



Dear colleagues,

The start of a new year is always an exciting time and, as fresh-faced students start to return in earnest over the next month, the buzz around campus can be a reminder of why we do the job we do, and the responsibility of resourcing an institution that will shape their (and by extension all of our) futures.

Hopefully you will have had a chance to unwind and relax properly at some point over the 'summer', and are feeling, if not fresh-faced, then at least fresher than you felt in June. Those of us who have seen many Septembers in the sector will now be familiar with the cycle of financial reporting conformity, and our first article from FRG chair Mary White brings us up to speed with current issues and challenges. Remember that all the latest resources are available from [the Financial Reporting pages on the website](#).

In our remaining articles, Amanda talks about the challenges of BUFDG finding the balance of online and face-to-face courses and encourages members to 'get back in the water' for some forthcoming events. Joni talks about the sector's new Cost of Net-Zero calculator, and BUFDG's September webinar on how to make use of it. Andrea and Julia preview the plethora of employment and other taxes events for this year, and Matt asks you and your teams to save the date, and maybe get involved, in the 2024 Finance Festival.

Enjoy the buzz!

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Financial Reporting update

The Financial Reporting Group has had a busy year. We started our work this year with a roundup of issues experienced during the production and audit of our financial statements. As usual, issues with pension notes and US Loan disclosures were high on the list of challenges. Many colleagues commented on a more challenging audit process with a continued focus on going concern.

This year Local Government Pension Scheme surpluses brought a new complexity to the pensions note and larger discount rate changes in year brought audit challenges to the USS modeller. Audit firm technical teams had been involved in detailed discussions with scheme actuaries to understand the assumptions and models behind the valuation outcomes.

“it is likely that many of us will be revising our forecasts and downside scenario planning”

The group undertook a review of 21/22 financial statements with a particular focus on financial sustainability, US Loans Supplementary Schedule, Judgements & Estimates, Lease Disclosures, Cash & Cash Equivalents, and Pension notes. Some areas of best practice were highlighted but we all still have a long way to go on environmental sustainability reporting. A new financial Sustainability and Climate-Related Environmental Disclosures (SACRED) Group has been established with the aim of producing a best practice road map for improvements in this area.

The Spring Financial Workshop was well attended with over 70% of HEIs represented within the attendees. The recording is [still available so please watch](#) if you would like to learn more about going concern reviews, pension notes, ISA315, FRS102 & new SORP, US

Loan disclosures, Senior Pay disclosure, or the new levels of audit assurance.

During the year we have been engaging with the Financial Reporting Council (FRC) on the [Financial Reporting Exposure Draft 82](#) (an amended FRS102) and we submitted our response by 30th April 2023 deadline. The FRC are still aiming to publish the amended FRS 102 by the end of 2023 but there remains a potential that this date could slip which might have implications for the effective implementation date.

We are pleased to announce that following a competitive tender process we've appointed a development partner as we look to update the Further and Higher Education SORP with the amended FRS102. Phase 1 of the project is the incorporation of FRS 102 changes into the SORP. Phase 2 will update the current model financial statements. Phase 3 will review and update the guidance notes and phase 4 is the presentation of training materials. A full project plan will be developed once the implementation date has been confirmed by the FRC.

As we prepare for external audits, it is worth considering the International Standard on Auditing (UK) 315, Identifying and Assessing the Risks of Material Misstatement which will increase the level of audit work this year. It is also likely that there will be an increased focus on financial sustainability and going-concern in light of the current economic conditions affecting all HEIs with static Home Fee levels and high inflation throughout 2022/23.

Whilst we may all be grateful that there are few proposed changes to the Accounts Directions from the funders and regulators for 2022/23, it is likely that many of us will be revising our forecasts and downside scenario planning, including the potential impact of increased bad debts to meet a higher threshold for our going concern assessments. Happy year end to all!

Mary White, CFO, Royal Holloway, and Chair, BUFDG Financial Reporting Group

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If we build it, will they come? Or, is it safe to go back in the water?

Mixed movie metaphors aside, and after the years of Covid disruption, we are trying to get back into the water of in-person events. However, there is a real breadth of opinion across the membership.

Whilst we know there is a determined core of members who are keen to get back to more in-person events, we also know from recent experience that many members can't get budgets to travel, or just don't want to anymore. In some cases, even when members say they want in-person events that doesn't necessarily translate to members actually booking onto and/or attending.

There's a financial impact for BUFDG in arranging events - more so with in-person events than online - as they tend to cost us more to put on. However, we are slowly dipping our toes.

“we hope that members will come to the in-person events to get the many benefits of face-to-face networking and training”

Our scaled-back Annual Meeting for CFOs/FDs as a smaller, more intimate event with a more strategic agenda, without the big sponsorship but a small number of invited supporters, has been held in person for the past two years (in Bristol and Leeds) and has been welcomed by all who have attended. We'd love to slightly increase the number of CFOs/FDs attending, but this event is working well and we've had great feedback to help us improve it year on year, so we're looking forward to 2024.

We're expanding in-person events into our specialist areas as well, with two Treasury events held in June in Edinburgh and London. While attendance was slightly disappointing,

we did have attendees from over 50 member HEPs, and received useful feedback on the kind of in-person events they would like to see in future.

The next round of Payroll and Employment tax Group (PEG) meetings will be held in-person in the Autumn, as will the next Global Mobility round-tables. We've held some recent Deputy FD meetings in-person, and we know that those who attend really value the time and feel strongly about the benefits of meeting face-to-face. We don't want those who didn't attend because they would/could only attend online to miss out though, so we're holding the autumn Deputy FD meetings online.

We'll be hosting an in-person Corporation Taxes course in March, and [bookings have just opened for this course](#). This will be the first charged-for, in-person training course we have held since the pandemic so it will help inform our thinking around the model for future training.

Determining what we should host in-person and what we should host online seems to have become a constant balancing act that isn't going to level out any time soon. But we do hope that members will come to the in-person events we've built to get the many benefits of face-to-face networking and training. Who knows - maybe they'll sell out? It would be nice to need a bigger boat...

Amanda Darley, Head of Operations and Engagement, BUFDG

Working out the cost of Net-Zero for the sector

Earlier in the Summer AUDE, BUFDG and the EAUC (the Alliance for Sustainability Leadership in Education) launched a new Cost of Net Zero Calculator *tool for the sector*. As many institutions are yet to set out costed and scheduled plans to decarbonise their

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operations, the new calculator aims to give a standard means of answering the question: “What is achieving a net zero carbon state going to cost?”

The tool, delivered by sustainability consultancy Energise, and with additional funding from the Department for Education, arrived with an accompanying report, called ‘The Cost of Net Zero’ and aims to help everyone in the sector understand the context, the scale, and the nature of the task. It follows the January publication of the [‘Accelerating towards net zero’](#) report from the same partnership group led by the Royal Anniversary Trust, and shares methodology with the earlier report.

“at the headline level you’ll have a high-level estimated cost figure for achieving net zero”

In total there are four documents available for use by the sector: The report [‘The Cost of Net Zero’](#); The tool (in an Excel spreadsheet form) - [‘Cost of Net Zero Calculator’](#); A worked example of [the calculator in an HE setting](#), and; A worked example of the [calculator in a FE setting](#). While this tool is a starting point, and will be improved in ongoing iterations, it will provide clear information that organisations need to adopt a long-term investment approach and arrange sustainable and reliable funding. Working with stakeholders including the Department for Education and devolved governments to unlock investment from the widest possible range of sources is one of the desired outcomes of this project.

At the launch of the report, Fiona Goodwin, EAUC Deputy CEO said: “So what next? What to do as a result of this publication? Firstly you now need to be using the [SCEF tools](#) to estimate your current levels of carbon emissions and set a target for achieving net zero if you haven’t already. Today’s publication and calculator unlocks a whole flow of

subsequent actions – financial planning, property and fleet planning, and much more. You’ll understand decarbonisation as a long-term financial commitment as never before, and therefore be able to factor this into financial and strategic planning in a new way. You’ll be able to scenario model – what difference would a 2050 target make in comparison to a 2040 date, for instance? A set of structured carbon reduction opportunities and a database of measures for you to choose from will support planning. And at the headline level you’ll have a high-level estimated cost figure for achieving net zero, and many of us have had no such thing before.”

[This AUDE webinar took place on 13 July](#), to which members of all the participating associations were invited. It introduced the tool and focused on the estates and sustainability aspects. A [recording is available on our website](#). BUFDG will host [a follow up webinar on 28 September](#) with a focus on the financial aspects. [Read this news article](#) for the full launch information on the report and the tool.

Joni Rhodes, Project Manager, BUFDG

More tax events than you can shake a stick at

Over the summer, Andrea and Julia (the BUFDG tax team) have been working hard organising a full and varied program of tax events for the 2023/24 academic year. At the time of writing, this includes 18 Time to Talk sessions, 21 ‘surgeries’ for members to discuss employment tax, employment status and global mobility issues, 3 online and 6 regional in-person Payroll & Employment tax Group (PEGs), regional Tax Group meetings both online and in-person, and 5 in-person global mobility roundtables around the country.

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Our Time to Talk tax schedule will cover a plethora of areas across the tax plane, delivered by trusted advisers and hosted by either Andrea or Julia. These sessions will range from immigration to Fuel & Power, Overseas VAT registrations to double taxation agreements, [Alteryx](#) use to Croner-i tax support.

Following feedback from previous PEG events, BUFDG will be holding one 'in-person' PEG per region each year, with the remaining sessions online. The online sessions will not be held regionally, instead there will be one event for the whole of the membership. The in-person PEGs will be held in October at BDO offices and offer a networking lunch. Places are limited so please do book yourself on as soon as possible [via this article](#).

By streamlining regional PEGs into one online event for the entire membership, more time is available for member-only 'surgeries'. These are designed for members to participate, share, discuss anything and everything related to employment taxes, employment status (IR35) and global mobility issues, wins, challenges, best (and worst) practices, etc. You can find more information on the surgeries, including links to book yourself on in [this article for employment taxes and employment status \(IR35\)](#) and [this article for global mobility](#).

Speaking of global mobility, Vialto will again host the BUFDG global mobility roundtables in November. These roundtable meetings are in-person, offer both knowledge sharing and networking opportunities and are scheduled to stop at Edinburgh, Leeds, Birmingham, London and Bristol. At the time of writing, the meetings are being set up and will be announced on the BUFDG website very soon.

And finally, there will be sessions on topics that currently exist merely as a twinkle in HMRC's eyes. Space in the diary has been retained to cover announcements, legislation changes, new publications, etc as and when they arrive, focusing on the impact to the HE sector.

If you think we need to offer a session on a particular area, please let us know. For VAT, Customs & CT [contact Andrea](#), and for employment taxes & global mobility, [get in touch with Julia](#).

Andrea Marshall, Tax Specialist, and Julia Ascott, Employment Taxes Specialist, BUFDG

Finance Festival 2024 – Save the Date, and join in!

The Finance Festival is BUFDG's 3-day online extravaganza of all things HE Finance. We're currently planning for our third annual event, and the last two have each seen over a thousand members attend.

We had some fantastic feedback from last year's event – thankfully this was generally positive, but we also had lots of constructive ideas about how we can improve. We're really excited about implementing these changes and making sure the 2024 event is the best one yet.

The 2024 event will take place from Monday 11th to Wednesday 13th March, so save the date for you and your teams! If you need a reminder of how good last year's event was, as well as some excellent free CPD, [take a look at the recordings and slides from 2023](#).

We'll shortly be putting a call out for sessions. We'd like to have more sessions this year presented by university staff, so please have a think about whether there's knowledge you can share or a story you can tell that would be of benefit to colleagues. And if you'd like to help us out by being part of the group that selects the sessions, get in touch with Matt.

See you there!

Matt Sisson, Projects and Membership Manager, BUFDG

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