

**To: Heads of higher education
institutions in Wales**

Reference: W05/68HE
Date: 25 November 2005
Response By: 31 January 2006
Further Information: Hannah Falvey
029 2068 2240
hannah.falvey@hefcw.ac.uk

Transparency Review reporting for academic year 2004/05

I am writing to ask you to submit your institution's Transparency Review return for 2004/05. A response is required by **31 January 2006**. This date is also the deadline for a further submission of benchmarking data to the QA team and separate instructions on this process will be issued shortly.

In July 2000 we issued Circular letter W00/67HE (dated 3 July 2000) which formally notified you of the Transparency Review reporting requirements. In June 2005, the Joint Costing and Pricing Steering Group (JCPSG) published the consolidated TRAC guidance which included the requirement for institutions to report on income as well as costs. All institutions are therefore required to report on the costs and income of their activities for the academic year 2004/05.

In reporting these data, please confirm that:

- the costs reported have been prepared in accordance with the TRAC requirements – as set out in Section B (minimum requirements) of Part III of the TRAC Guidance, issued by the JCPSG in June 2005
- the income has been prepared in accordance with the Funding Councils' requirements set out in Annex 16 of that guidance.

The annual TRAC return also asks institutions to provide details of the Board committee responsible for confirming compliance with the process standards (costing standard 8). Guidance on meeting this standard is set out in Part II of the TRAC Guidance, Chapter C. In providing assurance to the head of institution, the relevant committee should seek assurance from the internal auditors to confirm that they have reviewed progress on meeting the Transparency Review requirements; that the processes in place comply with the TRAC Reference Manual; and that the institution has introduced the original TRAC methods on a robust basis.

We previously indicated that a report on the revisions to the methods for calculating the economic adjustments would be published in time for this year's return. Work to test the impact of these changes is not yet complete. Consequently any changes will not take effect until the 2005/06 return in January 2007.

Submitting returns for 2004/05

The TRAC return form is enclosed with this letter for information only. An electronic return should be completed and submitted through the HEFCE extranet. A copy of this letter will be sent to your Director or Head of Finance, with details of how to access the extranet.

A hard copy of the completed return, signed by you (as head of institution) should also be sent by 31 January 2006 to:

Hannah Falvey
HE Statistics
HEFCW
Linden Court
The Orchards
Ilex Close
Llanishen
Cardiff
CF14 5DZ

We will treat the information provided as strictly confidential. We will report to the Welsh Assembly Government on the sector aggregate data only, and we expect to publish the sector aggregate data.

For further information about the reporting requirements, please contact me at hannah.falvey@hefcw.ac.uk or on 029 2068 2240.

Yours sincerely

Hannah Falvey
Senior Manager: Statistics and Funding