

**University College Cork
National University of Ireland, Cork**

Quality Improvement/Quality Assurance

Peer Review Group Report

Unit: Finance Office, Procurement Office

Academic Year 2004/05

7th June 2005

Members of the Peer Review Group

Ms. Grace Dempsey, Treasurer, Trinity College Dublin.

Mr. Norman Bennett, Director of Finance, Queens University Belfast.

Professor Anita Maguire, Professor of Pharmaceutical Chemistry, UCC.

Professor Patrick Murphy, Associate Professor, Telecommunications, UCC. (Chair)

PEER REVIEW

Timetable

The detailed timetable is attached as Appendix A.

Suitability and adequacy of the timetable.

In general, the timetable was suitable and adequate (if challenging). In view of the number of staff members who opted to meet with the PRG some may have felt there was inadequate time to fully discuss their particular issues.

Whilst conscious of the usual practice of inviting external stakeholders to a single group discussion, the PRG believes there are particular sensitivities in relation to the Finance Office, which make such a format inappropriate. We believe it was not appropriate for a representative of the College bankers to be a party to discussions with the Chair of the Finance Committee and recommend that, in future reviews, this arrangement be avoided. We further believe that private meetings with the Chair of the Audit Committee and the External Auditors would have been helpful in informing our deliberations and recommend that such interviews should be included in the timetable of future reviews.

Methodology.

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 which are necessarily determined and constrained by the external regulatory frameworks in which the College (serviced by the Finance Office) is obliged to operate. They assessed the level of expertise and qualifications of the staff and the

effectiveness and suitability of processes and systems. Their deliberations were placed both within an Irish and international context.

The two internal members of the PRG particularly considered the operation of the unit from the perspective of the wider UCC community and focused on the quality of service provided to internal stakeholders such as staff, researchers and students.

All members of the PRG were present for each interview and all members participated in the discussions and subsequent decisions and recommendations.

Site Visit

The PRG made a short visit to the main areas of the Finance Office. Because of time constraints the group was unable to visit the Procurement Office

Preparation of Peer Review Group Report

This report was prepared and finalized within the timescale and according to the guidelines indicated in the timetable above. A tentative list of the identifiable strategic issues and areas for further clarification was drawn up and agreed on the evening of day 2. Following the interviews held on the morning of day 3 (which included a number of supplementary meetings arranged at very short notice), the headings and brief description of the main findings and recommendations to be presented at the exit presentation were agreed and carefully drafted in the afternoon. In addition, during this time, a detailed response to the numerous individual action items in the Finance Office plan was prepared.

On the evening of day 3 the structure and content of this final report was agreed and drafted. The co-ordination of written material and its formatting for presentation was undertaken by the Chair and a draft report was circulated to members by e-mail. The subsequent modifications, additions and corrections were then incorporated into a revised version that was agreed by all members of the PRG.

OVERALL ANALYSIS

Self-Assessment Report

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

Whilst not detracting in any way from the quality of the report it could, perhaps, have benefited from being less introspective and more forward looking

The SWOT analysis was generally very satisfactory. We are confident that most of the primary issues that affect the quality of service provided by the unit have been correctly identified and analysed. Furthermore, the range of subsequent quality improvement action items that have already been initiated or completed is to be commended. Our detailed views on some particular issues are more fully addressed in our observations and recommendations presented below. In addition, we have appended a copy of the Finance & Procurement Office Action Plan (updated April 2005) to which we have added a number of action specific comments and observations.

We feel the benchmarking exercises carried out by the Research Office, Fees Office and Procurements Office were informative and worthwhile. Whilst we would have welcomed a more systematic attempt to benchmark UCC in terms of international best practice in relation to its services and processes, the comparative analysis of resources and procedures was very satisfactory. The benchmarking visit by staff of the Procurement Office to Queen Mary College seems to have yielded significantly less information than was derived from the other visits.

We particularly want 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 our deliberations and in formulating this report.

FINDINGS OF THE PEER REVIEW GROUP

(i) Background & Context

1. At the outset the PRG would like to formally acknowledge and pay tribute to the commitment, loyalty and professionalism of all the staff of the Finance & Procurement Offices. We can record that our recognition of their strong reputation and personal input is shared by every other member of UCC staff to whom we spoke.
2. In this context, and in light of our meetings and discussions, we believe that Finance Office¹ staff fully appreciate the need for a university environment in which there is mutual understanding, respect and trust underpinned by good communication and we note and applaud the number of communication issues which were addressed in the action plan.
3. 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 (PRTL 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 College's financial year creates financial risk exposures for the College and the Accounting Officer through the necessary lateness of the budgeting process supported by the Finance Office. In addition, ongoing internal restructuring of the university will necessitate further significant and fundamental changes in procedures and

¹ For simplicity, the term "Finance Office" is used in much of this report but is intended to also refer to and include the Procurement Office except where explicit differentiation is made in the text.

practices.

It is apparent to the PRG that difficulties have arisen because of the lack of awareness among the general university community of the increasingly complex nature of the external environment and the extent and effect of the developments noted above. Accordingly, it is imperative that an identifiable and sustained effort is made to inform the wider university community of the underlying reasons for externally imposed constraints and procedures. An atmosphere of mutual respect and trust will facilitate the transition from a Service Level Provision (SLP), which already exists, to a Service Level Agreement (SLA), following discussions as appropriate

(ii) Systems and Processes

4. Deficiencies of the present computer-based information system are such as to expose the University to significant financial and operational risks. The system limits the ability of university management and policy makers to make informed decisions and it is consequently likely that the present use of resources is less than optimum. It is unlikely that proposals for the devolution of financial management can be successfully implemented with the current inadequate financial information system. Indeed to proceed with such proposals will place the university at increased risk of loss of financial control. In short, the increasing complexity of the university necessitates the use of more modern tools.

The acquisition and implementation of a new computerised financial information system that is responsive to the multifunctional needs of the many stakeholders and partners must, therefore, be addressed as an urgent priority. In addition, a business process re-engineering exercise involving all aspects of financial operations and procedures will be required to ensure optimum benefit. The implementation and operation of this new system must be properly resourced and will necessitate existing finance office staff to be fully involved in the process to ensure successful delivery.

In this context, (while conscious that this is not part of our brief) 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. Critically, it must be applied to research centres in a manner which takes into account their sustainability and relationship with academic departments. Experience in other institutions suggests that the benefits of this new system may not be apparent in the short-term and, in this phase, may well require more, rather than less, resources and input.

The current reliance on independent external systems consultants is neither cost-effective nor strategically sound – and exposes the office and university to fundamental operational risk. Whilst it is hoped that the deployment of a new information system will obviate the need for such support, the situation is sufficiently critical that it merits urgent attention and action independently of such developments.

5. We are concerned at the management and lack of coordination of the diverse range of information systems that have been installed in various administrative units in UCC. Whilst our brief was necessarily restricted to the Finance Office it is apparent that there is an urgent requirement to coordinate any future developments at a college and strategic level. Only in this way will the full potential benefits of the new systems be delivered to the university community – and ensure value for money.

6. 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 (and, of course, problems of access and queuing arising during the distribution of local authority grant cheques would be greatly ameliorated by such an initiative.)

7. Grant application procedures for researchers need simplification and clarification. The Finance Office in cooperation with the office of the Vice President for Research should examine the `cradle to grave` administration of research grants to implement continuous and seamless processes throughout the duration of projects. We believe the single interface for researchers in the pre-contract phase of research applications should be the office of the Vice President for Research (which should consult as necessary with the Finance Office on relevant budgetary and financial components of a proposal). In turn, the single interface in the post-contract administration phase should be the Research division of the Finance Office (which should consult as necessary with the VP for Research on issues relating to intellectual property *etc.*).

(iii) Staffing

8. We fully recognise the degree of concern within the finance office relating to staffing levels, grades, and resources. The use of long-term “acting-up” appointments and over-reliance on temporary contracts is, undoubtedly, undesirable. On an objective basis, taking into account the growth of the university (particularly in the area of research) and the expanding regulatory obligations detailed above, we are convinced that a meaningful increase in resources is fully justified from a business point of view. For obvious reasons we are unable to comment on the situation relative to other divisions within UCC. Whilst a comparison of central administrative staff levels with other Irish universities seems to suggest that UCC is not disadvantaged, we 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.

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.

9. We are happy that the operation of the Procurements Office is efficient, in accord with our regulatory environment and of net benefit to the University. We believe that extra staffing resources should be considered for that office when it can be demonstrated that a significant net saving can be achieved on a project-by-project basis.

(iv) Future Developments

10. The PRG believes there is a need for connectivity between the growth in research in the university and the infrastructure provided to support it. Therefore, we recommend 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.

11. Whilst we did not have an opportunity to consider the details of proposals for university re-organisation and devolution, we believe that, whatever structure finally emerges, the efficient functioning of the Finance Office is best served by maintaining a unified and preferably centrally located unit. We believe a unified and centrally located unit can benefit from economies of scale and intra-departmental professionalism. There is also a need to manage the overall College financial strategy and to avoid disintegration to independent academic entities. Such an arrangement should not preclude the need for the Finance Department (and indeed other central administrative departments) to be more outward focused and so deploy its services to support the academic units within a devolved environment. This is not, in any way, to preclude the potential for realigning staff to support emerging academic structures and associated devolution in a more effective way

Timetable of the site visit

Finance Office

Tuesday 3rd May 2005

- 17.30 Meeting of members of the Peer Review Group
Briefing by Director of Quality Promotion Unit, Dr. N. Ryan.
Final work schedule and assignment of tasks for the following 2 days agreed.
Exchange of views and identification of areas to be clarified or explored.
- 19.30 Dinner for members of the Peer Review Group, Head of Unit and members of the co-ordinating committee responsible for preparation of the Self-Assessment Report.

Wednesday 4th May 2005

- 08.30 Convening of Peer Review Group in Tower Room 2
- Consideration of Self-Assessment Report
- 09.00 Ms. Susan Goggin, Head of Finance Office
- 09.30 Meeting with members of the co-ordinating committee responsible for preparation of the Self-Assessment Report
- Mr. Sean Barry
 - Ms. Carmel Cotter
 - Ms. Mary Cusack
 - Ms. Margaret Desmond
 - Ms. Susan Goggin
 - Ms. Anne-Marie Kelleher
 - Mr. Cormac McSweeney
 - Ms. Mary O'Sullivan
- 10.30 Tea/Coffee
- 10.45 Staff of Research Office
- Ms. Mary Cusack
- Meetings with staff in sections of Finance Office
- 11.15 Staff of Procurement Office
- Mr. Sean Barry
 - Ms. Claudia Manning
- 11.35 Staff of Accounts Payable Office
- Ms. Carmel Condon
 - Ms. Anna Kelleher
 - Ms. Margaret O'Connell

- Ms. Carol Bryan O'Sullivan

11.55 Staff of Management Accounting Office

- Ms. Carmel Cotter
- Ms. Aine Foley
- Mr. Cormac McSweeney
- Mr. Tom Mallin
- Ms. Deirdre Ryan
- Ms. Deirdre Stuart

12.15 Staff of Capital & Financial Accounting Office

- Ms. Eithne Beasley
- Ms. Adrienne Buckley
- Ms. Ann Marie Kelleher

12.35 Staff of Payroll Office

- Ms. Margaret Desmond
- Mr. Tony O'Riordan

13.00 Working private lunch for members of the Peer Review Group

13.45 Professor Peter Kennedy, Vice-President for Research Policy & Support

14.15 Staff of Fees Office

- Ms. Una Barrett
- Ms. Maria Buckley
- Mr. Dermot Cronin
- Ms. Helen Forbes
- Ms. Denise Goggin
- Ms. Grainne Murphy
- Ms. Mary O'Sullivan
- Ms. Eileen Tobin

14.35 Tour of facilities of Finance Office

14.45 Conference Call with representatives from HEA

- Ms. Sheena Duffy
- Ms. Fiona Davis
- Mr. Ciaran Dolan

Meetings with representative selections of students and staff of UCC.

15.00 Heads of Department/Unit, Departmental Managers

- Mr. Dave Chandler, *Computer Centre*
- Dr. Hilary Doonan, *Head, Systems Administration*
- Mr. Michael Farrell, *Administrative Secretary*
- Ms. Marita Foster, *International Education Office*
- Dr. Anne Mills, *Head, Admissions Office*
- Ms. Katherine Neville, *Administrator, Dental School & Hospital*

- Ms. Esther Power, *Administrator, Boole Library*
- Mr. Colman Quain, *Administrator, Faculty of Commerce*

15.30 Academic staff, including research staff

- Dr. Sally Cudmore, *APC, Biosciences Institute*
- Professor Dermot Keogh, *Head, Department of History*
- Professor John O'Halloran, *Department of Zoology, Ecology & Plant Sciences*

16.00 Ms. Mary McSweeney, Finance Officer

16.30 Students

- Mr. Conor Flavin, *Students Union Welfare Officer*
- Paul Lynch
- Anthony O'Halloran
- Louise Devoy
- Mairead Ni Laoire

17.00 Representatives of external stakeholders

Venue: Staff Common Room

- Mr. Dermot O'Mahony, *Chair UCC Finance Committee*
- Ms. Theresa Murphy, *Bank of Ireland, South Mall*
- Mr. Eamonn Quinlan, *Ronnie Moore*
- Mr. Eoin McCarthy, *Ronnie Moore*

19.00 Meeting of Peer Review Group to identify remaining aspects to be clarified and to finalise tasks for the following day, followed by a working private dinner for members of the Peer Review Group.

Thursday 5th May 2005

08.30 Convening of Peer Review Group in Tower Room 2

09.00 Professor Áine Hyland, Vice-President

09.30 Meetings with Deans of Faculties

- Professor David Cox, *Dean Faculty of Arts*
- Professor Denis Lucey, *Dean of Commerce*
- Professor Paul Giller, *former Dean of Science (to 1st April 2005)*

10.15 Professor Paul Giller, Registrar & Vice-President for Academic Affairs (due to take up appointment mid-May)

10.30 Consideration of issues by PRG

11.00 Ms. Ann Gannon, Recruitment Manager, Department of Human Resources

11.30 Mr. Martin Hayes, Director, Computer Centre

12.00 Mr. Michael O'Sullivan, Vice-President for Planning, Communications & Development (Conference Call)

- 12.30 Mr. Michael Kelleher, Secretary & Bursar & Vice-President for Administration & Finance
- 13.00 Working private lunch for members of the Peer Review Group
- 14.00 Preparation of first draft of final report
- 15.30 Ms. Susan Goggin, Head of Finance Office
- 16.00 Preparation of first draft of final report
- 17.00 Exit presentation to all staff of the Unit by the Chair of the Peer Review Group, summarising the principal findings of the Peer Review Group.
- Reception for staff and members of the PRG.
- 19.00 Working private dinner for members of the Peer Review Group to complete drafting of report and finalisation of arrangements for speedy completion and submission of final report.

Friday 6th May 2005

Externs depart