

Minutes of the meeting of the Cardiff University Joint Committee of Audit and Risk Committee and Finance and Resources Committee held on Friday 15 November 2024 at 13:00 via Zoom.

Present: Dr Robert Weaver (Chair), Aneesa Ali, Pers Aswani, Beth Button, Chris Jones, Professor Urfan Khaliq, Professor Wendy Larner, Suzanne Rankin, David Selway, John Shakeshaft, Dr Nick Starkey, Professor Damian Walford Davies, Jennifer Wood, Agnes Xavier-Phillips and Pat Younge.

In Attendance: Anita Edson, Jonathan Brown (KPMG), Katy Dale, Ruth Davies, Anita Edson, Clare Eveleigh, Ellie Hetenyi (KPMG), Professor Wendy Larner, Sian Marshall, Carys Moreland, Melanie Rimmer, Dr Paula Sanderson, Laura Sheridan, Natalie Stewart, Darren Xiberras.

09 Welcome

09.1 All were welcomed to the meeting.

09.2 The Chair reminded members that the meeting was being recorded to assist with the production of the minutes.

10 Apologies for absence

Apologies were received from Daisy Gandy, Madison Hutchinson and Micaela Panes. The meeting was confirmed as quorate.

11 Declarations of interest

The Chair reminded Committee members of their duty to disclose any potential conflicts of interest. No declarations of interest were received.

12 Reconciliation of the Forecast Outturn vs Statements Year End

Received and considered paper 24/211C 'Reconciliation of the Forecast Outturn vs Statements Year End'. The Chief Financial Officer spoke to this item.

Noted

12.1 [Redacted]

12.2 [Redacted]

12.3 [Redacted]

12.4 That a communication to the wider University explaining the scale of the financial challenges was being prepared for circulation during the following week.

13 Q1 Forecast

Received and considered paper 24/212C 'Q1 Forecast'. The Chief Financial Officer spoke to this item.

Noted

13.1 [Redacted]

13.2 [Redacted]

13.3 [Redacted]

13.4 [Redacted]

13.5 [Redacted]

14 Judgements and Estimates for the Financial Statements (including Going Concern)

Received and considered paper 24/213C 'Judgements and Estimates for the Financial Statements (including Going Concern)'. The Chief Financial Officer spoke to this item.

Noted

14.1 [Redacted]

14.2 That the assessment indicated that significant changes to the University's financial strategy would be required to ensure a satisfactory going concern assessment during the following year; concern was noted regarding the potential approach of utilising the bond repayment fund to address shortfalls in operating cash; whilst this scenario was permissible, it was not considered to be consistent with the University's current approach and messaging, and members requested that it be removed.

14.3 That cash levels were monitored regularly, but were not reported to Council on a monthly basis as this was considered to be too frequent to allow the outputs from the work currently being undertaken to be appropriately monitored; the Chief Financial Officer was happy to brief members individually on any aspects, as required.

14.4 That the table on page 26 of the meeting book needed to be updated to ensure all negative figures were correctly listed.

Resolved

14.5 To approve the final Judgements and Estimates for 23/24, subject to removing the section on the bond repayment fund and correction of the table on page 26 to ensure the brackets are correctly detailed.

14.6 For increased oversight (a watching brief) be instigated with respect to the monitoring of going concern.

15 Letter of Representation: Evidence of Assurance

Received and considered paper 24/214 'Letter of Representation: Evidence of Assurance'. The Group Financial Controller spoke to this item.

Noted

15.1 That the letter had been provided as standard by KPMG and contained no unusual assurances; the letter was in draft, and a Schedule of Uncorrected Audit Differences would be included in the final version should any unadjusted misstatements be identified.

Resolved

15.2 To approve the contents of the paper, subject to notification of any material changes.

16 Draft Annual Report and Financial Statements V2

Received and considered paper 24/215C 'Draft Annual Report and Financial Statements V2'. The Chief Financial Officer spoke to this item.

Noted

- 16.1 That the majority of the outstanding points had now been completed; the final version of the accounts were being prepared for consideration by Council; any material changes would be notified to the Committee.
- Resolved
- 16.2 To recommend to Council the Annual Report & Financial Statements subject to notification of any material changes in the final version.
- 16.3 For Finance to work with KPMG to reduce the number of outstanding points for the 2025-26 Joint Committee meeting.
- 17 Reserves Policy**
- Received and considered paper 24/216C 'Reserves Policy'. The Chief Financial Officer spoke to this item.
- Noted
- 17.1 That the University had lacked a formal reserves policy since becoming a charity; the Charity Commission recommended all charities have a reserves policy in place; the policy drew together disparate previous policy statements into one document and made clear the free funds that are available for use and the purposes of the remaining funds.
- 17.2 That the policy set the expected level of unrestricted "free funds" as £100m which represented approximately two months of University expenditure; whilst it was desirable to increase this to 3-6 months of University expenditure, it was acknowledged that this was not currently achievable and would require Council to significantly constrain expenditure on research, student experience, teaching and the estate in the short term.
- Resolved
- 17.3 To recommend to Council the Reserves Policy for approval.

The minutes of the meeting held on 15 November 2024 were confirmed as a true and accurate record and were approved by the Committee on 8 December 2024.