

**UNIVERSITY COLLEGE CORK
NATIONAL UNIVERSITY OF IRELAND, CORK**

QUALITY IMPROVEMENT/QUALITY ASSURANCE

PEER REVIEW GROUP REPORT

FINANCE OFFICE

2012/2013

Confidential

6TH June 2013

PEER REVIEW GROUP MEMBERS

Name	Affiliation	Role
1. Mr Martin Warren	Cardiff Metropolitan University	External Reviewer/Chair
2. Mr Andrew McConnell	University of Huddersfield	External Reviewer
3. Mr John O'Callaghan	UCC Governing Body	Internal Reviewer
4. Dr Ian Pickup	UCC, Head of Student Experience	Internal Reviewer/ Rapporteur

TIMETABLE OF THE SITE VISIT

See Appendix 1

The PRG was made to feel very welcome and appreciated the high level of engagement and participation of Finance Office staff throughout the process. The review team welcomed the opportunity to meet a wide range of staff and stakeholders. However, a small number of issues are raised here for consideration by the QPU:

- i. The first day was extremely condensed with little time for reflection. Perhaps 30 minutes should be allowed for each interview and greater time scheduled between meetings for reflection and review.
- ii. A pre agreement of the timetable with the PRG group would have been advantageous in relation to the ordering and size of some groups.
- iii. The use of a purposeful or cross sectional sample of staff should be considered as part of the methodology. This would serve to reduce the size of some groups and ensure representation across all levels of staff and function. The review team would have welcomed an opportunity to review and have input into the preparation of the schedule in advance.
- iv. A more focused approach to completing the report could be supported by the use of a more detailed template, containing pre-filled information from the Unit's self-review documentation.
- v. Internal input dominated the balance of the schedule on day one and there was a need for external views to be represented earlier in the process. Perhaps a better structure would be to seek external stakeholder views first, followed by a whole department meeting and then individual units. Consideration should also be given to including some stakeholders external to the University e.g. external auditors, members of the Audit Committee.
- vi. The inclusion of internal audit information (as a pre-existing external review of the department) would be encouraged in all reviews.

PEER REVIEW

- Methodology

The PRG met with the Finance Office staff as a group on the first day of the review, and provided verbal feedback to all members of staff who were able to attend on the final day. All members of the PRG were present for each of the individual and group interviews and all members participated in the discussions and subsequent decisions and recommendations. The external expert members of the group undertook to examine in detail the specialist functions of the unit. In particular, they scrutinized the appropriateness of procedures and practices and the effectiveness and suitability of processes and

systems. The findings were considered within the contextual frameworks evident within Ireland, although comparisons with international and particularly UK based institutional processes were made.

The two internal members of the PRG focused on operations from the perspective of the wider UCC community and focused on the quality of service provided to internal stakeholders.

List areas of primary responsibility of each member of the Peer Review Group.

- Site Visit
 - Comment on any aspects of the site visit as appropriate.

The opportunity to visit the various offices was welcomed, particularly as office location was an issue raised within the SAR. The external members of the PRG would have welcomed an opportunity to experience a short tour of the wider campus.

- Peer Review Group Report

The Peer Review Report has been constructed following analysis of the previous quality report, the SAR and use of interviews to triangulate data. The PRG feels that some of the report could have been prepared in advance by an administrator, using a template to facilitate easier and neater recording of findings in line with issues raised in the SAR and with reference to previous reviews.

OVERALL ANALYSIS

- Self-Assessment Report

The PRG was a little surprised by the volume of paperwork produced and the apparent cost that must have been incurred. The accuracy of the report was good, although the PRG felt that some key information was omitted. In particular, the document was largely inward looking and there was an absence of information or comment regarding interaction with the wider University both in terms of the service provided and the views of those receiving the service which clearly is a key part of the unit's function. The PRG felt that some potentially useful supporting documents were omitted, such as a questionnaire to the wider base of university staff generally, financial forecasts, sample external reports, outputs and outcomes and relevant internal audit reports.

- SWOT Analysis

The SWOT is accurate and includes aspects that the Peer Review Group have picked up, although is largely inward facing, and doesn't dwell sufficiently on the external outputs, which are clearly appreciated by colleagues. It was also noted that many of the weaknesses identified are weaknesses of other areas of the University or sector which may be outside the direct control of the Finance Office. The identified challenges are all generally internal – the Finance Office may wish to consider its role in supporting other areas of the University, e.g. supporting students regarding fee payment, direct customer service, how to improve support for areas other than the 4 Colleges. The SWOT has identified a concern regarding limited capacity to move staff across different functions within the Office, but this is not picked up in the SAR.

- Benchmarking

Benchmarking was good; Aberdeen was a good choice, given the similarities identified. The exercise produced some very helpful evidence. The use of the Bearing Point survey was opportune and timely and it was good to note that the Finance Office is perceived to be ahead of the game in the Irish HE sector.

FINDINGS OF THE PEER REVIEW GROUP

Context

In making recommendations the Peer Review Group has recognised the economic and political constraints currently being applied to the University which in many ways constrain and can be counterproductive to achieving change and efficiency. There are therefore some findings and resultant recommendations which may be difficult to carry through. The evident contextual constraints are alien to the UK HE sector and may prevent actions which would be natural in that context. Government has removed the ability for University managers to manage particularly in the area of staff change. Given this, an additional part of the review process may usefully deploy a PESTL analysis and a University wide prioritisation approach to identify opportunities for resource allocation and utilising permitted staff complement in the best interests of the University.

Despite such challenges, the Finance Office is clearly regarded as a highly professional unit within UCC and many stakeholders who took part in this review acknowledged the efforts that the Finance Office has made to steer the University through difficult financial times. The Bursar has been consistently praised for leadership in this regard.

Findings:

Agresso

A recommendation from the previous report was that a new financial system should be introduced (Agresso). We were pleased to find this recommendation had been implemented and has been very well received across the University, and a separate group of staffing within the Finance Office has been established to support users in a very effective manner. However, the manual efficiencies inherent in the implementation of the system have not been fully realised. Whilst management information has been improved for budget holders and this is enabling better informed decision making, many of the previous processes remain in place across the University and this suggests a duplication of work. This also explained the relatively high levels of staffing within certain financial functions identified by the external members of the PRG. There are further opportunities for the enhanced use of Agresso, which would fundamentally modernise the interaction with students, such as the deployment of an accounts receivable module which would streamline the collection of fees. The Agresso team themselves identified an opportunity to revisit the support and development of 'super users' to further enable the use of the system across the University and this is something that the Peer Review Group would endorse. The PRG would also recommend that the University establish a group to oversee the development of corporate systems with the deployment of Unit 4 products (of which Agresso is the financial part) as a potential cornerstone.

Management Accounting

The PRG was pleased to note the extensive interaction of the management accounting team with budget holders to assist their knowledge and management of their resources despite this not being referenced in the SAR. This was supported by evidence from University senior managers who also commented on a notable improvement in the quality of reports following the implementation of Agresso. Staff were perceived to be approachable and very supportive. There was a recognised issue regarding the importance of appropriate coding and the PRG would recommend a consistent dialogue with departments and colleges to continue to educate users regarding the importance of accurate coding and the impact that this has on the efficiency of processing, the quality of management reports and the resultant information.

The Resource Allocation Model (RAM) has been implemented since the last review, and has successfully created greater transparency and understanding of the resourcing of the University. However, in the light of the panel's experience, the PRG would recommend that this now be reviewed to test its suitability for supporting the future financial sustainability of the University in an ever changing and challenging environment. Regular and prompt budget information for managers appears to be a particular priority need to aid their resource management and planning. Longer term planning and resourcing for IT capital spend would be particularly valued.

Fees

The location of and access to office facilities by students are not satisfactory. Logically, the services to students should be located together and the Fees Office would therefore benefit from co-location alongside other services within the proposed Student Hub. In addition, this should provide more confidential space for students to discuss issues with professional staff. The linkage of the student record system with fee collection is essential and consideration of the use of Agresso for this purpose is recommended. The policies relating to fee payment and collection do not appear to be fully transparent to students, and closer liaison with student representatives at key times is encouraged in order to improve communication with the student body and fee collection. The Finance Office proposal to utilise the Agresso accounts receivable module for fee collection is supported. A wider but related issue for the University to consider is the monitoring of student attendance to aid fee collection and retention.

Research

A close relationship between Colleges and the Finance Office was identified, mutually supporting the bidding and monitoring process. This was recognised at UMTS level. The academic community values the support given, but the increasing compliance regime to satisfy funding audits can appear overly bureaucratic and highlights the need for positive communication with researchers to aid their understanding of this need. The role that Finance Office plays in supporting and securing future funding is often significant and should not be overlooked. The reintroduction of a Finance module in the staff induction programme could help to address this issue.

Procurement

This unit is at the leading edge of procurement process development with an ambitious target of a full e-commerce solution. This would largely eliminate paperwork from requisition to settlement. The PRG were impressed with the progress to date and this ambition, and recognise the process improvements that can and should be achieved. We endorse the Finance Office's proposal to expedite an e-market place facility. PRG recognised the significant use in the UK sector of procurement cards and recommends that the University makes close consideration of how they too could benefit further from this approach.

Accounts Payable

Having successfully rolled-out and implemented electronic expense claims and work flow, the introduction of Agresso appears not to have replaced the manual systems which continue to operate. The PRG would have expected a significant fall in the resource applied to this area and are concerned that multiple checking is occurring, without any direct benefit. The potential exists for releasing resources to assist other stretched functions within Finance. The system is designed to be sensitive to the various tax deductions required from specific suppliers and concentration of effort should be on enforcing the system with upfront and accurate purchase requisitions. As there is sufficient end of process review applied through Financial Accounting, the recommendation is that users are trained and supported to fully utilise and trust the system and gain the efficiencies which should flow from the system. The PRG recognises the impending regulation of financial penalties for late payment and the Finance Office must ensure that this does not expose the University to these fines.

Capital Accounting

The recently implemented fixed asset register is being used to meet the dual requirements of a formal accounting register and inventory control. These two functions require different levels of detail and content and therefore one set of criteria for both may be unnecessary and inefficient. The PRG therefore recommend that the processes should be reviewed to reconsider whether this is the most efficient way of meeting the two needs. The PRG, however, recognised the benefits that can be achieved from the register in supporting bids and claims for capital equipment.

Payroll

Relationships between Human Resources and Payroll are well established and the PRG support the developments to upgrade the payroll service put forward by the Finance Office. No direct issues in relation to the operation of payroll were identified, although one issue relating to HR was noted. This relates to part time and casual contract information being inputted by Payroll where this ought to be a HR function to achieve separation of duties – as is the case with full time staff. The PRG recommends that this is corrected.

Treasury

There is recognition that cash management has improved and is better reported since the introduction of the Agresso system. The PRG was surprised to find that the University continues to create bank accounts for individual project purposes; this has culminated in the existence of 102 bank accounts which need to be opened, monitored, reconciled and processed. Whilst acknowledging that in some circumstances funders require separate bank accounts, we recommend that University policy should be that the overwhelming majority of income and expenditure should flow through one bank account and that all the current bank accounts are reviewed and closed where possible. Bank accounts should not be established to track and monitor income and expenditure which is more appropriately done through management accounting.

Financial Accounting

The Finance Office has proposed to reduce the audit lead time for the statutory accounts and the PRG supports this. There is an opportunity within the Agresso finance system to customise reporting for standard external purposes and create the core data for the production of accounts and other monitoring returns. The PRG recommend that the development of these reports is pursued to assist the achievement of this proposal.

Accommodation

The PRG would support the proposal to co-locate all of the Finance functions, and also recognises the shortcomings of the current office environment. Given financial and space constraints, consideration for the redesigning of open plan areas to open up the space should be given priority. In the light of the use of scanning, the offices still appear to be dominated by significant document storage in the working environment, which may be superfluous, better stored in different ways or relocated.

Staff Development

The PRG noted high levels of commitment and enthusiasm of well qualified staff. The development of personal development reviews and plans to capture and build on this is recommended in order to identify and introduce relevant training and development opportunities or rotation of duties within a departmental framework. Concerns regarding release for training and consequent work build up were noted. Increased flexibility and movement of staff between priorities could help to facilitate the staff release and enhance staff morale and motivation.

College based staff

All evidence gathered suggests a positive outcome from the decision to allocate financial human resource in Colleges. The creation of Financial Analysts has both created a financial skill base and advisory capacity close to the College management but also formed a bridge between the Finance Office and the Colleges. The PRG recommend that this is built upon through closer links between the two groups. Consideration should be given to more regular meetings to agree process change, information exchange or strategic management of College finances. The potential for more Finance staff to operate within Colleges should also be considered to further enhance joint working. In addition the PRG recommend that this approach to the services provided by the Finance Office should be considered for other areas of the University.

RECOMMENDATIONS FOR IMPROVEMENT

The delivery of many of the key recommendations made below is dependent upon the resolution of existing issues concerning the management of and within the structure of the Finance Office. The PRG recognises that some of the recommendations are dependent on the empowerment of the Chief Financial Officer as the responsible officer to deliver. Some of these recommendations are so important to the institution that they need full support of UMTO/S.

Administration of the Review

The PRG made a number of recommendations for the QPU around timetabling, population of the review groups, interaction with the wider University and external stakeholders, pre-populating the report template, touring the campus and inclusion of relevant information such as a PESTL analysis and recent internal audit reports. It would have been useful to include Finance Office KPIs in the SAR, benchmarked if possible.

Communications

Some recommendations in the 2006 report have been implemented in this area, but the panel felt that further work could be undertaken perhaps with a Finance Newsletter and the inclusion of “good news” stories

Staff Morale

The PRG felt that a “Quality of Working Life Survey” could highlight issues that would usefully be addressed to improve staff morale, in addition to flagging any leadership and management issues. This would have to be a University-wide initiative

Agresso

The PRG recommends the establishment of a University Steering Group to oversee the development of corporate MIS. For instance, linkage of the student record system with fee collection is essential. The University may also wish to consider the implementation of electronic student attendance monitoring to aid retention and fee collection. There are further opportunities to enhance the use of Agresso such as the deployment of an accounts receivable module; and the development of super users to further enable use of the systems. In addition, the PRG felt that duplicate manual systems have not yet been fully eliminated within some of the financial functions.

Management Accounting

The PRG recommends a continuing and consistent dialogue with Departments and Colleges to educate users in the importance of accurate coding.

The Resource Allocation Model should now be reviewed to test its suitability for supporting the future financial sustainability of the University, including the provision of resources for longer term capital spend.

Earlier budget updating in the reporting cycle would enable better planning by budget holders and management of resources.

Office Accommodation

The PRG would support the proposal to co-locate all of the Finance Office functions. However, given current financial and space constraints, in the interim it is recommended that consideration of open plan areas should be given priority, together with either the relocation or elimination of document storage. Similarly, the lack of space for students to discuss confidential issues is unacceptable.

Fees

The policies relating to fee payment and collection do not appear to be fully transparent to students and closer liaison with student representatives at key times of the year is encouraged.

Research

The increasing compliance regime to satisfy funding audits can sometimes appear to be overly bureaucratic and highlights the need for positive communication with researchers to explain the significant role that the Finance Office plays in supporting and securing future funding bids. The PRG also recommends the reintroduction of a finance module into the staff induction programme.

Accounts Payable

The PRG recommends a user training and support programme to eliminate the continuing use of manual systems for multiple checking of invoices whilst ensuring that the University is not exposed to fines for late payment. The potential exists for releasing resources from this area to assist other stretched functions within Finance.

Capital Accounting

The current use of the fixed asset register for the dual purposes of a fixed asset register and inventory control should be reviewed to ensure this is the most efficient way to achieve both these requirements.

Procurement

The potential introduction of procurement cards should be evaluated to establish whether process or other savings could be achieved for the University without loss of control over spending.

Payroll

The PRG recommends that the inputting of contractual information relating to part-time and casual staff should be a HR function and not take place in Finance in order to achieve separation of duties, as is the case with full time staff.

Treasury

It is recommended that the necessity to maintain all of the current bank accounts is reviewed and that they should be reduced to a minimum where possible. Similarly in future, bank accounts should not be opened (unless as a condition of funding) as a mechanism to track and monitor income and expenditure, which is more efficiently and effectively managed through management accounting systems.

Financial Accounting

The PRG recommends the implementation of customised reporting within Agresso for the production of the annual statutory financial statements.

Staff Development

The development of annual personal development reviews and plans is recommended in order to identify relevant training and development opportunities. This in turn could facilitate more flexibility and rotation of duties within a departmental framework. The introduction of this process would have to be considered at a University-wide level, as the PRG understands to be the case.

College-based Finance staff

The initiative to base some members of Finance staff within the Colleges has worked extremely well and the PRG recommends consideration of allocating or dedicating more Finance staff within Colleges and also to extending this initiative to other service areas of the University.

Appendix 1

FINANCE OFFICE

PEER REVIEW GROUP SITE VISIT TIMETABLE

In Summary

- Tuesday 4 June: The Peer Review Group (PRG) arrives at the River Lee Hotel for a briefing from the Director of the Quality Promotion Unit, followed by an informal meeting with staff members.
- Wednesday 5 June: The PRG considers the Self-Assessment Report and meets with staff, student and stakeholder representatives. A working private dinner is held that evening for the PRG.
- Thursday 6 June: The PRG meets with relevant officers of UCC. An exit presentation is given by the PRG to all members of the Finance Office. A working private dinner is held that evening for the PRG in order to finalise the report. This is the final evening of the review.
- Friday 7 June: External PRG members depart.

Tuesday 4 June 2013	
16.00 – 18.00	Meeting of members of the Peer Review Group. Briefing by: to be confirmed. Group agrees final work schedule and assignment of tasks for the following 2 days. Views are exchanged and areas to be clarified or explored are identified. Venue: Tower Room, River Lee Hotel, Western Road
19.00	Dinner for members of the Peer Review Group, the Bursar and members of the Finance Office Co-ordinating Committee: Mr Sean Barry, Procurement & Contracts Manager Mr Diarmuid Collins, Bursar & Chief Financial Officer Ms Clare Lehane, Quality Review Coordinator Ms Mary McSweeney, Finance Officer Mr Tim O'Mahony, Financial Accounting Ms Mary O'Sullivan, Fees Office Venue: Jacobs on the Mall, South Mall

Wednesday 5 June 2013 Venue: Tower Room 2, North Wing, Main Quadrangle UCC

(unless otherwise specified)

08.30 – 08.45	Convening of Peer Review Group
08.45 – 09.30	Mr Diarmuid Collins, Bursar & Chief Financial Officer
09.30 – 10.30	Group meeting with all Finance Office staff Venue: ORB 255, O’Rahilly Building (MBA Room)
10.30 – 10.45	Tea/coffee
10.45 – 11.05	Meetings with representatives of staff in sections of Finance Office <u>Representatives of staff of Agresso</u> Ms. Adrienne Buckley Ms. Abigail Lane Ms. Anne Begley Ms. Roseanne Kelly
11.05 – 11.25	<u>Representatives of staff of Management Accounting</u> Mr. Cormac McSweeney, Manager Mr. Des Beynon Ms. Gina Morrissey Ms. Deirdre Moore Mr. Tom Cremin Ms. Breda Harrington
11.25 – 11.40	Ms. Mary McSweeney - Finance Officer
11.40 – 12.00	<u>Representatives of staff of Fees</u> Mr. Cormac McSweeney, Manager Ms. Mary O’Sullivan Ms. Denise Goggin Ms. Mary Martin Ms. Maire Murphy
12.00 – 12.20	<u>Representatives of staff of Research Accounting</u> Ms. Mary Cusack Ms. Caitriona Doyle Ms. Catherine Donovan Ms. Lillian Guerin Ms. Leonie O’Doherty
12.20 – 12.40	<u>Representatives of staff of Procurement</u> Mr. Sean Barry Ms. Wella Duffy Ms. Rosarii Griffin

12.40 – 13.00	<u>Representatives of staff of Capital and Treasury Management</u> Ms Mary McSweeney Ms Clare Mills Ms Eithne Beasley Ms Deirdre Stuart
13.00 – 14.10	Working lunch
14.10 – 14.30	Visit to core facilities of Finance Office, escorted by Mr. Diarmuid Collins & Ms. Mary McSweeney
14.30 – 14.50	<u>Representatives of staff of Accounts Payable</u> Ms. Gayle Atkinson Ms. Carmel Condon
14.50 - 15.10	<u>Representatives of staff of Payroll</u> Ms. Margaret Desmond Mr. Tony O’Riordan
15.10 – 15.40	<u>College Finance Analysts</u> Ms. Anne Marie Cooney, College of Arts, Celtic Studies & Social Sciences Ms. Aine Foley, College of Medicine & Health Ms. Colette O’Sullivan, College of Business & Law
15.40 – 16.00	<u>Representatives of staff of Financial Accounting</u> Ms. Susan Goggin Mr. Tim O’Mahony
16.00 – 16.20	Ms. Mary Ward, HR Partner
16.20 – 17.00	<u>Representatives of Heads of School/Departments</u> Professor Michael Morris – Department of Chemistry Professor William O’Brien – School of Geography & Archaeology
17.00 – 18.00	<u>Representatives of stakeholders and employers</u> Venue: <u>Tower Room 2</u>, North Wing, Main Quadrangle
19.00	Meeting of Peer Review Group to identify remaining aspects to be clarified and to finalise tasks for the following day, a followed by a working private dinner. Venue: Tower Room, River Lee Hotel, Western Road

Thursday 6 June 2013	
Venue: President’s Dining Room, East Wing, Main Quadrangle UCC	
08.30 – 09.00	Dr. Michael Murphy, President

09.00 – 09.30	<p><u>UMTS members</u></p> <p>Mr. Trevor Holmes, VP for External Relations <i>Dr. Rónán Ó Dubhghaill, Director for Strategic Planning</i> Mr. Mark Poland, Director of Buildings & Estates Mr. Michael Farrell, Corporate Secretary & Head of HR Professor Anita Maguire, VP for Research & Innovation Mr. Ger Culley and Ms. Colette McKenna (on behalf of John Fitzgerald) Professor Paddy O'Donovan, College of ACSSS (on behalf of Head of College) Mr. Paul O'Donovan, Academic Secretary</p>
09.30 – 10.00	<p><u>Finance Committee (externals)</u></p> <p>Mr. Dermot O'Mahoney, Chair of Finance Committee Mr. Alan Crosbie Professor John O'Halloran, School of BEES</p>
10.00 – 10.30	Mr. Cormac McSweeney – Finance Office (to discuss budgeting)
10.30 – 11.00	Tea/coffee
11.00 – 11.30	<p><u>Students Union</u></p> <p>Mr. Dave Berry, incoming Welfare Officer Mr. Dave Carey, Welfare Officer Mr. Eoghan Healy, President Mr. Sam Ryan, Deputy President</p>
11.30 – 12.00	Professor Paul Giller, Registrar and Senior VP Academic
12.30 – 12.45	Mr. Denis Sheehan - Shared Services (Finance Office)
12.45 – 13.00	Ms. Gráinne Carey – Internal Auditor
13.00 – 14.00	Working lunch
14.00 – 16.15	Preparation of first draft of final report
16.15 – 16.45	Mr Diarmuid Collins, Bursar
17.00 – 17.30	<p>Exit presentation to all staff, to be made by the Chair of the Peer Review Group or other member of Peer Review Group as agreed, summarising the principal findings of the Peer Review Group.</p> <p>This presentation is <u>not</u> for discussion at this time.</p> <p>Venue: ORB 255, O'Rahilly Building</p>
19.00	<p>Working private dinner for members of the Peer Review Group to complete drafting of report and finalisation of arrangements for completion and submission of final report.</p> <p>Venue: Tower Room, River Lee Hotel, Western Road</p>