

## Minutes Audit & Risk Sub-committee

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| <b>Date</b>     | 16/05/2024   |
| <b>Time</b>     | 10:00 - 11:50  |
| <b>Location</b> | GM Moving, House of Sport, Rowsley Street, Manchester, M11 3FF |
| <b>Chair</b>    | Will Baker   |

### 1 Apologies and check in

10:00

*Minutes:*

Apologies - Sanjay Bhandari

Dialing in - Dan Cropper

Guest attendees - Elenepha Gombachika (Finance Lead), Gabriela Gyurova (Investec) - Investec update only.

Will welcomed everyone.

### 2 Minutes of previous meeting and matters arising

10:10

*Minutes:*

All present approved the minutes.

### 3 Actions from previous meeting

10:15

*Minutes:*

Most actions are complete (see attached).

Will (Finance Reporting Visualisations): Some have been done, but want to get the new Head of Finance on board first before developing further. Want to get their ideas, and also make it more use friendly.

ESG Blog has been shared and can be marked as complete. Blogs to be continued to be shared with the board, with the links being included in board papers going forward.

### 4 Whistleblowing

10:20

*Minutes:*

Will introduced whistleblowing as a new agenda item for each A&R meeting.

It helps to highlight any whistleblowing activity that the committee need to be aware of.

There were no whistleblowing activities to highlight in this meeting.

Sally queried if safeguarding should be on the agenda. Beth informed the group that it will be included in the governance section.

## **5 Governance review**

10:25

*Minutes:*

Beth discussed the Governance Review, as outlined in the attached paper.

All evidence submitted at the end of March, and been informed that most criteria has been met. One area we have been asked to pick up is being more explicit on how safeguarding, welfare, risk, and ESG are embedded into the governance papers. Suggested that it will be best to have built in as part of the papers rather than a standard agenda item. This would help evidence how they had all been considered in our decision making processes.

Discussed at N&Rs the need to include prompts within the template papers that brings board link members i to the decision making process.

Will agreed. Highlighting that the Whistleblowing agenda item is a similar example. Making the board aware, but not necessarily having to deal with it..

Hayley suggested that the Whistleblowing policy is circulated with the minutes - **Action** (Lee). Lee to also log any Whistleblowing incidents before each A&R meeting - **Action**

Lee and Richard to also look at the Whistleblowing Policy and make the team aware of this process - **Action**. Richard suggested this will form part of the risk work with the team.

Hayley: There is a lot already in place. N&Rs suggested that we build in a template that becomes part of the conversation (not tick box). Plan to test at June board.

Beth: No deadline with Sport England. The plan is to let them know after today that we intend to use the template at board then we will get feedback.

Beth: There are no other areas we need to update. When we have done this we will be fully compliant.

Beth: At the June board we will also be reviewing board priority members - ensuring that everyone is happy.

## **6 Finance paper**

10:35

*Minutes:*

Richard began the finance section by thanking Elenepha on completing her first finance report.

He then discussed the attached Finance Paper.

The new Head of Finance is now recruited (Caroline Grime). She is due to start at the end of July, and will be attending the July Team Day.

**Finance audit:** Carpenter Box are confirmed as our auditors. Eddie is working with them to gather all the information needed. Various meetings

coming up (listed in the AOB minutes). This will be a tighter process with more interaction.

**Budget:** Richard presented slides on our financial budget. See attached.  
Will: All our expenditure is directly funded. Need to have a plan to spend (some of) the reserves on our charitable objectives.

Beth: Health and CYP not being separate doesn't bring value.

Richard: We can breakdown further - it depends on what the committee wants?

Hayley: We have all the information. Others looking at the report wouldn't know we have health investment.

Will: I would like to speak with the new Head of Finance on what information would be helpful.

Elenepha: If broken down too much the report could be too big.

Will: Maybe some people will find it useful in the appendix. Need to have further discussion.

**Action:** Include key dates for funding decisions in the forecast for the full board - Richard

## 7

10:55

### **Investec update**

*Minutes:*

Gabriela Gyurova from Investec joined the meeting to talk through the attached investment portfolio. She then welcomed comments and questions.

Will: We understand the risk, but it is not right to leave everything in cash, particularly due to inflation being high. Right thing to achieve a level of growth, but we don't want to risk big falls.

The challenge for us is this represents a degree of risk money. There could be a requirement to call in the money, but timing is everything (want to avoid calling it in if the markets are unfavorable).

Gabriela: You can access any time, but it would be ideal if you didn't need it. It is a comfortable risk level with a diversified portfolio.

Will: Is our portfolio bespoke?

Gabriela: Yes - due to restrictions.

Will: Do we pay a higher fee?

Gabriela: No - it is a standard fee for charities.

Will: Is it a standard ethical portfolio?

Gabriela: Yes - for charity clients.

Hayley: Can we refresh and consider other restrictions in the future?

Gabriela: Yes, we can re-tweak.

Hayley: We need to design in reviews that are consistent with policies in other areas (e.g. ESG).

Beth: We will build into the ESG plan in September.

Gabriela: I will send more information on the ESG process. **Action** - Lee to share.

Dan: Can we track performance?

Richard: I am doing it. The new Head of Finance may as well.

Will: Looking at it quarterly will be fine. Are there formal reviews every year?

Gabriela: Yes - around June time.

It was agreed to review where our portfolio sits with our ESG commitments between the March and June board meetings going forward. Planning to design this in from next year. We will need the information from Investec by March 2025.

Gabriela finished with a few additional updates:

- Investec providing training on 27th June. Not sure on the content yet, but will let Richard know.
- Investec will be fully integrated with Rathbones in quarter 1 of 2025. They will write to us and ask for consent to move over.

Gabriela left the meeting.

Hayley: What information do we need in full board? High level? Pages 7 and 8 are probably most useful (portfolio valuation).

Will: Including a straight line on page 8 would be helpful. Markets usually grow. Helps to demonstrate why you should hold your nerve.

Beth: Reminder of why it is important to invest and not just leave in the bank.

## **8 Organisational risks**

11:15

*Minutes:*

Richard talked through the attached risk papers and register

Richard discussed the attached Organisational Risks and went through the new process (net, residual, and target risks).

Will: The important point is it shows we have done what we can.

Richard: We will share the top 10 with the board, but it isn't fixed and may change.

Process going forward: Richard, Lee, and Beth to discuss quarterly. The top ten will then evolve. In theory the orange and green lines (on the graph) will align.

Beth: A team session is important. Gives context to the staff.

Richard talked through a table included in the Risk Register that monetises the risks and allocates a figure from reserves.

Richard: Need to go back to board with the number of months and how much. Linking to business development and succession planning.

Will: At board we have to approve what number should be in accounts each year. Important to have a mechanism in place that allows us to feel comfortable.

Sally: Tempted to increase the contingency.

Will suggested 5% to discuss with the board.

Hayley: What is the accepted norm for a charity our size?

**Action** - Exec to scrutinise the risks. Ensure top 10 are represented, costed out, and a % allocated. This will then inform the paper for the board.

**9**

11:45

**AOB**