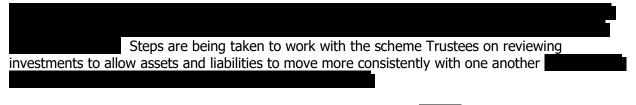
## University Of York Joint meeting of Audit & Risk Committee and Finance Committee

## Matters for note arising from the joint meeting of Audit and Risk Committee and Finance Committee held on 16 November 2023

- 1. The University Treasurer provided an explanation of the respective roles of both Committees in the accounts approval process. He explained that although in previous years this meeting would be used to seek endorsement to recommend the accounts to Council for approval, there is still further work being done by Grant Thornton and Ernst and Young and therefore it is not appropriate to do so at this stage. Responsibility for the formal approval is likely to be delegated by Council to a meeting of the Urgent Decisions Group (UDG) on Tuesday 12 December. The Financial Statements will then be submitted to the Office for Students (OFS) by the deadline of 31 December 2023.
- 2. Work is currently being undertaken on the production and approval of the **US Financial Statements** which are required every 3 years. These will be audited and approved in January 2024.
- 3. The Committees received a report on the changes that have been made to the annual accounts since they were first circulated for comment. The major change to the accounts has been the reclassification of some of the University's short term investments from cash and cash equivalents to current asset investments. The going concern disclosures have been updated to tie in with the going concern assessment. Other changes have been to reduce the USS provision value and to correct the recognition of Student Accommodation Provision (SAP) 1 and 2 distributions in the University.
- 4. Along with the draft 2023 Annual Report and Financial Statements, the Committees received a report with supporting information from University management explaining the significant accounting matters in the financial statements and providing support for the going concern assumption supplementary to the Grant Thornton external audit report and PWC internal audit annual report.
- 5. The Committees received a presentation from Mercer on the assumptions and outcomes in respect of the **University pension schemes**. Explanations were provided on the different ways the University pension schemes are valued as well as discussions around the significant improvement in the valuation of the funds.



**The USS Pension Fund** currently shows a deficit contribution of on the accounts, however this is due to the ongoing legal commitment to deficit contributions. This is expected to reduce to nil following the conclusion of the 2023 valuation - this would be reflected in the 2023/24 financial statements.

6. A presentation was received from Price Waterhouse Cooper (PWC) on the 2022/23 Internal audit. All work has been completed as intended under the HEFCE Audit Code of Practice and the audit resulted in an overall opinion of moderate assurance which is consistent with the rest of the sector. There were no key high risk findings during the audit. The majority of findings were of medium or low risk and there are no high risk findings outstanding from previous years. There are a number of outstanding recommendations which require management attention but these are not yet due.

Formal assurance was received from the University that there are **no material open issues of litigation** that have not been brought to the attention of Council or the auditors.

8.	The Committee received a progress report from <b>Grant Thornton</b> on the <b>external audit for the</b>
	year ended 31 July 2023
	Additional work is still required before a final audit opinion can be issued but this is
	expected to be completed before 12 December. It was noted that this has been a typical first year
	for a new auditor.
	There is <b>nothing significant within the</b>
	<b>findings.</b> Thanks were given to the Finance
	Team and Kelly Temple in particular, for all their hard work and for the robustness and quality of the
	responses to audit queries.

9. Further to their review of the draft Financial Statements and following presentations from management, from Mercer's the University's advisers in respect of pensions, from PWC, the University's Internal Auditors in respect of systems of controls and from Grant Thornton, the University's external auditors, Finance Committee and the Audit and Risk Committee recommend the Financial Statements to Council for approval subject to the satisfactory completion of the work set out in AU-FC.23-24/02(a) section 2.7.

Catherine Browne, Finance Administration Manager November 2023