UM asked if a notation paper should come to the next Board to confirm that this has been actioned. GB replied that this would certainly be useful and helpful. AG noted that ultimately this issue centres on the Board's appetite for risk; without anything formal from UH, there is an inherent risk that could leave HSU exposed should a challenge be forthcoming. RS suggested HSU write to UH to progress this in a proactive fashion. RH noted that UH's Audit and Risk Committee will receive the Audit Report.
 - Defined benefit pension provision. Various issues were noted with the treatment of the defined benefit pension provision from prior years. Firstly, provision in the accounts should be held at the present value of future cash flows, using a discount rate which should be determined at each year end by reference to market yields

RH

RH

of high-quality corporate bonds. The discount rate in use has not been updated for some years and therefore a new discount rate was proposed with reference to AAA bonds, reviewed annually. In addition, pension costs in the prior year were overstated by approx. £86k due to deficit payments being recognised as an expense rather than being set against the existing pension liability. A restatement of the prior year Statement of Financial Activities and pension movements has been enacted in the accounts. Finally, pension provision was not shown within its Xero chart of accounts or management accounts. It is recommended that this is instated going forward and that the charity offsets its regular deficit payments (excluding the annual levy) against the provision. SF asked for comment on calculations undertaken by the previous auditors. AG said that she could not comment on the previous work of professional advisors but under Godfrey Wilson's reporting and responsibility, restatements are required to ensure the accounts are true and fair. RH asked that GB provide her with a briefing document on this issue for onward discussion with UH.

**Godfrey
Wilson**

- VAT. It was identified that no VAT was charged on the recharge of wages costs to Enterprises. Whilst the net result for the group is nil, the correct treatment is to charge VAT on these recharges. LAb said that this has now been immediately corrected. In addition, the charity applies a fixed non-recoverable percentage of 3.69%, a historic VAT figure based on floor space used for the various areas of the charity's activities. A review to ensure that the charity is not reclaiming too much input VAT from HMRC is recommended and Godfrey Wilson will offer a quote to support a larger VAT review across HSU.
- Historic creditors. Review identified a £73k historic overpayment from a promoter in 2017 within Enterprises. It has been attempted to return these monies to the individual, but they have not been contactable. It is expected that proactive attempts continue to return the funds as the promoter would still have recourse to claim them in the future. SF asked if interest was liable on this amount and for how long HSU should continue to attempt to return the funds. AG replied that in respect of interest, although it was unlikely to be a default position, it would depend on the contract with the supplier. She recommended that legal advice be sought when all reasonable attempts have been exhausted to return the monies and when it no longer meets the criteria for a liability under accounting regulations.
- Appendix 1 lists further smaller Recommendations.

RH

The Board formally accepted the Management Letter.

RH thanked AG and GB for their advice and support. She noted how thorough and helpful their support during the process had been to LAb and her team.

AG and GB left the meeting at 4.45 pm.

On behalf of the Board, RH thanked LA and her team for their hard work and considerable efforts over the course of the Audit.

LA left the meeting at 4.50 pm.

5. October Management Accounts

The Board received the October Management Accounts. LP highlighted the following:

- Commercially, trading was down approximately £25k against budget. There was some reduction in spend so an overall saving achieved. Students appear not to be going out as much as expected so footfall, bar and ticket income are all down. Halloween, accounted for in November, is leading an upwards trend and a promising financial variance is showing for the month.
- Savings were made on DJ provision and student staff.
- YTD remains on target.
- The Operational team meet weekly for review.
- There is a loss for the month of £16,199.
- A vacancy remains in Research.
- Some departments are overspending but this is down to phasing issues.

Highlights of the subsequent discussion included:

- In response to SF, RH replied that Society subscriptions are ringfenced for each specific group. Many of these small sums currently remain unspent however, despite considerable encouragement from HSU. If sums remain unspent for two years, funds can be reallocated. SO noted that smaller events that cost less to run seem to be the current trend.
- In response to RS, RH noted that in the medium term, students' finances may well not 'bounce back' and private hire of HSU venues is very much something the team continue to promote and develop.

6. CEO update

The Board received the CEO Update. RH highlighted the following:

- Student-led events. HSU have seen an overwhelming response with over 100 requests received for student-led events. SFe noted this change of approach and the hard work of his team to respond to these, often at short notice.
- Student Elections. By-elections were held on 1st and 2nd November to appoint a new International Students' Officer and a new Campus-based Students' Officer, as well as the first appointment of a Disabled Students' Officer. Over 4k students voted and an impressive number of candidates stood for election. RH thanked SO and the Election Committee for their work in making this such a success.
- Inclusive engagement. RH noted the significant progress around issues in respect of the Middle East conflict. She noted the substantial support offered to students and how HSU had facilitated constructive dialogue between HSU's Islamic Society and the Jewish Society. This has helped to foster a conducive environment for respectful and meaningful conversations. RH thanked HB for her considerable and impressive contribution to this debate. She also thanked UH for their responsiveness on the issue. In response to RS, RH noted that NUS have developed some useful guidance, coming from a perspective of campus cohesion.

7. Elected Officer update

The Board received the update paper from the Elected Officer team.

Highlights of the subsequent discussion included:

- UM thanked the team for their update and noted the considerable amount of work the team are undertaking. He said that it might be useful to lay out at future meetings any issues or 'blockers' that the team have that were preventing them from achieving their desired outcomes and deliverables. HB replied that Student Council is the forum for lobbying UH and for open scrutiny and it can be more dynamic in responding to and supporting Officers as it meets more regularly than the Trustee Board. RH concurred, noting that the Trustee Board is very much about the charity and charitable purposes which needs to remain separate from Officer scrutiny and student issues. However, if there are systemic issues in terms of what the Officer team might need to overcome in terms of progressing their ideas, these can of course be considered.
- RH and BW thanked the team for their tremendous efforts to date.

8. University update

MW updated the Board on the current opportunities and challenges facing UH:

- Pro Vice-Chancellor Education and Student Experience. A new appointee joins from the University of West London to take up the role from 1st February 2024. MW thanked MKN and the other Officers who were part of the selection process.
- Vice-Chancellor and Students' Union Group (VCSU) and the Pro Vice-Chancellor Education and Student Experience Student Advisory Group (PVC Advisory Group). The first VCSU meeting of the academic year has taken place, attended by the Vice-Chancellor, as well as the first PVC Advisory Group meeting.
- National Student Survey (NSS) for 2024. MW and MKN will feature in the launch video, to be recorded in early January 2024, asking students to fill in the NSS very shortly afterwards. Support from the Officer team and SCOs will be sought in due course in making sure that there are as many responses as possible. UH plans to stick with the broad thrust and theme of the campaign as per last year.

9. HSU Risk Register

The Board received the latest iteration of the Risk Register. RH highlighted the following:

- In addition to the six-monthly presentation of the Risk Register to the Board, there is continual and excellent operational risk management taking place in terms of Health and Safety and other risk assessments.
- UM ran a workshop for HSU managers around developing local risk management registers for individual departments. UM thanked the HSU team for their engagement and efforts. He noted that this it would be beneficial to review this on a quarterly basis and encouraged Trustees to consider the registers, given that local plans are very much based on an individual's views and as such, are open to interpretation. RS asked if there was merit in bringing the most critical items to future Board Meetings. UM and RH both agreed that this is a good suggestion, allowing an action plan to be tracked at a Trustee

level, and thus should form a regular standing item on the Agenda. RH thanked UM for his support and advice on this issue. BW concurred and noted the comprehensive nature of the process and outcome.

10. External Trustee membership for People Committee and Finance, Audit and Risk Committee

BW noted that UM will act as Chair of the People Committee and RS as Chair of the Finance, Audit and Risk Committee for this academic year. He said that it would be preferable for External Trustees to share membership of these Committees and that he would follow-up outside the meeting to discuss.

BW

11. AOB

- RS asked about HSU’s sustainability policy. RH replied that HSU undertake an annual Green Impact initiative that is developed specifically for the sector. LP said that it is a very active group of staff and Officers involved, who work closely with UH’s sustainability team. RH said it would be beneficial for her and LP to bring an update to the next meeting.
- RS asked if student representation is part of Employee Resource Groups (ERGs) within UH. RH replied that there is a broad coalition between groups within UH and HSU working together, rather than direct representation by students.
- RH echoed BW’s opening remarks in thanking MS for his considerable contribution, seeing through many changes during his time as an Officer. RH also thanked PV for the sizeable impact she has made to date, as she leaves HSU on her graduation. Finally, RH said a huge and heartfelt thank you to SF, over such a transformative period for HSU, as her term of office comes to a close.

RH/LP

Meeting closed at 6.00 pm.

Next Meeting: Wednesday, 7th February 2024 at 4.00 pm (venue tbc)

Dates for 2023/24 academic year – all meetings run from 4.00 pm to 6.00 pm:

Thursday, 21st March 2024
Wednesday, 8th May 2024
Thursday, 20th June 2024