FINANCE OFFICE

PEER REVIEW GROUP
- Professor P. Murphy, Department of Electrical & Electronic Engineering, UCC. (Chair)
- Professor A. Maguire, Department of Chemistry, UCC.
- Ms G. Dempsey, Treasurer, Trinity College Dublin, Ireland
- Mr N. Bennett, Director of Finance, Queen's University Belfast, Northern Ireland

SITE VISIT
The site visit was conducted over 2.5 days from 3-5 May 2005 and included visits to departmental and library facilities and meetings with
- Head and staff of the Finance Office as a group and individually
- Representatives of undergraduate and postgraduate students
- Representatives of staff of UCC
- Deans of Faculties
- Representatives of employers, past graduates and other external stakeholders
- Mr Michael O'Sullivan, Vice-President for Planning, Communications & Development (via conference call)
- Mr Michael Kelleher, Secretary & Bursar
- Professor Áine Hyland, Vice-President
- Professor Paul Giller, Registrar & Vice-President for Academic Affairs
- Professor Peter Kennedy, Vice-President for Research Policy & Support
- Ms Anne Gannon, Recruitment Manager, Department of Human Resources
- Mr Martin Hayes, Director, Computer Centre

An exit presentation of the principal findings of the Peer Review Group was made to staff of the department in the afternoon of the second day.

DESCRIPTION OF FINANCE OFFICE
Note: Data given is for the academic year 2004/05

Acting Head of Unit
(for period when Head of Unit was on leave): Ms. Susan Goggin
Head of Unit: Ms. Mary McSweeney
Staff: 58 Staff
Location of Unit: North Wing, Main Quadrangle;
                                                54 College Road

MISSION STATEMENT
"To provide efficient, effective and professional financial services to all students, staff and stakeholders of the University."

STRATEGIC OBJECTIVES OF UNIT

- Effective management of the University's assets.
- Ensuring college wide compliance with financial and other regulations.
- Supporting the University's Senior Management and the Strategic Planning Process, by providing objective, accurate and timely analysis of information to assist central and unit decision-making processes.
- Assisting Senior Management in the development and implementation of a Resource Allocation Model to ensure that resources are allocated to areas of the highest priority, as identified in the University's Strategic Plan.
- Maintaining effective working relationships with all stakeholders.
- Meeting the deadlines set by external organisations including the HEA, Funding Bodies and Revenue Commissioners.
- Striving continuously to improve the quality of service provided.

GENERAL COMMENT ON QUALITY REVIEW

The PRG acknowledged the high quality of the self-assessment report. The material presented was comprehensive, accurate and extremely well presented. The unit was complimented on the collaborative manner in which the report was compiled and the readiness of all staff to participate in the QA process.

SWOT analysis: The SWOT analysis was generally very satisfactory. The PRG were confident that most of the primary issues that affect the quality of service provided by the unit were correctly identified and analysed. Furthermore, the range of subsequent quality improvement action items that have already been initiated or completed was commended.

Benchmarking: The benchmarking exercises carried out by the Research Office, Fees Office and Procurements Office were informative and worthwhile. The comparative analysis of resources and procedures was very satisfactory.

The PRG particularly wished to acknowledge the professionalism and responsiveness of the staff in compiling and presenting supplementary information that was requested during the site visit. Detailed ranked lists of recommendations, with and without resource implications, were provided to the PRG and were extremely helpful in the deliberations of the group and in formulating the report.

The PRG noted that the regulatory and budgetary environment in which the Finance Office, on behalf of the College, must operate has become significantly more complex, challenging and resource hungry in recent years. In particular, the advent of the Universities Act 1997, the application of Sections 372AK-KV (Residences (Section 25)) and 843 (PRTLI Projects) of the Consolidated Tax Acts, changes in tax legislation and the increased volume of audit application, and the increased reporting requirements of research funding agencies such as SFI have all contributed to a considerable increase in the workload and responsibilities of Finance Office staff. In the financial environment of recent years the lack of a multi-annual budgeting process, as recommended by the OECD Report, and the ongoing notification of annual grant allocation well into the University's financial year creates financial risk exposures for the University and the Accounting Officer through the necessary lateness of the budgeting process supported by the Finance Office.

PROGRESS MADE ON THE IMPLEMENTATION OF PRG RECOMMENDATIONS

A meeting to discuss progress made in implementing recommendations for improvement arising from the review of the Finance Office was held on 27 October 2006.

Present: Mr. Diarmuid Collins, Bursar/Chief Financial Officer, UCC
                Mr. Cormac McSweeney, Acting Finance Officer, Finance Office
                Dr. Norma Ryan, Director, Quality Promotion Unit
                Ms. Deirdre O'Brien, Administrator, Quality Promotion Unit

Abbreviations
PRG: Peer Review Group   *VP: Vice-President*
QPC: Quality Promotion Committee   *QIP: Quality Improvement Plan*
UMG: University Management Group   *MIS: Management Information System*
HR: Human Resources   *FO: Finance Office*
RAM: Resource Allocation Model   *PO: Procurement Office*
SLP: Service Level Provision   *SLA: Service Level Agreement*
DES: Department of Education & Science   *AOIP: Allocation Overhead Implementation Plan*
FMS: Financial Management System   *SFI: Science Foundation Ireland*

Recommendation of PRG	Recommendation of QPC	Follow-up Report October 06
That internal and external communication be improved.	Strongly endorsed. The need to explain to stakeholders the reasons for actions taken by the FO (e.g. legislation, audit recommendations, etc.) was emphasised and the use of the web site for this purpose in addition to other means of communication was strongly supported. The QPC noted the improvements that have already been made to the web site and stressed the need to make recommendations accessible and catalogued in a user-friendly way.	Implemented and ongoing. The website has been improved and continues to be updated; this includes streamlining the website to comply with the UCC layout and improving external access. The Finance Office continues to be cognisant of the need for communication within UCC and has organised workshops for academic and administration users on the following topics: Coding, MIS Portal, RAM. The Finance Office will continue to engage with the wider university and organise further workshops on a regular basis. Internally, sections in the Finance Office meet at least fortnightly.
That a multi-annual budgetary process be put in place.	Endorsed. The QPC noted that in future, with the establishment of the RAM, that it will be possible to make forecasts of budgets on a multi-annual basis and endorsed the recommendation that a process be put in place internally to facilitate this.	Implemented and ongoing. Phase 1 of RAM has been implemented. The Finance Office is working on a demonstration model for RAM which will allow departments to make budget forecasts.

Recommendation of PRG	Recommendation of QPC	Follow-up Report October 06
That the transition from a Service Level Provision (SLP) to a Service Level Agreement (SLA), be made.	Endorsed.	Ongoing. A draft Service Level Agreement will go to the next UMG for approval. It is expected that the SLA will be finalised by December 2006.
The acquisition and implementation of a new computerised financial information system must be addressed as an urgent priority.	Strongly endorsed.	Ongoing. Approval for a new computerised financial information system has been received from UMG along with a guarantee of funding. The Finance Office is currently in the process of evaluating potential tenders for this project and a project manager has been employed. It is envisaged that a phased implementation will commence in time for the next academic year.
The PRG welcomes the current university initiative in developing a resource allocation model but cautions that such a model must be linked to well-defined planning and budgetary processes.	Endorsed.	Implemented. The Resource Allocation Model has been implemented and will be continuously reviewed and refined.
The current reliance on independent external systems consultants is neither cost-effective nor strategically sound. The situation is sufficiently critical that it merits urgent attention and action independently of such developments.	Endorsed. The QPC noted that use of external systems consultants should take place only in exceptional circumstances.	Not implemented. The intention over time is that the Finance Office will move away from employing external consultations with the development of the new FMS which will eventually have an accompanying internal systems support team.
Whilst our brief was necessarily restricted to the FO it is apparent that there is an urgent requirement to coordinate any future developments in the range of information systems at a college and strategic level.	Strongly endorsed. The QPC noted that a new information portal is presently being developed. In the medium term a new MIS system focusing on Finance Office, Registrar's Office and HR should be created to facilitate the access to key information.	Ongoing. Ease of integration with the current student systems will be a factor for consideration in the procurement of a new computerised financial information system.

Recommendation of PRG	Recommendation of QPC	Follow-up Report October 06
There is an obvious and recognised need to coordinate and rationalise services to students by the Registrar's and Fees offices. Whilst the concept of a "one-stop shop" appears to be generally recognised as a desirable and easily achievable goal we are concerned at the lack of progress on the issue to date. The benefits arising from the successful implementation of this project on a central ground-floor location are self-evident.	Strongly endorsed.	Ongoing. The physical location of such a 'one-stop shop' continues to be a problem. However, progress has been made in the area of Fees and a pilot system was put in place this year whereby students could pay their fees online. This will be rolled out to the entire student body over the next 2/3 years. Through the Irish Universities Association, UCC has been in negotiation with the DES re the payment of student maintenance grants via eft directly to the students' bank accounts. The DES is now willing to support the arguments raised by the IUA in correspondence to date and promote the initiative within Government.
Grant application procedures for researchers need simplification and clarification. See PRG Report for detailed comment.	Endorsed. Noted that the funding agencies often dictate the terms of grant applications and endorsed the FO proposal for action.	Ongoing. A paper was produced on this topic; however, it has since been referred back to the VP for Research.
That a meaningful increase in resources is fully justified from a business point of view. The PRG believe the distribution of such resources within the central administration needs to be reviewed and monitored. Such a review would have to be cogniscent of the distribution of tasks and systems related issues between offices.	Endorsed. The QPC noted that there is a general sense of unhappiness among staff in the University with respect to the present situation and that it is hoped that clarity will be provided in the development and use of the RAM	Ongoing. A benchmarking exercise is due to be carried out, this will be an opportunity to review resourcing and decide an appropriate level of funding for all areas.

Recommendation of PRG	Recommendation of QPC	Follow-up Report October 06
We are puzzled by the rationale behind the present practice whereby the payroll office rather than the Department of Human Resources appears to carry primary responsibility for all administration of records and salary level and coding adjustments for all staff of the University other than permanent and full-time members of staff	Endorsed. Noted that there is presently an interface problem which needs to be solved prior to the implementation of the recommendation	Not implemented. Human Resources is still primarily responsible for the coding of new employees, however, a HR/Finance Committee will be set up to review this in the short term.
That extra staffing resources should be considered for the Procurement Office when it can be demonstrated that a significant net saving can be achieved on a project-by-project basis.	Noted recommendation. QPC commented that if the recommendation is to be implemented then the Procurement Office would need to demonstrate how additional savings are made. The role of the PO is as a facilitator and to ensure that the University is compliant with legislation.	Ongoing. Deloitte is currently undertaking a procurement review in UCC. Their recommendations will be brought to UMG.
That, in relation to any future AOIP submissions, full consideration should be given to service infra-structural needs to ensure on-going sustainability of SFI activities.	Endorsed. QPC noted the balance that needs to be maintained between the SFI and the University's requirements. The need for provision of adequate facilities for postgraduates must be considered together with the need to provide the funds for the university's overheads.	Implemented.
That the efficient functioning of the Finance Office is best served by maintaining a unified and preferably centrally located unit, which can benefit from economies of scale and intra-departmental professionalism.	Noted this recommendation. The QPC agreed in principle with this recommendation	Implemented.