

Annual Reports and Financial Statements

This paper provides an overview of the various annual reports and financial statements which Council will be asked to approve and note in agenda items 3.2.2, 3.2.3, 4.1 and 4.2.

Background

Under the terms of the HEFCE Memorandum of Assurance and Accountability, we are required to submit an annual series of returns to HEFCE, collectively called the “Annual Accountability Return”. This has to be submitted by the end of November and some of the documents require approval by Council prior to submission.

There are two primary documents, which **require the approval of Council**, and a number of secondary documents which are reported to Council **for information**.

Primary documents

Audit Committee Annual Report

The HEFCE Assurance Service recommends that Council should consider the Audit Committee Annual Report before approving the Financial Statements.

This is dealt with as agenda item 3.2.2 and the report included in the agenda as **Document Q**.

In approving the report, Council acknowledges the opinion of Audit Committee:

"Audit Committee has received and considered assurance on a wide variety of topics from various sources, including the University's own management, 'independent' sources (eg the HEFCE Assurance Service, auditors from the funding councils), the University's Internal Audit service and External Auditors.

On the basis of the information presented to Audit Committee by these assurance providers, and the discussion and review of that information with these groups, it is Audit Committee's opinion that the University's arrangements for:

- *risk management;*
- *internal control;*
- *corporate governance;*
- *economy, efficiency and effectiveness (value for money); and*
- *the management and quality assurance of data submitted to HESA and to HEFCE and other funding bodies*

are generally adequate and effective and can be relied upon by Council."

Financial Statements

Approval of the statements is dealt with as agenda item 3.2.3.

Prior to approval of the accounts, Council must confirm that it is satisfied that the University is a “Going Concern” i.e. it has reasonable expectation that the University has adequate resources to continue in operation for the foreseeable future. A report from Executive Board, which has been endorsed by Finance Committee and Audit Committee, laying out the reasons why Council should reach this conclusion is included as **Document R**.

The University's annual report and financial statements are included in the agenda as **Document S**. They comprise six main sections:

- The Strategic Report – which provides a balanced review of progress on delivering the University's strategic objectives – this will be signed by the Vice-Chancellor on behalf of Council
- The Operational Review – which addresses student numbers and management of resources – this will be signed by the Registrar on behalf of Council
- The Financial Review – which summarises the University's financial performance during the year – this will be signed by the Executive Director of Finance on behalf of Council
- The Corporate Governance Report – which will be signed by the Chair on behalf of Council
- The External Auditor's Report – which is unqualified
- The University's accounts for 2014-15

A shorter narrative of the University's financial performance is included as **Document T**.

Executive Board, Finance Committee and Audit Committee have all reviewed the draft statements and recommend their approval by Council. Prior to reaching its opinion, Audit Committee met with the external auditors EY in public and in private. EY provided a management letter to Audit Committee which did not raise any material concerns.

Secondary Documents

These are all dealt with as agenda items 4.1 and 4.2.

The **Annual Assurance Return** is a *personal* declaration by the Vice-Chancellor to HEFCE and is made in the VC's capacity as the University's Accountable Officer. This is included as **Document CC**, has been seen by Executive Board and Audit Committee and is reported to Council for information.

The **Internal Audit Annual Report** is a summary report by the Head of Internal Audit which has been reviewed and endorsed by Audit Committee. This is included as **Document BB**.

Council receives an annual report from the Registrar confirming the University's compliance with the **Charities Acts**. This is included as **Document DD**.

Other Business

The June and October meetings of Audit Committee and the October meeting of Finance Committee considered other unrelated business. These are reported separately to Council and dealt with in agenda items 3.2.1 and 3.3 respectively. These reports will be introduced by the chair of Audit Committee and the Treasurer.

Richard Dale

Executive Director of Finance
5 October 2015