University of HUDDERSFIELD

Inspiring tomorrow's professionals

**FINANCIAL SERVICES PLANNING ROUND 2014/15**

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21 February 2014

FINANCIAL STRATEGY 2013 - 2018

Our Financial Strategy is integral to the University's Strategy Map 2013-2018 and sets out the broad financial objectives which will underpin the mission, vision and aims of the University and ensure its financial sustainability. A secure financial position is essential for the University's continued academic excellence. All aspects of the financial strategy will be directed at maximising the investment of human and physical resources devoted to the students' Inspiring learning experience; to Innovative research and enterprise; and to building a University of International renown. The University's success in recruiting and retaining students depends upon this investment.

Financial Services contributes directly to the University's Strategy Map in four areas covering Financial Sustainability and Efficiency and Effectiveness:

AIM	KPI
E4 - To generate sufficient cash to meet strategic investment plans and economic contingency.	Minimum 10% margin for sustainability and investment.

The University needs to generate sufficient cash for capital expenditure and to fund its strategic investment plans. The current target is to generate 10% of the University's annual total income in retained cash.
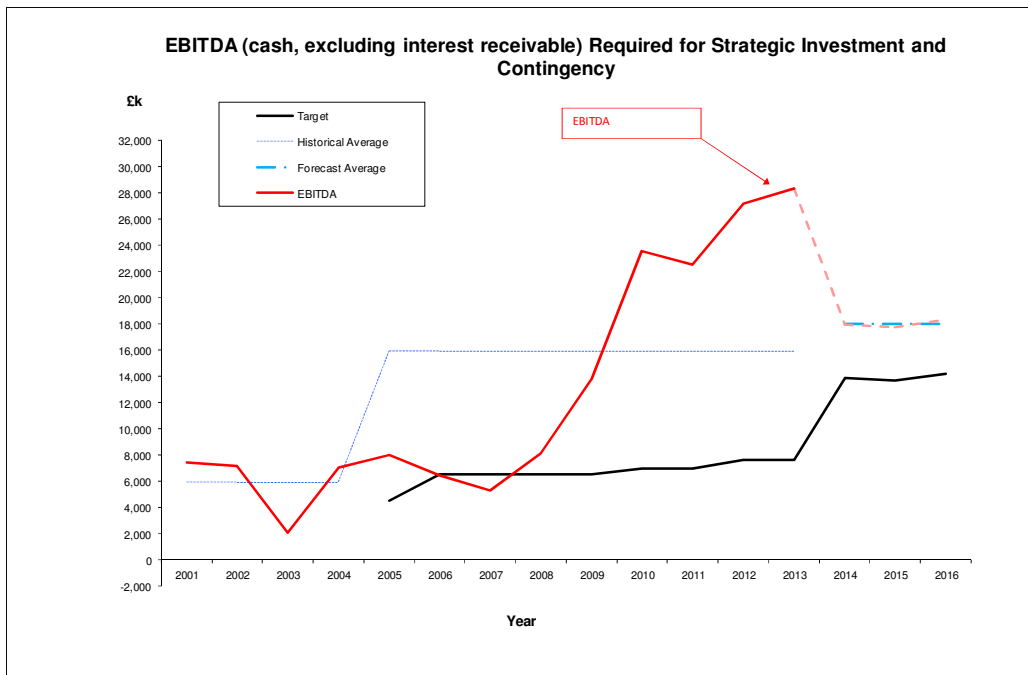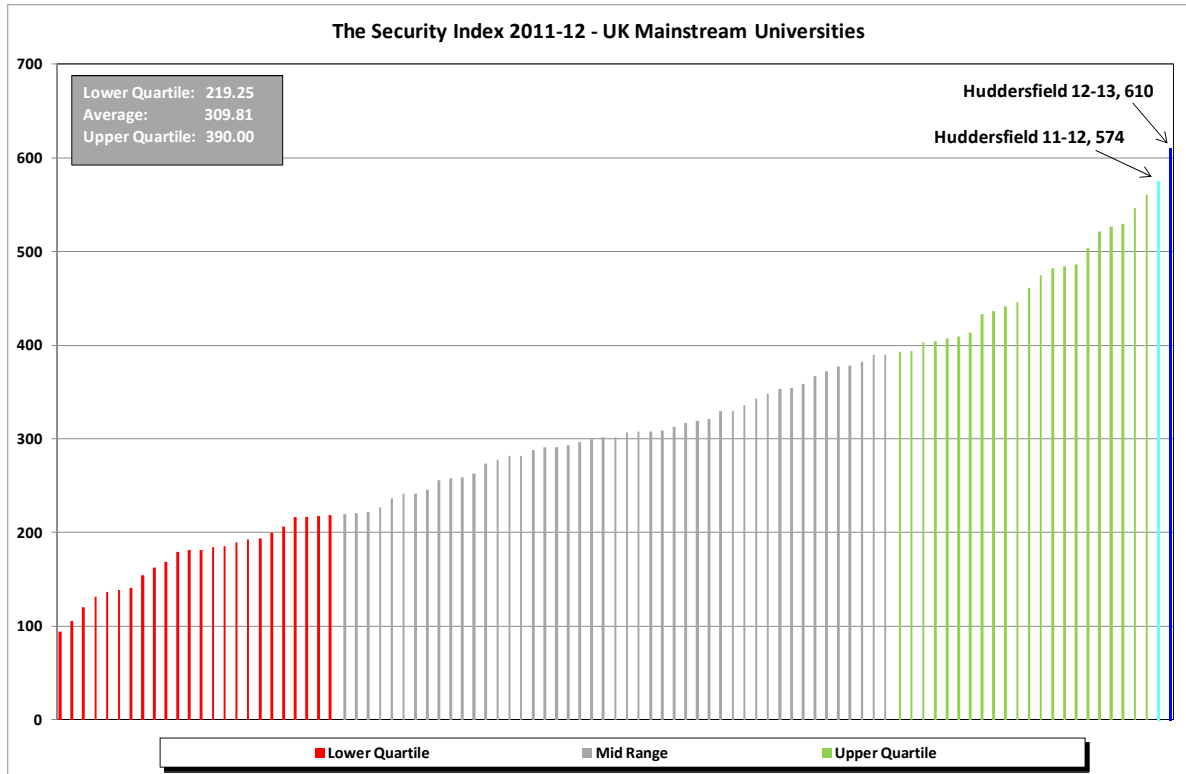

The annual cash target has been met since 2008 and is forecast to be met for the forseeable period.

E5 - To maintain financial strength.	To remain in the top 10 mainstream HEIs in the HESA Security Index.

In order to be able to provide the resources necessary to meet the University's continuing needs on a sustainable basis, the University needs to remain financially strong. The current target is to remain in the top 10 UK mainstream HEIs as measured by the annual HESA Security Index. This is supplemented by the University's Estate Condition as measured by the proportion of the estate in Condition A.

The Security Index 2011-12 - UK Mainstream Universities

Lower Quartile: 219.25
Average: 309.81
Upper Quartile: 390.00

Huddersfield 12-13, 610
Huddersfield 11-12, 574

Lower Quartile   Mid Range   Upper Quartile

The University is currently the most financially secure of UK mainstream HEIs and has no debt. The University's estate in Condition A is ranked 1st for UK mainstream HEIs.

E6 - To ensure all Schools and Services maintain financial and operational viability.	All Schools and Services to maintain agreed budgetary norms.

Specific reserves ("carry-forward") held by Schools and Services will provide funding for the necessary planned investment in infrastructure and equipment. In order to replenish those reserves it is currently determined that the target budgetary norm for each School and Service is an annual underspend against Devolved Revenue Allocation of 3% per annum.

All Schools and Services delivered an underspend of at least 3% in the year ended 31 July 2013.

E7 - To improve core processes and performance.	Evidence of annual improvement in the KPIs.

Each year we produce an Annual Report on Value for Money which is approved by Council and submitted to HEFCE. Our last report in November 2013 concluded that "our procedures are working well but that there always remain opportunities to improve. This will be particularly important to the achievement of our financial objectives as we move into a period when income streams are significantly challenged".

Financial Services makes a significant operational contribution to the efficiency and effectiveness of the University's wider core processes and performance, specifically through Procurement Services (Annual Report appended to VFM report above) – see later section of this report; and process re-engineering through Agresso – see later section of this report.

We have initiated a Tribal financial benchmarking report across 6 peer group universities based upon 12/13 results.

Within Financial Services itself we have also been re-organising ourselves more effectively so that staff gain experience of working across functions rather than in silos.

Our QoWL Survey results have been consistently above the University's overall average.

We are also one of the first finance teams in the sector to be seeking recognition under the Customer Service Excellence Government standard which is being formally assessed on 15 April 2014.

We are submitting an entry for the 2014 THELMA Award for Outstanding Finance Team.

SERVICE KPIs

Operational action plans and targets are attached at Appendix 1 covering the following areas:

    Procurement Services and Value for Money
    Process re-engineering through the use of Agresso systems
    Management Accounting and Statutory Reporting
    Student Finance Office

OPERATIONAL RISK REGISTER

Our Service Risk Register is attached at Appendix 2.

KEY CHALLENGES AND CONSTRAINTS

Student Finance Office (Jonathan Croall)

Achievements 2013/14

- Contributed to the planning and implementation of the New Student Centre by offering training, advice and guidance to a new staff team that is working at the new iPoint. Established a dedicated Student Finance desk in Student Central for specialist referral.
- Worked with our debt collection partners to increase the collection of our historical bad debt. We referred £624k and resolved £390K of the bad debt. This was a collection percentage of 62.5% - above expectation of 45% success rate.
- We collected over 95% of expected tuition fee loan payments each term in line with the Student Loan Company reporting mechanisms. This helps improve the cash flow and means fewer problems to resolve with outstanding students' tuition fees. Improvements in reporting mechanisms due to closer working with Admissions and Records and more reliable reporting mechanisms with the SLC is also responsible for this success.
- Early tuition fee invoicing and efficient collection has assisted in the financial planning – allows the institution to plan annual tuition fee income early as the fee income accounts for over 80% of University turnover.

Challenges

- The main challenge is to continue to develop smarter working which means we can continue to perform our core functions in a more efficient and cost effective manner. This can be achieved by better utilisation of existing IT systems, however there is a need to balance this work with our commitment to customer service that allows students to contact staff and discuss their concerns and problems.
- The level of tuition fees that we charge students, outside full-time undergraduate home students, needs to be reviewed. Currently we have a complicated international scholarship system that is very labour intensive and with the home fee rising to £9000 from 2015/16 it is important that we review the international fees so they fit into a structure so students from overseas are not charged less than home once scholarships are taken into account.
- Adapt to changes in policy from both the University and government in relation to bursaries and scholarships – implement future cash bursaries as required.

Management Accounts and Statutory Reporting (Paul Cropper)

Achievements 2013/14

- All statutory returns were submitted accurately and on time. No queries were raised by HEFCE, HESA, Customs & Excise or Inland Revenue, and only 5 audit points were identified by the external auditors for the year end accounts, all of which were considered to have a low risk that might result in inconsequential misstatement only. The auditors found no significant issues or material items of misstatement.
- Internal reporting efficiencies have been achieved resulting in the faster production of reports by implementing greater automation. In 2013-14 this included reports to automatically generate Home & EU f/t undergraduate invoiced student numbers, reconciliation of Research & Enterprise activity reports and the automatic production of carry forward balances at year end. The Service will continue to look for further ways in which to streamline reporting practices.
- Investments in the peer-to-peer lending market through the Funding Circle resulted in a return of 4.9%, significantly greater than the minimal amounts being earned on the University's cash balances. Investments in the Funding Circle are being increased.
- Forecasting accuracy was assessed against a regional group of institutions and found to be in line with other institutions. Monitoring accuracy levels against this group will continue in order to establish a benchmarking target for future years. An internal audit review of budgeting and forecasting processes found no areas of concern.
- The financial health of the institution has been maintained and will continue to be closely monitored by liaising with individual schools and services on a regular basis and by modelling institutional financial forecasts in the medium term.

Challenges

- Implementation of the new SORP which will change the year-end reporting requirements from 2015-16.
- Deriving fee paying student numbers at an earlier stage would allow improvements in the timeliness of management information.
- Improving forecasting accuracy is challenging when the operating environment is changing rapidly as a consequence of a continuing reduction in public funding and an increase in tuition fee income.
- The deadlines for completion of both TRAC returns are likely to be brought forward at some point in the future. Processes need to be further streamlined to achieve an earlier submission date.

Agresso – Process Re-engineering (Yvonne Whiting)

Achievements 2013/14

- The latest version of Agresso has now been applied to our test system with ongoing regression testing underway.
- Expansion of the eMarketplace is on-going with the successful addition of internal IT purchasing.
- We have now automated the emailing of the trade debtor statements and reminder letters in line with the student notifications. Each workday all the reminders are now run automatically by the system at the same times each day saving on staff resource.
- PCIDSS [Payment Card Industry Data Security Standards] Compliance has been achieved this year after a successful audit with very few amendments required.
- We have now introduced a pre-reminder for students advising them that their invoice has now been generated and they need to check the details by logging onto their accounts. This gives the student an extra 26 days to advise us of any issues before the first reminder for payment is sent.
- Assisting 3M Buckley Innovation Centre where needed.

Challenges

- The main challenge facing the Agresso team will be the continuity and expansion of expertise whilst continuing to develop the system. We are including the services of a sandwich year student to assist in the development of processes.
- Whilst maintaining support and training on the existing systems, the team will be testing the upgraded software with the need to replace and implement 2 core processes – budgets and commitment accounting – as these have now been replaced in this latest version with web based functionality.
- The implementation of the new Pre and Post award software will be particularly challenging to the team as these are processes we are not familiar with so need to ensure a full understanding before we build and roll out the solution.
- Fewer than 20% of self- paying student fees are being collected via on line payment methods, where other Universities are managing to achieve far greater collection rates. The Agresso team is looking at ways to improve this.
- Considering every area of Finance to ensure all aspects are explored for automation or simplification to be achieved.
- PCIDSS [Payment Card Industry Data Security Standards] Compliance will continue to be a challenge as we try to maintain our compliance and we need to review our policies and documented procedures before the next audit. Most of our equipment for card collection will need to be replaced over the coming year to updated models.

Procurement Services (John Thompson)

Achievements 2013/14

- Collaborative procurement is now 36.79%.
- In 2012 the University set up its own recycling scheme SPURS (Sustainable Procurement University Recycling Scheme). Not only has the university saved monies from recycling but has helped by donating furniture and equipment to local charities including the British Heart Foundation. Scientific equipment has also been recycled to a University in Africa. This last financial year the scheme has continued to operate and £40,000 of equipment has been recycled within the University.
- The University was invited by Unit4 Business Software to take part in a procurement survey to establish how robust and useful the procurement function operates. The assessing of the Procurement Team was against a set of procurement parameters which were then mapped onto spider graphs which gave a pictorial summary of performance. The consultant on completion of the survey gave the following observation:-
  "The P2P systems and processes at the University of Huddersfield have been well developed and are highly functional. Of special note is the acceptance and adherence of the requisitioners to the policies and procedures in place.
  The synergy the team has working together is very dynamic. The team effectively and efficiently uses the technology at hand to its fullest and challenges maximum results-always looking for improvement opportunities. The procurement survey undertaking at the University of Huddersfield represents the highest scoring in the survey's history".
- E-marketplace development continued in 2013-14 and currently the marketplace has 42 live suppliers with an annual turnover of £2.6 million. The e-marketplace has been used as an exemplar of best practice as the number one reference site for Cloud Buy both for education and the wider public sector. The University was asked to do a presentation at the National Conference on University Purchasing on the E-marketplace.
- Spend on the University Purchase Card scheme topped £7 million in 2013 with 90 card holders across the University (top 5 in the sector, contributing almost £600k in efficiency savings). The scheme has been used as a case study by Barclaycard to promote Purchase Cards across the business sector.

Challenges

- Maintaining insurance premiums in the face of expanding research activities.
- Maintaining spend on purchasing cards will be a challenge as suppliers are reluctant to accept the increase in transaction charges from the card providers.

Contribution to Strategic Plan	Objectives	Baseline (2013)	Target (2014)	Target (2015)	Target (2016)	Target (2017)	Target (2018)
Collect income due to the University in a timely and efficient manner (E4, E5, E6, E7)	Reduction in the year end outstanding debt due to enforcement of the fee deposit system for students that do not have confirmed funding for a fee loan/sponsor.	Reduce tuition fee debt to less than 2012/13 level at year end in percentage terms.	Reduction in outstanding year end tuition fee debt on previous year.	Reduction in outstanding year end tuition fee debt on previous year.	Maintain year end tuition fee debt as previous year.	Maintain KPI.	Maintain KPI.
	Number of students withdrawn from the University due to debt is reduced	94 students withdrawn in 2012/13.	Aim to reduce number of students wd by 10% on the previous year.	Aim to reduce number of students wd by 10% on the previous year.	Maintain KPI.	Maintain KPI.	Maintain KPI.
	Provide clear information to students outstanding debts to the University and payment options	Offer clear information to students on payment options and methods.	Continue to enhance online facilities for students at enrolment and the capture of fee information. Look to implement recurring card payment option for 2014/15.	Operate recurring card payment option for September 14 enrolment and present clear student finance information for potential students.	Continue to operate various payment options for enrolment and present clear student finance information for potential students.	Maintain KPI.	Maintain KPI.
	Improve % of bad debt collection though our nominated debt collection agency by working closely with them in pursuing legal action where necessary.	Collected over 43% of historical bad debt in 2013/14.	Aim to maintain bad debt collection at over 45% of amount referred.	Maintain KPI.	Maintain KPI.	Maintain KPI.	Maintain KPI.
	Provide clear and complete information to students on their funding options so they are aware of their financial commitment from the beginning of their programme of study.	Attended open days, parents information evenings, applicant visit days and gave talks and workshops to students.	Attend university events, open days, schools and information fairs to promote University finance, the packages available and the benefits of HE with colleagues in SCLS and the schools.	Maintain KPI.	Maintain KPI.	Maintain KPI.	Maintain KPI.
	Offer multiple payment options to students through webpayments, cashiers office and telephone payments to assist in greater flexibility for the customer.	Offered card/cash payments online and at the cash office. Took telephone payments.	Encourage students through publicity to use the payment options available online to make collection more efficient and less labour intensive.	Maintain KPI.	Maintain KPI.	Maintain KPI.	Maintain KPI.
	Continued early invoicing of tuition fees to allow earlier in year collection of money and aid in the planning of income.	Tuition fee invoicing completed by the end of October with only late starters to complete.	Look to introduce further automation and enhancements in ASIS to assist early invoicing. Tribal consultant to come and look at our current process to see if further automation can be built in.	Invoice tuition fees within one month of students enrolling	Maintain KPI.	Maintain KPI.	Maintain KPI.
Enhance the quality of customer service provision. (A1, A2, E7)	Work closely with the ipoint team to establish sector leading levels of service and customer satisfaction.	Operated SFO desk from opening and helped the ipoint gain the knowledge needed.	Looking to build on the positive start in Student Central by consulting with our customers through surveys. Service will be reviewed to make enhancements on an ongoing basis	To review the service and make changes as necessary to the Student Finance Office provision to ensure excellent customer service.	Maintain KPI.	Maintain KPI.	Maintain KPI.
	Offer a dedicated Student Support facility in Student Central from 10am to 4 pm Monday to Friday.	Offering the customer support within the initial service standard.	Offering the service currently but will monitor the hours of opening and revise to ensure the best standard of service available.	Maintain KPI.	Maintain KPI.	Maintain KPI.	Maintain KPI.
Provide student financial support (A2)	Manage the Access to Learning Fund or any replacement and distribute payments to students in line with HEFCE/University guidance.	Managed and distributed along HEFCE guidelines.	Continue to administer the fund within HEFCE/University guidelines and assist students in financial hardship.	Maintain KPI.	Maintain KPI.	Maintain KPI.	Maintain KPI.
	Administer University bursaries and scholarships in line with University rules.	Paid the bursary and NSP in line with our rules and in accordance with OFFA/HEFCE requirements.	Award, inform, and pay our students the University bursaries and scholarships as per our rules. Able to adapt to any changes in rules and amounts of award as instructed. Provide management information on spend and do necessary returns to OFFA/HEFCE.	Maintain KPI.	Maintain KPI.	Maintain KPI.	Maintain KPI.

Contribution to Strategic Plan	Objectives	Baseline (2013)	Target (2014)	Target (2015)	Target (2016)	Target (2017)	Target (2018)
Effective and efficient internal financial reporting E4, E5, E6 & E7 (All E7 except where indicated)	Preparation of management accounts and school performance reports on time	Individual School/Service reports submitted in 1 day University wide reports in 20 days	Individual School/Service reports submitted in 1 day University wide reports in 20 days	Maintain KPI	Maintain KPI	Maintain KPI	Maintain KPI
	Implementation of Agresso Budget Planner module	Initial investigation of Planner capabilities	Software implementation in May 2014	Embedding during 2014-15	Used for Enhanced budgeting and scenario building 2015-16	Construction of live scenario model	N/A
	Improving the information available on the Financial Services website in respect of budgeting and management accounting practices	Basic information held on web-pages without regular update	New and updated information on web-pages by 31 July annually	Maintain KPI	Maintain KPI	Maintain KPI	Maintain KPI
	Enhanced reporting of Research & Enterprise activity	Reporting undertaken without a clear reconciliation	Reconciliation of data completed in October 2013	N/A	N/A	N/A	N/A
	Deriving Home&EU enrolled fee paying student numbers at an earlier point	Initial discussions for the design of new and faster reporting processes	Construction of new Excelerator reports in November 2013	Enhance Excelerator reports and use for budgeting purposes in November - March	Excelerator reports designed for other tuition fee income streams	N/A	N/A
	Identify surplus/(deficit) at School division level - First stage is to improve financial reporting by the allocation of tuition fee actuals and budget to divisions and to a greater number of nominal accounts	New nominal accounts established. Initial discussions held with Schools as to how to allocate tuition fee income to divisions	Split of tuition fee income to divisions	Assess outputs of divisional reports	Embed processes	N/A	N/A
	Financial forecasts and mid-year review embedded as a single process	Continuing use of a new timetable to eliminate duplication of work	Issue of timetable in December with completion of process in April	Review of processes with schools and services to further reduce the timetable	N/A	N/A	N/A
	Automatic production of carry forward balances	New Excelerator report constructed for the automatic production of carry forward balances at year end	Completion of year end figures from Agresso by third week in September for combining with EOY DevRev	Maintain KPI	Maintain KPI	Maintain KPI	Maintain KPI
	DevRev models produced when required E4 & E5	Data prepared by Financial Services by the required deadline	Completion of Financial Services data by the timetabled deadlines	Maintain KPI	Maintain KPI	Maintain KPI	Maintain KPI
	Benchmarking of forecasting accuracy	Benchmarking group established with initial exchange of data	A year-on-year improvement & better than average against other universities	Expansion of benchmarking group by including institutions outside of the North East region	Maintain KPI	Maintain KPI	Maintain KPI
	Internal investigation of forecasting accuracy	Design of initial reports to capture trends in forecasting accuracy for all schools and services	Evidence of trends in variances presented to those schools and services showing no improvement	Year-on-year improvement in the number and size of variances	Maintain KPI	Maintain KPI	Maintain KPI
	Achieve a 3% surplus on the Financial Services DevRev allocation E6	13% surplus achieved	Minimum 3% surplus	Maintain KPI	Maintain KPI	Maintain KPI	Maintain KPI
Effective and efficient external reporting E7	Efficient and effective production of the TRAC returns	Submitted on time with no validation errors and queries from HEFCE	Submission of agreed TRAC returns by the HEFCE deadline with no validation issues	Continued improvement in processes to automate more and complete the returns earlier	Maintain KPI	Maintain KPI	Maintain KPI
	HESA FSR & HEBCI submitted accurately and on time	Submitted on time with 8 queries from HESA and none unresolved	Submission of agreed HESA returns by the deadline with no validation issues and no more than 8 queries on Minerva	Submission of agreed HESA returns by the deadline with no validation issues and no more than 7 queries on Minerva	Submission of agreed HESA returns by the deadline with no validation issues and no more than 6 queries on Minerva	Maintain KPI	Maintain KPI
	HEFCE Annual Accountability Returns submitted accurately and on time	Submitted on time with no queries from HEFCE	Submission of agreed TRAC returns by the HEFCE deadline with no	Maintain KPI	Maintain KPI	Maintain KPI	Maintain KPI
	VAT Returns submitted accurately and on time	Submitted on time with no queries from Customs & Excise	Submission of returns on time with no significant queries raised	Maintain KPI	Maintain KPI	Maintain KPI	Maintain KPI
	Year end accounts completed on time with minimal audit points	Accounts submitted on time. Only 5 audit points identified and all were considered to have a low risk	Completion on time and fewer than seven audit comments with none identified as a significant deficiency	Derive opening balances under the new SORP reporting requirements	Fully implement the new SORP reporting requirements	Maintain KPI	Maintain KPI
Effective treasury management E4 & E5	Maximise return on investments	93% of available cash was invested for at least 90% of the time to maximise returns	95% of available cash is invested for at least 90% of the time to maximise returns	Maintain KPI	Maintain KPI	Maintain KPI	Maintain KPI
	Alternative investments undertaken through the Funding Circle	4.9% return achieved	Minimum 5% return	Maintain KPI	Maintain KPI	Maintain KPI	Maintain KPI

Contribution to Strategic Plan	Objectives	Baseline (2013)	Target (2014)	Target (2015)	Target (2016)	Target (2017)	Target (2018)
Upgrade Agresso Finance system to improve core processes and performance	More functionality available on the web or as mobile apps. [E7]	Apply upgrade to test system and explore functionality.	Software implementation May 2014	Consider current unused apps and their usefulness to the University	Maintain KPI	Review any new Agresso apps	Maintain KPI
	Work on the interface with new sportshall software - XN Leisure	Build an interface with XN Leisure to simplify/automate the dataload between the two systems.	Software issues with XN Leisure has slowed this down, so aiming for April for process to be agreed and in place.	Maintain KPI	Maintain KPI	Maintain KPI	Maintain KPI
	Implement Budget Planner module to enable future scenario building and project lifetime reports [E7]	Apply upgrade to test system and explore functionality.	Software implementation May 2014	Review performance to ensure full potential achieved	Maintain KPI	Maintain KPI	Maintain KPI
	Introduction of new Commitment accounting module enabling the user to perform online check of availability of funds at point of entry. [E5, E7.E8]	Apply upgrade to test system and explore functionality.	Software implementation May 2014	Review performance	Maintain KPI	Maintain KPI	Maintain KPI
	Work on an interface between the ARCP module and Dynamics the CRM system. [E7]		Software implementation August 2014	Identify if any amendments are required	Maintain KPI	Maintain KPI	Maintain KPI
	Implementation of Award, Research, Costing and Pricing module for R&E pre-award team. Enabling greater transparency on applications, their status and audit trail. [A6, E7, E8]		Software implementation August 2014	Work with academics and researchers to build a suite of 'appropriate' reports.	Review processes again to ensure full benefit being achieved	Maintain KPI	Maintain KPI
	Implementation of Project costing and billing module for R&E post award team [A6, E7, E8]		Software implementation August 2014	Work with academics and researchers to build a suite of 'appropriate' reports.	Review processes again to ensure full benefit being achieved	Maintain KPI	Maintain KPI
	Detailed payroll dataload with full data control [E7]	*Detailed payroll dataload with full data control enabling easier reporting and planning.*	August 2014[?]	Maintain KPI	Maintain KPI	Maintain KPI	Maintain KPI
	Increase usage of online payments	During 12/13 just under 20% of self paying fees were collected online.	30% collected online	35% collected online	40% collected online	Maintain KPI	Maintain KPI
	Enable DCC for students to pay in their own currency [E7]	*Dynamic currency conversion [DCC] on all payment pathways.*	August 2014?	Review payment options available	Implement any updates	Maintain KPI	Maintain KPI
	Exploring the feasibility of accepting Recurring Card Payment for an alternative payment method for self paying students E7		August 2014?	Review usage and make any adjustments	Maintain KPI	Maintain KPI	Maintain KPI
	Contract Management for Procurement [E7]			Ensure products under contract can only be bought from agreed suppliers, measure orders, delivered and invoiced against each contract.	Review, agree and implement changes	Maintain KPI	Maintain KPI
	Stock Control for Applied Sciences chemical stores and Estates Catering Services [E7]			Better control on stock and procure in a timely manner	Review, agree and implement any changes	Maintain KPI	Maintain KPI
Continually seek improvement in Finance related processes	Streamline procedures, automate where possible	Meet with Schools and Services to review usage, identify issues	Continue with meetings - consider changes that could be made	Maintain KPI	Maintain KPI	Maintain KPI	Maintain KPI
Improve Core Processes and performance	Downtime less than 4 days per year.	No 'unplanned' downtime during this period.	Maintain downtime at less than 4 days.	Maintain KPI	Maintain downtime at less than 3 days	Maintain KPI	Maintain KPI
	PCI DSS compliance to ensure the University is able to continue taking card payments in a safe and secure way.	Work towards an audit.	Maintain compliance on all payment acceptance pathways.	Maintain compliance on all payment acceptance pathways.	Maintain KPI	Maintain KPI	Maintain KPI

Contribution to Strategic Plan	Objectives	Baseline (2013)	Target (2014)	Target (2015)	Target (2016)	Target (2017)	Target (2018)
Cost Savings E4/E5	Savings above Gershon recommendation of 3% p.a.	4.2% Achieved July 2013	Maintain KPI	Maintain KPI	Maintain KPI	Maintain KPI	Maintain KPI
Enhancing Supplier Performance E5	Spend above Diamond recommendation of 30%	Spend 36.79% Nov-13	Maintain KPI	Maintain KPI	Maintain KPI	Maintain KPI	Maintain KPI
	Contract compliance above 75%	Achieved 90% Aug-13	Maintain KPI	Maintain KPI	Maintain KPI	Maintain KPI	Maintain KPI
Mitigating legal and operational risk E5	All tenders to be done electronically Target 100%	On-going	Achieve 100%	Maintain KPI	Maintain KPI	Maintain KPI	Maintain KPI
	Avoid legal challenges against all procurements 0%	0% July-13	Maintain KPI	Maintain KPI	Maintain KPI	Maintain KPI	Maintain KPI
Effective and Efficient Support Systems E7	Annual growth of suppliers on market place	36 Suppliers Live	Maintain KPI	Maintain KPI	Maintain KPI	Maintain KPI	Maintain KPI
	Annual growth of P/Card spend	£7.2 million	Maintain KPI	Maintain KPI	Maintain KPI	Maintain KPI	Maintain KPI
	Continuous Improvement in Procurement maturity level	Level 3	Level 3-4	Maintain KPI	Maintain KPI	Maintain KPI	Maintain KPI
	Insurance premium within budget	Renewal within budget	Maintain KPI	Maintain KPI	Maintain KPI	Maintain KPI	Maintain KPI
Establish best practice E7	Issue News letter with best practice quarterly	Issued Feb 2013	Issued Dec-13				
	3 courses to attend HEPA courses in 12 months	5 Courses attended	Maintain KPI	Maintain KPI	Maintain KPI	Maintain KPI	Maintain KPI
	Savings- cashable and non cashable to exceed £250,000 p.a.	Nov -13 £554,534	Maintain KPI	Maintain KPI	Maintain KPI	Maintain KPI	Maintain KPI
	Submit an annual procurement performance report	Published Nov-13	Maintain KPI	Maintain KPI	Maintain KPI	Maintain KPI	Maintain KPI
Benchmarking against best in class E7	Audit Report UNIAC into procurement	Grade 1 substantial assurance					
	Audit Report Unit 4 Business P2P SYSTEMS	95% Aug-13					
Establish Sustainability & Carbon Management in all activities E5	Improve Sustainability level against National Framework	Level 2	Level 3	Maintain KPI	Maintain KPI	Maintain KPI	Maintain KPI
	Recycle material through SPURS to value of £40k	£40,000	Maintain KPI	Maintain KPI	Maintain KPI	Maintain KPI	Maintain KPI

Risk Description: Income and Debtors

Risk Owner: Head of Student Finance

	Critical Risk Factor	Likelihood	Impact	Raw Risk	Control Measures	Residual Risk	Risk Indicators
	Failure to collect fee loan income for home students	2	5	2x5=10	Established collection procedures Fee loan administration and confirmation through SIS portal Requirement for student to show confirmation of fee loan at enrolment University sanction for non payment.	2x5=10	Loss of fee income would lead to cash flow shortage. More fees charged to self payers Less projected income from SFE Non standard Month/Year end data
	Collection of international fee income	2	5	2x5=10	CAS visa requirement of deposit 50% payment of fees post enrolment University sanction for non payment In year withdrawal for non payment	2x5=10	Loss of fee income Decreased enrolment numbers Increasing number of students under university sanction. Non standard Month/Year end data
	Students do not receive maintenance payments.	1	5	1x5=5	If SIS portal fails we can make short term manual payments through hardship funds	1x5=5	Contact from students SLC inform of IT system failure
	Do not invoice the correct tuition fees.	2	5	2x5=10	IT systems in place to automated fee invoices based on established fee rules. Shared expertise in the office on student finance and charging regimes.	2x5=10	Complaints from students Non compliance of funding council checks
	Do not comply to HEFCE rules on funding data for HESA/HESES	1	5	1x5=5	Ensure all students records are correctly coded and all the necessary data fields completed	1x5=5	HEFCE audit of Student Records failed.

Risk Description: Financial Management

Risk Owner: Deputy Director of Finance

	Critical Risk Factor	Likelihood	Impact	Raw Risk	Control Measures	Residual Risk	Risk Indicators
	Failure to prepare and submit statutory returns accurately and on time	1	5	1x5=5	1. Effective timetabling 2. Validation checks 3. Internal and external audit	1x2=3	1. Validation warnings 2. Failure to submit returns for approval
	Failure to satisfy external audit reporting requirements	1	3	1x3=3	1. Maintenance of required knowledge and skills 2. Liaising with external auditors	1x3=3	1. Advice and guidance not adopted 2. Failure to retain key staff
	Failure to prevent fraud	2	5	2x4=8	1. Effective control mechanisms including division of duties and timely reconciliations 2. Internal and external audit	2x4=8	1. Discovery of abnormal transactions or events
	Insufficient or inadequate financial management information leading to poor decisions	2	5	2x4=8	1. Maintenance of monthly and quarterly management accounting reports 2. Effective decision support analysis and good working relations with schools and services	2x3=6	1. Inability to provide rapid and accurate financial analyses 2. Negative feedback on accuracy
	Loss of a key cash investment	2	3	2x3=6	1. Maintenance of a diversified portfolio of cash investments 2. Risk-averse investment framework	2x3=6	1. Advice from brokers 2. Negative financial press

Risk Description: Financial Systems

Risk Owner: Head of Financial Systems

	Critical Risk Factor	Likelihood	Impact	Raw Risk	Control Measures	Residual Risk	Risk Indicators
	PCIDSS compliance failure	2	4	2x4=8	Continuous monitoring of all card capture environments to ensure compliance and reduce risk – card machines and web payment options Use of independent external auditor as guarantee of our compliance.	2x4=8	Unable to take card payments. QSA finding weaknesses in our controls and policies.
	Lack of IT support and expertise	3	4	3x4=12	Increase and widen knowledge within the Agresso team, meet regularly with BAT's team to identify possible issues early.	3x4=12	System failure with no IT knowledge to bring the systems back on line, or length of time system down.
	System failure leading to Finance systems being unavailable	1	4	1x4=4	Regular housekeeping, back-ups, second machine room and access to software support.	1x4=4	No access to Agresso even via the web. Unable to take online student payments.

Risk Description: Procurement and Purchasing

Risk Owner: Head of Procurement

	Critical Risk Factor	Likelihood	Impact	Raw Risk	Control Measures	Residual Risk	Risk Indicators
	Under insuring the University	2	5	2x5=10	Check at each insurance renewal that all information submitted has been checked and reflects the University's insurance risk. Add or subtract from the University property portfolio as new or old buildings appear or are demolitioned. Increase property values in line with professional recommendations by our insurers and have an independent value done every 5 years. Similarly with contents noting any significant changes in commodity prices which would affect the Universities contents value.	1x2=2	Discrepancies within valuation reports. Anomalies from audit or consultancy reports into insurance
	Non-compliance with EU Procurement Rules resulting in loss of reputation and financial penalty	1	5	1x5=5	Make sure all procurements above the threshold value are conducted with central procurement. Monitor all orders placed above the threshold and check that these are EU Compliant	1x2=2	Challenges from suppliers. Poor debriefing of unsuccessful suppliers
	Failure to meet the requirements of funding grants	2	5	2x5=10	Make sure staff involved in these projects are fully au fait with the funding grant rules and monitor/lead any procurement activity associated with funding grants.	1x3=3	Orders going through which are not supported by evidence of procurement path used
	Suppliers/Sole Traders going bust	2	5	2x5=10	Do full company check on Credit safe prior to engaging the Supplier Monitor financial health of critical suppliers. Try to secure understanding with sole trader on product/ service rights.	1x1=1	Poor supply performance Tracker indications of deterioration of company wellbeing
	Supply Chain Shortages such as computer chips	1	3	1x3=3	Manage the supply chain and communicate regularly with suppliers to monitor availability of critical components	1x2=2	Supply chain alerts; rising prices, Political unrest in country of supply