



KPMG

Audit
The Soloist Building
1 Lanyon Place
Belfast BT1 3LP
Northern Ireland

Independent auditor's report to the Senate of Queen's University Belfast

Report on the audit of the Financial Statements

Opinion

We have audited the Financial Statements of Queen's University Belfast ('the University') and its subsidiaries (collectively "the Group") for the year ended 31 July 2023 set out on pages 90 to 121, which comprise the Consolidated and University Statements of Comprehensive Income, the Consolidated and University Balance Sheets, the Consolidated and University Statements of Changes in Reserves, the Consolidated Cash Flow Statement and related notes, including the summary of significant accounting policies set out on pages 80 to 87. The financial reporting framework that has been applied in their preparation is UK Law and FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and the University's affairs as at 31 July 2023 and of its incoming resources and application of resources including its income and expenditure, gains and losses and changes in reserves, and of the Group's cash flows, for the year then ended;
- the Financial Statements have been properly prepared in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and with the Statement of Recommended Practice – Accounting for Further and Higher Education 2019; and
- meet the requirements of the Department for the Economy ("DfE") Accounts Direction to Higher Education Institutions for 2022-23 Financial Statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Statements section of our report. We are independent of the Group in accordance with ethical requirements that are relevant to our audit of financial statements in the UK, including the Financial Reporting Council (FRC)'s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

Senate has prepared the Financial Statements on the going concern basis as they do not intend to liquidate the Group or the University or to cease its operations, and as they have concluded that the Group's and University's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the Financial Statements ("the going concern period").

In our evaluation of Senate's conclusions, we considered the inherent risks to the Group's and University's business model and analysed how those risks might affect the Group's and the University's financial resources or ability to continue operations over the going concern period.



Independent auditor's report to the Senate of Queen's University Belfast *(continued)*

Report on the audit of the Financial Statements *(continued)*

Conclusions relating to going concern *(continued)*

In auditing the Financial Statements, we have concluded that Senate's use of the going concern basis of accounting in the preparation of the Financial Statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the University's ability to continue as a going concern for a period of at least twelve months from the date when the Financial Statements are authorised for issue.

Our responsibilities and the responsibilities of Senate with respect to going concern are described in the relevant sections of this report.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Group or the University will continue in operation.

Detecting irregularities including fraud

We identified the areas of laws and regulations that could reasonably be expected to have a material effect on the Financial Statements and risks of material misstatement due to fraud, using our understanding of the entity's industry, regulatory environment and other external factors and inquiry with management. In addition, our risk assessment procedures included: inquiring with management as to the Group's and University's policies and procedures regarding compliance with laws and regulations and prevention and detection of fraud; inquiring whether management have knowledge of any actual or suspected non-compliance with laws or regulations or alleged fraud; inspecting the Group's and University's regulatory and legal correspondence; and reading committee minutes.

We discussed identified laws and regulations, fraud risk factors and the need to remain alert among the audit team.

The Group and University are subject to laws and regulations that directly affect the Financial Statements including companies and financial reporting legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items, including assessing the financial statement disclosures and agreeing them to supporting documentation when necessary.

The Group and University are not subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the Financial Statements.

Auditing standards limit the required audit procedures to identify non-compliance with these non-direct laws and regulations to inquiry of the management and inspection of regulatory and legal correspondence, if any. These limited procedures did not identify actual or suspected non-compliance.

We assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. As required by auditing standards, we performed procedures to address the risk of management override of controls. We did not identify any additional fraud risks.

In response to risk of fraud, we also performed procedures including: identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation; evaluating the business purpose of significant unusual transactions; assessing significant accounting estimates for bias; and assessing the disclosures in the Financial Statements.

Independent auditor's report to the Senate of Queen's University Belfast *(continued)*

Report on the audit of the Financial Statements *(continued)*

Detecting irregularities including fraud *(continued)*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the Financial Statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the Financial Statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Other information

Senate is responsible for the other information presented in the Annual Report together with the Financial Statements. The other information comprises the information included in the Message from the Vice-Chancellor, Message from the Chair of Senate, Message from the Students' Union President, Moments of the Year, Overview of the University, Our Stakeholders, Strategic Overview, Sustainable Development Goals, Public Benefit Statement, Philanthropy at Queen's, Financial Review and Corporate Governance. The Financial Statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the Financial Statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our Financial Statements audit work, the information therein is materially misstated or inconsistent with the Financial Statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Respective responsibilities and restrictions on use

Responsibilities of Senate for the Financial Statements

As explained more fully in the Responsibilities of Senate in respect of the Consolidated and University Financial Statements as set out on page 75, Senate is responsible for: the preparation of the Financial Statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error; assessing the Group's and University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the University or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report to the Senate of Queen's University Belfast *(continued)*

Respective responsibilities and restrictions on use *(continued)*

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud, other irregularities or error, and to issue an opinion in an auditor's report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud, other irregularities or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

Report on other legal and regulatory requirements

We are required to report on the following matters under the former Department for Employment and Learning (now DfE) Audit Code of Practice issued under the Further and Higher Education Act 1992. In our opinion, in all material respects:

- funds from whatever source administered by the Group or the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation; and
- funds provided by DfE have been applied in accordance with the Financial Memorandum and any other terms and conditions attached to them.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to Senate, in accordance with the Charter and Statutes of the Institution. Our audit work has been undertaken so that we might state to Senate those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Senate, for our audit work, for this report or for the opinions we have formed.



John Poole
(Senior Statutory Auditor)
for and on behalf of KPMG, Statutory Auditor
The Soloist Building
1 Lanyon Place
Belfast
BT1 3LP

23 November 2023