

Sidney Sussex College

Minutes of the
GOVERNING BODY (AUDIT MEETING)

Held via Zoom on
Wednesday 11 November 2020 at 2.00 p.m.

Senior Members Present

Master; Vice-Master; Senior Tutor; Bursar; Professor Lindsay Greer; Professor Andrew Flewitt; Dr Chris Doran; Dr Jillaine Seymour; Dr Colin Roberts; Dr Bernhard Fulda; Dr Edward Wilson-Lee; Dr Berry Groisman; Professor Rodolphe Sepulchre; Professor Kenneth Armstrong; Dr Ricardo Garcia-Mayoral; Dr Fernando Lusa Bordin; Dr Rupert Stasch; The Rev'd Dr Brett Gray; Dr Robbie Duschinsky; Dr Ljiljana Fruk; Dr Owen Weller; Dr Sergii Strelchuk; Dr Charlie McTernan; Dr Ozge Oner; Professor Christopher Reynolds; Dr Francesco Muschitiello; Ms Philippa Carter; Dr Harriet Groom; Dr Rohan Ranasinghe; Dr Noga Ganany

Student Members Present:

Mr Tom Bryan, Mr Ben Karsberg, Mr Alessandro Mettry

Also present

Ms Tracy Harkin (College Registrar, as Council Secretary)

UNRESERVED BUSINESS

1. INTRODUCTORY BUSINESS

1.1 Apologies for absence

Apologies were given by Professor Neely; Dr Noriega-Sanchez, Mr Sharma.

1.2 Approval of Agenda

The agenda was approved.

1.3. Declaration of Interests

No interests were declared.

1.4 Confirmation of the minutes of the unreserved business of the Annual Meeting of the Governing Body on 1 July 2020 and meeting of 9 October 2020 (GB.201111.1.4)

The minutes were confirmed.

Matters arising not elsewhere on the agenda

No other matters arose.

2. REPORTS FROM OFFICERS

2.1 Master's Business

Update on COVID status in College

The Master provided an update on the COVID situation in College and the implications of the current national lockdown for College facilities and activities.

Sidney Sussex has recently had a COVID outbreak in Cromwell Court. The outbreak is believed to have been caused by students breaking the rules on social distancing and no household mixing. The Cambridge Incident Management Team (CIMT) have held a meeting with the College but decided the outbreak was below the threshold for needing to lock the building down. It was felt, however, that the situation would need to be monitored because of the student breach of the regulations.

The Master explained the arrangements being put in place nationally and at University level for students returning home at the end of term. The University will be working closely with the Colleges to look at how testing is implemented before students travel home, and how to stagger departures. Clarification is still needed about the arrangements for international students.

2.2 Senior Tutor's Business

There was no Senior Tutor's business.

2.3 Bursar's Business

a) Financial Overview and Audit Feedback (Presentation) (GB.201111.2.3a)

The Bursar spoke to her presentation covering the financial position, audit matters, risk register and kitchen project update.

The 2019-20 financial performance has been impacted by the COVID-19 pandemic and the lockdown from March 2020. The balance sheet had declined by £8.4 million (7%) to £123.3 million, largely due to the downwards valuation of the College's commercial property, coupled with the decreasing value of equity investments. The free reserves had decreased by £7 million to negative £2.5 million. The reduction was largely driven by spend on the kitchen project and moving receipt of money for partial sale of Darwin Green into the Sidney Sussex Permanent Fund. It was noted that rebuilding the College's free reserves is a key financial target for the College. With regards income and expenditure, the small surplus in recent years has been wiped out with half the decrease of £650k due to ongoing structural issues such as increasing pension contributions, and the other half due to the loss of residence and catering income in Easter term, offset by furlough income grants.

It was noted that the College was currently budgeted to operate at a deficit of £1.6 million in 2020-21, despite the cost saving measures already implemented, that the two pension schemes were a key financial risk for the College and that it is important for the College to rebuild its free reserves which were negative at the end of June 2020. Whilst clear that the ongoing COVID pandemic will continue to negatively affect the College finances, the full extent cannot yet be known.

The Bursar outlined how the free reserves could be rebuilt, and also noted that the College relies significantly on donations, in respect of which the College had done well in 2019-20 receiving a total of £1.4 million.

The Bursar explained that the private placement received earlier in the year meant that the College's cash flow position was healthy and had satisfied the auditors that the College was a going concern. The College was retaining too much cash however, and it has been agreed to invest £5.6 million in equities, transferring this in equal tranches over four months.

In terms of the overall audit for 2019-20, the auditors had been complimentary of the information provided by the College Office, as well as their approach to the audit and the assumptions made. The College received an unqualified audit report and a commendation for quality.

The Bursar then provided an overview of the College risks, drawing attention to those risks that had increased in 2019-20, in particular those related to financial management, student welfare and student development.

Finally, the Bursar provided an update on progress with the kitchen project which, despite a further delay resulting from building difficulties, was now close to completion.

b) *RCCA summary (GB.201111.2.3b)

The RCCA summary was **noted**.

c) *2019-20 Annual Report & Financial Statements (GB.201111.2.3c)

The Annual Report and Financial Statements were **noted**.

2.4 Steward's Business

There was no Steward's business.

2.5 Student Business

There was no Student business.

3. REPORTS FROM COMMITTEES

3.1 College Council

- a) **Unreserved Minutes of the meeting 1 July 2020 (GB.201111.3.1a)**
- b) **Unreserved Minutes of the Extraordinary meeting of 16 September 2020 (GB.201111.3.1b)**
- c) **Unreserved Minutes of the meeting 14 October 2020 (GB.201111.3.1c)**
- d) **Unreserved Minutes of the Extraordinary meeting 22 October 2020 (GB.201111.3.1d)**
- e) **Unreserved Minutes of the Extraordinary meeting 29 October 2020 (GB.201111.3.1e)**

The five sets of minutes were **noted**.

3.2 Audit Committee

a) *Minutes of the meeting of 16 October 2020 (GB.201111.3.2a)

The minutes were **noted**.

3.3 Statutes & Ordinances

a) *Minutes of the meeting of 27 October 2020 (GB.201111.3.3a)

The minutes were **noted**.

(i) **Proposed amendment to Ordinance B,XI,2 (GB.201111.3.3ai)

The proposed amendment to Ordinance B, XI, 2 was **approved**.

4. OTHER BUSINESS

4.1 Any other business

There was no other business.

4.2 Date of Next Meeting

Friday 22 January 2021 at 19.00 (subject to there being any new Fellows to admit).

Wednesday 24 February 2021 at 14.00 (next main meeting)