



Minutes: Extraordinary Council

Time and date: 16:00, 27 March 2023

Location: MS Teams

Present: Mr Mark Qualter (Chair of Council), Dr Keith Bothongo, Mr Toby Corbett (President of the Students' Union), Professor Hongbo Du (Senate Representative) Professor Tim Evans, Sir Francis Habgood, Mr Nick Hillman, Mr Chris Hollis, The Lord Peter Lilley, Ms Josephine Mbuya (Alumnus Representative), Dr Jaqueline O'Dowd (Senate Representative), Professor Adolfo Paolini (Senate Representative), Mr Callum Roberts (Professional Services) Mr Mark Rushton, Professor Alan Smithers, Mrs Milly Soames, Professor James Tooley (Vice-Chancellor)

In attendance: Mr David Cole (Chief Financial Officer), Mrs Maureen Hampson (Governance Secretary), Mr Clive Macintosh (Head of Legal Services), Mr Chris Payne (Registrar & Director of Professional Services), Ms Alison Sealey (Interim Director of Student Support Services), Sudhir Singh (MacIntyre Hudson)

Secretary: Mr Sam Weston, Secretary to Council
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26 Apologies for absence

Nick Hillman and Karen Mitchell had submitted apologies for late arrival to the meeting.

27 Declarations of interests in respect of items on the agenda

There were no declarations.

28 Approval of the 2021 Financial Statements and Letter of Representation

In introducing the item, the Chair wished the thanks of Council to be recorded for the hard work of the Chief Financial Officer, their team and colleagues at MacIntyre Hudson for their work in enabling the University to be able to present the audited financial statements in accordance with the deadlines it had been set by the Charity Commission for their submission.

The Chief Financial Officer presented the 2021 Financial Statements, stating the significance of the challenge he, his team and the auditors had faced in preparing and auditing the statements according to the Charity Commission's deadline. It was noted that the Risk, Audit and Compliance Committee (RACC) had met earlier in the day to review the statements and the audit findings prior to Council's consideration of them.

The following points were noted:

- The University recorded a £6m surplus, but it was important to state that this was largely as a result of 'one time' events, such as the sale of property, the release of pension and other provision and gains on investments. Operationally, the University was more realistically placed in a 'break even' position. A small deficit was anticipated of £0.5m-1m in 2022 and the University would need to take a cautious approach regarding communications internally and externally to ensure that the surplus achieved was not viewed as being indicative of the University's financial

challenges having been wholly addressed. The need for consistent messaging was stressed in this regard;

- There was good income growth of 7% in the 2021 financial statements as a result of tuition fee income, which represented 86% of the University's income;
- At the beginning of 2021, all of the University's loan debt (£18m) had been either refinanced (£5m – five years) or paid off via cash (£13m);
- In regard to 'Going Concern' there was no significant changes since the 2019 statements were approved in January;
- The University needed to define a better financial strategy around its reserves and cashflow. This was something the CFO wished to pursue further with the Finance, Estates and Resources Committee over the coming months.

Arising from RACC's consideration of the financial statements and audit findings, the Chair of RACC made the following points:

- The finalisation of the 2022 financial statements by the end of May would be challenging, particularly as a result of the ISA 315 audit requirements which added to the workload of both the Finance team and the auditors. The Chair would continue to stay in close contact with the CFO and MacIntyre Hudson (MHA);
- The CFO would require additional resources in order to meet these challenging timescales and progress had been made in making appointments to two key roles within the CFO's team;
- The University's reinvigoration of Internal Audit had moved forward, with it anticipated that an audit provider would be appointed by the end of April;
- MacIntyre Hudson's audit findings would be drawn together with the findings of the Governance Effectiveness Review to create an action plan for improvement going forward following the anticipated achievement of regulatory compliance from the end of May 2023; and
- Other than a minor change which had been agreed to the Letter of Representation to amend a reference to 'directors' to 'trustees', the committee was comfortable with the letter. The Chair stressed the need for trustees to have due regard to the content of the letter to ensure Council was also comfortable with its contents.

Sudhir Singh from the University's auditors, MHA provided the following updates:

- Sudhir thanked the CFO and his team for the collaborative approach that had been taken to the audit. MHA reassured Council members that there had been full co-operation from the University in conducting the audit and that it had not been constrained in any way;
- The audit findings were for the whole group, including MPML and the University of Buckingham Foundation. There were a mix of historical and new issues making up some 20 recommendations for improvement. Some issues were able to be addressed relatively quickly, but others would take time and make use of the Finance team's additional resources; and
- It was hoped that the processes and positive collaborative working that had already taken place between the University and MHA would enable the 2022 financial statements to be audited according to the timescales set by the Charity Commission, but the ISA 315 requirements would add to the challenge.

RESOLVED:

That, arising from consideration by RACC and Council:

- (a) MacIntyre Hudson's Audit Findings Report for 2021 be approved;
- (b) The University's 2021 Financial Statements be approved for signature by the Chair of Council, Vice-Chancellor, and CFO subject to any minor amendments not material in nature; and
- (c) The Letter of Representation be approved for signature by the Chair of Council.

29 Crewe Steering Group - update

The Chair of the Crewe Steering Group gave a verbal update on the progress the group had made regarding various matters associated with the Crewe campus. **[Redacted]**

RESOLVED:

That the update be noted.

30 Dates of next meetings:

- Thursday 4 and Friday 5 May 2023 – away day meeting between Council, Executive Group and Senate
- Monday 22 May 2023 – 13:00 (Teams /campus)
- Monday 17 July 2023 – 12:00 (Crewe)
- Monday 16 October 2023 – 13:00 (Teams/campus)
- Monday 11 December 2023 – 13:00 (Teams/Campus)

31 Any other business

[Redacted]

16:00-17:10
27 March 2023