

February 2017

1. Update from Steve Dauncey

It is that time of year when there is great debate as to when one should stop offering New Year wishes and whilst my preference is to stop at the end of January I will play safe and given the celebration of the Chinese New Year offer 'Gong hei fat choy' to all. I also realise that this is a wish of prosperity but that seems also appropriate. Whilst it probably seems a while ago, and I certainly found that January flew by, but I hope you all enjoyed your festive break and got back into the swing of things quickly.

I presented our financial performance to the General Assembly on 18 January to a very engaged audience. The General Assembly has no governance role but the body is about 200 strong and is made up of nominated representatives of professional bodies, councils etc; alumni representatives; previous and current members of the Board; and a broad range of individuals who are prepared to act as ambassadors for the University. The meetings are chaired by our Chancellor, Lemn Sissay. I explained the changes brought about by FRS102, made comments about financial sustainability and highlighted the current risks and uncertainties faced by the University (and the sector) – topics I will also cover in our conference in April. Questions covered pensions, Brexit, capital inflation, diversity and equality of senior staff and international students. The final question turned out to be a statement praising the quality and transparency of our report and accounts, this prompted a round of applause - not a typical response to a presentation of financial results (!) but again a recognition of the thought and effort that was put in to the new accounting and explanations – again thanks to all involved.

The production of our TRAC returns has been a major focus for Mel Lythgo and Craig Sykes and these are now complete and have been discussed at Finance Committee. The next governance step is approval by the Audit Committee at the start of February. Martin Schroder, Dean of FSE, has taken up the chair of the oversight group and proved to be very effectively engaged with these returns. Despite many views about the accuracy of the Time Allocation across the University, there is no doubt that the overall messages are valid and, again, point to the financial sustainability challenge. The Faculty results are now being cascaded and a renewed focus needs to be applied to the rigorous application of research costing and recovery, an area where we have moved from guidance to policy. I am keen to have better management information in this area and we have also agreed to set targets for research awards.

I have spent some time reviewing our approach to insurance and we are about to go into a procurement process for our main areas of risk. The Finance Committee have been pleased with the level of transparency we have provided to them as they have a key governance role in this area on behalf of the Board. It has been interesting to review our claims history and it appears that we could get better value overall if we take more risk ourselves (effectively increase our excess) in conjunction with increased effectiveness of claims management which requires a change in behaviours and increased personal accountability. This same drive towards personal accountability applies to data protection as well and in my capacity as Senior Information Risk Owner, I am looking for much greater compliance and awareness. In that context I would ask you all to undertake the on line phishing course and be aware of the risks associated with links in e-mails and strange requests purporting to come from colleagues (especially senior colleagues). We are all particularly attractive targets given our financial and procurement roles!

We are approaching some major decision points on our capital programme so that as Oxford Road becomes passable, we can expect more hazards around the sites for GEIC, MECD and Brunswick Street, so take care. However on the work front we have developed a more informative reporting pack for the full programme (thanks to Natalie Swithenbank who has worked closely with the project teams on this). Our next steps will be to improve our business cases across all key investment decisions, both capital and revenue, so that planned benefits are clearly understood and reflected in forward plans as well as all the

Finance Update

full accounting implications are worked through. This will require early engagement of both finance and procurement staff. My response in the General Assembly was that I was concerned about inflation especially in capital costs and I have been engaged on a number of our prospective contracts to assess how best to manage inflation risks which are often used to mask a contractor's need to increase margin and manage internal commercial imperatives.

The return generated by our cash and investments continues to be a challenge given the economic uncertainties. We have approval to assess the impact of taking on more risk and bridging the gap between our treatment of these two forms of assets. There is more work required here so I continue to meet with Louise Bissell and Pam Plested to develop options. Not unreasonably, I have been challenged by senior colleagues across the University as to what steps we can take to increase returns and I am keen that we give greater transparency of the benefits of steps we have already taken.

On reflection, the above probably gives some indication as to why January has flown by (mind you, I also had a long weekend in Barcelona mid-month!). I'm sure that given we are starting budget planning, preparing good Q2 forecasts, planning to deliver ever growing programmes of work etc that you all probably surprised that February is upon us so quickly. Enjoy your work and ensure you maintain your personal balance.

2. December Management Accounts

Our December management accounts show an underlying contribution of £29.7m, £7.4m favourable to budget.

Research income continues to be down, £12.2m behind budget (but is now £1.5m ahead compared with the prior year). As in previous months, this lower than budgeted income remains a concern and work will continue around this.

Core non-pay spend is, once again, significantly behind budget, with £5.8m of the variance being deemed a timing variance. This was significantly reduced (from about £17m) due to work undertaken to fix the phasing of the budget, but further work is needed in order to assess whether this will actually spent, or will materialise as a full year saving. This will need to be reviewed and incorporated into the next forecast (due 10 February).

Note: a robust and realistic forecast is required following the non-approval of the previous forecast by FSC.

3. Budget Update

Budget and 5YP targets were agreed by SLT in early January, and then went on for approval by FSC on 17 January. These have been disseminated to faculties/areas.

Information on the Budget Cycle can be found on the link below which includes guidance, the timetable, budget pack and corporate planner training for entering budgets.

<http://www.finance.manchester.ac.uk/financeonly/technicalandaccountingguidance/budgetcycle/>

Finance Update

4. Tuition Fee Working Group update on Tuition Fee Budgeting

The group has successfully completed the Design and Testing phases of this engagement and is now ready to roll out the new process. New upload templates and Corporate Planner reports have been finalised, all of which have gone through a round of User Acceptance Testing (UAT). The aims of the UAT testing were to verify that the new process works in line with expectations. The results were very positive and the process was able to handle all the different test scenarios.

We now have a process that enables a consistent approach, makes use of finance applications, is effective and facilitates ease of consolidation.

The faculty tuition fee group leads will be arranging training sessions to take you through the new process and to answer any queries that you may have. Dates and arrangements for these sessions will be confirmed in due course by your designated leads.

5. Corporate Planner Budget Training

Training in how to enter numbers for budgets and 5YP into CP is now available on the Finance website, at the following link:

<http://www.finance.manchester.ac.uk/financeonly/training/corporate-planner-training/budget-and-5yp/>

It is recommended that you read the general training course, which explains the budget process and timelines. We have also produced bespoke training for each user group which details the process for entering numbers, and each of these courses is available at the link above.

We are currently in the process of re-writing the general CP training course to make this more relevant, interesting and intuitive....watch this space!

6. Thank You Scheme

A new IE code has been created for recording expenditure related to the staff reward ('thank you') scheme. The IE code is 4034 - Staff Thank You Scheme costs. The related commodity code for requisitioners is XM.AZ - Staff Reward Scheme - Miscellaneous (IE 4034). These should be used going forward for any expenditure on this scheme to make the reporting easier.

7. Finance Conference

The conference will be held on 6th April 2017 in the Renold Building. Drinks will be served from 9am with the conference starting at 9.30am. The sessions, which include guest speakers, will run until 12.30pm and finish after lunch, which will be provided. There will also be a tea and coffee break mid-morning.

Invites have been sent on Tuesday the 24th of January (sent from Confercare-online@manchester.ac.uk). Please follow the link in that email to register for the conference.

8. University Conference Guidance


All conferences at the University should adhere to the University Conference Policy to ensure appropriate financial contributions are achieved and a structured governance process is applied to appropriately manage any inherent risk. The Policy can be found on the Compliance section of the finance intranet at the below link:

<http://www.finance.manchester.ac.uk/compliance/otherpoliciesandguidance/>

9. Website Changes

Update	Link to page
Budget Cycle	http://www.finance.manchester.ac.uk/financeonly/technicalandaccountingguidance/budgetcycle/
Corporate Planner Training for forecasting, budget and 5YP	http://www.finance.manchester.ac.uk/financeonly/training/corporate-planner-training/
Corporate Card – Updated forms and guidance notes	http://www.finance.manchester.ac.uk/buyingexpenses/buyinggoodsandservices/corporatecreditcard/
Buying FAQs – Updated Corporate Card FAQ	http://www.finance.manchester.ac.uk/help/faqs/buyingfaqs/buyingwithcorporatecreditcardftcc/
Costing and Pricing Policy (New Page)	http://www.finance.manchester.ac.uk/research/costingandoverheads/costing-and-pricing-policy/
Guidance on matching credit notes to invoices	http://www.finance.manchester.ac.uk/financeonly/technicalandaccountingguidance/researchfinancetechnicalguidance/researchfinanceaccountingguidance/
Excel Training Material	http://www.finance.manchester.ac.uk/financeonly/trainingandcommunication/trainingmaterials/exceltrainingmaterials/
University Conference Policy	http://www.finance.manchester.ac.uk/compliance/otherpoliciesandguidance/

In addition to the above changes and updates, an A-Z listing for the finance intranet has been added to the top navigation toolbar. Hopefully this will aid you in locating specific pages on the website.


Finance

[Buying/Expenses](#)
[Income](#)
[Financial Systems](#)
[Research](#)
[Corporate/VAT](#)
[Compliance](#)
[Help](#)

[Finance Only](#)
[About Us](#)

A - Z

Finance

[Buying/Expenses](#)
[Income](#)
[Financial Systems](#)
[Research](#)
[Corporate/VAT](#)

Site index

(all) A B C D E F G H I J K L M N O P Q R S T U V W X Y Z

A - Z

About Us

Access for New Users

Access to HR Data

Access to the Shared Drives

Finance Update

10. Help and Support

The Finance Helpdesk Team is available to answer all of your finance related queries and should be your first port of call if you are experiencing any difficulties. Contact details below:

Email: finance.helpdesk@manchester.ac.uk

Telephone: 0161 306 2535 (internal ext 62535)

11. Staff Updates

BMH:

- Perveen Niaz is on secondment to the Faculty Office as Senior Finance Officer.
- Sarah Mearns has joined the School of Biological Sciences as Research Finance Officer.
- Kerry Wilkins has joined the School of Biological Sciences as Senior Research Finance Officer.

FSE:

- Stevie Kenny has joined FSE as Head of Faculty Research Finance.
- Nina Wozmirska has now left the University.
- Edith Toth has joined the School of Materials/CEAS as Research Finance Officer, moving from the Income Office.

HUM:

- Palminder Uppal has joined Humanities as Research Finance officer, moving from FSE.

PSS:

- George Wilkinson has left the University and is replaced by Chris Howard in the Income Office.
- Sam Griffins in Credit Control has left the University.

Congratulations to Ashley Moorhouse in the finance helpdesk team on passing all the level 3 AAT examinations.
