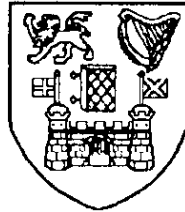


# **Trinity College Dublin**



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## **Provost's Report to Board on the Review of the Treasurer's Office**

**November 2012**

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## **1. Introduction**

This report presents the outcome of a quality review of the Treasurer's Office at Trinity College Dublin. An external peer review visitation was undertaken from the 28<sup>th</sup> – 30<sup>th</sup> May 2012 by Mr Andrew Farrell, Director of Finance & Facilities, London School of Economics & Political Science; Ms Breda O'Reilly, F24 Operations Financial Controller, Intel Ireland and Mr. James Hunt, University of Leicester (retired). The internal facilitator was Mr Robin Adams, Trinity College Dublin.

This report is based on (i) feedback from the External Reviewers received on the 23<sup>rd</sup> August 2012, (ii) a submission from the Treasurer's Office received on the 16<sup>th</sup> October 2012 and (iii) a submission from the Chief Operating Officer (COO) received on the 17<sup>th</sup> October 2012.

The main purpose of the review is (a) to provide a structured opportunity for the area to reflect on its activities and plans for development, while benefiting from a constructive commentary by senior colleagues external to College; (b) to ensure that quality and standards in administration, management and service provision are being maintained and enhanced and that areas of concern in this regard are identified and addressed.

## **2. Overview of the Area**

### **2.1 Structure & Function**

The Treasurer (now Chief Financial Officer (CFO)) is a statutory officer of the College and a key member of the College's senior management team, contributing at the highest levels of the College's leadership structure. He is accountable to the Board and Provost for all aspects of the direction and management of the College's financial affairs. The CFO is supported by the Treasurer's Office Senior Management Team comprising the Research Accounting Manager, the Financial Planning Manager, the Finance Operations Manager and the Financial Resources Manager. The Treasurer's Office organisational structure is flat, with a reporting line for the Senior Management team directly to the Treasurer. There has been no Deputy Treasurer since the departure of the previous Treasurer in 2007.

### **2.2 Staffing**

66.43 fulltime equivalent staff are employed in the Treasurer's Office (correct at April 2012) is set out below:

Senior Management Team (5 FTEs), Senior Administrative Support Team (2.33 FTEs), Accounts Payable Section (13.5 FTEs), Accounts Receivable Section (2 FTEs), Financial Resources Section (7 FTEs), Resource Planning and Full Economic Costing Section (1.5 FTEs), Faculty Financial Advisor (2.5 FTEs), the Management Information Section (MIS) (2 FTEs), Research Administration Section (16.4 FTEs), Student Fees Section (7 FTEs), Payroll Section (3 FTEs), Procurement Section (4 FTEs), Taxation Officer (0.2 FTE).

The breakdown of Treasurer's Office staff by grade is as follows:

<b>Staff grade</b>	<b>FTE at April 2012</b>
Senior Administrator Grade I	1
Senior Administrator Grade III	4
Administrator Grade I	11.2
Administrator Grade II	13
Senior Executive Officer Grade I	5
Senior Executive Officer Grade II	2
Executive Officer	30.23
<b>Total</b>	<b>66.43*</b>

\* Movement in staff numbers is accounted for by secondments to the FIS Project Team, primarily within the Admin I grade tier.

### **2.3 Accommodation and Facilities (Physical Resources)**

At present the Treasurer's Office operates from buildings number 3 and 5 College Green, with accommodation over 6 floors. The total space occupied by the Treasurer's Office amounts to 630 Sq.m. The FIS Project Team occupies a further 309 Sq.m, 63 Sq.m of which is seminar space shared with the Careers Advisory Service in College Green, with a further 60 Sq.m of workshop space based in Foster Place.

### 3. Reviewers' Recommendations

The Reviewers make the following recommendations:

1. It seems clear that the financial information system currently in use, Coda, is inadequate for modern needs, and creates various information gaps and inefficiencies in use of staff time, despite various modifications which have been made. The Reviewers support the College's emerging plan to replace Coda with a modern financial information system despite the costs and risks involved. Some structured planning of the system's details and follow-up after implementation will be needed to secure the potential benefits, especially in better use of staff time, but the extent of commitment to change across the College augurs well.
2. The structure of the Treasurer's Office needs a review. In particular, it is important that the senior level of the Office is strengthened, so that the Treasurer/CFO has the capacity to deal properly with enlarged strategic responsibilities. We see this as being urgent, not to be left till after the FIS implementation.
3. The College and the Treasurer/CFO himself are new to parts of the re-profiled CFO function. The Treasurer/CFO should consider, in close conjunction with the Provost, a set of initial targets and a support programme for himself in the new parts of the role, so as to maximise his effectiveness in the short and medium term.
4. The summary reporting on College finances to Finance Committee, and possibly elsewhere in the College, (called financial KPIs in some cases) is not as good as it needs to be. The issue seems to be the level of detail, and the descriptions of the categories. Some of this reflects the limitations of Coda, but the Reviewers believe some of it is lack of agreement on what is expected, which could be improved, and is sufficiently important to justify change now, even if the FIS project soon gets final approval.
5. There remains in certain procedures an apparent over-emphasis on compliance, with resulting inefficiency. Some careful fine-tuning of the arrangements for authorisations, petty cash, supplier selection and control of hospitality and entertainment, would seem worthwhile.
6. The Treasurer's Office involvement in two areas of the University may not be quite sufficient to allow their full expertise to be used, being capital projects, and management of the support areas of the College. Some modest changes could have important benefits.
7. The review has no need to comment separately on the efficiency of the Office, which on the evidence available and in the experience of the Reviewers is satisfactory, given

the current duties of the Office. In the medium term, we would expect to see more staff in planning/analysis, and perhaps less in AP/expenses. Some cost savings should become possible if the FIS project is implemented, which would help this rebalancing.

8. Overall, our conclusion is that the FIS project is soundly based, and should proceed. It will allow the Treasurer's Office services to be improved in a number of ways, including better reporting and for that service to change to add greater value. We would however make a few observations concerning the detailed planning and follow-up of the project:
  - a) The details of the impact of the project on the work of staff in Schools and faculties, who deal with financial matters, is worthy of more consideration as the "to be" phase of the project is developed. We consider there are significant changes and efficiencies possible, as shown in the FIS business case, but engagement with and support from those staff needs to be continued and developed.
  - b) The College's expectations about what the new system will deliver need to be clarified. There seem to be differing ideas about what will be possible and when among those we spoke to. Among other things, the role of the new FIS in budgeting and future scenario planning may need clarifying.

## 4. Provost's Recommendations to Board

In light of the Review Report and the responses from the Treasurer/Chief Financial Officer (CFO) and the Chief Operating Officer (COO), it is recommended that:

- (1) The Treasurer/Chief Financial Officer working closely with the Provost, Chief Operating Officer, Vice-Provost/Chief Academic Officer and other relevant College Officers, should consider the detailed recommendations of the Review Report and draw up an Implementation Plan<sup>1</sup> for Board approval.
- (2) There is a review of the structure of this office, with a view to strengthening the senior level of the office to enable the transition to strategic responsibilities.
- (3) Given the new role of the Office, targets should be established and a support programme developed to maximise the effectiveness of the new CFO role.
- (4) Improvements identified as requiring attention prior to FIS implementation are addressed (e.g. reports, compliance procedures, capital projects and reallocation of resources from AP/expenses to planning/analysis).

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<sup>1</sup> See Procedures and Protocol for Quality Review of Administration and Support Services 2011/12 at [http://www.tcd.ie/vpcao/quality/assets/pdf/Procedures\\_and\\_Protocol\\_for\\_Quality\\_Reviews\\_of\\_Administrative\\_and\\_Service\\_Areas.pdf](http://www.tcd.ie/vpcao/quality/assets/pdf/Procedures_and_Protocol_for_Quality_Reviews_of_Administrative_and_Service_Areas.pdf)

## **5. Reviewers' Report**

### Introduction

The Reviewers are pleased to present to the College their report on the Treasurer's Office, which follows their visit to the College on 28<sup>th</sup> to 30<sup>th</sup> May 2012.

The Reviewers would like to give their thanks to all those involved in the review process, including staff in the Quality Office whose arrangements worked so well, the Treasurer's Office, who provided clear evidence and participated fully in the Reviewers' discussions, and all those who came to meet the Reviewers, giving their time to help the review.

The Reviewers were provided with full documentation before the review began, including especially the Treasurer's Office Self-Assessment Report. The schedule of meetings during the Reviewers' visit is attached.

The review had the purposes set out in the College's General Procedures and Protocol for Quality Reviews of Administration and Support Services, namely:

- evaluate the quality of service offered;
- ensure that service provision and administrative activities are in line with the overall mission and strategic objectives of the college;
- assess client/stakeholder satisfaction;
- benchmark services against institutional comparators;
- identify and promote best practice;
- obtain constructive commentary and advice on the strategic direction of the area.

This report focusses mainly on those areas where changes are recommended, where the Reviewers concentrated their attention.

It was made clear during discussions with the Provost, the Chief Operating Officer, and others, that the review should be broad in scope, examining not only the day to day operations of the Treasurer's Office, but also its role in support of the College's medium and long term development.

### The College's Financial Environment

The Reviewers considered various forms of evidence about the difficult external environment for the College arising from Ireland's economic difficulties. The reductions in state funding and the constraints on management of staff costs were noted. The College's response has included a "coping strategy" for a couple of years, but there are longer term plans being put in place, or increased in scope, to raise the level of non-state income,



through internationalisation, philanthropy and commercialization. The Reviewers noted that these activities affect the role of the Treasurer's Office and enquired into those aspects of its work.

Beyond that, the Reviewers noted that the College's dependence on state funding might be further reduced and its financial resilience increased by further moves to develop self-financing academic activities. There appear to be opportunities to grow such things as postgraduate programmes and short course provision, where the College has autonomy over the nature and pricing of such work. Such developments were understood by the Reviewers to be already in existence on a modest scale, with their expansion to a much larger scale being on the horizon (while noting that some issues on policy and internal resource allocation relating to such activities need further work). The Reviewers took the view that such expansion of self-financing academic activities was likely to prove desirable for the College, and that the Treasurer's Office should be structured in such a way as to allow it to respond to the demands for financial analysis and support of such activities in due course.

On a related matter, the Reviewers noted the small number of external members on Committees dealing with College finances, and are supportive of ideas to increase their number.

#### Previous Review of the Treasurer's Office

It was noted that the Treasurer's Office had had an external review in 2007, and had as a result been going through a development programme aimed particularly at becoming more customer facing, developing the knowledge and skills of its staff, and seeking better financial information systems. This review looked at progress since 2007 on these matters and was able to acknowledge considerable progress.

#### Summary of Review Findings

The Reviewers found much to commend in the current work of the Treasurer's Office and the changes brought about in the last few years. In particular, the College can take pride in the commitment and attitude of the Treasurer's Office staff.

It seems clear that the financial information system currently in use, Coda, is inadequate for modern needs, and creates various information gaps and inefficiencies in use of staff time, despite various modifications which have been made. The Reviewers support the College's emerging plan to replace Coda with a modern financial information system despite the costs and risks involved. Some structured planning of the system's details and follow-up after

implementation will be needed to secure the potential benefits, especially in better use of staff time, but the extent of commitment to change across the College augurs well.

The Reviewers fully support the recent change arising from the START process to the role of the Treasurer and Chief Financial Officer. We are however concerned that two consequences of the change need early and careful follow-up, perhaps more than is currently envisaged:

- a) The structure of the Treasurer's Office needs a review. In particular, it is important that the senior level of the Office is strengthened, so that the Treasurer/CFO has the capacity to deal properly with enlarged strategic responsibilities. We see this as being urgent, not to be left till after the FIS implementation;
- b) The College and the Treasurer/CFO himself are new to parts of the re-profiled CFO function. The Treasurer/CFO should consider, in close conjunction with the Provost, a set of initial targets and a support programme for himself in the new parts of the role, so as to maximise his effectiveness in the short and medium term.

These are the review's main findings. They are very supportive of what the Office has been doing within the limits it has faced, and of the College's new direction for the Treasurer/CFO and (by implication) his Office.

There are some lesser matters, more tactical than strategic, which the Reviewers feel require some attention from the College:

- a) The summary reporting on College finances to Finance Committee, and possibly elsewhere in the College, (called financial KPIs in some cases) is not as good as it needs to be. The issue seems to be the level of detail, and the descriptions of the categories. Some of this reflects the limitations of Coda, but the Reviewers believe some of it is lack of agreement on what is expected, which could be improved, and is sufficiently important to justify change now, even if the FIS project soon gets final approval.
- b) There remains in certain procedures an apparent over-emphasis on compliance, with resulting inefficiency. Some careful fine-tuning of the arrangements for authorisations, petty cash, supplier selection and control of hospitality and entertainment, would seem worthwhile.

- c) The Treasurer's Office involvement in two areas of the University may not be quite sufficient to allow their full expertise to be used, being capital projects, and management of the support areas of the College. Some modest changes could have important benefits.

The review has no need to comment separately on the efficiency of the Office, which on the evidence available and in the experience of the Reviewers is satisfactory, given the current duties of the Office. In the medium term, we would expect to see more staff in planning/analysis, and perhaps less in AP/expenses. Some cost savings should become possible if the FIS project is implemented, which would help this rebalancing.

The main points above are set out in more detail in the following section.

### Details of the Review Findings

#### Office and Staff Performance

The Reviewers were very favourably impressed by some aspects of the current work of the Treasurer's Office. In particular, many of those we met commented on the helpfulness of the staff and the leadership shown by the Treasurer in changing the Office since 2007. It was clear that the better communication by the Office is much appreciated. We also noted strong performance of some specific aspects of work, such as supporting research Principal Investigators, meeting all external statutory and compliance reporting needs, management of the College's investments, support for commercialization projects and successful investments and balance sheet management during the difficult financial conditions since 2008.

It was also noted that the Office had responded flexibly to the creation of the new College planning group, providing it with support from within the existing Office structure.

The Reviewers saw this as very positive for the College and the Treasurer.

#### Financial Information System (FIS)

The Treasurer's Office Self-Assessment Report, and many of the people who spoke to the Reviewers, described the deficiencies of the current financial information system, Coda, and the plans to replace it. The Treasurer/CFO described this change as the focus of Treasurer's Office work for the next 2-3 years. We enquired into the status of the project, its resourcing and its expected results. We noted the savings and efficiencies expected, some of which involve staff changes which might be difficult to achieve quickly given the constraints on

employment changes. We considered the costs of the project, and the risks inherent in such system changes. We noted the widespread acceptance of the need for a better system.

Overall, our conclusion is that the FIS project is soundly based, and should proceed. It will allow the Treasurer's Office services to be improved in a number of ways, including better reporting and for that service to change to add greater value. We would however make a few observations concerning the detailed planning and follow-up of the project:

- a) The details of the impact of the project on the work of staff in Schools and faculties, who deal with financial matters, is worthy of more consideration as the "to be" phase of the project is developed. We consider there are significant changes and efficiencies possible, as shown in the FIS business case, but engagement with and support from those staff needs to be continued and developed.
- b) The College's expectations about what the new system will deliver need to be clarified. There seem to be differing ideas about what will be possible and when among those we spoke to. Among other things, the role of the new FIS in budgeting and future scenario planning may need clarifying.

### Strategic Financial Planning

This is the main area where the Reviewers think further development of the Treasurer's Office and the Treasurer/CFO is necessary. The College's difficult financial environment was discussed as mentioned before, as was the current "coping" strategy. Against these, the College's moves to increase its non-state income, to seek efficiencies in expenditure, and to enhance the role of the "Treasurer" to "Treasurer and Chief Financial Officer", seem absolutely right to the Reviewers. Indeed, as mentioned before, we believe the College has potential scope to go further in that direction, especially in regard to self-financing academic developments, and the Treasurer's Office should be structured to make its part in such an approach possible. We consider – although it is not part of our brief to consider such matters – that such an approach appears worthwhile regardless of what may emerge over the next few years in regard to national policy on higher education.

Given the financial stress facing the College, we believe the strengthening of the Treasurer's Office to support strategic financial planning and the growth of non-state funded activities, is urgent. It certainly should not await the completion of the FIS project in 2-3 years. We acknowledge the moves already made by the Treasurer/CFO and his staff in this regard, supporting the new planning group and assisting Deans and Heads of School through the Faculty Financial Advisers, all of which appears highly productive.

We do however strongly recommend that the tempo of this area of development be increased, and in particular –

- a) The capacity of the Treasurer's Office to deal with this work needs its own review. We did not have time to go into the details, but we understand there is no dedicated staffing for strategic financial planning in the Treasurer's Office or elsewhere, and the Treasurer/CFO himself is playing a significant role on top of his other duties. It is not clear this is sufficient. There will of course be a wider need for the College to decide how any planning activity is to be developed across the various areas involved and how the Treasurer's Office fits in, but we believe the structure of the Treasurer's Office needs strengthening, probably at senior level. One possibility could be a Deputy Treasurer role, to look after running the Office's normal activities and provide back up to the Treasurer/CFO on some of the new FIS project work. Another desirable objective would be more availability of a middle seniority professional in the office to provide capacity for financial modelling. We understood the Provost has a review of the Treasurer's Office structure in mind, and we strongly support that intention.
  
- b) The College and the Treasurer/CFO himself are new to some elements of the Chief Financial Officer role. We believe the best possible advantage will be made of that new arrangement if there is a little more clarity around the changes which will now result. We consider there will be value in the Treasurer/CFO, working closely with the Provost, Vice-Provost and the Chief Operating Officer, drawing up a set of agreed targets for the next two years or so, and communicating those to the College, so that all expectations are aligned. In addition, the Treasurer/CFO should be encouraged to continue suggesting any support mechanisms that will help him establish his change of role, and provide a source of informal information and advice. Possibilities could include membership of appropriate Finance Director groups, or even some training.

The Reviewers are very conscious of the need for financial economy in the College, and realise these recommendations, especially for strengthening the senior level of the Office, may bring some modest increase in costs. We only make such recommendations because we believe the work on a new financial strategy for the College is very high priority, and because we hope that before long the new FIS will make possible efficiencies and savings in the Office, and elsewhere in the College.

## Other Matters

The review process provided information from a variety of sources about the work of the Treasurer's Office. Among much detail, the Reviewers found three other matters where we would like to make further suggestions as follows:

a) Financial KPI's / reports

We found divided opinions on the usefulness of some financial reports. Among positive comments received, we heard of some desire for change. In particular, among the seven members of the Committee we met, one member said the reports reaching that Committee were too detailed, and lacked clarity on the overall position. Various other persons commented that the reports on their budgets were opaque, and difficult to understand. This was in addition to comments on the effort and time to produce the data caused by the current financial information system.

It seems there is not enough agreement on the format of regular reports. The Treasurer's Office should look further at these matters, including level of detail and nature of the headings of categories, consulting with the relevant recipients of the reports. This work should not await the new FIS.

b) Extent of compliance regulation

The Reviewers had many comments on the details of financial controls and what seemed to some to be an over-emphasis on compliance. This is of course not a simple issue, with significant external requirements, and the Treasurer's Office not being solely responsible for the procedures. Nonetheless, we came to the view that in some cases at least, the College was by mistake operating controls which might be excessive or inefficient. There is room for some careful fine-tuning of the details which could be led by the Treasurer's Office for reconsideration by the College, in at least the following cases:

- the nature of authorisation for expenditure in Schools, where further controlled delegation should be considered;
- petty cash, where some excess use of staff time seems to have arisen following other process changes;
- supplier selection, where the purchasing function might not be maximising the use of knowledge held by staff outside the Treasurer's Office, such as those in academic departments, who might be included in specialist purchasing groups.

- hospitality and entertainment, where (despite the well-known risks) some variation in control by size of cost might be useful to recognise a low risk category.

c) Support Areas budgets

Areas where Treasurer's Office involvement may not be sufficient at present.

The Reviewers were concerned by two sets of comments received about insufficient financial involvement in respect of the College's work.

- Capital building projects

The processes described to us when we discussed the controls on such projects seemed to be a proper set of Treasurer's Office engagements with projects, but it seems there have been several significant failures to meet budget. Something is not working. Given the serious financial consequences of overspends on large projects, we recommend close Treasurer's Office involvement (so far as it is not already happening) in the reviews of the problematic projects, and perhaps a more direct role for the Office in cost forecasting, management, and change control.

- Support budgets

We received mixed comments on the adequacy of the Treasurer's Office support to budget-holders outside the academic areas, (where the help of Faculty Financial Advisers is available). We were concerned to hear this. We recommend the Treasurer's Office should explore this issue with the non-academic budget holders to assess the varying perceptions, and respond appropriately. It may be linked in part to the reported opaqueness of some financial information, noted in (a) above.

## Conclusion

The Reviewers felt the review process worked well, subject to small points on the initial documentation supplied to the Reviewers, mentioned at the wrap-up meeting. We are pleased to present our findings.

Much of the Treasurer's Office work is good, and the benefits of changes made by the Treasurer in the last few years are being felt. This reflects well on all those involved.

The College has embarked on further changes in the Treasurer's Office, including (subject to final approval) a new Financial Information System project and the reprofiling of the role of the Treasurer and Chief Financial Officer. We support both these developments.

Our main recommendations concern the need to follow through the new role for the Treasurer/CFO without delay. We believe the College's financial situation makes this urgent. Consequently, we recommend the early bringing forward of proposals to restructure the Treasurer's Office, especially the senior levels, and to clarify the details of his new expanded role, to assist the Treasurer/CFO to maximise the effectiveness of that new role.

We make a number of other more detailed recommendations on the new FIS implementation process, and on reporting and control issues.

We are pleased to be able to be strongly supportive of much of what is happening in and to the Treasurer's Office and hope our recommendations will provide some comfort that pressing on is the correct strategy in the manner we have set out.

Ms B O'Reilly  
Mr A Farrell  
Mr H J Hunt

August 2012



## 6. Response from the Treasurer/Chief Financial Officer

### Introduction

The Quality Assurance Review of the Treasurer's Office was undertaken in May 2012 by an external review panel comprising the following members: Ms. Breda O'Reilly, F24 Operations Financial Controller, Intel Ireland Limited, Mr. Andrew Farrell, Director of Finance and Facilities, London School of Economics and Mr. Hugh James Hunt, retired Director of Finance, University of Leicester. We welcome the Reviewers' Report, dated August 2012, and wish to thank the Reviewers and the Internal Facilitator, Mr. Robin Adams for their time, expertise and commitment to the process.

From the outset of the process, we considered the Quality Review as valuable in terms of objectively reviewing our Office and its broad range of functions and we were optimistic about the insights that would arise following the review in terms of supporting the College's overall strategic objectives. This is particularly relevant as we enter into a period of significant change with the roll-out of the Student Registry, the implementation phase of the new Financial Information System (FIS) and the first wave of the implementation of recommendations arising from the START Programme.

The report arising from the review is very positive; the recommendations contained therein reflect, rather than direct, the strategic direction for the Treasurer's Office and we very much welcome the Reviewers' observations that:

- "there is much to commend in the current work of the Treasurer's Office and the changes brought about in the past few years"
- "the helpfulness of the staff and the leadership shown by the Treasurer" was commented on by many of the stakeholders.

Taken as a whole, however, the recommendations set out in the report are made at quite a high level and a more detailed analysis and/or specific guidance would have been helpful to inform the Implementation Phase of the review process. As stated in the Reviewers' Report, "the purpose, terms of reference and scope of the review had been set out in the College's General Procedures and Protocol for Quality Reviews of Administration and Support Services". Whilst the review encompassed a number of the terms of reference set out, specific benchmarking against institutional comparators in particular, along with guidance in terms of best practice (per the terms of reference) would have been particularly useful to ensure that our view avoids becoming insular or localised. Direct comment on the alignment of the Treasurer's Office with the overall mission and strategic objectives of the College would also have been helpful. Nonetheless, the Reviewers' support of the FIS, the enhanced role of the Treasurer/Chief Financial Officer and other changes arising from both the START Programme and the Treasurer's Office own initiatives is welcome and notable.

## **Review Report Findings/Recommendations**

In terms of the main recommendations arising from the report, and as acknowledged by the Reviewers themselves, there is a clear overlap in the report with the recommendations of the START Programme and other existing programmes for change within the Treasurer's Office, such as the new FIS Project and the ongoing work in the Treasurer's Office to enhance its strategic alignment. As a consequence, a number of the recommended actions or the issues raised are already in train or under review. However, we believe that this overlap along with the absence of other recommendations of substance provides an implicit acknowledgement/ endorsement of the current direction taken by both the College and the Treasurer's Office.

### ➤ **Office and Staff Performance**

The Treasurer's Office was particularly pleased to note that the Reviewers "were very favourably impressed by some aspects of the current work of the Treasurer's Office" in particular the statement that "the College can take pride in the commitment and attitude of the Treasurer's Office staff." We believe that the above statement is a reflection of both the calibre of our staff and our investment in developing the culture and skills in the Treasurer's Office since our external review in 2007.

### ➤ **Financial Information System**

The Reviewers indicated their "support of the College's emerging plan to replace Coda with a modern financial information system despite the costs and risks involved", noting that the commitment to change and the widespread acceptance of the need for a better system across the College augured well, and concluding that the FIS Project is soundly based and should proceed. We will ensure that every effort is made to fully maximise and realise the benefits to the College of the new FIS (approved by Board in June 2012). This will include a strong communication strategy to address the expectations associated with the system deliverables, whilst also providing a mechanism for managing change.

### ➤ **Strategic Financial Planning (including roles and structure)**

We appreciate the Reviewers' full "support of the recent changes arising from the START process including changes to the role of the Treasurer and Chief Financial Officer". The Board will be aware that, in line with the rollout of the first wave of recommendations arising from the START Programme, the role of Treasurer has now been reprofiled to that of Chief Financial Officer (CFO). The Provost and CFO have been working closely together to define a clear set of targets and associated supports including a review of the structure of the Treasurer's Office, particularly with regard to strengthening the senior level of the Office, both as part of the START implementation and as mirrored in the recommendations of the Quality Assurance Review.

Furthermore, the Reviewers indicated that, given the financial stress facing the College, the “strengthening of the Treasurer’s Office to support strategic financial planning and the growth of non-state funded activities, is urgent”. We agree with this statement and the observation that, at present, there is no fully dedicated staffing for strategic financial planning. We believe that it is now timely to invest in/realign such resources when, as a result of the START Programme, and specifically the proposed Strategic Planning & Projects Unit (SPPU), there will be both a natural platform and a process for fully integrated support of strategic decision making, resource allocation and risk management.

➤ **Other Recommendations**

The report also refers to “lesser matters” which are described as being “more tactical than strategic”. These specifically refer to the following:

- Summary reporting on College finances to Finance Committee
- Authorisation procedures/compliance issues
- Involvement in Capital Projects
- Financial management for Support Areas

We acknowledge the recommendations as set out and are confident that the new FIS will provide the College with significantly improved solutions for all levels of financial reporting along with streamlining authorisation procedures and enhancing compliance, among other efficiencies to be gained. In the meantime, reporting to the Finance Committee is under constant review and development to ensure the Committee has the appropriate management information to provide adequate oversight. Authorisation procedures are similarly under regular review both at operational level and through the auspices of the Finance Committee.

With reference to the Treasurer’s Office involvement with Capital Projects along with involvement in the financial management of Support Areas, the Reviewers note that the “full expertise” of the Treasurer’s Office is not currently being utilised and that “some modest changes could have important benefits”. As previously outlined, we believe that mechanisms of the START Programme, including the introduction of the SPPU, will provide integrated processes to ensure the full benefits of the expertise of the Treasurer’s Office are realised. Developments in respect of both of these matters will be fully outlined as part of the Implementation Plan in due course.

**Response to Review Report Findings/Recommendations**

As set out above, much of the Reviewers’ recommendations are already in train as part of the START Programme and/or will be rolled up as part of the FIS implementation, now underway. However, elements of the restructuring of the Treasurer’s Office will require the input and approval of Planning Group/Executive Officers in terms of the

additional/realigned resources required. Furthermore, to ensure the best use of resources and to maximise the beneficial outcomes for the College as a whole, we will be working closely with the START Programme Governance Team to ensure our efforts dovetail with other START initiatives, including the proposed SPPU.

On foot of the explicit and implicit endorsement of the direction the Treasurer's Office and the College has taken, as outlined in the report, we will continue to develop our staff, in terms of both the culture of the Office and the skills available to further enhance our strategic alignment. However, with the advent of the new FIS, the primary focus of activity will now be on developing effective financial systems and procedures for the next two to three years and, in this way, we will continue to move ever closer to becoming the truly effective and enabling finance function we aim to be.

### **Conclusion**

In conclusion, we appreciate that the Reviewers were strongly supportive of "what is happening in and to" the Treasurer's Office and we look forward to considering the recommendations in detail with the relevant stakeholders when drafting the Implementation Plan.

We wish to take this opportunity to express our gratitude to all those involved in the review process and, in particular, to all the internal and external stakeholders who gave generously of their time to engage with the Reviewers themselves.

Ian Mathews

**Chief Financial Officer**

## **7. Response from the Chief Operating Officer (COO)**

### **Introduction/overview:**

I would like to thank the Review Team for their time and effort in conducting this review. I welcome the report and the positive comments and insightful, helpful recommendations including their observations and inputs on the revised organisation/roles following the START review of this function. A number of the recommendations can be implemented immediately.

The Reviewers commented positively on the commitment and attitude of the Treasurers' Office staff. They noted the progress made since a previous external review in 2007, and acknowledged an increased focus on customer, and on the development of skills and knowledge within the department, while noting continued deficiencies in the existing financial information systems. They found the efficiency of the office to be satisfactory. They noted strong performance in some specific aspects of the service that the Treasurer's Office provides such as research support for PIs, statutory/compliance reporting and management of the College's investments. They found that the new Financial Information System (FIS) project is critically required and should proceed, and they have provided some recommendations on detailed planning and follow up to ensure realisation of benefits.

### **Response to recommendations:**

The Reviewers' recommendations are aligned with the START findings and plans. The implementation of these plans will be reviewed and monitored by Planning Group, Executive Officers and other relevant fora.

I welcome the Reviewers' key recommendations concerning the structure of the Treasurer's Office and the setting of targets to support the new Chief Financial Officer (CFO) role. The implementation of same will be crucial to the realisation of the overall START programme and to supporting the College's objectives/plans. As the College transitions from having a Treasurer's Office to a broader financial management function, clarity regarding the changing roles and competencies required, in addition to the development of performance metrics, will assist in the success of this change. Provision of the necessary supports in terms of focussed skill development, training and mentoring will assist in this transition.

In addition to the current emphasis on compliance and controls, the focus needs to shift to the provision of meaningful, clear, and timely information to inform decision making and also to provide quality analysis/recommendations for operational and planning purposes. The Reviewers stress the urgency of strengthening the Treasurer's office to support Strategic Financial Planning and the growth of non-state funded activities. A restructuring plan and the provision of targeted training/ development to augment and strengthen the current organisation is required. This should be addressed immediately so that the required

focus, ownership and skills can be put in place and the organisation re-profiled to address key and important deliverables. A review and adoption of best practices from other organisations are essential. The recommendation regarding the availability of professional skills within the office to provide financial modelling is welcomed.

It is important that the focus, responsibility and accountability for areas such as capital projects is clear and unambiguous, and that the skills, reporting/analysis capability and expertise required are provided. The Reviewers' comments in respect of financial support to non-academic areas and financial management generally warrant further consideration.

I agree that we need careful monitoring of the implementation of FIS to ensure that gaps are identified early in the process. The Reviewers' recommendation to act now on inadequacies in reporting on College finances independent of the FIS implementation schedule should be acted upon immediately in order to ensure that reporting mechanisms and standard financial information are available for planning purposes.

The College must and does ensure compliance. The Reviewer's observation, however, in respect of compliance should be considered in the implementation plan.

The allocation of staff within the Office should be revised to ensure a focus on value add activities such as provision of information, planning and analysis while providing a standard and efficient accounts payable and expenses service. Assuming the availability of the appropriate skills and competencies, this will release resources to address new priorities and provide efficiencies not only within the Treasurers' office but across the community.

**Conclusions:**

The Reviewer's recommendations are welcomed and are consistent with those of the START report. The review team are clear in their support of the new FIS system but also identify issues that should and can be addressed in the short term prior to FIS implementation.