

comhsheirbhísí airgeadais
financial shared services



Department of Justice & Equality

Deerpark Road

Killarney

Co. Kerry

Annual Report 2010

Mission Statement

“To deliver agreed financial services in support of our clients on a customer-focused, professional and business value basis”

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FOREWORD

I am very pleased to present the 2010 Annual Report of the Financial Shared Services (FSS) Centre.

Expenditure by our client organisations reduced significantly from €3.14 billion in 2009 to €2.77 billion in 2010. The transfer of the Equality functions from the Department of Justice and Law Reform to the Department of Community, Equality and Gaeltacht Affairs on 1st June 2010 accounted for €22 million of this reduction. The number of people in receipt of salaries reduced by 3.44% (909) and those in receipt of pensions increased by 3.1% (262). While the volume of invoices dropped by 8.18% (14,290), the volume of other payments such as expenses and fees increased by 6.85% (19,186)

The primary objective of each member of our staff is to ensure that our client organisations receive a quality service. Our governance framework includes clear business targets in service level agreements, monthly performance reports to all client organisations and formal annual performance reviews at senior management level with each client organisation. These processes are underpinned by a service delivery monitoring system in the FSS, a robust business continuity and disaster recovery facility, a comprehensive risk management and performance improvement programme and customer satisfaction surveys every second year.

2011 will be a challenging year as the Public Service will have to manage service delivery against a backdrop of reducing budgets and staffing levels under the Government's programme for *Transforming Public Services*. Even before this programme was launched we had already established a proof of concept for the delivery of financial shared services. We have a client base of nine public sector organisations which represent a significant proportion of public expenditure and a wide cross section of business activities. Since 2005 we have been operating successfully under the shared services business model and we are continuing to improve our business proposition in order to provide even greater assurance to existing and prospective client organisations.

Whatever comes our way during 2011, our priority must be to continue to provide the levels of services that our client organisations have received in the past and expect in the future.

Ken Bruton
Director
Financial Shared Services
Killarney
Co Kerry

MAIN ACHIEVEMENTS DURING 2010 AND PLANS FOR 2011

During 2010 the FSS continued to develop its financial systems and processes in order to implement legislative changes including budgetary requirements, improved customer services and increased financial controls.

Particular developments during the year included –

- ✦ the upgrade to the Oracle Financials hardware to improve system performance and upgrade to Oracle Financials software to effect patching upgrades
- ✦ streamlining of the Oracle Financial payment processes to achieve efficiencies
- ✦ increased use of electronic fund transfer for the payment of suppliers and expenses and the provision of remittance advices electronically
- ✦ improved turnaround times in payments to suppliers
- ✦ implementation of payroll software to effect ‘best 3 in 10’ pension calculations for staff of An Garda Síochána and the Irish Prison Service
- ✦ transfer of payroll services for the Children Detention Schools to the FSS
- ✦ issue of reports on 2009 Customer Satisfaction Survey
- ✦ application of amendments to the payroll on foot of the Budget announced in December 2010
- ✦ development and implementation of policies and procedures in relation to the management and operation of our main IT systems in accordance with best practice.

Plans for 2011 include –

- ✦ completion of client satisfaction survey
- ✦ ensure compliance with Revenue requirements under section 891B of the Taxes Consolidation Act 1997
- ✦ provision of continued support to client organisations to meet requirements under the Public Service Agreement in relation to payments by electronic fund transfer
- ✦ examination of options to expand automated invoice processing
- ✦ implementation of payroll software to effect best 3 in 10 pension calculations for all employee groups
- ✦ upgrade of Oracle Financials database to 11G
- ✦ upgrade of Corepay application and database
- ✦ continued support for implementation of Shared Payroll Services for the Civil Service
- ✦ take on of Legal Aid Board payroll
- ✦ test and pilot self service travel and subsistence expense payments through CoreExpense system
- ✦ provide P60 and associated certificates on line for Civil Service employees
- ✦ implement payroll and financial solutions to facilitate restructuring of client organisations under Government decisions on changes in Departmental responsibilities.

BUDGET PROVISIONS

ANNUAL REPORT 2010

FINANCIAL SHARED SERVICES

FSS ANNUAL BUDGET			
	2008	2009	2010
TOTAL PAY AND NON-PAY	€11,678,000	€11,576,000	€11,123,000

CLIENT ORGANISATIONS

Gross Budget Provision for 2008, 2009 & 2010 by Organisation			
Organisation	2008	2009	2010
	€'000	€'000	€'000
Justice & Law Reform*	508,327	465,214	*390,245
An Garda Siochana	1,631,077	1,566,957	1,389,359
Dept. Tourism Culture & Sport (DTCS)	670,867	502,984	466,912
Irish Prison Service (IPS)	406,346	379,319	333,731
Courts Service	146,196	122,027	102,203
Property Registration Authority (PRA)	46,820	42,620	38,749
Dept. of An Taoiseach (DOT)	45,494	33,786	28,756
National Museum of Ireland (NMI) **	**19,058	**15,415	**15,125
National Library of Ireland (NLI) ***	***12,002	***10,742	***9,348
Total	3,486,187	3,139,064	2,774,428

* Value after the Transfer of Functions Order assigning Equality, Integration, Disability & Human Rights responsibilities to Department of Community, Equality & Gaeltacht Affairs.

** NMI Grant is voted in the DTCS allocation. However in the above chart the NMI grant is shown under the NMI and the DTCS allocation reduced accordingly.

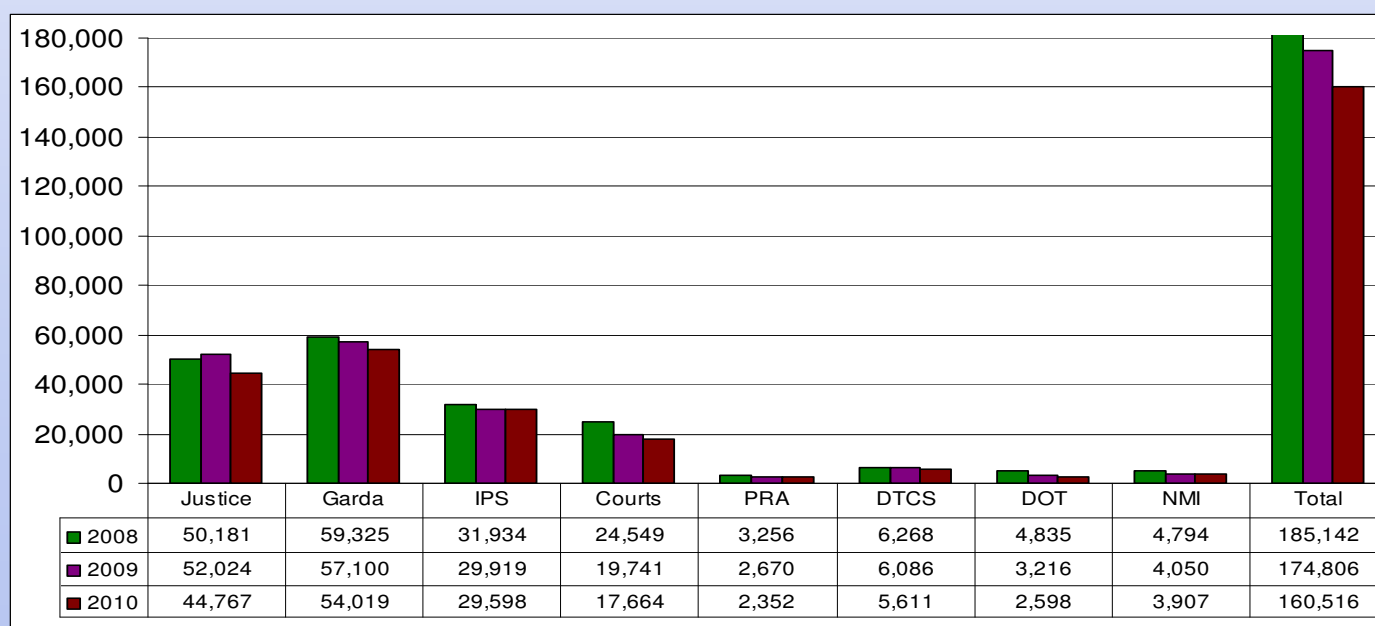
*** NLI non-pay expenditure is not processed through FSS. NLI Grant is voted in the DTCS allocation. However in the above chart the NLI grant is shown under the NLI and the DTCS allocation reduced accordingly.

TRANSACTION VOLUMES

The table below gives the volumes of the major transaction types processed in the FSS in 2010. The overall compliance rate for major transactions types with associated key performance indicators in service level agreements with the client organisations was 99.03% in 2010.

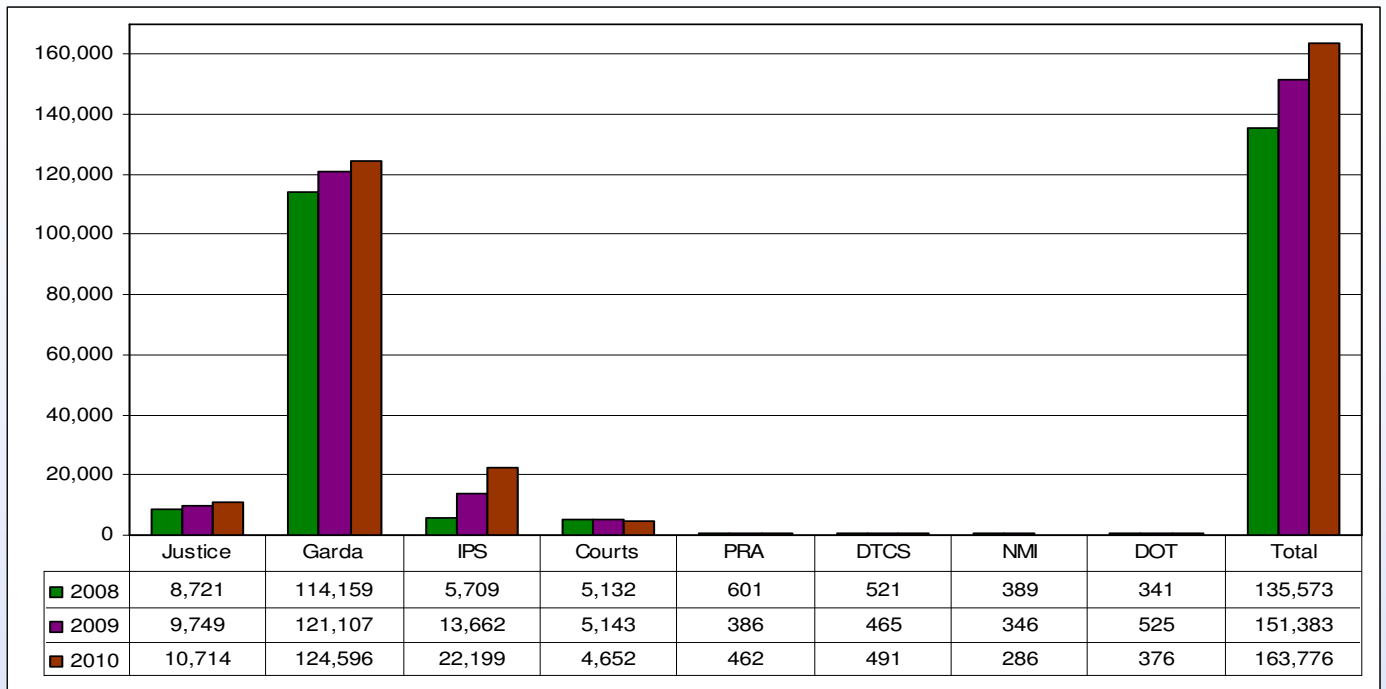
Major Transaction Types	
Description	Volumes 2010
Payroll Payments issued	1,242,759
Input of all amendments to the payrolls	734,031
Input deductions	88,696
Issue P60's	35,223
Issue Income Levy Certs.	35,223
Issue Pension Related Deduction Certs.	26,775
Invoice Payments	160,516
Pay travel and subsistence expense claims	163,776
Payments under Criminal Legal Aid Scheme	135,748
Other Transactions	9,775
TOTAL	2,632,522

INVOICE VOLUMES PROCESSED BY ORGANISATION



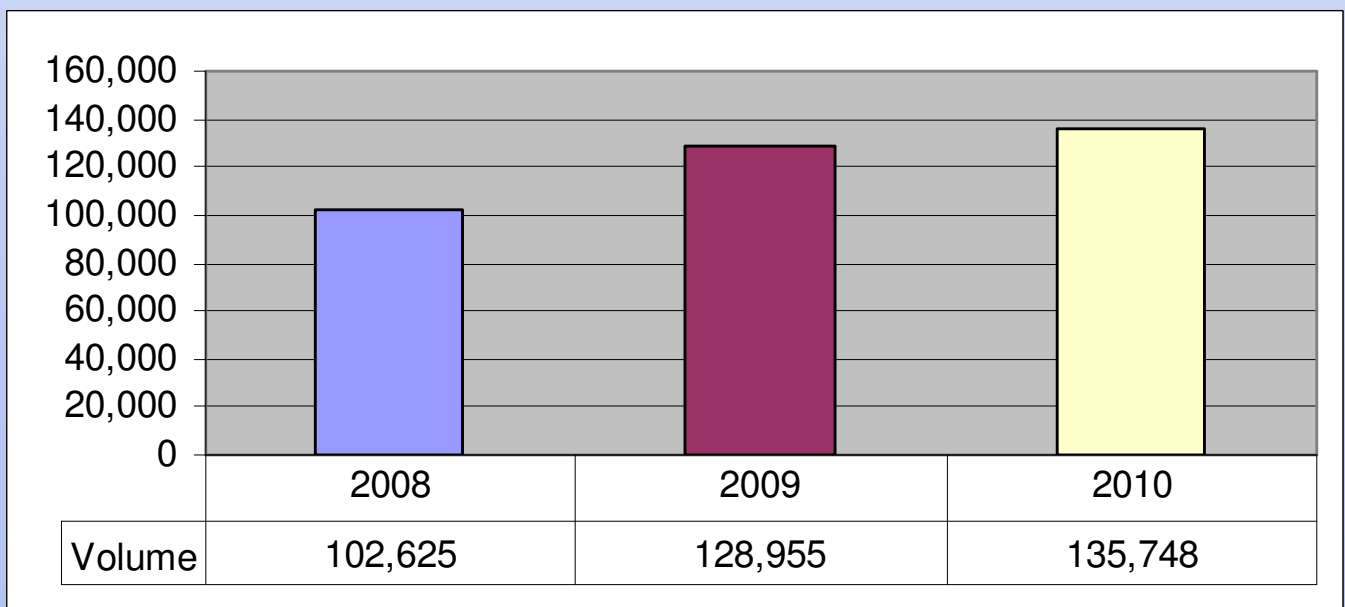
The total **invoice** volumes decreased by 8.18% from 174,806 in 2009 to 160,516 in 2010.

EXPENSE VOLUMES PROCESSED BY ORGANISATION

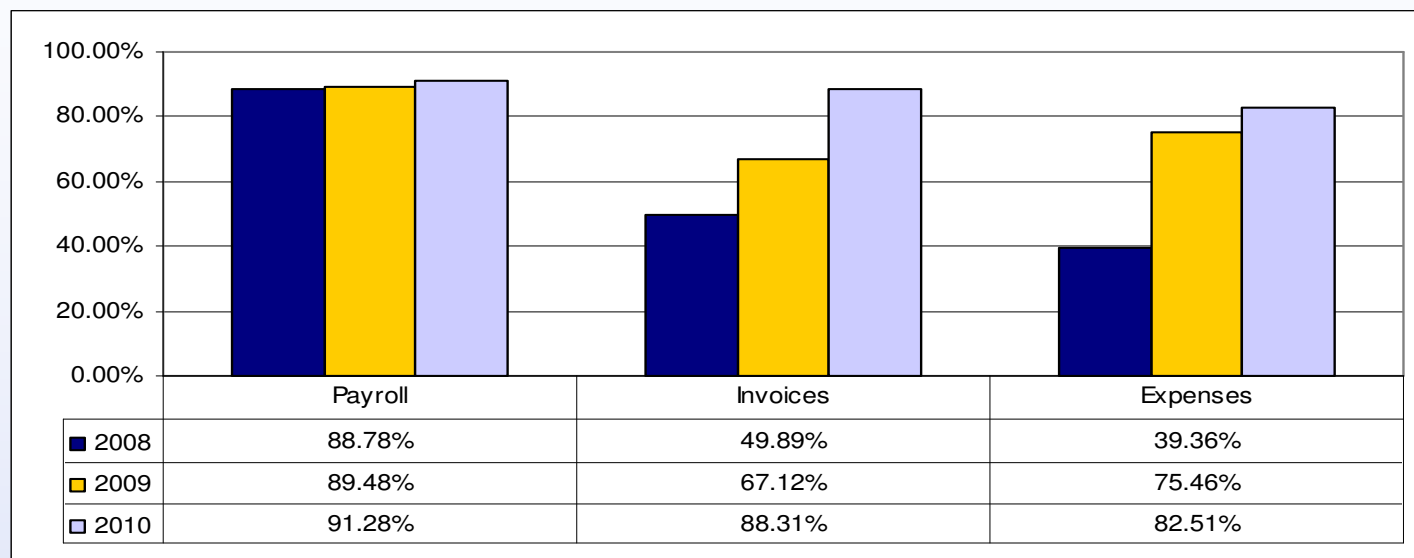


Total **expense** volumes increased by 8.2% from 151,383 in 2009 to 163,776 in 2010. (Volume increase was due to changes in processes for lodging claims in the larger organisations and IPS imprest payments paid locally in prior years were paid in FSS in 2010.)

CRIMINAL LEGAL AID VOLUMES PROCESSED

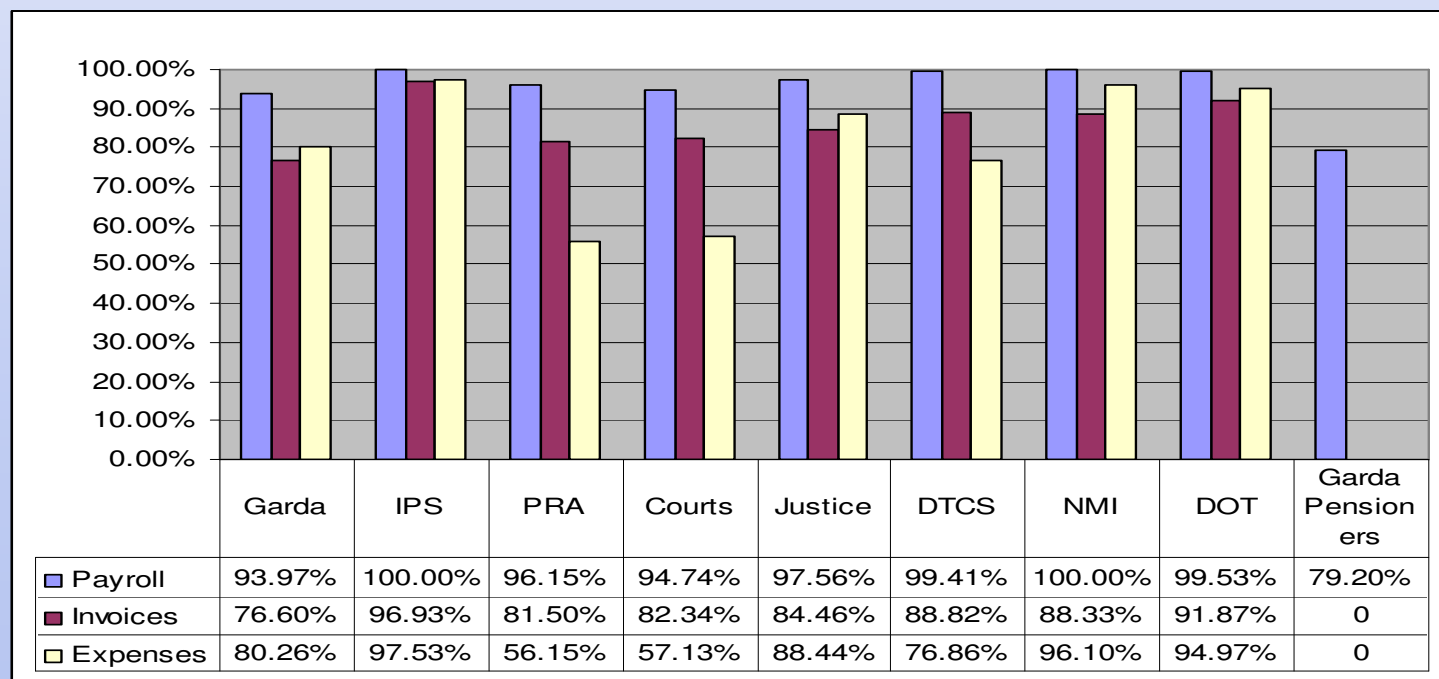


2010 PAYMENTS BY ELECTRONIC FUNDS TRANSFER (EFT) BY CATEGORY



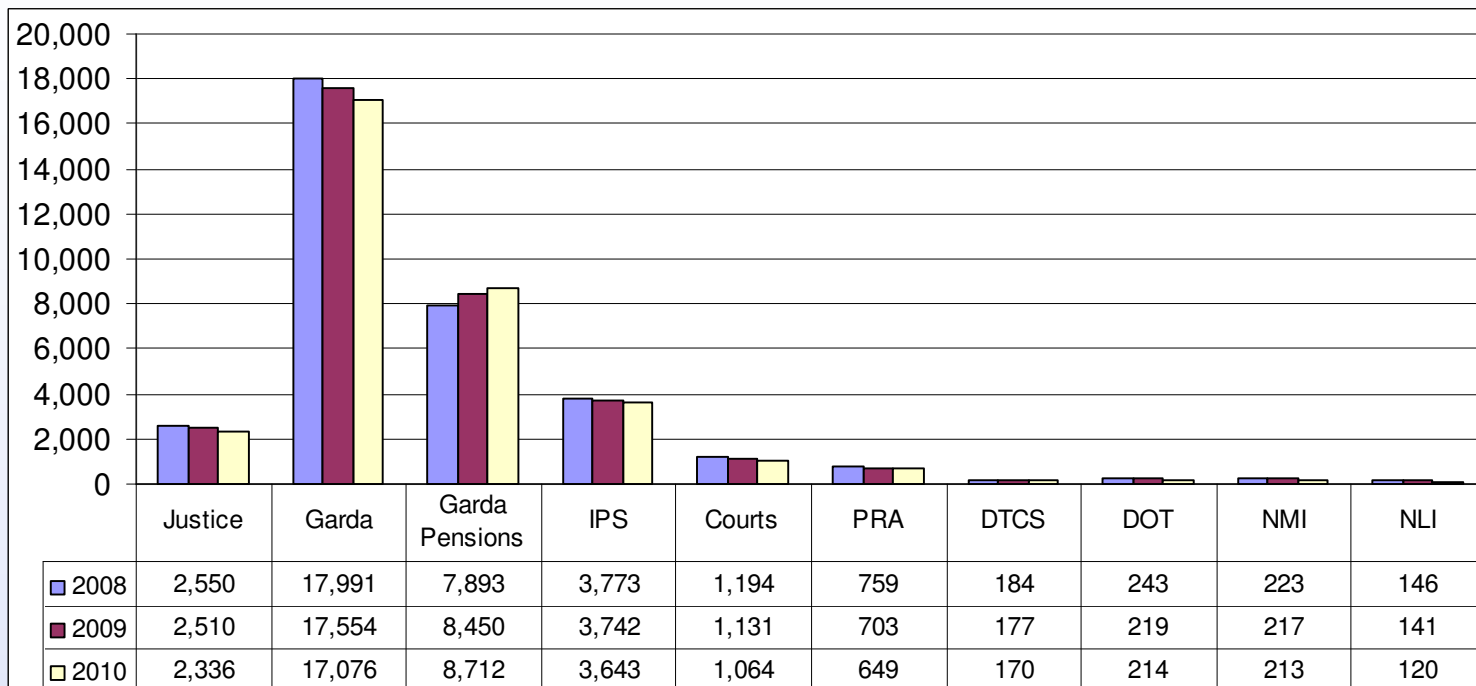
In 2010, 99.97% of payments under the Criminal Legal Aid scheme were made by EFT.

2010 EFT PAYMENTS BY CLIENT ORGANISATION



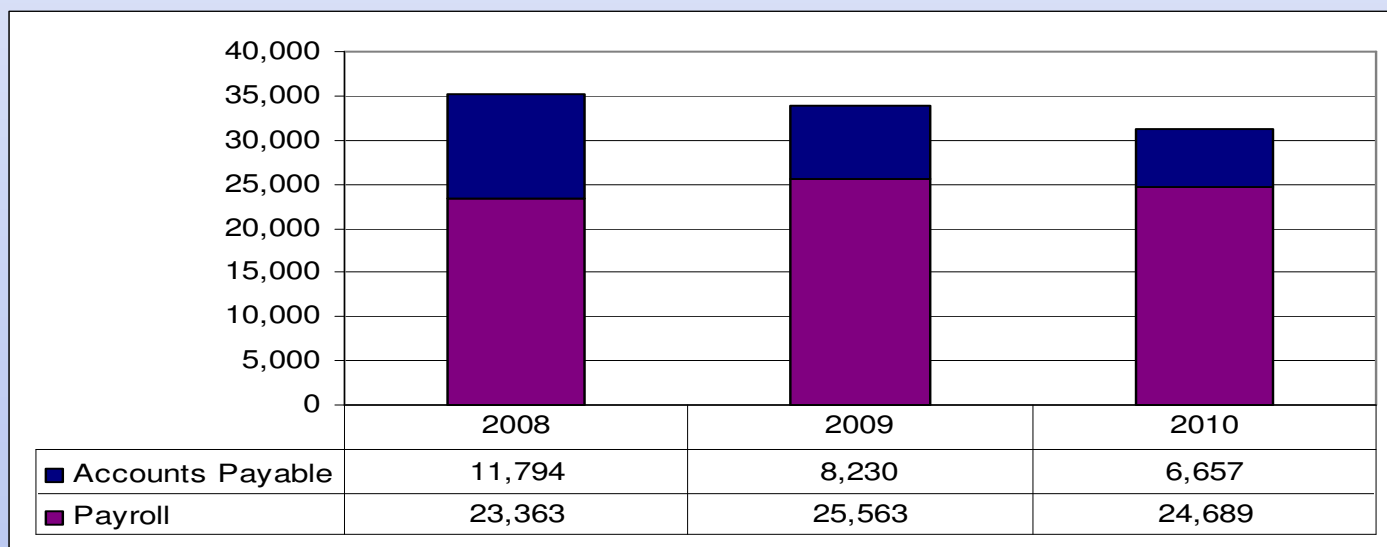
In 2010 The Irish Prison Service had the highest user rate across all 3 categories.

NUMBER OF EMPLOYEES AND PENSIONERS



The FSS was paying 34,197 employees and pensioners at the end of 2010

CUSTOMER SERVICES HELPDESK QUERY VOLUMES



The FSS Helpdesk dealt with 31,350 calls in 2010. This is a decrease of 2,443 on 2009. Payroll accounted for 24,689 of the queries (down 3.42%) and the balance of 6,657 related to supplier and expense queries (down 19.1%). The average number of calls answered each week in 2010 was 603 compared to 650 in 2009.

MANAGEMENT STRUCTURE

DEIRDRE O'KEEFFE

Assistant Secretary
Department of Justice and Equality
Dublin

FINANCIAL SHARED SERVICES

Killarney, Co Kerry

KEN BRUTON

Director

SEAMUS CLIFFORD

Principal Officer

SENIOR MANAGERS

FRANK MAHER

Assistant Principal Officer
(Payroll & Pension Payments)

MARTIN SWITZER

Assistant Principal Officer
(Accounts Payable)

BRENDAN KELLY

Assistant Principal Officer
(Financial Management &
System Support)

ELLA O' CALLAGHAN

Assistant Principal Officer
(Customer Services &
Corporate Services)

SEAMUS LONG

Assistant Principal Officer
(Information and Communications
Technology)

MATT O'NEILL

Assistant Principal Officer
(Payroll System Support &
Pensions Administration)

CUSTOMER SERVICES AND CORPORATE SERVICES

Ella O’Callaghan
Senior Manager

Andrew Lucey, *Manager*
Customer Services

Des Furlong, *Manager*
Corporate Services

The Customer Services Unit is responsible for monitoring Service Level Agreements, examining and reporting on performance to client organisations, gathering and presenting management statistics to the Senior Management Team in the FSS and project management and support in respect of Risk Management and Process Improvement. It also has a Help Desk, which is responsible for logging and answering all telephone queries in respect of payroll, suppliers and travel & subsistence claims.

The Corporate Services Unit is responsible for HR issues, staff training, PMDS, business planning, work environment policy, staff communications, accommodation, purchasing for the FSS, health and safety, postal services

IT SECTION

Seamus Long
Senior Manager

Deirdre O’Dowd, *Manager*
Oracle Financials

Denis O’Brien, *Manager*
Payroll

Paddy Lawlor, *Manager*
Network

The IT Section is responsible for the support and maintenance of the technology that underlies the main financial systems. This covers the monitoring, patching and upgrading of Oracle Financials, Corepay and Corepension software and databases together with the operating systems and server hardware on which they are hosted. It also supports the Local Area Network, desktop PCs, firewall, data communications and other smaller systems.

PAYROLL AND PENSIONS PAYMENTS SERVICES

Frank Maher
Senior Manager

Sean O’Connor, *Manager*
Garda Pay

Deirdre Kelly, *Manager*
IPS, DTCS, NMI & NLI

John Ivory, *Manager*
Justice & Courts Services

Denis Crowley, *Manager*
PRA, DOT & Garda
Civilian

Jerry Sheehan, *Manager*
Garda Pensions

The Payroll area is subdivided into five different sections each of which is managed by a Section Manager.

The payroll area deals with the payment of salary, allowances and overtime in respect of An Garda Síochána, Irish Prison Service, Courts Service, Department of Justice & Equality, Property Registration Authority, the Department of the Taoiseach, the Department of Tourism, Culture & Sport, the National Museum of Ireland and the National Library of Ireland.

This area also deals with the payment of superannuation benefits to retired Gardaí and their spouses.

ACCOUNTS PAYABLE

<p>Martin Switzer <i>Senior Manager</i></p> <p>John O’Leary, <i>Manager</i> <i>Supplier Payments</i></p> <p>Dave Murphy, <i>Manager</i> <i>Expense Payments</i></p> <p>Peter Brady, <i>Manager</i> <i>Accounts Administration</i> & <i>CLA</i></p>	<p>Supplier Payments Section is responsible for the payment of all invoices for An Garda Síochána, Irish Prison Service, Department of Justice & Equality, Department of the Taoiseach, Courts Service, Property Registration Authority and National Museum of Ireland. It is also responsible for the payment of invoices and grants for the Department of Tourism, Culture & Sport.</p> <p>Expense Payments Section is responsible for the payment of all travel & subsistence and expense claims to payees of An Garda Síochána, Irish Prison Service, Courts Service, Department of Justice & Equality, Property Registration Authority, Department of the Taoiseach, Department of Tourism, Culture & Sport and National Museum of Ireland.</p> <p>Accounts Administration Section is responsible for the final stages of all payment runs on Oracle – confirmation of payment batches, management of EFT and PMG files and printing of payable orders. The area also has responsibility for banking and administration functions in relation to receivable orders, credit cards and EFT payments, Professional Services Withholding Tax returns to Revenue, set up and maintenance of Suppliers on Oracle and the payment of fees and expenses under the Criminal Legal Aid Scheme.</p>
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FINANCIAL MANAGEMENT & SYSTEM SUPPORT

<p>Brendan Kelly <i>Senior Manager</i></p> <p>Liz Downey, <i>Manager</i> <i>Financial Management</i></p> <p>Denis O’Leary, <i>Manager</i> <i>Financial Management</i></p> <p>Robert Murray, <i>Manager</i> <i>FMS System Support</i></p>	<p>The Financial Management and System Support areas are managed by Professional Accountants and a Higher Executive Officer.</p> <p>The Financial Management area is responsible for expenditure monitoring and reporting, the Estimates process and the preparation of the Appropriation Account. It is also responsible for reporting and report development, General Ledger and non pay suspense account reconciliation, Fixed Asset processing and set up of master data for the Oracle system in relation to Inventory and Travel and Subsistence.</p> <p>System Development & Maintenance is responsible for design, testing, and implementation of developments for Oracle Financials and the Criminal Legal Aid Payments System. System support is provided to users both internally and externally in the client organisations.</p>
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PENSIONS ADMINISTRATION & PAYROLL SYSTEM SUPPORT

Matt O'Neill
Senior Manager

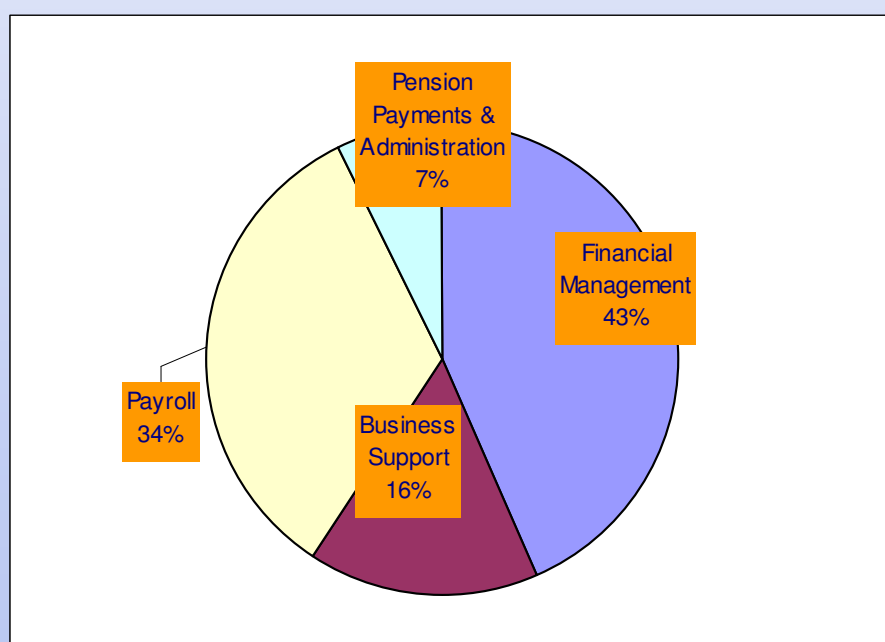
Anne Brosnan and Michael
Sullivan, *Managers*
Pensions Administration

Máiréad Broderick and
Geraldine Moloney,
Managers Payroll System
Support

Pensions Administration is responsible for the calculation of superannuation entitlements for retiring Gardaí and the notification of same to the Pension Payroll Section for payment. It also calculates superannuation entitlements for un-established staff of client organisations (except Department of Tourism, Culture & Sport and the Property Registration Authority) and notifies the Paymaster Generals Office. This area is also responsible for testing and employing the new pension calculation system for Garda and un-established staff.

Payroll System Support (PSS) is responsible for providing technical support and advice to the Payroll Operations Sections. The Section also tests and implements all new upgrades, developments and customisations for the Corepay System. PSS provide the main project team members for implementing payrolls for new client organisations. The staff are also responsible for other miscellaneous projects, e.g. documenting payroll procedures and drafting payroll users manual.

FSS STAFF DISTRIBUTION BY FUNCTION



The FSS has a total of 186 sanctioned posts. 84% of the overall staffing resources of the Financial Shared Services are engaged in operational activities, i.e. Payroll and Pension Payments, Supplier Payments, Expense Payments, Legal Aid Payments, Accounts Administration and Pensions Administration. The remaining 16% are engaged in Business Support (I.T., Corporate and Customer Services).

Energy Efficiency Report

(as required under S.I. No 542 of 2009)

The FSS office, built in 1990, uses energy primarily for heating, computer equipment, air-conditioning (communications room) and lighting. The Office of Public Works (OPW) has engaged Vector Workplace and Facility Management to develop a structured energy management system to promote and achieve best practice energy efficiency in the FSS building. The building is a participant in the OPW “Optimizing Power @ Work” project.

Overview of Energy Usage in 2010

In 2010 the building consumed 592 MWh of energy, consisting of 377.393 MWh of electricity, 214.610 MWh of fossil fuels and 0 MWh of renewable fuels.

A report by Vector in December 2010 showed that the 2008 to 2010 average energy consumption ** was 585,114kWh an increase of 1.3% on the same period in 2007 (577,406 kWh). This equates to a 7,708 kWh difference between the periods.

In terms of total CO₂, production has decreased by -1.6%, so comparison figures of 280,618Kg for 2007 & 276,229Kg for 2008 to 2010 gives a difference of -4,390Kg.

***2008 to 2010 represents an averaged 12 month period, collated using the data over that time frame.*

Actions Undertaken in 2010

In 2010, FSS undertook a range of initiatives to improve our energy performance including the appointment of an Energy Officer, formation of an Energy Team, production of monthly progress reports on energy consumption and CO₂ production and targets. It will not be possible to quantify the impact of these measures in terms of energy saving until 2011.

Actions Planned for 2011

In 2011 and beyond the FSS intends to improve our energy performance by undertaking the following initiatives - reduce load of air-conditioning equipment by raising set point in communications room, review boiler schedule regularly, conduct out of hours energy audits, sealing up & reducing drafts, implement Traffic Light System & Light Switch maps with a view to encouraging staff to switch off lighting when not required.

CONTACT POINTS

MAIN CONTACT DETAILS

Financial Shared Services	Phone:	064-6670300
Department of Justice and Equality	Fax:	064-6670567
Deerpark Road		
Killarney		
Co. Kerry		

CUSTOMER SERVICE HELPDESK

General Enquiries (payments, etc):	064-6670345	fsshhelp@justice.ie
Financial Management System Support:	064-6670520	oraclesupport@justice.ie
Payroll System Support::	064-6670359	payrollsystemsupport@justice.ie
Information Technology:	064-6670325	finhelp@justice.ie

ACCOUNTS PAYABLE

Supplier Payments:	064-6670451	supplierpayments@justice.ie
Staff Expenses:	064-6670410	expensepayments@justice.ie
Criminal Legal Aid:	064-6670417	accountsadministration@justice.ie

PAYROLL

Garda:	gardapay@justice.ie	IPS:	prisonpayroll@justice.ie
Garda Pensions:	pensionspayments@justice.ie	Justice:	justicepayroll@justice.ie
Garda Civilian:	gardacivilianpayroll@justice.ie	Courts:	courtservicepayroll@justice.ie
Taoiseach:	taoiseachpayroll@justice.ie	DTCS:	dastpayroll@justice.ie
PRA:	registriespayroll@justice.ie	NMI:	museumpayroll@justice.ie
Probation Service:	probationpayroll@justice.ie	NLI:	librarypayroll@justice.ie

OTHER CONTACT DETAILS

Human Resources:	064-6670510	fsshmail@justice.ie
Customer Services:	064-6670345	fsshhelp@justice.ie
Financial Management:	064-6670423	finreport@justice.ie
Pensions Administration:	064-6670316	pensions_administration_inbox@justice.ie