

	PAPER NO: AC.32(12)	
Board/Committee:	Audit Committee	
Date:	20 June 2012	
Paper title:	Students' Union Constitution – control and governance	
Author:	James Stevenson, University Secretary and Clerk to the Board of Governors	
Executive sponsor:	James Stevenson, University Secretary and Clerk to the Board of Governors and Phil Cardew, Pro Vice Chancellor (Academic)	
Recommendation by the Executive:	That the committee notes the proposed control and governance arrangements for Students' Union	
Aspect of the Corporate Plan to which this will help deliver?	Creating an environment in which excellence can thrive	
Matter previously considered by:	N/A	On:
Further approval required?		
For approval of SU Constitution and Memorandum of Understanding	Policy and Resources Committee Board of Governors	On: 2 July 2012 19 July 2012
Communications – who should be made aware of the decision?	N/A	

Executive summary

The Audit Committee are requested to consider the proposed control and governance arrangements for the Students' Union (SU) as it becomes a separate legal entity and a registered charity.

The revised SU Constitution and Memorandum of Understanding will be considered for approval on behalf of the University by the Policy and Resources Committee and the Board of Governors in July 2012. The Audit Committee is requested to comment on the appropriateness of these arrangements prior to approval.

Introduction

1. The Charities Act 2006 requires all students' unions to register as charities. In doing so it will become a separate legal entity. As a separate legal entity it is subject to its own governance arrangements.
2. The Students' Union (SU) proposes to adopt a constitution based on the model constitution developed by the NUS, the Charity Commission and the solicitors Bates Wells and Braithewaite.
3. The University and the SU will be requested to approve a new constitution for the SU by the SU sabbatical officers. It will be reviewed by the Policy and Resources Committee (P&R) and the Board in July 2012 for approval in principle. Approval will then be sought from the Student Council at its first meeting of the 2012/13 academic year.
4. Under the Education Act 1994 the University has to ensure that the SU "operates in a fair and democratic manner and is accountable for its finances". The University's other legal duties with regard to Students' Union under the 1994 Act are provided for in the Memorandum of Understanding.

Trustee Board

5. The SU will be governed by a Trustee Board consisting of:
 - a. Up to four student officers
 - b. Up to two student trustees
 - c. Up to one alumni trustee
 - d. Between two and three external trustees
6. The student officers and student trustees are elected positions. The alumni and external trustees will be appointed by the SU's Appointments Committee. The Appointments Committee will consist of two SU Vice-Presidents and two other members of the Student Council.
7. Members of the trustee board will be Charity Trustees under the Charities Act 2011 and will be responsible for the control and management of the administration of the Union.
8. The SU will be run by a Chief Executive who will be responsible to the Trustee Board.

Memorandum of Understanding

9. A Memorandum of Understanding (MoU) between the University and the Union formally sets out how the two bodies will interact. Under the MoU:
 - (a) The Board of Governors is formally responsible for overseeing the implementation of the MoU. A review and amendment mechanism is provided.
 - (b) LSBU is acknowledged to be bound by its financial memorandum with HEFCE. The LSBU Board of Governors is to be informed if there are serious concerns about the SU's financial affairs.
 - (c) The SU will provide the University with the financial information it requires, including annual audited financial statements.
 - (d) The University will provide an annual subvention to the SU, which will provide monthly financial reports to the University. A six monthly financial report will be considered by P&R.
 - (e) The SU may use LSBU's internal audit arrangements.
 - (f) The SU must have a written constitution.
 - (g) The University will have oversight of the SU's elections.
 - (h) The University will provide and maintain adequate premises and space for the SU.
 - (i) All SU staff will be SU employees and the trustee board will approve procedures for the recruitment and appointment of staff.