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Circular

Annual TRAC return for academic year 2009/10

Date: 09 November 2010
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To: Heads of higher education institutions in Wales
Response by: 31 January 2011
Contact: TRAC reporting queries should be directed towards either:
Bethan Owen, Telephone: (029)20 682215
Email: bethan.owen@hefcw.ac.uk; or
Neil Hempstead, Telephone: (029)20 682286
Email: neil.hempstead@hefcw.ac.uk

This circular requests institutions to submit their annual Transparent Approach to Costing (TRAC) Return for 2009/10.

This document is available online, in large print, Braille, on CD and on audio CD and cassette. Should you or someone you know require this in an alternative format, please contact us on (029) 2068 2225 or email info@hefcw.ac.uk.

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Annual TRAC return for academic year 2009/10

1. This circular asks you to submit your institution's annual Transparent Approach to Costing (TRAC) Return by **31 January 2011**.
2. You will be aware of the importance of TRAC data to support institutional decision making and to inform public policy making. The keynote speech from Sir William Wakeham at the recent TRAC practitioners' conference (a copy of his presentation is available at <http://www.hefce.ac.uk/finance/fundinghe/trac/tdg/work.htm>) reinforced the importance of ensuring confidence in TRAC by providing assurance to funders that institutions have faith in their TRAC returns and that TRAC information provides meaningful information that informs institutions' strategic thinking and operational management.
3. The template incorporates in a single return:
 - a. the annual TRAC reporting requirements
 - b. the charge-out rates for research collected on behalf of Research Councils UK (RCUK), which will be used for benchmarking purposes. To help improve the quality of the data submitted, a number of automatic and self-validation checks have been introduced, as well as a free format template for institutions to explain any unusual movements when comparing their data with the previous year.
4. 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 Joint Costing and Pricing Steering Group in June 2005, and subsequent revisions and updates as published at www.jcpsg.ac.uk under TRAC guidance
 - income has been prepared in accordance with the Funding Councils' requirements set out in the updated Annex 16 of that guidance
 - tests for reasonableness have been carried out and the results of these have been presented to a Board Committee to give assurance that the outcome is fair and reasonable, as required in part II, Chapter C.1.

The TRAC Development Group issued guidelines 1, 2 and 3 in October 2009 (QAV, key risk sign-off and fEC project costing), and guidelines 4 & 5 in April 2010 (academic time allocation and other updates including sustainability). Copies of these guidelines are available at <http://www.jcpsg.ac.uk/guidance/revisions> . Your return and supporting documentation should conform to these requirements.

TRAC Update No. 3 (October 2009) included a requirement for institutions to carry out *a full self-assessment of compliance on each point listed in the Statement of Requirements (and any Updates not yet incorporated into that Statement) to be carried out at least every three years. The first full self-assessment should be carried out no later than 31 January 2011.* See Update No. 3, or point A.5.3 in the Statement of Requirements, for more information.

5. The annual TRAC return also asks institutions to provide details of the committee, authorised by the governing body, responsible for confirming compliance with the costing standards. These standards are set out in Part II of the TRAC Guidance, Chapter B.2. The relevant committee should seek assurance from the internal auditors to confirm:
 - that they have reviewed progress on meeting the annual TRAC requirements
 - that the processes in place comply with the TRAC Guidance
 - that the institution has implemented TRAC methods on a robust basis.

We are aware that in certain institutions the calendar of meetings does not coincide with the TRAC return submission dates and therefore the relevant Board – appointed committee may not have reviewed and approved the results in strict accordance with the TRAC guidance; in this instance we ask that the person signing the TRAC return confirms that proper authority has been given to approve and sign off, and that the result any subsequent review by committee is confirmed back to us.

Submitting returns for 2009/10

TRAC Returns

6. A sample PDF version of a TRAC return form can be downloaded from the TRAC Guidance web pages at www.jcpsg.ac.uk/guidance/annexes (Annex 16); in addition, a list of peer groups that will be used for the 2009-10 TRAC benchmarking and an updated income allocation schedule can be found there. Your institution's individualised template for completion of the TRAC **data** return should be downloaded and submitted through the HEFCE extranet. As recently advised to you by email the individual organisational keys for 2009-10 remain unchanged from last year. If your Head of Finance or TRAC manager has difficulty accessing the extranet, they should contact either of the names given at the top of this circular.
7. A scanned, copy of the completed TRAC return, signed by you (as head of institution) should be emailed by 31 January 2011 to neil.hempstead@hefcw.ac.uk. We will treat the information provided as

strictly confidential. We will report to the Welsh Assembly Government on the sector aggregate TRAC return data, which we expect to publish.

8. Benchmarking feedback reports will be made available for download from the HEFCE extranet in due course. Please note also that in professor Phil Gummett's letter to heads of institutions in July 2010, a number of institutions were advise that they might be eligible to transfer to a different benchmarking group according to the TRAC criteria (due to growth in total income or research income, etc); please notify HEFCE and ourselves if you intend to change to a different group.

Freedom of Information

9. HEFCW and HEFCE are covered by the Freedom of Information Act 2000. The Act gives a public right of access to any information held by public authorities. In the event of a request for information contained in TRAC returns, we have a duty to decide whether information should be released or treated as confidential. Requests must be considered on a case-by-case basis, and we can refuse to disclose information only in specific circumstances. Should we receive a request, we will give careful consideration to whether the release of this information would, or would be likely, to harm the commercial interests of institutions submitting the data.
10. For information about HEFCW's TRAC reporting requirements, please contact Neil Hempstead or Bethan Owen. Details of all HEFCW contacts are on the web at http://www.hefcw.ac.uk/about_us/staff_directory/staff_dir_con_details.aspx

For further advice the TRAC Support Unit has responsibilities in the following areas:

- provision of the TRAC Helpdesk (covering all aspects of the TRAC guidance, annual TRAC and TRAC EC-FP7)
- policy research and support to the Financial Sustainability Strategy Group and the TRAC Development Group; TRAC Guidance research and development
- communication with the sector on TRAC
- support for the TRAC Self Help groups
- promulgation of TRAC among the sector's stakeholders.

The Support Unit can be contacted via e-mail (trachelpdesk@kpmg.co.uk) or phone (tel 0115 935 3400).