



University of Otago

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# FINANCE SERVICES

Finance has changed in several ways, now with one area focusing on day-to-day operational transactions and the other on financial management and strategy.

- ▶ **Finance Services** – all day-to-day operational financial transactions in the University and collection of money owed to the University. Payable and Receivables are no longer under the Financial Controller, and are part of the Shared Services Division. The Supply Chain team has been created and is part of the Shared Services Division
- ▶ **The Financial Services Division** – remains focused on financial management and strategy, along with procurement, financial control and finance advisory

## Finance Services – in the Shared Services Division

This service involves day-to-day operational transactions:

**Payables and Receivables – Receivables staff are in the Clocktower building but will move to the St David II building, behind the Centre for Innovation in St David Street. Payables staff are already in St David II.**

- Processes supplier invoices and pays suppliers
- Processes staff and student reimbursements and P-Cards
- Processes debtor invoices (students, research funders and others)
- Provides fees advice to students
- Collects money owed to the University

These services used to be managed by the Financial Controller.

**Supply Chain – some staff are already embedded in academic and service divisions. Some purchasing officers/stores staff will progressively move into hubs around the University over time.**

- Provides advice and support about purchases
- Helps purchase goods and services from approved suppliers by preparing and placing orders
- Arranges the safe, compliant and timely delivery of goods
- Receives and receipts goods
- Liaises with suppliers to resolve any issues with orders

Staff have been confirmed in these roles and more staff are being recruited.

The number and location of the supply chain hubs are to be determined. Some hubs will be shared across departments, depending on the size of the departments.

Systems and processes will continue to operate as usual but will be examined over time with the aim of introducing improvements.

## Financial Services Division

### Finance Advisory – a new service. Staff will be embedded in academic and service division areas

This new service provides:

- Expert financial advice, analysis and support to divisions, departments and researchers
- A proactive approach to managing finances and forecasting

This service provides advice about the financial consequences of options, but the decision-making remains with the heads of academic and service divisions/departments and senior managers. Roles in this service are specialist finance positions.

These advisers look at variances and why they are happening – working with division and department heads and senior managers to understand a variance, whether something needs to be done about it, and what the options could be. These advisers do not report on every single cent and line.

The team of advisers will do monthly reporting, budgets and forecasts – currently forecasting to the end of the year, then ultimately forecasting for the next two to five years.

## Procurement

Procurement involves:

- Procurement strategy and policy
- Negotiating and managing supplier contracts, including price and delivery terms
- Supporting tender processes
- Helping with large equipment purchases
- Organising suppliers' visits and product demonstrations

### Change:

Category Specialists have been introduced.

These staff are all procurement specialists who work on savings in categories of spending with departments and divisions. These managers are supported by two Procurement Officers, who will perform contract and tender administration activities.

As a team, procurement identifies opportunities for savings – including negotiating lower prices, examining the total cost of each transaction (not just the price), assessing our approach to the market, developing relationships with suppliers, and analysing the way we purchase.

The University spent \$297 million on goods and services in 2017 – with 16,800 vendors, in 169,000 transactions.

## Financial Controller

The Financial Controller has:

- Oversight and management of ledgers (actual and budget) to ensure accurate, timely and consistent financial information is available for managers
- Coordination and management of annual budget processes
- Management of University and group cash flows, investments and debt
- Oversight and coordination of the University's insurance policies
- Responsibility for production of the Statutory Annual Accounts and managing the audit process

### Change:

One new role has been added to this area, Group Accountant. This role will ensure practices are consistent across the University, including our trusts and subsidiary companies.

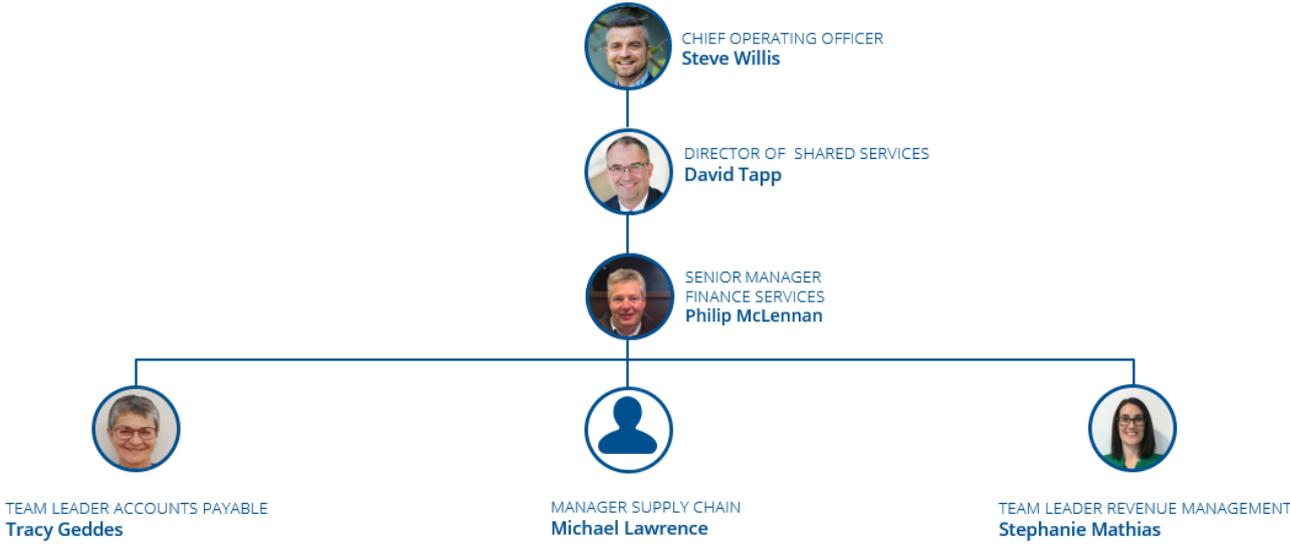
## Strategic Finance

Strategic Finance sits across the University to:

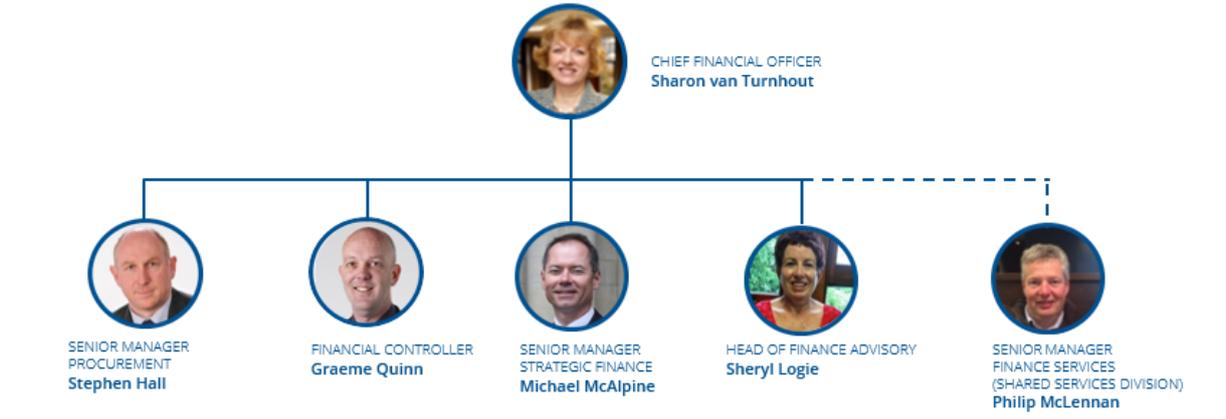
- Apply a University-level lens to operating outcomes and capital proposals
- Inform the effective allocation of resources over the immediate and longer term
- Provide long-term financial forecasting
- Report on research and commercial activities
- Develop and maintain analytical tools that inform decision-making

Strategic Finance reports at a University level on our teaching, research and commercial activities, develops new finance initiatives which change and enhance financial reporting across the University, and reviews business cases.

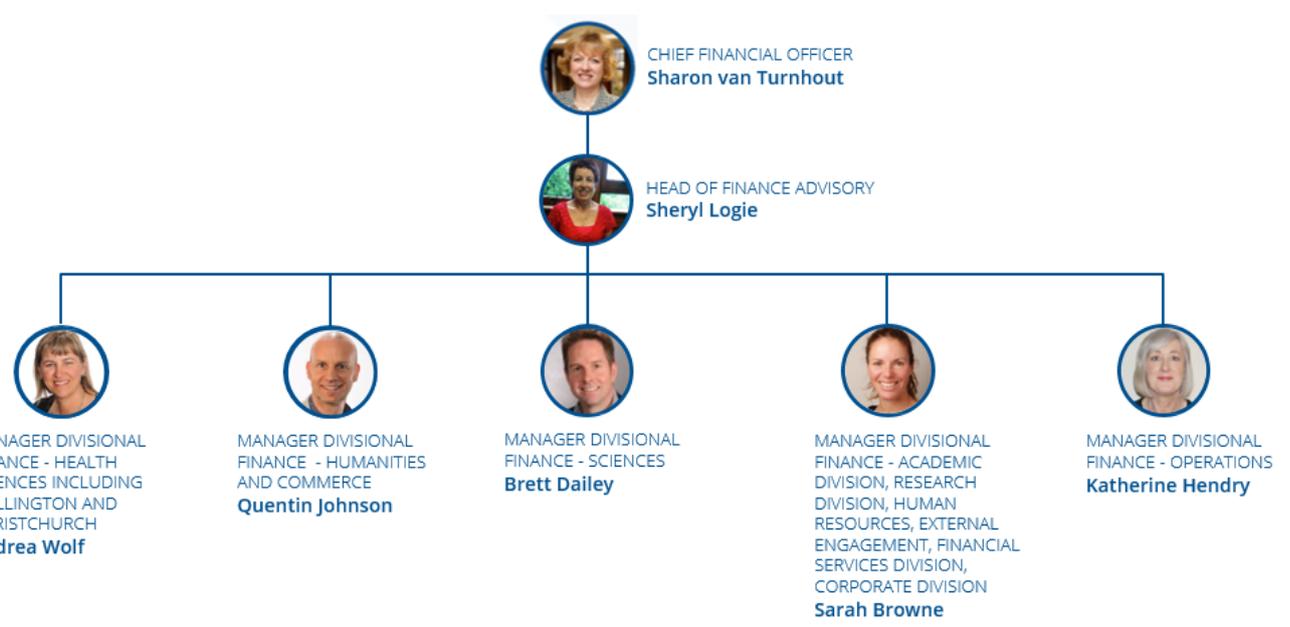
# Finance Services



# Financial Services Division



# Finance Advisory



# Procurement

