



## Dear colleagues,

As we've watched the snowdrops, crocuses, and daffs start to poke their heads up over the last few weeks (it's only just March guys), it's easy to remember that, however frozen your particular patch is on any given week, change is always just around the corner. It's a good time to reflect on the old and the new, and what we might want to be different over the coming year.

Here at BUFDG we are taking the hint and launching perhaps the first 'proper' holistic review of activities in BUFDG's history. We'd love all our members and stakeholders to contribute and, in our first article, Amanda explains why and how.

Continuing the theme, in the second article Karen talks about the new draft amendments to FRS 102, which will be incorporated into a new HE/FE SORP in 2025. A new SORP doesn't happen often - for a particular type of university accountant this is basically the World Cup.

Also new is UUK's national conversation on the future of university funding (article three), while Matt looks both at something new, and something old, in article four. There's a final reminder that it's not too late to encourage your staff to register for the 2023 Finance Festival – our free online extravaganza of all things HE Finance.

**Erica Conway, CFO, University of Birmingham and Chair, BUFDG**

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### Get in touch...

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## BUFDG Review – we need your thoughts on the next 5-10 years!

Given the huge changes over the past three years in how universities/HEPs operate and how BUFDG itself operates - largely enforced rather than planned - it seems the right time for us to take a step back and review everything we do. Our team has been growing for several years and we have had two decades of strategic but organic growth and development of the organisation. So, we want to take a pause and engage with our members and partners to consider what we do, why we do it, and how we do it.

*“Given the small size of our organisation, any changes are likely to be implemented incrementally over time, starting in early 2024”*

Our new Project Manager, Joni, and our Head of Operations and Engagement, Amanda, will be conducting a comprehensive consultation exercise with our members throughout the remainder of the 2022/23 financial year. Whilst this member consultation will be the primary focus of our review, we are also keen to hear from other organisations that engage with BUFDG’s work in a less formal manner, whether they be other HE organisations, government departments or commercial firms. So, if you have any feedback on what we do, a suggestion for something we could do better, or something you think you could do for us (which might be because you do it better!), then please let us know via [email to Amanda](#) or [Joni](#).

We’ll be analysing the information during the autumn and producing a report of our findings and any recommendations to the BUFDG Executive Committee by the end of 2023.

Some of the things we’re trying to establish from member and other feedback will be:

- What do we do well?
- Which types of members use our services the most, sometimes, or only occasionally?
- What should we do more of?
- What should we start doing?
- What should we stop doing? and
- What should we outsource because, while there is a need for it, we don’t do it very well?

Given the small size of our organisation, any changes are likely to be implemented incrementally over time, starting in early 2024. We’d be delighted to hear any feedback that you have that could help inform this review, so, please do [get in touch](#).

**Amanda Darley, Head of Operations and Engagement, BUFDG**

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## New SORP on the starting blocks

The FRED 82 *Draft amendments to FRS 102, The Financial Reporting Standard* was published by the Financial Reporting Council (FRC) in December 2022 with a consultation period running to 30<sup>th</sup> April 2023. Any amendments to FRS 102 will subsequently be incorporated into a new HE/FE SORP (SORP 2025), with the anticipated effective implementation date being for accounting periods commencing on or after 1<sup>st</sup> January 2025.

The principal amendments expected to have an impact on financial statements are:

- (a) The accounting requirements for revenue recognition will be based on the five-step model for revenue recognition from IFRS 15 Revenue from Contracts with Customers, with appropriate simplifications. The extent to which this will change an entity’s revenue

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recognition in practice will depend on the form of its contracts with customers.

(b) The lease accounting requirements in FRS 102 will be based on the on-balance sheet model from IFRS 16 Leases, with appropriate simplifications. This is expected to result in an impact on the financial statements of most entities that are lessees under one or more operating leases.

*“BUFDG has established a small working group which will run through to the publication of SORP 2025 and we will be appointing a development partner to assist throughout this process. Sector specific guidance will then be issued in due course”*

The FRC’s landing page for the [consultation can be found here](#). The link includes FRED 82, draft amendments to FRS 102 and a recorded copy of a FRED 82 launch seminar held in January. FRED 82 invites comments on 10 specific questions regarding the proposed amendments and Institutions are encouraged to consider the proposals and respond by the 30<sup>th</sup> April 2023 accordingly.

BUFDG has established a small working group which will run through to the publication of SORP 2025 and we will be appointing a development partner to assist throughout this process. Sector specific guidance will then be issued in due course. BUFDG will also be responding directly to the consultation document. If you would like your thoughts to form part of the BUFDG response, rather than submitting your own directly, [please email Karen Newcombe](#).

**Karen Newcombe, Secretary, BUFDG Financial Reporting Group**

## UUK and a national conversation on the future of university funding

Universities UK is running a series of events bringing together diverse stakeholders to [discuss the future of university funding](#). This is not a traditional review, but an opportunity to hear different voices, including colleagues from across the HE sector and beyond, with different political affiliations and professional roles, as well as students and the general public, and explore policy options. This work will consider the funding of tuition in England, including how it supports student choice on a financially sustainable basis for them and for institutions. It will consider the implications for Scotland, Wales, and NI of any possible changes to the English funding model, and how to support student mobility across the internal boundaries of the UK. It will also consider UK-wide support for research and innovation and how it operates in devolved settings.

Our first event of the national conversation took place on 15 February, bringing together commentators and experts from think tanks and policy analysis to explore their thoughts on the current funding system. There were a range of views, from those advocating for small tweaks to the current system, to contributors with more radical visions for system change. It was a stimulating start to the national conversation, and we will build on the ideas explored here as we continue the discussion. We will soon be holding events on research funding and international comparisons with the UK system, and we look forward to exploring more dimensions of the system as the work progresses.

While the initial focus of the work is teaching funding in England and research across the UK, we want to emphasise that nothing is off the table. We have already heard from colleagues who are keen to explore funding for part-time students, postgraduate study, and integrating the conversation across the whole tertiary

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landscape, among other topics. We are particularly keen to support others to run their own events as part of the conversation, so do [get in touch with us](#) if this is something you might be interested in. The more perspectives we hear, the richer the conversation will be.

Keep an eye on the UUK website for further updates on the work, including insights into the views we've heard so far. This work will continue until autumn 2023. If you would like to be kept in the loop on the national conversation, please [sign up here to receive updates directly](#).

**Abigail Whiteley, Policy Analyst, Universities UK**

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## Something new, something old

Here at BUFDG towers we would love it if all of our members knew about everything that BUFDG does, and about all the resources that are available on the website. More 'experienced' colleagues may get a little fed-up with the regular reminders (but graciously don't tell us if they are!) yet memories fade, members all have busy day jobs, people leave the sector, and new ones join. This is all a round-about way of letting you know about two things that we don't want to slip by unnoticed.

Firstly, something new – Julia has just announced that BUFDG has, with the help of the international committee, published a document intended to help conversations with all university staff around the complexities of staff working overseas. Those in tax, payroll, finance, and HR are all probably aware that when someone goes to work overseas, there will be numerous implications for both the employee and employer.

The note sets out many of the areas that cause significant headaches/issues/costs where the university is not kept in the loop for overseas working. This will include potential country expulsion due to incorrect visas, inability to access healthcare, inadvertently creating a permanent establishment, creating payroll withholding obligations, and many more. This note is designed to highlight these issues and promote conversations between the relevant teams at your university to mitigate problems. For the avoidance of doubt, there are two versions of the document, [a full version](#) and a [slightly briefer version](#). Both documents are available in Word format so that you can tweak the wording to suit, should you wish to use it. UCEA has also just published a ['decision map' \(text\) document about working remotely from overseas](#), which can be accessed by UCEA members.

*“We know that this won't necessarily cover all your compliance needs, but we do hope that it is a helpful start, and hopefully means every institution doesn't have to reinvent the wheel”*

Secondly, the 'something old' is the [BUFDG counter-fraud toolkit](#), which was originally published way back in 2016. This toolkit was designed to support providers reduce the risk of fraud, and safeguard public and student funding. It is made up of a range of resources to assist with internal awareness raising, fraud prevention, and fraud risk management. These include introductory guides, sample policies, in-depth briefings, checklist-style tools, links to further resources, and even three snazzy posters to make use of across your institution.

In the years since we have added a couple of things to it, and also supplemented it with a number of compliance-related e-learning modules, that are freely available to all staff at your university. These modules cover: [The Bribery Act](#); [Intro to Counter-Fraud](#); [Criminal Finances Act/Corporate Criminal Offence](#); [A](#)

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[Guide to Modern Slavery](#), and; [Anti-Money Laundering](#).

We know that this won't necessarily cover all your compliance needs, but we do hope that it is a helpful start, and hopefully means every institution doesn't have to reinvent the wheel. However, we are also aware that some parts may no longer be as useful as they once were. If you have any thoughts on BUFDG's counter-fraud resources, or the e-learning, and would like to make some suggestions, [please let Ashley know](#).

**Matt Sisson, Projects and Membership Manager, BUFDG**

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## Finance Festival 2023 – last chance for staff to register

We're excited (and slightly nervous – if we're honest) that, not only is the 2023 Finance Festival now just a few working days away, but that the number of registered attendees has just ticked past the one-thousand mark. For readers that aren't aware, the Finance Festival is BUFDG's big online extravaganza of all things HE finance and procurement, with 37 sessions spread over three days. This year,

these cover everything from overseas tax to campus sustainability, and from credit ratings to business partnering.

The Finance Festival is free to attend to all staff at UK universities, with a very low cost of just £200 + VAT for delegates from sector-supporting companies. BUFDG and HEPA members can book after signing in with their website account. Any staff without an account (including any staff working in UK universities) can sign up as a guest. Delegates only need to book once, and this ticket will provide you with access to as few or as many of the sessions as you wish to attend. Staff do not need to individually book onto each session in advance. There are no limits on numbers for the whole event, nor on numbers for each individual session.

The magic link for [the programme and all other information is this one](#), and the menu to the right includes the separate links for booking for both university staff and sector supporters. Please circulate this to any of your staff that you think might benefit. If you have any questions at all about the event, please [don't hesitate to get in touch with Matt](#).

**Matt Sisson, Projects and Membership Manager, BUFDG**

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