

March 2017

## 1. Update from Steve Dauncey

The end of February and snow falls as it often does so I will start with a safety message. Our greatest risk as predominantly office based staff relates to slips, trips and falls and this risk increases obviously during inclement weather but also when we are not familiar with the place we are in, such as when we travel. It can be interpreted as nanny state to say complete risk assessments, hold handrails, don't let mobile phones distract etc, but all slips, trips and falls are preventable – take care. This goes on to reporting unsafe acts (near misses) and ensuring that office space doesn't present a risk to others.

The staff survey will soon be launched and I would really appreciate a full completion so that I am informed of what you all feel about working within the University and within your teams. The survey gives me the one true opportunity to receive feedback from you all and put in place actions which can improve your job satisfaction – please spend the 15 minutes to complete. I will share our results when complete and discuss with my direct reports.

The procurement team has completed a very useful analysis of our contractual routes across all categories and this will form the basis for targeting savings across the University. The focus will be on getting the right contracts in place, managing them consistently and then challenging demand. This is not something the team can do on their own and the behavioural change will take time to embed. I also met with the new lead of the NW Procurement Consortium (new chair a certain Steve Mole, my predecessor) and it was clear that greater collaboration will be of benefit, something Kevin Casey will lead on. All this work is vital to the on-going financial sustainability of the University.

I attended the Audit Committee at the beginning of the month. The Uniac report highlighted data integrity concerns over our leavers process and control issues related to i-proc approvers (which also pointed to some potential improvement in the control of stores), agreed actions are in hand – my thanks to all involved. The TRAC return was not just approved but it was recognised that actions were needed to develop a sustainable level of performance. In addition the discussion of our risk profile gave particular emphasis to cyber risk and information management in general. I will take this opportunity to remind you all of the phishing risk (and associated on line training) – I had another e-mail the other day which was obviously a scam, others are much more sophisticated.

I have met with other finance directors this month, one involving those from NE/NW and the other from Russell Group. These meetings allow us to discuss issues at a sector level such as the teaching Excellence Framework (TEF), pensions, government policy developments, Brexit impact etc. One good piece of news from EPSRC was that the apprenticeship levy will be an allowable cost for research and it is to be hoped that all follow this lead.

I also attended the Board of Governor's meeting at which there was a deep dive into our 16/17 financial performance. This was the first time such an item has been on the agenda. I highlighted concerns about research income and recovery rates and the fact that more work was required to deliver a reliable forecast for the full year. Control of our capital investment plans was a key area of the questioning.

I have also been involved in some interviews this month for key roles in finance and the University programme office. It is very clear that those external applicants hold the university in very high regard. Our reputation is strong and the quality of our research, teaching and governance is recognised, which brings me back full circle. If externals hold us in high regard, what do we think? Please complete the survey and let me know.

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## 2. On-going tuition fees work

A huge thank you to everyone who has recently been involved in the work we have been doing around tuition fees.

We had a number of queries from members of Finance Sub Committee following the Q1 forecast, because our income projections were below expectations. Student number reporting historically has been from various sources, and this year those sources were not consistent. This caused confusion and created a lack of confidence in the numbers.

We have now reconciled Home UG numbers between all sources of information, and to forecast fee income. We worked closely with our planning colleagues on the student number reconciliation which was very helpful, and these closer working relationships will continue.

We are now reconciling all other categories of student fee income and we will report the results back to FSC.

The system changes that we have made recently will enable us to resolve some of these issues by having a single point of truth for student numbers and student fee income. Thanks to all involved with this work, and in particular those on the Tuition Fee Working Group, including Khalil Mohammed who led the recent work in this area, and Peter Ogilvie who did much of the system development. Our current systems do have some limitations and our goal is to get the best out of what we currently have. We will look to develop our system capabilities in this area in the future.

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## 3. Fraud Response Plan

The Board of Governors has recently approved an updated version of the University's Fraud Response Plan. The aim was to ensure the Plan is a flexible document allowing an appropriate response to the often diverse nature of fraud. The appendices have been reorganised, to give priority to those sections which offer detailed advice to staff on dealing with suspected frauds. More detail is given on how a suspected fraud should be investigated and reported, while a new appendix has links to relevant University documents and external agencies such as the Police and Action Fraud.

The Plan can be found [here](#) on Documents section of the University website, with a link from the Finance website [here](#).

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## 4. Year end 2017-18

The [draft year end timetable](#) for is now available on the finance website on the [Year End Processes](#) page.

Although the timetable is draft, significant changes are not expected. It will be confirmed as final by the end of March, and on 18th April a year end workshop will take place outlining the year end process and key changes from prior years. If you do not already have this in your diary and wish to attend please contact [Adam Birch](#).

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## 5. Personal Service Companies (PSCs)

From 6 April 2017, HMRC are introducing a new system for taxing payments by some outside contractors and consultants, which applies to all universities and other public bodies. Payments to workers who operate through a small company (known as a Personal Service Company or PSC) may have to be paid after deducting income tax and National Insurance. These companies often comprise just one individual. This system already applies to self-employed people who work under their own name (we deal with this via the Employment Status assessment process using the ES1 form), but it is being extended to those who operate through a personal service company (which may or may not be a limited company).

Whether or not we have to change the way we treat each PSC will depend on how we engage with them for services, and we are developing a questionnaire (similar to ES1) that will need to be completed for each existing PSC, and, from 6 April, for each new PSC before we engage with them.

Summary details of the planned change in rules are set out on the HMRC website:

<https://www.gov.uk/guidance/off-payroll-working-in-the-public-sector-reform-of-intermediaries-legislation>

Legally, the University has no choice but to comply with these changes from 6 April, although it may not be popular with some of the people who currently operate as PSCs and whose tax status has to change as result. There will also be an additional cost to the University in paying employers' National Insurance contribution, and the new apprenticeship levy. These costs will fall directly to the School or area involved.

A further complication is that HMRC are operating to a very tight timetable – although the new rules come into operation in just 6 weeks, they have not yet been approved by Parliament, and so may be subject to further change. This makes planning for their introduction even more difficult for organisations such as the University and is why we have not been able to initiate the necessary work earlier.

HMRC have also extended these rules to 'workers' supplied by employment agencies, in cases where the 'worker' is paid by the agency via a PSC. From 6 April, the University will have a legal duty to advise the agency that they must deduct income tax and National Insurance from all payments which they make to the 'worker'. (However, if the agency already pays the 'worker' via the PAYE system, there will be no change in their arrangements). Where appropriate, HR will communicate with agencies to advise them to make the appropriate deductions.

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## 6. Website Changes

Update	Link to page
Finance Team Structures	<a href="http://www.finance.manchester.ac.uk/financeonly/financereferenceguide/financereferenceguide-financeonly/financeteamstructuresbyfacultyareaaccountantsonly/">http://www.finance.manchester.ac.uk/financeonly/financereferenceguide/financereferenceguide-financeonly/financeteamstructuresbyfacultyareaaccountantsonly/</a>
Fraud Response Plan	<a href="http://www.finance.manchester.ac.uk/compliance/fraudresponse/">http://www.finance.manchester.ac.uk/compliance/fraudresponse/</a>
Draft Year end timetable	<a href="http://www.finance.manchester.ac.uk/financeonly/technicalandaccountingguidance/yearendprocesses/">http://www.finance.manchester.ac.uk/financeonly/technicalandaccountingguidance/yearendprocesses/</a>
Updated Customer Account form (replaces the old Sales Application Form) and Personal Credit Application Form	<a href="http://www.finance.manchester.ac.uk/income/salesinvoicing/">http://www.finance.manchester.ac.uk/income/salesinvoicing/</a>

# Finance Update

In addition to the above, a full review of the website is currently underway to ensure all content is up to date. If you have any updates or suggestions for improvement, please contact [Adam Birch](#).

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## 7. Staff Updates

BMH:

- No staff updates in BMH this month.

FSE:

- Matthew Walker has left the Income Office to go to the School of Mechanical, Aerospace and Civil Engineering in the role of Research Finance Officer.
- Manny Singh is now part of the School of Maths and Computer Science in the role of Senior Research Finance Officer.
- Michael Livesey is due to start in the School of Physics and Earth and Environmental Sciences on the 6<sup>th</sup> of March in the role of Research Finance Officer.
- Luke Ellis has been appointed Research Apprentice.
- Hidie Taylor is now in Operations in the role of Finance Assistant.
- Liam Chant is now in Operations in the role of Finance Assistant.
- Nuala Taberner is now PA to Ian Rodd.
- Palminder Uppal is now Operations Finance Assistant.
- Christine Burns is now in the School of Mechanical, Aerospace and Civil Engineering and Electrical and Electronic Engineering in the role of Finance Officer.

HUM:

- No staff updates in HUM this month.

PSS:

- Adeel Siddique joins the Corporate Accounts team from the 9<sup>th</sup> of March as the new Corporate Accounts Assistant.
  - Janet Sinclair has joined the Master Data Team as the Master Data Administrator.
  - Emma Beard has moved from HR to the Treasury and Banking Team as the Expense Control Accountant.
  - Miranda Hall has been appointed as Head of Financial Reporting from 1 April
  - Jane Woodhall is leaving on 30 April, moving on to new challenges.
  - Charlie Allen has been appointed as Project Accountant.
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