

**Quality Assurance / Quality Improvement
Programme for Administrative Units
2004-2005**



**Peer Review Group Report
For the
Finance Office**

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1. Introduction to the Quality Review Process

This Quality Review has been conducted in accordance with a framework model developed and agreed through the Irish Universities Quality Board (IUQB) and which complies with the provisions of Section 35 of the Universities Act (1997). The model consists of a number of basic steps.

1. An internal team in the Unit being reviewed completes a detailed self-assessment report (SAR). It should be noted that this document is confidential to the Unit and to the Review Panel and to senior officers of the University.
 2. This report is sent to a team of peer assessors, the Peer Review Group (PRG) – composed of members from outside DCU and from other areas of DCU – who then visit the Unit and conduct discussions with a range of staff, students and other stakeholders.
 3. The PRG then writes its own report.
 4. The Unit produces a response which addresses the various issues and findings of the SAR and PRG Reports.
 5. The PRG Report and the Unit response are then considered at a follow-up meeting, chaired by the Director of Quality Promotion and attended by an external (if possible) member of the original Peer Review Group, the Head of Unit (and another representative from the Unit), reporting Vice-President, and the Deputy President (on behalf of Senior Management), who address recommendations in the Peer Review Group Report, that fall outside the control of the Unit or that require additional resources. Arising from this meeting, Unit and University-based action plans are approved. Together, these are termed the Quality Improvement Plan (QuIP).
 6. A summary of the Quality Review is sent to the Governing Authority of the University, who may approve publication in a manner that they see fit. Following the approval of the summary report by the Governing Authority, it is published on the University website. The full text of the Peer Review Group Report and the Quality Improvement Plan is also published on the Quality Promotion Unit website.
- **This document is the report referred to in Step 3 above.**

2. Profile of the Finance Office

2.1 Location of the Unit

The Finance Office is located on the ground and first floors of the Administration Block in a mainly open plan facility. Offices are allocated to the Director of Finance, the Secretary to the Director of Finance, the Fees Officer, the newly appointed Financial Operations Accountant, the Payroll Office (5 people), and the Fees Officer. The Finance Officer has been allocated the Finance Director's old office, which also doubles up as the office meeting space.

Previously all staff were located on the ground floor where space was probably less than the minimum allowed under regulation. Desks also encroached on passageway space. Campus Company Accounts and Procurement (total of five people) were located in the post-graduate residences, which is on the other side of the campus, to remove some of the pressure on space.

This current situation was facilitated by the relocation of the library and the subsequent relocation of Registry Staff to the old Library space.

The space and physical facilities are adequate. The building layout, including walls, has resulted in a slightly less efficient use of space. It is also important to bear in mind that this office needs to maintain meeting space for its own processes, and for appointments with agencies and suppliers (including insurance, funders, accountants, etc.).

2.2 Staff

	Position	Grade	Status
1	Director of Finance	Finance Director	P
2	Finance Officer	Administrator III	P
3	Accountant	Administrator II	P
4	Finance Manager-DCU	Administrator I	P
5	Finance Manager-Research	Administrator I	P
6	Finance Manager-Campus Companies	Administrator I	P
7	Senior Administrative Assistant	Senior Administrative Assistant	V
8	Fees Officer	Administrative Assistant	P
9	Payroll Officer	Administrative Assistant	P
10	Payables Manager	Administrative Assistant	V
11	Assistant Research Accountant	Administrative Assistant	T
12	Assistant DCU Accountant	Administrative Assistant	P
13	Assistant Company Accountant	Administrative Assistant	P
14	Payroll	Secretary III	P
15	Payroll	Secretary III	T
16	Campus Company	Secretary III	P
17	Fees	Secretary III	P
18	Payables	Secretary II	P
19	Payables	Secretary II	T
20	Payables	Secretary II	T
21	Fees	Secretary II	T
22	Payroll	Secretary II	T

23	Office Secretary	Secretary II	P
24	Research	Secretary II	P
25	Campus Company	Secretary II	T
26	Campus company	Secretary II	T
27	Financial System	Administrative Assistant	T
28	Financial System	Acting Secretary III	T
29	Procurement Officer	Administrator II	P
30	DCU Accountant	Administrative Assistant	C
31	DCU Accountant	Administrative Assistant	C
32	Accounting/System Support	Secretary III	C
33	Fixed Assets	Secretary III	
34	Payables	Secretary II	C
35	Fees	Secretary II	C
36	Fees	Secretary II	C
37	Fees	Secretary II	C

Note: P = Permanent, T = Temporary, C = Contract, V = Vacant

2.3 Product / Processes

The overall role of the Finance Office is to support the teaching, research and other activities of the University through the efficient planning, management and control of its financial and business affairs. The main operational tasks of the Finance Office are:

1. Accounts Payable
2. Accounts Receivable (student fees and other income)
3. Payroll
4. Asset management including asset registers, lease administration and insurances
5. Management Accounting
6. Financial Accounting
7. Treasury
8. External Reporting
9. Unit Costs
10. Internal Reporting
11. Finance System Management
12. Compliance including Tax and Risk Management
13. Procurement

The Unit operates, in the main, within a shared service environment providing the tasks outlined above across all University activities.

Additionally the Unit contributes to the implementation of the University strategy in terms of providing data and information, to inform budgeting and decision-making, within the faculty structure on a timely, accurate and consistent basis.

3. The Self-Assessment Process

3.1 The Finance Office Co-ordinating Committee

Mr Frank Soughley, Director of Finance, Chairman

Ms Marjorie Bacon, Grade 2

Mr Eamonn Cuggy, Admin 3

Ms Siobhan Fitzgerald, Admin 1

Mr Joe Freeland, Admin 1

Mr Brendan Gillen, Admin 2

Mr Ben Hilliard, Admin 1

Ms Eileen O Keefe, Admin 2

Ms Caroline O Reardan, Grade 2

3.2 Methodology Adopted by the Finance Office

Following a briefing session with the Director of Equality in May 2004, the Finance Office Staff were invited to participate in the Unit's co-ordinating committee. A second call was put out. Only one person volunteered on both occasions. The Unit itself was involved in both carrying out and finalising audits for 2003, resolving outcomes of the new financial system implementation and continuing its deployment, taking on many new research programmes and new companies, and managing several research audits.

It was agreed by the senior officers within the Finance Office that this project required a member of staff with knowledge of the unit and would not be sub-contracted. It was agreed that the task would be allocated to an ex-retired senior officer (who was involved in the 2003 audits) once this task was completed. However, this audit took considerably longer than expected, and an alternative course of action was required once it was agreed that an earlier completion of the 2004 audit was an absolute necessity. Unfortunately, the newly selected individual subsequently announced that he was taking early retirement in January 2005, and in fact left in late 2004. His replacement only commenced on 28 March 2005.

Other priorities overtook the quality review, but a re-assessment of the situation would be undertaken following completion of the 2004-year end. Following full consideration of the resources and workload of the office, the Finance Office submitted an application to defer until 2005/2006. This request was not granted.

A committee was quickly convened and has met/will have met on three occasions, 21 March, 29 March and 5 April 2005. The whole office was informed of the need to proceed with the quality review on 23 March 2005. A meeting will take place with all staff on Wednesday 6 April.

To date the committee has discussed the process required to meet with the Review Group and documentation that would be required. The second meeting resolved the documents and work required by all to produce and finalise. Additional discussion took place on the stakeholders and composition of stakeholder groups for both the Review Group visit and the production/development of the self-assessment report.

Almost all members of staff have been actively involved in the compilation and confirmation of the documentation. It is expected that all members of staff will have an input in the completion of sections of this report. It is proposed that this report is completed by the end of June 2005, by allocating the task to the new senior appointment, and only bringing his input to the Finance Office in general from July 2005.

It is evident that the Self Assessment Process was not properly completed.

During this review process, documents which routinely support the quality review process were not produced either in time or at all to the QPU. The level of engagement with the quality process was initially very weak, perhaps in part because of an unrealized expectation that the Peer Review could be postponed.

Recommendation:

The PRG recommend the introduction of a checking process along key milestones during the quality review process to ensure that the quality review process itself could not be undermined by the low or absence of commitment and engagement of units under review.

<i>Action by: Quality Promotion Unit</i>	<i>Priority 2</i>
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3.3 PRG View of the Self-Assessment Report

The Group found itself initially extremely handicapped by the absence of a comprehensive and adequately structured self-assessment report. It reviewed with Finance personnel the reasons for this, some of which are included in the methodology section above. **The PRG considered that the delay in taking ownership of the process between May 2004 (when the initial briefing session took place with the Director of Quality) and the beginning of the academic year 2004-5, was fundamental to the absence of a comprehensive self-assessment report.** When the process was finally taken in hand towards the end of 2004, one unanticipated factor (the early retirement of the officer to whom the task would have been entrusted), and one underlying difficulty (the workload levels within the Unit) do not appear to have been evaluated rapidly enough in that a request for a deferral was not formally made until early in 2005. Further difficulties of a communicative or administrative nature appear to have delayed the emergence of a clear outcome to this request, so that the convening and meeting of a committee did not effectively take place until the second half of March 2005. The Group felt that a factor apparently absent from all consideration of this matter until very late in the process, and which might have impacted positively on the preparations for the review, was a perception of the undoubtedly negative effect that a postponement of the Quality Review for this Unit would have had on the credibility and acceptability of the Quality Review process within the University generally.

Additionally, the PRG was not made aware until its first meeting that the **Director of Finance was not available to participate in the Site Visit for unavoidable personal reasons. The Group felt that this information could and should have been made available to them sooner** particularly to external members of the Group in advance of a final decision to proceed with the Review, so that appropriate

consultations could have taken place about this serious difficulty. The matter is addressed further in the recommendations.

The PRG subsequent meeting with the Director of Finance and the documents eventually provided by the Finance Unit, together with the accompanying appendices, while it notably omitted some sections that would be central to any self-assessment report (overall information about the University, about the place of the Finance Unit within university structures, the scale of Finance Unit operations, and possible national and international comparators), and was weak in others (particularly the analysis of strengths, weakness, opportunities and threats) did provide the Group with valuable material on which to base its work.

The Group also noted that the attendance of a very wide range of personnel from across virtually all user groups within the University to a very large extent remedied some of the major omissions in the self-assessment report. Although some of the meetings were strictly time-tabled and relatively brief, the lack of time available had a positive effect in that all commentaries made were well phrased, to the point, and shorn of unnecessary verbiage.

The PRG concluded that the ability of the Finance Office to evaluate, plan and respond to underlying difficulties and/or unanticipated events was inadequate in relation to the Self Assessment Process and Report.

Recommendation:

The PRG recommend that systems be put in place to ensure that a comprehensive Self Assessment Report is completed in a timely manner.

<i>Action by:</i>	<i>Quality Promotion Unit</i>	<i>Priority 2</i>
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4. The Peer Review Group Process

4.1 Overall Comments on the Visit

The visit of the Peer Review Group (PRG) is assessed under the headings set out below. To give consistency and clarity around the rating of the PRG the following categories of assessment are used:

Excellent:	A service which was without fault
Very Good:	A service which met most of the requirements of the PRG with few areas requiring improvement
Good:	A service which met some of the requirements of the PRG with many areas requiring improvement
Poor:	A service which met very few of the requirements of the PRG with most areas requiring improvement

4.2 Adequacy of information provided to the PRG before the review by the Quality Promotion Unit (QPU)

The information provided to the PRG before the review by the QPU can be reviewed across three broad headings:

- Information relating to the Quality Process
- Review specific information, in this instance relating to the operations of the Finance Office *and*
- Information relating to the objectives and expectations of Senior Management of DCU in respect of the Finance Office.

The PRG consider the adequacy of information provided in relation to the quality process as excellent. A wide range of documents was received in a reasonable timeframe, which gave an overview of the process involved.

The PRG consider the adequacy of information provided in relation to specific operations of the Finance Office as poor. No documents were initially provided until specifically requested by one of the PRG members one week before the commencement of the review. A summary document was then provided one day in advance to two members of the PRG and on the day of the commencement of the review to the other PRG members. The document provided was not adequate in setting out key information relating to the Finance Unit in respect of activity, standing relative to other universities, analysis of income and expenditure, analysis of funding sources.

The PRG consider the adequacy of the information provided in relation to the objectives and expectations held by Senior Management of DCU in respect of the Finance Office as poor. The PRG requested a statement from Senior Management in respect of the Finance function on the first day which was provided at a meeting with Senior Management on the third day of the review. The absence of this information represented a significant gap in the information available to the PRG. The information requested of the senior management team is set out in Appendix A.

4.3 Adequacy of initial briefing session

The PRG considers the initial briefing session to have been poor due to the apparent unpreparedness evident at the session. The bulk of the housekeeping arrangements to support the review process were not in place with respect to interviews of DCU staff. These housekeeping arrangements are also, according to QPU guidelines, the responsibility of the unit being assessed, not of the QPU. The QPU had to organise them at short notice. This does not demonstrate to the PRG an appreciation of the efforts and arrangements made by PRG members in releasing valuable time to contribute to the review or a prioritisation of this specific review.

4.4 Adequacy of timetable

The PRG considers the adequacy/suitability of the timetable to be very good. The PRG accept that a quality review brings with it a significant workload. It is not feasible to extend the review period beyond the current timeframe of three days, as any greater commitment required from PRG members would probably reduce significantly those who would contribute. Nonetheless it must be acknowledged that the process is intensive and unrelenting.

4.5 Liaison provided by the QPU during the visit

The PRG consider that the liaison provided by the QPU during the visit was good. Contact with the QPU was consistent and available.

4.6 Liaison provided by the Unit during the visit

The PRG consider that the liaison provided by the Finance Office during the visit was good. Finance staff made themselves available at short notice to meet with the group and engage in the quality review process with enthusiasm. The PRG is of the opinion that the absence of the Director of Finance, due to family circumstances, over the review period renders the liaison incomplete. The group made alternative arrangements to meet the Director at the earliest opportunity.

Recommendation:

- (i) **Objectives and expectations of Senior Management for the unit under review should be forwarded to PRG members well in advance of the peer review commencement.**

<i>Action by:</i>	<i>University</i>	<i>Priority 1</i>
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- (ii) **In reviewing aspects of the timetable the PRG recommend that the merit of a working dinner for the PRG on the second evening of the review be reviewed.**

<i>Action by:</i>	<i>Quality Unit</i>	<i>Priority 3</i>
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- (iii) **The readiness of Units should be assessed by the QPU prior to the commencement of the Peer Review. This assessment should be**

communicated to the PRG.

Action by: Quality Unit Priority 2

- (iv) **Critical information such as the availability of the Head of Unit under review should be given to PRG as soon as this information is available.**

Action by: Quality Unit Priority 2

5. The Site Visit

5.1 Site Visit Programme

Wednesday 6th April	
14.00	Briefing by Director of Quality Promotion
15.00	Private meeting of Peer Review Group to consider Finance Office documentation and agree work schedule for the following two days
19.30	Dinner for Peer Review Group and Unit Quality Co-ordinating Committee
Thursday 7th April	
9.00	Meeting with Finance Officer
10.30	Meetings with groups representative of functional teams within Unit
13.15	Working Lunch
14.00	Meeting with Campus Company Management
14.30	Meeting with Research Management and Support
15.00	Meeting with Deans
15.30	Meeting with Faculty Administrators
16.00	Meeting with Academic Services (Library, Registrar's Office, Innovation & Business Relations)
16.30	Meeting with Researchers and Research Centres/Groups
17.00	Meeting with Administration Services (Buildings, Registry, Computer Services)
Friday 8th April	
9.00	Meeting with Senior Officers of the University
10.30	Meeting with Internal Auditor
11.30	Meeting with Heads of Schools
12.00	Report drafting and lunch
14.00	Meeting with Finance Officer
14.30	Report drafting

5.2 Methodology

Mary Dooley, Bursar, NUI, Galway, agreed to Chair the PRG and to focus on the expectations of the “customers” of the Finance Office and how well these expectations were met.

David Beeby, Chief Financial Officer, University of Nottingham, undertook to focus on issues arising in the areas of staffing, systems, technology and accommodation as identified through meetings and interviews with both the stakeholders and staff of the Finance Office.

Kathy Quinn, Head of Finance, Dublin City Council considered the area of change management throughout the review process, in respect of interviews with Finance staff, client groups and senior management. Change management addresses such areas as clarity of vision, acceptance of change, styles of management, communication, openness and willingness and ability to change.

John Horgan, Professor of Journalism, DCU undertook to focus on questions of planning and management as they affected the functions of the Finance Unit, its interface with customers, the delivery of its services and its role within the University generally.

Miriam Corcoran, Sub-Librarian, DCU undertook to act as rapporteur for the PRG and to coordinate production of the PRG report.

5.3 Overview of the Site Visit

A comprehensive and intensive series of meetings took place from 2 p.m. Wednesday, 6th April through to 2.30 p.m. Friday, 8th April. Details of the timing, duration and attendees at such meetings are available in the table above. A follow-up meeting was held with the Director of Finance on 27th April.

The PRG ensured that it met with and heard and (as much as was humanly possible in the time available) understood the views and experiences of the following groups:-

- (a) Staff and Management of the Finance Office
- (b) Customers of the Finance Office including:
 - Campus Company Management
 - Research Management
 - Deans
 - Faculty Administrators
 - Academic Services (Library, Registrar's Office, Investment/Intellectual Property & Commercialisation Services)
 - Researchers and Research Centres/Groups
 - Administration Services (Buildings, Registry, Computer Services)
 - Heads of Schools
 - Internal Auditor
- (c) Senior University Management Team (President, Deputy President, Secretary, Director HR)

The PRG was impressed by the number and range of middle and senior ranking staff of the University who made themselves available to this process (many at short notice) and who without exception, took care to express their concerns regarding the gap between their needs for services from the Finance Office and the quantum and quality of the service currently provided.

It was suggested to the PRG (and agreed by the Group) that it is necessary to distinguish between:

- (a) operational issues (including transaction processing)
- (b) management information
- (c) budgetary policy

While (a) and (b) above are the responsibility of the Finance Office (c) above is the responsibility of the Budget Committee.

Issues that Came up Frequently:

A. Service User Views:

1. Significant growth in University activity in recent years
2. Recent changes in budgetary policy were insufficiently communicated
3. Inadequate reporting structures
4. Confusion regarding budgetary and resource allocation policy and procedures
5. Difficulties in obtaining financial information.
6. When available, Finance staff are skilled in problem-solving and supportive in information provision.
7. Difficulties in understanding financial information
8. Absence of routine and regular “budget versus actual” reporting
9. Finance Office is reactive rather than proactive
10. The Finance Officer is “everything to everyone” and “the only point of contact for management information”
11. Finance staff have a high workload and are under-resourced
12. Finance staff are routinely uncontactable, not answering phones, emails *etc*
13. It is an ongoing challenge to get information from Finance staff and requires much personal effort
14. Availability of financial information is poor and service users maintain parallel systems.

B. Finance Office Views:

1. Huge growth in financial activity and complexity in recent years
2. Finance staff are aware of short comings in their service and want help to correct this
3. Pressure of rising workload continues to negatively impact on service quality
4. A significant increase in resourcing is urgently required
5. A radical restructuring of the Finance Office (as outlined in recent proposals from Director of Finance) is urgently required to provide focus on management information provision.

C. Senior University Officers’ Views:

1. Professional competence and quality of financial advice provided by senior Finance Office staff is second to none
2. Director of Finance has regular reporting arrangements with the President and is a key player in University Strategy formulation, is a member of the Senior Team and a Director of major Campus Companies
3. Finance Office is currently under-resourced
4. Additional resourcing and restructure of the Finance Office is agreed in principle subject to appropriate assurance that any agreed changes to be made will adequately meet the requirements of service users. The recommendations of the Deloitte Touche Review, are awaited in this regard.

In brief, PRG conclude that:

- 1. Finance Office capacity to manage change effectively is questionable.**
- 2. Finance Office is inappropriately positioned within the organisational structure of the University.**
- 3. Finance Office lacks an appropriate customer service focus but plans to progress the development of a relevant customer focus.**
- 4. Finance Office is under-resourced and badly structured for the workload expected of it.**
- 5. Operational and transaction processing matters are handled fairly well.**
- 6. Management information (i.e. budget versus actual reporting; analysis of income and expenditure; explanation of and advice on budgetary policy and procedures etc.) is poor.**

5.4 Findings of the Peer Review Group (PRG)

5.4.1 Change Management

It is apparent that DCU has grown and developed significantly in both the short and medium term. This change has carried through to the Finance Office and translates in operational terms to increased financial activity.

In strategic terms a change in focus for DCU to a more business focused, income generation financial strategy is envisaged together with a new approach designed to supplement and enhance the traditional “stewardship” model in a more customer-oriented, pro-active environment. There is a need for a change of culture, increased resources, more appropriate skills mix, increased allocation of Finance Unit resources, all resulting in an improvement over time in the quality of the service delivered.

In considering the quality of change management demonstrated by Senior Management and the Finance Office in response to a changing business environment, **PRG noted that there have been some opportunities for change in recent years which have not been realised.** These opportunities range from an away day held for the Finance Office some five years ago to discuss strategies for the future, to submissions made to the budget committee on one or more occasions. Regrettably these opportunities have not been harnessed into an outcome which yields benefits for Finance and ultimately the University. The recent engagement of Deloitte and Touche Management Consultants, and the current Quality Review process, present another opportunity which should not be missed.

There would seem to be an expectation that the forthcoming review by Deloitte and Touche provides the opportunity most likely to result in benefits for the Finance Office. However it is not clear on what basis this expectation is held. **Equally it is not clear on what basis earlier opportunities for change were either not supported fully or allowed to fade or not presented with sufficient confidence to secure backing from key players within the university.** There is a danger that a pattern has developed whereby incremental change is postponed in favour of a “big

bang” approach, while the latter option is seriously undermined by accelerating financial stringencies generally.

Failure to Identify Stakeholders

Over any period of change of aspects of the framework of the business environment can shift significantly. There would seem to have been a perceptible shift in both workload and the financial importance and weighting of certain aspects of DCU business. Specifically the commercial/ potentially commercial arms of the business such as Campus Companies and Research projects have moved up in ranking over time in how these activities contribute to DCU funds. More recently budget arrangements have changed which has placed budget responsibility with Executive Deans, administered through the Senior Faculty Administrators.

Ongoing business changes were not reflected nor recognised in the financial operations, communications or dealings. It is not clear that the University had considered the financial needs of their stakeholders and prioritised financial services accordingly.

Absence of a Proactive, Business Driven Culture

Evidence was provided to the group over the course of the review of an absence of a proactive, business driven culture in the Finance Office. Finance personnel spoke of not being advised of developments or finding out at the eleventh hour of business related issues with financial implications. **There is inadequate alignment between the workload and daily activity of the Finance Office with the needs and requirements of client groups.**

This weak alignment demonstrates a disconnect between Finance activity and those whom they are designed to support. This is surprising as the shift in business of DCU favours and indeed demands a more active, project based, commercial financial involvement. This same shift in business should be viewed as an opportunity for Finance to assert itself and its role within the organisation.

It is important that Finance engage with and support the earning potential of key aspects of the University for example funded research activities and commercial companies. It would seem that this alignment is readily apparent and consequently should have been apparent. **It is important that barriers to achieving this alignment, whether perceived or real, are addressed and removed.**

Clarity of Purpose

As an organisation, DCU has expressed its statement of strategy for the coming years articulately in its publications. The strategy statement covers many broad areas of values and objectives. This broad overview at an organisational level continued down to the Finance function. **There has not been any process whereby the demands and needs of clients are mapped against resources and targets and objectives are set to ensure client needs are met.**

The absence of clarity of purpose has negative effects. Within the Finance Office a common language does not exist on why the office exists and on the objectives, which collectively are pursued. On the client side activities, which are a high priority for clients, receive relatively little resources from the Finance Office.

It has been a missed opportunity for the Finance Office that the newly implemented structure of Executive Deans, supported through Senior Faculty Administrators has not been identified as of priority and serviced as such. It is unclear as to why this development did not acquire greater priority.

Communication

In a change environment it is important that all stakeholders (clients, staff, governing authority, senior management) are adequately informed of the nature of change, the effect on service and how that service change will impact on their own service expectation. It is evident that change has been a feature of the business environment for the University over the medium term.

No communication strategy, as demonstrated through a communications policy across all stakeholder elements, is in place across the University or indeed in the Finance Office.

In relation to the Finance Office itself, clients face fundamental information gaps on what should be de facto financial information provision. It was expressed that there was uncertainty around:

- the date of each month on which a cheque run would be held,
- financial management information in relation to actual vs. budget,
- funds available to a budget holder,
- agreed budget for the current year or in the absence of this, agreed budget for this period last year

It would seem that communication interfaces between the Finance Office and client groups are on an ad hoc basis, reactive in nature and engage with one or two principal players only. Communication interfaces include formal and informal information flows around budget down to the use of corporate communication routes such as email and voice mail. **The absence of clear effective communication channels has led to increased frustrations on the part of clients and has created the risk of a widening gap between the quality and nature of financial services delivered against the quality and nature of financial services required.**

Management Style

Interviews with Finance staff illustrated a good robust sense of camaraderie within the unit and pointed to a good rapport between Finance staff and management. This good rapport indicates that on a local level, Finance management have a working and appropriate management style. Staff are loyal to Finance management.

It would seem from documentation provided that there has been some discussion within the Finance Office on change management issues relevant to the office and on potential remedies, which may address those issues. However, to date few additional resources have been assigned to the Finance Office.

The likelihood of securing additional resources would be improved by a planned and sustained campaign by Finance management to win over key players in the resource allocation process within DCU. This campaign should incorporate and acknowledge

the key business elements of the organisation and allocate financial resources around those key elements.

It would seem that Finance Office has been visibly less effective in securing new resources than other disciplines and has not in effect championed its own cause.

This reluctance to exercise organisational influence has been a direct cause of some frustration felt not only by Finance staff but also by Finance users that desperately want and need an improved financial service.

Managing Demands

Over the medium term, the workload of Finance Office has increased, influenced, for example, by increased business activity across commercial companies and research. Over the course of the review, the Finance Office was asked to validate the volume of this increase. Only in a minority of work functions (for example Payroll) were activity metrics provided which might illustrate over time the growth in Finance activity. Equally performance management information was not available around core functions such as the volume of transaction through accounts payable, number of working days taken to issue a cheque, debt collection timeframes, achievement of statutory filing dates for companies or if in arrears quantification of timeframe of arrears.

Within the documentation provided by the Finance Office reference is made to increasing statutory demands and increasing audit requirements. There is a need to quantify and measure these demands and to investigate the impact of these activities on existing workload and resources. In light of this absence of demand management, it is likely that even a relatively stable environment would provide difficulties. However the dynamic growth that has occurred in recent years has had a critical impact on the Finance office in this area.

This absence of performance metrics also contributes to a tension between the numbers of and skills mix of existing staff and the numbers and skills mix required to provide a Finance Office of excellent standard required by the business demands of the University. **The absence of analysis of performance metrics gives cause for concern on the capacity of the Unit as currently structured to manage increased resources in a manner which results in a more effective financial service.**

Planning and Management

The evidence given to the Group was that the planning and management of the Unit was conditioned to a considerable degree by the heavy workload carried by all staff members within the Unit. The management can be considered as effective insofar as all staff members within the Unit who met the Group reported positively on the human and inter-personal elements of their working environment, on the level of morale within the unit, and of the sense of teamwork, which informed their work generally.

However, and prescinding from workload issues (which will always be present in one shape or form in any administrative unit) the **PRG formed the impression that in a number of areas planning and management need attention if the Finance Office is to achieve a quantum improvement in quality.**

The high level of informality and the ready availability of staff to each other within the Unit evidently assists problem-solving and organisational efficiency to a degree, but it cannot compensate indefinitely for the absence – noted in the Unit’s documentation – of a pattern of regular and structured meetings of teams within the Unit to take an overview of issues and to co-ordinate responses to problems that may arise from time to time.

Users, additionally, felt little benefit from the internal synergies mentioned. In general, **there was a strong feeling among most users that the Unit was not sufficiently customer-oriented or user-friendly.** They felt that the Unit’s self-understanding and ethos seemed to be conditioned substantially by a somewhat traditional and necessarily limited concept of stewardship which – although essential as part of an overall ethos – assumed too dominant a character. There was general agreement among users that individual difficulties in relation to financial management could generally be solved on the basis of one-to-one interaction with Finance Office staff (who were generally praised for their helpfulness in one-to-one situations). The same users, although they supported the need for additional resourcing for the Unit, also widely expressed the belief that, if the cultural and structural issues involved remain unaddressed, the road to measurable improvements in the quality of service provided by the Unit will be difficult to ascertain.

Users also expressed the opinion that, over and above the difficulties inevitably caused by the switchover to the Agresso system, there was frequently a lack of timeliness and comprehensibility in the services emanating from the Unit.

The PRG noted that the Unit’s objectives as expressed in its preliminary documentation include the creation of a more dynamic, customer-focused ethos within the Unit. The PRG believes that such a development will be an essential component of any evolution of the Unit into a full partnership role in the strategic planning and management of the University.

The PRG believes that a core element of the potential transformation of the Finance Office will be – as suggested in the preliminary documentation the formal setting of performance metrics and performance objectives, and the regular monitoring of these so that quality improvements can be adequately documented and obstacles to quality improvement identified and overcome. The Group’s opinion is that a failure to address these issues on the grounds of workload alone will have the undesired effect inevitably of increasing inefficiencies and therefore workloads as well.

Recommendations:

Change Management

- (i) **Going forward management within Finance Office should sustain and develop a culture that seeks to influence and shape its environment.**

<i>Action by:</i>	<i>Finance Office</i>	<i>Priority 1</i>
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- (ii) **The Finance Office should express its own vision of how financial services will be delivered in a formal statement, following on from a consultation process with all stakeholders. This vision should support and be strongly aligned to the University statement of strategy. This statement by the Finance Office should include a high-level mission statement and objectives and targets as found in a business plan format.**

Action by: Finance Office Priority 1

- (iii) **The creation of the maximum integration of this Report with the Deloitte and Touche consultancy.**

Action by: Finance Office Priority 1

- (iv) **The widening of the customer base survey envisaged as part of the Deloitte and Touche consultancy.**

Action by: Finance Office Priority 1

Communication

- (i) **The Finance Office must critically review as a matter of urgency the communication channel between itself and stakeholder groups. The review should focus on responsiveness to client need, communication / information channel, telephone, formal reporting, web site.**

Action by: Finance Office Priority 1

- (ii) **The Finance Unit requires as a matter of priority to engage in a communication exercise with its stakeholders to establish business and service needs, gaps in current service provision and the impact of these services demands on resources and skills mix available in the Finance Office.**

Action by: Finance Office Priority 1

- (iii) **The Finance Office should establish a Finance Forum, comprised of users from stakeholder groups which would review quarterly the quality of financial services received and collectively assess how service improvements might be made.**

Action by: Finance Office Priority 2

- (iv) **The assessment and, where appropriate, improvement of channels of communication between the Unit and budget holders, in particular faculties and research centres, in structured consultation with the Units involved.**

Action by: Finance Office Priority 2

Planning and Management

- (i) **The prioritisation, in conjunction with the Senior Management group, of a resolution of potential policy issues relating to the tension between accountability requirements and decentralisation objectives, as a fundamental aspect of the planning process for the development of the Unit, its staffing levels, and the definition of its responsibilities.**

Action by: Finance Office Priority 1

- (ii) **The development of a planned and phased programme for implementation of the desired increased resourcing for the Unit.**

Action by: Finance Office Priority 1

- (iii) **A management development programme should be initiated for Finance management to develop new and alternative management styles which will be more appropriate in a change environment.**

Action by: Finance Office Priority 2

- (iv) **The Finance Office should monitor workload and performance through the development of performance metrics.**

Action by: Finance Office Priority 2

- (v) **The re-institution of staff planning meetings (a) at senior management and (b) at sub-unit level on a regular basis.**

Action by: Finance Office Priority 2

- (vi) **The foregrounding of issues of culture and ethos – definition, elaboration and implementation – as an integral element in all the Unit’s planning and management functions.**

Action by: Finance Office Priority 1

- (vii) **The definition, on a sub-unit by sub-unit basis, of unambiguous and – however initially modest – progressive and measurable targets for the improvement both of internal procedures and of the delivery of services to the customer base.**

Action by: Finance Office Priority 2

- (viii) **The regular measurement of progress towards these targets and, where appropriate, the amendment or enhancement of these targets in the light of experience.**

Action by: Finance Office Priority 2

5.4.2 Institutional Expectations of the Finance Office

Although not formally expressed in any one document the following expectations were broadly agreed:

- a) Accurate, efficient and timely transaction processing
- b) Routine and regular managing reporting (income and expenditure, budget versus actual *etc*)
- c) Management of regulatory requirements (tax, audit, statutory reporting *etc*)
- d) Professional advice regarding financial and budgetary policy, financing of projects, value for money expenditures, income generation *etc*).

The PRG conclude that:

- a) **Almost all areas of the Finance Function are experiencing difficulties** in servicing transaction processing and related demands including response to queries, requests for information *etc*.
- b)
 - (i) **Budget versus actual reporting does not appear to meet requirements** of service users (some of whom received only recently their first budget versus actual report of this academic year)
 - (ii) The transparency and usefulness of routine reporting of income and expenditure to budget holders has been questioned
 - (iii) This situation is hampered by an absence of a dedicated budgetary unit within the Finance Office
 - (iv) The sometimes low level of Finance response can in part be attributed to difficulties associated with the implementation of Agresso and related initiatives.
- c) **No significant concerns were uncovered regarding regulatory requirements.** However, the scale and complexity of the reporting organisations concerned, including a growing number of campus companies with statutory reporting requirements and deadlines, suggests that this is an area that will need increasing attention in future.
- d) **The “added value” service of professional financial advice to service users is restricted by:**
 - (i) **the absence of resources, including inadequate numbers of qualified staff, and;**
 - (ii) **the absence of appropriate structures focusing on business needs.**

Recommendations:

- (i) **Restructure the Finance Office to focus on major business needs.**

Action by: Finance Office Priority 1

- (ii) **Recruit additional professionally qualified staff to improve the focus and delivery of professional aspects of the service.**

Action by: Finance Office/University Priority 1

- (iii) **Recruit additional accounting staff to ensure general service quality.**

Action by: Finance Office/University Priority 1

5.4.3 Positioning of Finance Office within the University

The positioning of the Finance Office within the University needs attention. The Director of Finance currently reports to the Secretary who in turn reports to the President. The Group was informed that the rationale for the present reporting structure was to enable the co-ordination of administrative services. We respectfully suggest that this be reviewed.

As the underpinning finance for all universities is reduced and the pressure to diversify income increases even further, **the ability of the Director of Finance to have a strong independent voice clearly heard will be enhanced by a direct, unambiguous and formally expressed line to the President.** This is now the norm at many leading universities in UK and all other universities in Ireland.

We have noted earlier the President's assurance that regular reporting arrangements exist between himself as Accounting Officer for the University and the Director of Finance. This relationship is a key one, not only in relation to financial accountability, but also in relation to overall University strategy and forward planning.

Recommendation:

- (i) **PRG recommend that the relationship between the Director of Finance and the President should be unambiguously expressed in a re-arrangement of the reporting structure as outlined in the DCU Self-Evaluation Report for the EUA [Graph D7] to formalise the direct reporting line between the Director of Finance and the President adequately and acknowledge the responsibilities of the Director of Finance.**

Action by: University Priority 1

5.4.4 Service Ethos

There is an inadequate understanding of service ethos within the Finance Office. Customers believe that the Finance Office is focussed around providing responses to

problems and fire fighting rather than proactively raising issues and then proposing solutions.

There is a need to ensure that the provision of additional resources sought by the Finance Office will be accompanied by a move from reactive to pro-active concepts of service, and the design of structures to facilitate this.

Some customers identified a lack of urgency or prioritisation by Finance e.g. Research leadership indicated that additional resources had been funded for some time but new appointments are only now in the process of being made.

Only the Finance Officer was identified by customers as a contact point and the norm is not to get a response elsewhere unless a personal visit is made to Finance – where customers have to “wait in line” to be seen. Some income accounts for research grants received last year are still not set up in April and spending is “off account” as a result.

We were told that adequate, well-planned, suitable accommodation was available for current and future needs. However, little consideration appeared to have been given to students’ likely needs, i.e. no plan considered to co-locate together the Registry function with the student fees teams.

Consistently across all user groups, positive feedback was made with regard to services received from the Payroll Office. Feedback covered areas relating to communication, service expectations, clarity, accuracy, service delivery, customer focus. Payroll has experienced change to the same degree as other units within Finance. A business case could be convincingly made to increase resources in Payroll given increases in throughput in the Unit, therefore it is not the case that Payroll is over resourced relative to other units. What may be a telling factor is that Payroll is physically separated from the balance of Finance. This may allow two factors to surface, firstly the development of a positive culture influenced only by Payroll team and secondly the achievement of a large measure of control over the working environment.

Recommendations:

- (i) **Ensure that the future plan for the Finance Office adequately reflects a customer service ethos as a core objective of the service.**

Action by: Finance Office Priority 1

- (ii) **Payroll should be positively reviewed to gain insight from its experiences within the Finance Office. It is evident that the solution is not simply more resources but encompasses other aspects of the work environment.**

Action by: Finance Office Priority 2

- (iii) **Finance should publish the ethos required in Finance, train staff, agree service levels with customers, monitor customer feedback.**

Action by: Finance Office Priority 2

- (iv) **Finance should identify service champions and not rely exclusively on senior staff.**

Action by: Finance Office Priority 2

- (v) **Set regular reviews at Senior Management level of the reporting lines for the top two levels of Finance staffing.**

Action by: Finance Office Priority 2

- (vi) **Keep student needs under consideration in future location of Finance staff servicing students.**

Action by: Finance Office Priority 3

- (vii) **Keep Faculty needs under consideration in future location of Finance staff service units.**

Action by: Finance Office Priority 3

5.4.5 Staffing and Resourcing

Staffing

There is an inadequate level of staffing for the functions currently undertaken by the Finance Office.

Staff are routinely working high levels of overtime in the Payroll section and a dependence on working both long and extra hours was identified by other Finance staff.

Staff feel that they are not meeting customer requirements in terms of timelines and responsiveness of service. Due to pressure of work and lack of resources there appears to be an inappropriate methodology of not personally answering telephone queries or responding to emails.

Internally, these problems have led customers to modify their behaviour in two ways. In the first instance, they tend to reduce to a minimum routine inter-action with the Finance Office, having recognised that this is likely to make matters worse by adding to already extensive Finance workloads, with in some cases, little expectation of a satisfactory response. Secondly, they tackle acute (and sometimes non-acute) problems by arranging personal meetings with a small number of senior Finance staff. This latter response, although widely regarded as useful in that Finance staff are on an individual basis extraordinarily helpful in problem solving, is deeply unsystematic and, moreover, contributes to an inefficient usage of senior management time in the Unit. These general statements were not seen as criticisms of individuals rather they are expressions of dissatisfaction with management's response to widely perceived problems of resourcing and leadership.

The high levels of overtime are common throughout Finance.

Regarding customer requirements, the Payroll function was a notable exception in meeting and indeed exceeding customer expectations in this regard.

Remuneration

The level of remuneration was seen as adequate by the Finance Officer. However, this situation may need to be reviewed at professional level to reflect market conditions.

There was limited turnover of experienced staff and we were told that the previous salary level problems during the “dot.com” boom had been rectified.

Temporary Staff

The extent and pervasive nature of employing temporary staff for routine and on-going work was causing adverse training and customer service issues which were worsening the generally inadequate staffing levels.

We were told by both the Unit and its customers that temporary staff sought to be moved to established positions elsewhere as soon as they could;

- requiring retraining of replacements;
- slowing down customer response;
- in some cases losing the thread of responding to customer demands.

Departmental Morale

Morale within the Finance Office teams was said to be good by the staff concerned not withstanding the pressures.

Staff had been told that funding for additional staffing had been requested from the University, and staff believed that this had been agreed in principle but funding had not yet been allocated.

There was no sense of when the response would be received, but the forthcoming Deloitte & Touche review together with this report were seen as significant events likely to drive the future response from Senior Management.

Finance Office Structure

The Finance Officer reports directly with a 1:1 relationship to the Director of Finance. We suggest that this tends to lead to continued focus of customer queries at the Finance Officer level and the restriction of the ability of other new and existing qualified staff to become identifiable leaders of their functions within Finance.

The PRG felt that there is a clear need for a more pyramidal management structure with the Finance Office to spread the load at senior management level within the unit.

Future Plan

There is an inadequate understanding expressed within the Finance Office's future plan of customers' desire for more focus within Finance in particular areas. Repeated comments included:

- all queries focussed on Finance Officer
- Some customers said "too many Indians, no chiefs to talk to now"

Priority areas for Finance going forward are:

(a) Research – Finance plans to integrate management of research accounting within new faculty focussed teams. The VP of Research and other research managers wish to focus and expand the specific dedicated team allocated to this work.

(b) Budgeting – There is no central budget function below the Finance Officer. All queries appear to have to be directly made to him.

(c) Companies – Companies were said to want more autonomy, in particular for making small payments. Only the company accountant was said to be able to do so.

(d) Core activities – Transaction processing, statutory reporting and regulatory compliance are currently experiencing difficulties.

(e) SFI projects – The relatively recent introduction of significant SFI funded activity has fallen on the Finance Office without the provision of any additional resource. This situation needs to be addressed urgently.

Qualified Staff

There is evidence that compared with other universities in Ireland (and elsewhere) both the current (and importantly the proposed) staffing plans do not have sufficient qualified staff to cope with the current and expected level of strategic and financial planning requirements of customers. The Director of Finance currently has 5 qualified accountants in his team, not all of whom are functioning in accountant positions. At the very least a minimum of 5 is required to oversee the five areas noted above. Each of these heads of teams will also require additional professional assistance.

There are a number of factors which would influence the professional staffing structure that is needed – overall operational budget, capital programme, multiplicity of funding sources, requirement to generate fresh income, specialist areas such as VAT, other Tax areas, numbers of staff, numbers of pensioners, numbers of suppliers, value of procurement contracts, audit (internal and external) requirements, application of relevant accounting standards.

The PRG conclude that both the scale of operations and the degree of financial complexity of operations have increased beyond the increase in resources and relevant financial skills in the Unit.

Recommendations:

- (i) **Senior Management should provide a timetable for publication of their response to the additional staffing plan proposals from Finance.**

Action by: University Priority 1

- (ii) **Recruit additional accounting staff to ensure improved quality of the general service**

Action by: Finance Office/University Priority 1

- (iii) **Closely monitor levels of overtime and stress experienced by staff during the transition period.**

Action by: Finance Office/University Priority 1

- (iv) **Increase the ratio of permanent to temporary staff to avoid wasteful use of resources**

Action by: Finance Office/University Priority 1

- (v) **Recruit additional professionally qualified staff to improve the focus and delivery of the professional aspects of the service.**

Action by: Finance Office/University Priority 1

- (vi) **Director of Finance should validate further his plan proposals with key influencers, perhaps through widening the Deloitte & Touche discussions with stakeholders. In particular:**

- enhanced staffing of research accounting
- a central budget management function
- the needs of companies including more devolution of high volume low value transactions.

Action by: Finance Office Priority 1

- (vii) **The reporting arrangements within the Finance Office should be revised to reflect a pyramidal structure which would assist in providing a more effective service and remove the existing risk of a ‘single point logjam’.**

Action by: Finance Office Priority 1

5.4.6 Systems and Technology

Strategic Planning

There is no published plan for financing the University’s overall strategic plans. Without this it is difficult to see how Finance can produce high-level performance indicators for themselves.

The President informed us that it was his intention that such a plan would be produced for this year's planning round.

Budget Systems

There is little understanding of the budget methodology at operating unit level.

Although this is said to be on the Web, customers appeared not to know this was the case, and we were later told that the current system could not actually be located on it.

There was confusion in customer's understanding of what financial reporting information was routinely available either monthly or quarterly or annually.

Staff said that they had only received a budget circa 4 weeks ago (i.e. late February, early March 2005) for the year starting 1 September 2004. Some staff said that they worked out spending plans this year based on last year. Senior Management explained that whilst formal budgets could only be set late, due to in year changes at governmental level, 'guidelines' or 'indicative' budgets were made available early in the financial year as guidelines.

We could not ascertain whether or not customers received routine financial reports of actual expenditure.

There had been acknowledged disruption to normal service whilst Agresso was implemented in 2003 and 2004, but it was unclear whether or not 2004/5 actual data was being reported regularly. Certainly there was confusion for customers caused by the timetable for completing 2003/04 annual accounts (only due for completion March/April 2005).

No formal timetable for filing accounts was given to us by Finance.

Customers told us that they had only just received (March/April 2005), the first report with actual expenditure from September.

One company reported that it had not been able to place financial reports in front of its board due to delivery by Finance in a timescale which did not allow for adequate review.

Basic Systems

Some customers felt that basic systems need attention, e.g.:

- did not run at predictable times e.g. no monthly timetable for producing cheques
- were not yet developed e.g. Asset Register
- had not been prepared in a timely fashion e.g. cheque reconciliations

This had caused problems:

- in formulating formal internal audit reports in three instances.
- in researchers charging project expenditure on personal credit cards and personally bearing interest costs.

- in requiring customers to carry out quality control checks on payments when they were sent out to faculties prior to external posting, in order for the faculties to understand what had and had not been paid.

There is limited integration of the new Agresso and Core Pay Systems with the underlying feeder systems.

We were told that personnel data has to be double entered into the HR and Payroll systems.

We were told that due to staffing pressure the Payroll Core Pay costing outputs had to be summarised with excel spreadsheets before being entered in summary into the Agresso System.

Systems Opportunities

The Group believes that there may be substantial additional opportunities for productivity gains through systems solutions, if the Finance Department specified their requirements e.g. staff expenses, staff requisitions.

Recommendations:

- (i) **Improve business systems generally including planning, budgeting, reporting and transaction processing to improve the quality of the service and to avail of potential productivity gains.**

Action by: Finance Office Priority 2

- (ii) **Make time, as soon as possible, to identify champions for integrating high volume feeder systems and discuss with Computer Services the availability of systems staff to produce them.**

Action by: Finance Office Priority 2

- (iii) **Publish user guide to budgets and reporting and keep it up to date on the Web.**

Action by: Finance Office Priority 1

- (iv) **Identify and publish timetable for all key budget and reporting outputs.**

Action by: Finance Office Priority 1

- (v) **Monitor and report compliance with key dates for finance outputs.**

Action by: Finance Office Priority 3

- (vi) **Set high-level financial performance targets at Senior Management level.**

Action by: Finance Office Priority 3

6. CONCLUSIONS:

A. Self Assessment Process

- (i) It is evident that the Self Assessment Process was not properly completed.
- (ii) The PRG considered that the delay in taking ownership of the process between May 2004, when the initial briefing session took place with the Director of Quality, and the beginning of the academic year 2004-5, was fundamental to the absence of a comprehensive self-assessment report.
- (iii) Director of Finance was not available to participate in the Site Visit for unavoidable personal reasons. The Group felt that this information could and should have been made available to them sooner
- (iv) The PRG concluded that the ability of the Finance Office to evaluate, plan and respond to underlying difficulties and/or unanticipated events was inadequate in relation to the Self Assessment Process and Report.

B. Peer Review Group Process

- (i) The PRG consider the adequacy of information provided in relation to the quality process as excellent.
- (ii) The PRG consider the adequacy of information provided in relation to specific operations of the Finance Office as poor.
- (iii) The PRG consider the adequacy of the information provided in relation to the objectives and expectations held by Senior Management of DCU in respect of the Finance Office as poor.
- (iv) The PRG considers the initial briefing session to have been poor due to the apparent unpreparedness evident at the session.
- (v) The PRG considers the adequacy/suitability of the timetable to be very good.
- (vi) The PRG consider that the liaison provided by the QPU during the visit was good.
- (vii) The PRG consider that the liaison provided by the Finance Office during the visit was good.

C. Site Visit

Overview

- (i) Finance Office capacity to manage change effectively is questionable.
- (ii) Finance Office is inappropriately positioned within the organisational structure of the University.
- (iii) Finance Office lacks an appropriate customer service focus.
- (iv) Finance Office is under-resourced and badly structured for the workload expected of it.
- (v) Operational and transaction processing matters are handled fairly well.
- (vi) Management information (*i.e.* budget versus actual reporting; analysis of income and expenditure; explanation of and advice on budgetary policy and procedures *etc*) is poor.

D. Change Management

- (i) It is apparent that DCU has grown and developed significantly in both the short and medium term
- (ii) PRG noted that there have been some opportunities for change in recent years which have not been realised.
- (iii) Equally it is not clear on what basis earlier opportunities for change were either not supported fully or allowed to fade or not presented with sufficient confidence to secure backing from key players within the university.
- (iv) Ongoing business changes were not reflected nor recognised in the financial operations, communications or dealings. It is not clear that the University had considered the financial needs of their stakeholders and prioritised financial services accordingly.
- (v) There would be inadequate alignment between the workload and daily activity of the Finance Office with the needs and requirements of client groups.
- (vi) It is important that barriers to achieving this alignment, whether perceived or real, are addressed and removed.
- (vii) There has not been any process whereby the demands and needs of clients are mapped against resources and targets and objectives are set to ensure client needs are met.

Communication

- (viii) No communication strategy, as demonstrated through a communications policy across all stakeholder elements is in place across the University or indeed in the Finance Office.
- (ix) It would seem that communication interfaces between the Finance Office and client groups are on an ad hoc basis, reactive in nature and engage with one or two principal players only.
- (x) The absence of clear effective communication channels has led to increased frustrations on the part of clients and has created the risk of a widening gap between the quality and nature of financial services delivered against the quality and nature of financial services required.
- (xi) It would seem that Finance Office has been visibly less effective in securing new resources than other disciplines and has not in effect championed its own cause.

Planning and Management

- (xii) The absence of analysis of performance metrics gives cause for concern on the capacity of the Unit as currently structured to manage increased resources in a manner which results in a more effective financial service.
- (xiii) PRG formed the impression that in a number of areas planning and management need attention if the Finance Office is to achieve a quantum improvement in quality.
- (xiv) There was a strong feeling among most users that the Unit was not sufficiently customer-oriented or user-friendly.

- (xv) The PRG believes that a core element of the potential transformation of the Finance Office will be – as suggested in the preliminary documentation – the formal setting of performance metrics and performance objectives, and the regular monitoring of these so that quality improvements can be adequately documented and obstacles to quality improvement identified and overcome.

E. Institutional Expectations of the Finance Function

- (i) Almost all areas of the Finance Function are experiencing difficulties.
- (ii) Budget versus actual reporting does not appear to meet requirements
- (iii) No significant concerns were uncovered regarding regulatory requirements
- (iv) The “added value” service of professional financial advice to service users is restricted by:
 - a) the absence of resources, including inadequate numbers of qualified staff, and;
 - b) the absence of appropriate structures focusing on business needs.

F. Positioning of Finance Office within the University

- (i) The ability of the Director of Finance to have a strong independent voice clearly heard will be enhanced by a direct, unambiguous and formally expressed line to the President.

G. Service Ethos

- (i) There is an inadequate understanding of service ethos within the Finance Office.
- (ii) There is a danger that the new Finance strategy simply seeks resources to deliver a reactive service at acceptable levels.
- (iii) Consistently across all user groups, positive feedback was made with regard to services received from the Payroll Office.

H. Staffing and Resourcing

- (i) There is an inadequate level of staffing for the functions currently undertaken by the Finance Office.
- (ii) The level of remuneration was seen as adequate by the Finance Officer, however, this situation may need to be reviewed at professional level to reflect market conditions.
- (iii) The extent and pervasive nature of employing temporary staff for routine and on-going work was causing adverse training and customer service issues which were worsening the generally inadequate staffing levels.
- (iv) Morale within the Finance Office teams was said to be good by the staff concerned notwithstanding the pressures.

- (v) The PRG felt that there is a clear need for a more pyramidal management structure with the Finance Office to spread the load at senior management level within the unit.
- (vi) There is an inadequate understanding expressed within the Finance Office's future plan of customers' desire for more focus within Finance in particular areas.
- (vii) There is evidence that compared with other universities in Ireland (and elsewhere) both the current (and importantly the proposed) staffing plans do not have sufficient qualified staff to cope with the current and expected level of strategic and financial planning requirements of customers.
- (viii) The PRG conclude that both the scale of operations and the degree of financial complexity of operations have increased beyond the increase in resources and relevant financial skills in the unit.

I. Systems and Technology

- (i) There is no published plan for financing the University's overall strategic plans.
- (ii) There is little understanding of the budget methodology at operating unit level.
- (iii) There was confusion in customer's understanding of what financial reporting information was routinely available either monthly or quarterly or annually.
- (iv) No formal timetable for filing accounts was given to us by Finance.
- (v) Some customers felt that basic systems need attention
- (vi) The Group believes that there may be substantial additional opportunities for productivity gains through systems solutions.

7. Recommendations

A. The Self-Assessment Process

- (i) The PRG recommend the introduction of a checking process along key milestones during the quality review process to ensure that the quality review process itself could not be undermined by the low or absence of commitment and engagement of units under review.

Action by: Quality Promotion Unit Priority 2.

- (ii) The PRG recommend that systems be put in place to ensure that a comprehensive Self Assessment Report is completed in a timely manner.

Action by: Quality Promotion Unit Priority 2.

B. Peer Review Process

- (i) Objectives and expectations of senior management for the unit under review should be forwarded to PRG members well in advance of the peer review commencement.

Action by: University Priority 1.

- (ii) In reviewing aspects of the timetable the PRG recommend that the merit of a working dinner for the PRG on the second evening of the review be reviewed.

Action by: Quality Promotion Unit Priority 3.

- (iii) The readiness of units should be assessed by the QPU prior to the commencement of the Peer Review. This assessment should be communicated to the PRG.

Action by: Quality Promotion Unit Priority 2.

- (iv) Critical information such as the availability of the Head of Unit under review should be given to PRG as soon as this information is available.

Action by: Quality Promotion Unit Priority 2.

C. The Site Visit – Findings of the Peer Review Group

D. Change Management

- (i) Going forward, management within Finance should sustain and develop a culture that seeks to influence and shape its environment.

Action by: Finance Office Priority 1.

- (ii) The Finance Office should express its own vision of how financial services will be delivered in a formal statement, following on from a

consultation process with all stakeholders. This vision should support and be strongly aligned to the University statement of strategy. This statement by the Finance Office should include a high-level mission statement and objectives and targets as found in a business plan format.

Action by: Finance Office Priority 1.

- (iii) The creation of the maximum integration of this Report with the Deloitte and Touche consultancy.

Action by: Finance Office Priority 1.

- (iv) The widening of the customer base survey envisaged as part of the Deloitte and Touche consultancy.

Action by: Finance Office Priority 1.

Communication

- (i) The Finance Office must critically review as a matter of urgency the communication channel between itself and stakeholder groups. The review should focus on responsiveness to client need, communication / information channel, telephone, formal reporting, web site.

Action by: Finance Office Priority 1.

- (ii) The Finance Unit requires as a matter of priority to engage in a communication exercise with its stakeholders to establish business and service needs, gaps in current service provision and the impact of these services demands on resources and skills mix available in the Finance Office.

Action by: Finance Office Priority 1.

- (iii) The Finance Office should establish a Finance Forum, comprised of users from stakeholder groups which would review quarterly the quality of financial services received and collectively assess how service improvements might be made.

Action by: Finance Office Priority 2.

- (iv) The assessment and, where appropriate, improvement of channels of communication between the Unit and budget holders, in particular faculties and research centres, in structured consultation with the Units involved.

Action by: Finance Office Priority 2.

Planning and Management

- (i) The prioritisation, in conjunction with the senior management group, of a resolution of potential policy issues relating to the tension between accountability requirements and decentralisation objectives, as a fundamental aspect of the planning process for the development of the Unit, its staffing levels, and the definition of its responsibilities.

- Action by: Finance Office Priority 1.*
- (ii) The development of a planned and phased programme for implementation of the desired increased resourcing for the Unit.
Action by: Finance Office Priority 1.
- (iii) A management development programme should be initiated for Finance management to develop new and alternative management styles which will be more appropriate in a change environment.
Action by: Finance Office Priority 2.
- (iv) The Finance Office should monitor workload and performance through the development of performance metrics.
Action by: Finance Office Priority 2.
- (v) The re-institution of staff planning meetings (a) at senior management and (b) at sub-unit level on a regular basis.
Action by: Finance Office Priority 2.
- (vi) The foregrounding of issues of culture and ethos – definition, elaboration and implementation – as an integral element in all the Unit’s planning and management functions.
Action by: Finance Office Priority 1.
- (vii) The definition, on a sub-unit by sub-unit basis, of unambiguous and – however initially modest – progressive and measurable targets for the improvement both of internal procedures and of the delivery of services to the customer base.
Action by: Finance Office Priority 2.
- (viii) The regular measurement of progress towards these targets and, where appropriate, the amendment or enhancement of these targets in the light of experience.
Action by: Finance Office Priority 2.

E. Institutional Expectations of the Finance Office

- (i) Restructure the Finance Office to focus on major business needs.
Action by: Finance Office Priority 1.
- (ii) Recruit additional professionally qualified staff to improve the focus and delivery of professional aspects of the service.
Action by: Finance Office Priority 1.
- (iii) Recruit additional accounting staff to ensure general service quality.
Action by: Finance Office Priority 1.

F. Positioning of Finance Office within the University

- (i) The PRG recommend that the relationship between the Director of Finance and the President should be unambiguously expressed in a re-arrangement of the reporting structure as outlined in the DCU Self-Evaluation Report for the EUA [Graph D7] to formalise the direct reporting line between the Director of Finance and the President adequately and acknowledge the responsibilities of the Director of Finance.

Action by: University Priority 1.

G. Service Ethos

- (i) Ensure that the future plan for the Finance Office adequately reflects a customer service ethos as a core objective of the service.

Action by: Finance Office Priority 1.

- (ii) Payroll should be critically reviewed to gain insight from its experiences within the Finance Office. It is evident that the solution is not simply more resources but encompasses other aspects of the work environment.

Action by: Finance Office Priority 2.

- (iii) Finance should publish the ethos required in Finance, train staff, agree service levels with customers, monitor customer feedback.

Action by: Finance Office Priority 2.

- (iv) Finance should identify service champions and not rely exclusively on senior staff.

Action by: Finance Office Priority 2.

- (v) Set regular reviews at Senior Management level of the reporting lines for the top two levels of Finance staffing.

Action by: Finance Office Priority 2.

- (vi) Keep student needs under consideration in future location of Finance staff servicing students.

Action by: Finance Office Priority 3.

- (vii) Keep Faculty needs under consideration in future location of Finance staff service faculties.

Action by: Finance Office Priority 3.

H. Staffing and Resourcing

- (i) Senior Management should provide a timetable for publication of their response to the additional staffing plan proposals from Finance.
Action by: University Priority 1.
- (ii) Recruit additional accounting staff to ensure improved quality of the general service.
Action by: Finance Office/University Priority 1.
- (iii) Closely monitor levels of overtime and stress experienced by staff during the transition period.
Action by: Finance Office Priority 1.
- (iv) Increase the ratio of permanent to temporary staff to avoid wasteful use of resources.
Action by: Finance Office/University Priority 1.
- (v) Recruit additional professionally qualified staff to improve the focus and delivery of the professional aspects of the service.
Action by: Finance Office/University Priority 1.
- (vi) Director of Finance should validate further his plan proposals with key influencers, perhaps through widening the Deloitte & Touche discussions with stakeholders. In particular:
- enhanced staffing of research accounting
 - a central budget management function
 - the needs of companies including more devolution of high volume low value transactions.
- Action by: Finance Office Priority 1.*
- (vii) The reporting arrangements within the Finance Office should be revised to reflect a pyramidal structure which would assist in providing a more effective service and remove the existing risk of a 'single point logjam'.
Action by: Finance Office Priority 1.

I. Systems and Technology

- (i) Improve business systems generally including planning, budgeting, reporting and transaction processing to improve the quality of the service and to avail of potential productivity gains.
Action by: Finance Office Priority 2.
- (ii) Make time, as soon as possible, to identify champions for integrating high volume feeder systems and discuss with Computer Services the availability of systems staff to produce them.
Action by: Finance Office Priority 2.

- (iii) Publish user guide to budgets and reporting and keep it up to date on the Web.
Action by: Finance Office Priority 1.
- (iv) Identify and publish timetable for all key budget and reporting outputs.
Action by: Finance Office Priority 1.
- (v) Monitor and report compliance with key dates for finance outputs.
Action by: Finance Office Priority 3.
- (vi) Set high-level financial performance targets at Senior Management level.
Action by: Finance Office Priority 3.

APPENDIX A

Questions for Meeting with Senior Management of DCU

1. The Peer Review Group would welcome clarification from Senior Management regarding their strategic and operational expectations of the Finance Office within the University. Furthermore, does the Finance Office have a partnership role in the overall business development of the University?
2. The Peer Review Group would welcome clarification from Senior Management on the reporting structures of the Director of Finance. Also, clarification is required of the financial oversight arrangements at Governing Authority level.
3. A number of proposals for methodologies for strategic development and restructuring and resourcing have been put forward or identified by the Finance Office. These include
 - Balanced Scorecard
 - Proposal for Resourcing
 - Deloitte and Touche Review

The Peer Review Group would be interested in the involvement of Senior Management in these initiatives and any response there may have been to them. For example, have Senior Management set any objectives for the Deloitte and Touche Review?

4. What is the Senior Management view regarding integration of the Finance Office in University strategic planning?
5. What is the Senior Management view of the deficit reported in 2003 in the HEA document *The Financial Position of Irish Universities* and the role of the Finance Office in managing same?

APPENDIX B

List of Priority 1 Recommendations

- (i) Objectives and expectations of senior management for the unit under review should be forwarded to PRG members well in advance of the peer review commencement.
Action by: University Priority 1.
- (ii) Going forward, management within Finance should sustain and develop a culture that seeks to influence and shape its environment.
Action by: Finance Office Priority 1.
- (iii) The Finance Office should express its own vision of how financial services will be delivered in a formal statement, following on from a consultation process with all stakeholders. This vision should support and be strongly aligned to the University statement of strategy. This statement by the Finance Office should include a high-level mission statement and objectives and targets as found in a business plan format.
Action by: Finance Office Priority 1.
- (iv) The creation of the maximum integration of this Report with the Deloitte and Touche consultancy.
Action by: Finance Office Priority 1.
- (v) The widening of the customer base survey envisaged as part of the Deloitte and Touche consultancy.
Action by: Finance Office Priority 1.
- (vi) The Finance Office must critically review as a matter of urgency the communication channel between itself and stakeholder groups. The review should focus on responsiveness to client need, communication / information channel, telephone, formal reporting, web site.
Action by: Finance Office Priority 1.
- (vii) The Finance Unit requires as a matter of priority to engage in a communication exercise with its stakeholders to establish business and service needs, gaps in current service provision and the impact of these services demands on resources and skills mix available in the Finance Office.
Action by: Finance Office Priority 1.
- (viii) The prioritisation, in conjunction with the senior management group, of a resolution of potential policy issues relating to the tension between accountability requirements and decentralisation objectives, as a fundamental aspect of the planning process for the development of the Unit, its staffing levels, and the definition of its responsibilities.
Action by: Finance Office Priority 1.
- (ix) The development of a planned and phased programme for implementation of the desired increased resourcing for the Unit.

- Action by: Finance Office Priority 1.*
- (x) The foregrounding of issues of culture and ethos – definition, elaboration and implementation – as an integral element in all the Unit’s planning and management functions.
Action by: Finance Office Priority 1.
- (xi) Restructure the Finance Office to focus on major business needs.
Action by: Finance Office Priority 1.
- (xii) Recruit additional professionally qualified staff to improve the focus and delivery of professional aspects of the service.
Action by: Finance Office Priority 1.
- (xiii) Recruit additional accounting staff to ensure general service quality.
Action by: Finance Office Priority 1.
- (xiv) The PRG recommend that the relationship between the Director of Finance and the President should be unambiguously expressed in a re-arrangement of the reporting structure as outlined in the DCU Self-Evaluation Report for the EUA [Graph D7] to formalise the direct reporting line between the Director of Finance and the President adequately and acknowledge the responsibilities of the Director of Finance.
Action by: University Priority 1.
- (xv) Ensure that the future plan for the Finance Office adequately reflects a customer service ethos as a core objective of the service.
Action by: Finance Office Priority 1.
- (xvi) Senior Management should provide a timetable for publication of their response to the additional staffing plan proposals from Finance.
Action by: University Priority 1.
- (xvii) Recruit additional accounting staff to ensure improved quality of the general service.
Action by: Finance Office/University Priority 1.
- (xviii) Closely monitor levels of overtime and stress experienced by staff during the transition period.
Action by: Finance Office Priority 1.
- (xix) Increase the ratio of permanent to temporary staff to avoid wasteful use of resources.
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- (xxi) Director of Finance should validate further his plan proposals with key influencers, perhaps through widening the Deloitte & Touche discussions with stakeholders. In particular:
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 - a central budget management function
 - the needs of companies including more devolution of high volume low value transactions.
- Action by: Finance Office Priority 1.*
- (xxii) The reporting arrangements within the Finance Office should be revised to reflect a pyramidal structure which would assist in providing a more effective service and remove the existing risk of a ‘single point logjam.
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- (xxiii) Publish user guide to budgets and reporting and keep it up to date on the Web.
- Action by: Finance Office Priority 1.*
- (xxiv) Identify and publish timetable for all key budget and reporting outputs.
- Action by: Finance Office Priority 1.*