



**Trinity College Dublin**  
Coláiste na Tríonóide, Baile Átha Cliath  
The University of Dublin

# **Quality Review of the Financial Services Division**

**15 - 17 January 2020**

**External Reviewers:**

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Ms Margaret Monckton, University of Nottingham, UK  
Mr Paul Jolie, KU Leuven, Belgium  
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**Quality review of Financial Services Division, Trinity College Dublin.  
Final review report  
January 2020**

**1. Introduction**

This report represents the outcome and findings of the external review of the Financial Services Divisions (FSD) of Trinity College Dublin (the College).

The report was informed by a self-assessment report provided by FSD, with multiple appendices, which together provided a detailed outline of FSD. All aspects of FSD were outlined in these documents and they were provided in advance of the review visit. Additional evidence was gathered during the review visit in January 2020, which covered two full days of meetings and group engagement with FSD and many of its stakeholders, both internal and external to the College.

The Terms of Reference for the quality review set out 4 categories of focus as follows:

1. The fitness for purpose of FSD's current organisational structure as implemented post the 2012 quality review, START and further changes thereafter. In particular given the shift in relevant significance of the University's strategic direction and the University's emerging needs, risks and opportunities, the capacity to deliver in the following functional areas:
  1. Project Appraisal;
  2. Financial Planning & Risk Management;
  3. Management & Financial Accounting (including management of the annual audit process).
2. FSD's provision of robust financial management information for decision-making, addressing institutional priorities and meeting the needs of all stakeholders, whilst safeguarding the institution's reputation by advising the University on measures to protect it from avoidable censure, sanction and penalty.
3. The effectiveness of FSD's financial systems and resources (incl. skills profile) as benchmarked against other comparable institutions.
4. FSD's attainment against the aims of its Customer Charter from the perspective of delivering effective change management, training and supports to operational users of its systems and services.

The review identified a number of broad themes which are relevant to the Terms of Reference and these are set out in the recommendations section. A table mapping the recommendations to the Terms of Reference is set out at the end of that section.

## **2. Background to FSD**

FSD aims to provide the financial foundation on which the College can construct and successfully deliver ambitious academic and corporate objectives through the development, articulation, communication and review of financial strategies. Some of its key deliverables include:

- Supporting the development of a new 5-year Strategic Plan for the College, ensuring that it is modelled robustly and that all financial assumptions and interdependencies are clearly identified and addressed;
- Providing forecasting, and financial planning and cash flow analysis data to support the strategic decision-making process;
- Evaluating and appraising the financial implications of proposals and plans, strategies and projects;
- Developing financial strategies to support policy decisions;
- Reporting the financial position and performance of the College with timely and accurate management information;
- Reviewing and developing the Baseline Budgeting model (BBM) to provide greater visibility and control of the overall budgetary position, aligning budget to planned strategic activity;
- Managing the ongoing development and enhancement of the finance system (ERP: Oracle eBusiness Suite implemented in 2013).

Over the last seven years, FSD has undergone a period of significant change. The move from transactional delivery to being a strategic function, is ongoing. Therefore some of the structures, processes and policies relating to the financial aspects of the College still reflect where FSD has been rather than where it seeks to be.

## **3. Commendations**

During the review a number of areas of strength of FSD and its people were consistently referenced. A summary of these is set out in this section.

### *New staff and culture*

In recent years there have been a number of new hires, including the recently appointed CFO. These were noted as adding depth and quality to FSD.

The partnership culture was referenced by many stakeholders, particularly as a contrast to the period of systems implementation in 2013. In addition it was evident that since the last review new thinking in relation to cultural development had been undertaken, with the vision, mission and values clearly reflected within FSD and in its operations with the College.

FSD individual staff members and functions were noted as aiding the College to navigate both internal and external policy to support day to day activities. For example support from Procurement to find the most suitable frameworks; the provision of research funder

guidance to Principal investigators; and the direct engagement of the FIS team to make system changes.

#### *Project support*

The provision of support to large projects, particularly capital and research ones, was noted consistently in feedback to the panel. The willingness of FSD members to engage and work with project managers and their teams was seen as particularly valuable. The oversight and governance of projects is extensive and includes external members on project boards and/or steering committees which represents best practice in managing large projects. If applicable, this rigorous approach applied to spending on large capital projects should be applied more widely.

#### *Training and staff development*

A number of examples were noted of the high quality training FSD gives to College staff in new roles or to new joiners. This has been developed within FSD to enable College staff to access systems and navigate policies and procedures effectively.

In addition the panel was provided with examples of training being made available to FSD staff to develop themselves, including the employment and support of a number of Trainee accountants.

#### *Systems*

The original implementation of the ERP in 2013 was a difficult experience for College staff. However, the support of FSD since that time was noted and appreciated by everyone. The ability of the team members to assist users, together with the introduction of changes in response to the business need, was welcomed by all.

The Financial Information Systems team (FIS) was complimented on the support that they have been providing in particular the user groups were highlighted as being very effective.

The most recent addition of Oracle Planning Budgeting Cloud Service (PBCS), which FSD has driven for reporting support, and the process of its implementation, was evidence of the change in the approach of FSD to its' stakeholders.

#### *External reporting*

The provision of on-time financial year end reporting is exemplary and was commented on both internally and externally. The information is subject to multiple audit processes and in 2019 these were all completed within appointed deadlines.

The completion of research claims and audits on-time was also noted and is to be commended, with multiple funder regulations and timelines being adhered to as part of these processes.

The support and advice provided to external committee members for Investment, Finance and Audit committees was commended by those external members.

## **4. Recommendations**

### ***A. Strategic Versus Transactional***

Historically in Higher Education, finance teams have been a transactional service. Where this has suited the past, the future financial strategy for the College will require a strategic finance team to enable delivery. This means that FSD needs to be and be treated as a strategic partner and not merely as a service provider.

Recommendations:

1. The capability of FSD needs to be reviewed to ensure that there is sufficient expertise to play a strategic partner role.
2. The financial strategy includes a greater role for commercial activity and subsidiaries. FSD must ensure that it has the capability to support the decision making of these subsidiaries.
3. A more flexible overall governance process should be put in place to better enable commercial activity to progress and to deliver at pace.
4. The reporting requirements for FSD are likely to increase in the future and will include the growing sustainability agenda covering matters like carbon emission and change, pay equality etc. Future funders will be particularly interested in this aspect of Trinity College and it is recommended that FSD equips itself to deal with this.
5. The review panel has observed that the procurement function has embraced technology and has made significant progress (for instance with the implementation of the new Contract Management System - CMS) – we would encourage this to continue and to seek out further opportunity to focus more on the value adding elements of procurement that are developing in the market and on strategic supplier management.

### ***B. Central Versus Decentral***

It is for Trinity College to decide what level of decentralised financial capability is required versus the level of centralised capability. In order for any aspect of decentralisation to work well, a clear framework for operating and robust monitoring of operation versus this framework needs to be in place. FSD is in a position to enable this by maximising the opportunities provided by the ERP system. In particular there is an opportunity to simplify processes and to provide better management information.

Recommendations:

1. The budgeting process needs urgent renewing. FSD carried out a review of the Baseline Budgeting Model (BBM) in the summer of 2019 at which point a number of recommendations were made to improve the overall budgeting process of the College. The review panel strongly supports these recommendations and encourages the College to implement them as soon as possible.
2. The role of the finance partner in the faculties should be reviewed, their job profiles and expectation of their input should be documented and their relationship with FSD be strengthened. Consideration should be given as to how these roles can be more effectively integrated with FSD, to ensure alignment of strategy, advice and support

and to provide a bridge between the faculties and FSD. This might in part be delivered through a solid reporting line into FSD. In addition (where this is not already the case) this role should be included in the management teams of the faculties and the professional service teams. This would enable the local management teams to enhance their financial awareness and decision making.

3. Procurement policies in place ensure that spend is with preferred suppliers only and that purchasing power is pooled across key cost categories. These efforts deserve full support throughout the university, in order to enable the increase in buying power (by pooling spend) to deliver better value for money.

### ***C. Finance Strategy***

The College's new financial strategy and plan is both ambitious and challenging; it needs to build in capacity to respond to future unforeseen events. FSD has a critical role to play in stress testing and monitoring delivery of the financial strategy of the College and there is a need to ensure adequate expertise in FSD is available to lead this.

Recommendations:

1. The recommendations in relation to changing the overall budgeting process of the College should be implemented as soon as possible.
2. Sensitivity analysis of the strategic financial plan should be updated regularly.
3. Monitoring of delivery versus the strategic plan should be in place on at least a six-monthly basis.
4. Contingency planning should be developed as to what alternatives can be enacted in the event the monitoring identifies a problem.
5. Efficiency efforts need to be continued to ensure waste and inefficiency are removed as much as possible from the College's operations, releasing more resource for investment.

### ***D. Structure***

The panel believes that the resource envelope for FSD is reasonable, however we consider that there are some structural improvements that could be made to ensure better levels of expertise and capability supporting our view that FSD needs to be a strategic partner to the College.

Recommendations:

1. The College should consider changing the FSD title so that it reflects the role of a partner rather than a service provider.
2. The spans of control within FSD should be widened, increasing the direct reports to the CFO, providing an opportunity to put in place more senior and strategic capability within the team.
3. FSD members will benefit from training on how to manage and deal with change so that the capabilities of the team and of its members to respond positively to any changes that are made are enhanced.

### ***E. Investment and Planning***

There is an opportunity with a new College strategy and supporting financial plan to improve business planning across the College ensuring that resources are directed to the most value adding activity and are properly managed to give the best chance of delivery.

Recommendations:

1. An overall and integrated business planning process is required which properly prioritises activity and resources. This process should inform the budgeting process and should be overseen by a refreshed Planning committee. This should encompass capital project planning as well.
2. The terms of reference for the Planning committee should be reviewed to facilitate all members acting in the best interests of the College as a whole rather representing their own areas. The Planning committee needs to monitor performance. Planning should be jointly owned by the Vice-provost and the CFO.
3. The Planning Group should assess the overall deliverability of the new strategic plan, as well as the affordability.
4. The cash flow implications of the portfolio for change should be understood and managed as a whole rather than project by project (as is currently the case). A fully integrated capital project prioritisation schedule, including the financial forecast and of related expenditures is required to bring greater clarity on investment requirements and regular reviews should be in place.
5. Consideration should be given to putting in place a Planning unit that, working closely with FSD, or sitting within FSD, develops and facilitates a business planning process. This function would be responsible for institutional KPI reporting which in turn could facilitate the tracking of the delivery of the delegated activities against the institutional strategic plans and communicating the outcomes.

### ***F. System and Management Information***

The panel endorses the achievements since implementation of the ERP, Oracle system. Whilst users have found the change difficult, in the experience of the panel, this is normal when a significant system is implemented.

Recommendations:

1. The College should fully embrace the concept of business intelligence and support FSD and the other functions to implement it.
2. FSD aim to move to monthly reporting, the panel supports this, noting that a pragmatic approach needs to be taken so that it can be delivered efficiently.
3. FSD should continue to embrace digital opportunities and continue to seek further automation and simplification.



### **G. Education and Training**

As in many educational institutions, the understanding of financial matters by non-financial decision makers presents a challenge for FSD in the decentralised model. The panel believe this understanding needs to be strengthened to give the College the best chance of delivering the new and challenging financial strategy.

Recommendations:

1. A strategic finance programme should be rolled out for all senior managers to educate them on how the finances of the College work.
2. Inductions for all new Heads of School and School Administrative Managers should include financial and strategic training, be consistently delivered and confirmed as having been completed within 3 months of the new role.
3. Key policies need to be reviewed to ensure that they are appropriate and there needs to be a programme of communication to ensure that all staff know and understand the policies with which they must comply and can access them easily.

#### ***Linking of recommendations against the Terms of Reference of the review***

The following table links the recommendations in this section against the Terms of Reference of the review.

Term of reference Recommendation	Fitness for purpose of structure to support strategy	Provision of financial information for stakeholders and reputation management	Effectiveness of systems and resources	Attainment of the Customer Charter
A Strategic versus Transactional	A1, A2, A3	A4	A5	
B Central verses decentral	B2	B1	B3	
C Finance strategy		C1, C2, C3, C4	C5	
D Structure	D1, D2		D3	
E Investment & planning	E1, E2, E3, E5	E1, E2, E3, E4, E5		
F System and MI		F1, F2	F3	
G Education and training		G1, G2	G3	G3

Please note that the number of recommendations linked to the “Attainment of the Customer charter” is limited, as FSD invests a very substantial amount of effort in “Customer Service, Stakeholder Engagement & Communication” and these efforts are much appreciated by all stakeholders.

## **5. Conclusion**

FSD has been on a journey of change and development since the last review.

The implementation of new systems across the College provides a sound base on which to deliver reduced transactional activity and the partnership model that FSD sets out in its Customer Charter.

The achievements of recent years have been significant, albeit with more to do.

The panel feels FSD has an important role to play in the delivery of the College's strategic plan, with an assurance of financial sustainability being critical to this. The new strategic plan, released in Q1 2020, is ambitious and challenging in an external environment that is driving the College to increase its complexity, diversify its activity and to seek new funding sources. FSD will need to develop further in order to support the strategy.

The panel wishes to note its' thanks to everyone involved in the review process.



## Response to the Quality Review of the Financial Services Division (FSD)

### Introduction

The Financial Services Division ('FSD') has undergone a very significant change over the last 7 years. As FSD has transformed from a compliance-based function to a more strategic and insight-led organisation, our overarching objective has been to strengthen FSD's role as a strategic partner in the University's planning and decision-making processes and to ensure that FSD can guide the University towards delivering on the financial targets underpinning our Strategic Plans and objectives. Our ability to respond to emerging needs and changes to the environment in which the University operates will be critical to our future success. We believe that ongoing development and empowerment of staff via the provision of clear and strategic leadership, and support for FSD's culture of effective team working, continuous improvement and innovation, will ensure the alignment of FSD's goals and objectives with those of the University

The Quality Assurance review process has provided FSD with a timely opportunity for critical self-assessment, and for a comprehensive external evaluation of our strengths and weaknesses as we look towards the next phase of our development. We very much welcomed the open and enthusiastic approach of the external review panel and wish to thank them for their high levels of engagement, generous input and intelligent feedback. We also wish to thank the Internal Facilitator, Dr. Gerard Lacey, and the Quality Office for their expertise, time and commitment to this process. Finally, we would like to thank the large number of stakeholders (over 70 in total across the University) who contributed to the various workshops and provided valuable insight to the Review panel.

### Commendations

While the Reviewers' recommendations broadly align with those set out in our Self - Assessment Report we were pleased to note that the report also set out strong commendations of FSD's performance, with reference in particular to the following areas:

- **Staff & Culture** - including our partnership approach, the support offered and engagement with stakeholders on developing our service offerings
- **Training & Development** - high quality offerings developed and provided by Procurement, FIS, Projects etc.
- **External Reporting** – all statutory deadlines met; exemplar in Sector
- **Significant growth, transformation and change** - since last review in 2012, including ERP system implementation, structural and staffing changes, shift in focus to strategic activities.



## **Review Findings**

The findings of the External Review panel were set out under seven key headings in the report. In this context, we set out below some high-level comments on the seven focus areas:

### ***A. Strategic vs. Transactional***

The Reviewers highlight the changing expectations of the finance function in Higher Education overall, and the move from providing transactional-based services to a more strategic partnership approach. This is a transformation process that FSD has invested in over the past 10 years and we welcome the recommendations made in this area in terms of supporting the evolving role of FSD as a strategic partner.

### ***B. Central vs Decentral***

The implementation of FIS has been transformational in facilitating more robust levels of financial control across the University, albeit within the constraints of a decentralised budgeting structure. We would agree with the Reviewers that more can be done in FIS and that there are further benefits to be gained from the system. There is an opportunity to simplify processes and to provide better management information and the ongoing FIS Transition Programme will deliver enhancements in these areas. We also agree with the Reviewers that the University wide budgeting process (including the baseline budgeting model (BBM)) needs to be reviewed and updated. We have already made significant progress through the FY20 budget process and a proposal for revisions of the BBM is currently under review by Planning Group. Finally, in this section, we agree with the Reviewers that there is an opportunity to review the roles of Finance Partners in the finance function and to maximise their contribution to strategic development of the Faculties and Divisions.

### ***C. Finance Strategy***

FSD recognises the ambitious objectives of the new Strategic Plan and is very much focussed on monitoring its delivery, in particular in the context of emerging risks and the broader economic landscape. FSD will assign appropriate resources to this and it will remain one of our highest priorities. Our key focus is to maximise performance through the financial cycle, from strategic planning through to budgeting, forecasting and reporting. We are developing our skillset and capabilities to facilitate strong financial planning and forecasting (eg. development of comprehensive financial model to support Strategic Plan 2020-25) and our objective is to move to more timely reporting with the implementation of monthly financial accounts.

### ***D. Structure***

In line with the recommendations set out in the Self-Assessment Report FSD will seek further structural changes to maximise resources and to enhance our capability as a strategic partner to the University. We will also assess the span of control of the CFO in this context. Consideration will also be given to further developing capability within the management and functional teams as outlined.



***E. Investment & Planning***

Regarding the recommendations on Cashflow and Capital Expenditure, the financial model underpinning the new Strategic Plan and 5-Year Financial Plan will be monitored and developed as required to ensure it meets the University's emerging needs. This is an area of high priority for FSD and we welcome the Reviewers recognition of this. The impacts of Covid-19 highlight the critical importance of cashflow, treasury and financing on the University, and enhanced forecasting and controls will be even more critical as we go forward. Finally, we agree with the proposals regarding the establishment of a Planning Unit to develop a business planning process responsible for institutional KPI reporting to track delivery of the University's strategic objectives.

***F. System & Management Information***

We welcome the Reviewers support of the ERP system implementation and the planned developments in respect of business intelligence, a move to monthly reporting and other benefits associated with increased automation. Ongoing development of the FIS and support for system users is one of FSD's core priorities and the FIS Transition Programme will deliver enhancements in these areas, along with a programme of continuous improvement into the future.

***G. Education & Training***

FSD is committed to offering support and training to enable the wider University community to deliver on their financial responsibilities and to support the successful delivery of the new Strategic Plan. We agree that there are challenges in this regard and the Reviewers specific recommendations regarding financial and strategic induction/training for all managers are welcomed. We will engage with our partners in HR to look at these recommendations in more detail.

**Next Steps**

Overall, we very much welcome the findings of the External Review panel. We look forward to discussing these at the Quality Committee and the Board, and to developing a detailed plan for implementing the findings outlined in the report.

**Chief Finance Officer**

**Pro-Provost**

Signed:

Professor Linda Hogan

Date:

29 May 2020

29 May 2020