

financial shared services
comhsheirbhísí airgeadais



Department of Justice, Equality & Law Reform
Deerpark Road
Killarney
Co. Kerry

Annual Report 2009

Mission Statement

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

TABLE OF CONTENTS

| | |
|---------------------------------------|----|
| 1. Foreword | 3 |
| 2. Main Achievements & Future Plans | 4 |
| 3. Financial Shared Services | 5 |
| 4. Our Client Organisations | 6 |
| 5. Service Level Agreement Compliance | 7 |
| 6. Business Statistics | 8 |
| 7. Client Satisfaction Survey | 12 |
| 8. 2009 Management Structure | 13 |
| 9. Business Units | 14 |
| 10. Contact Points | 19 |



FOREWORD

I am very pleased to present the Annual Report of the Financial Shared Services (FSS) Centre, which records our achievements in 2009. The report demonstrates the ability of our staff to meet demanding performance targets and thereby provide a quality service to our nine client organisations. Expenditure by our client organisations did not grow in 2009 but our work levels increased somewhat. Payroll numbers decreased slightly as did invoices but pensions, expenses and criminal legal aid payments were up. The budget changes during 2008 and 2009 had a particular impact on the administration of payrolls and this spilled over into 2010 with the introduction of two additional end-of-year certificates for every employee. Changes in the basis on which Garda Pensions are calculated also added to our workload as did the significant increase in the numbers of Gardaí that retired during 2009.

Our Risk Management programme reached a significant milestone with the completion in June 2009 of a new business continuity *hot-site* in the nearby premises of our client organisation, the Department of Arts, Sport and Tourism. We can now run all our computer systems from computer hardware located in that building and, if necessary, from desks in the same building. The *hot-site* was implemented in a cost effective manner due to the sharing of costs by our client organisations. Its existence will enhance the service we can offer to potential new client organisations while providing greater business continuity assurance to our existing client base.

The primary objective of each member of our staff is to ensure that our client organisations receive a satisfactory service. Clear business targets in service level agreements, monthly performance reporting and annual performance reviews govern the working relationships with each of our client organisations. These processes complement informal business contacts at various organisational levels during the year. A further customer relationship dimension was established in 2009 when we launched the first survey of our client organisations which provided positive feedback about the services we provide.

2010 promises to be a very interesting year for the FSS as we come to terms with reduced resources due to the difficult economic situation. Against this background we need to consider how we can rise to the challenge presented in the Government's Programme for *Transforming Public Services* which has identified the FSS as a potential provider of services on a significantly larger scale than at present. Whatever comes our way, our priority must be to continue providing the levels of services that our client organisations have received in the past and expect in the future.

Ken Bruton
Director

MAIN ACHIEVEMENTS:

The main achievements for 2009 were:

- ♦ Financial Services delivered in accordance with the terms of Service Level Agreements.
- ♦ Monthly performance reports issued to Client Organisations.
- ♦ Annual Performance Reviews completed.
- ♦ Extensive new financial system controls implemented.
- ♦ Disaster Recovery Hotsite and comprehensive Business Continuity planning implemented.
- ♦ Increase in the volume of payments processed electronically.
- ♦ Increased use of electronic remittance information for general payments.
- ♦ Roll-out of on-line purchase orders and self-service travel and subsistence claims to additional users.
- ♦ New process for transacting travel and subsistence claims rolled out to Irish Prisons Service and Courts Service.
- ♦ Amended the payroll system to give effect to three significant changes arising from Government Budgets.
- ♦ Client Satisfaction Survey completed.
- ♦ Implemented best 3 years' incomes in 10 process for calculating Garda superannuation benefits.

FUTURE PLANS:

The following are some of the projects that are planned during 2010 to improve our service:

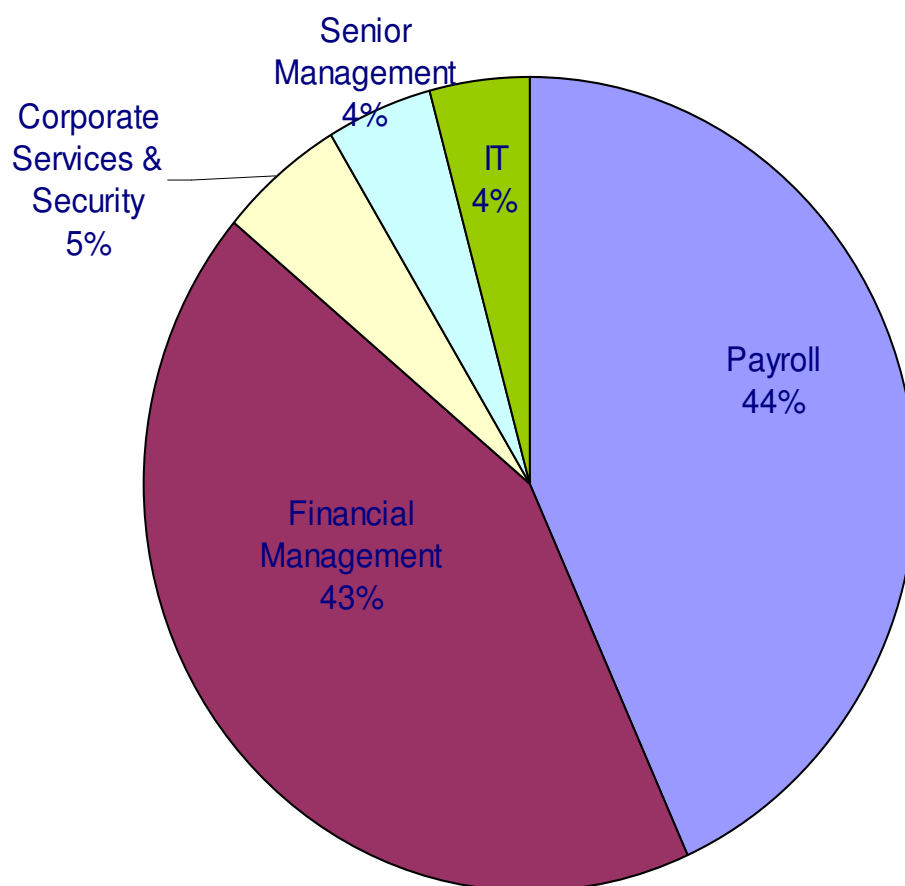
- ♦ Support Government Programme for Transforming Public Services by promoting the greater use of payroll and financial shared services.
- ♦ Explore opportunities to improve operational effectiveness and efficiency, particularly through the use of modern technology in the areas of invoice payment processing and records storage and retrieval.
- ♦ Complete roll-out of new process of transacting travel and subsistence claims.
- ♦ Migrate Oracle FMS system to new hardware to enhance system performance.
- ♦ Upgrade Corepay software to the web-enabled version (10g).
- ♦ Continue to improve payroll and financial system controls.

FINANCIAL SHARED SERVICES

This section includes some statistics on volumes and performance.

| FSS ANNUAL BUDGET | | | | |
|-----------------------|------------|------------|------------|------------|
| | 2006 | 2007 | 2008 | 2009 |
| TOTAL PAY AND NON-PAY | 10,879,000 | 11,187,000 | 11,678,000 | 11,576,000 |

STAFF DISTRIBUTION BY FUNCTION



87% 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 13% are engaged in Management and Business Support.

OUR CLIENT ORGANISATIONS

| Gross Budget Provision for 2006 ,2007, 2008 & 2009 by Agency | | | | |
|--|------------------|------------------|------------------|------------------|
| Gross Budget Provision | | | | |
| Vote | 2006 | 2007 | 2008 | 2009 |
| | €'000 | €'000 | €'000 | €'000 |
| Justice | 403,780 | 471,906 | 508,327 | 465,214 |
| Garda | 1,331,108 | 1,482,391 | 1,631,077 | 1,566,957 |
| DAST | 555,918 | 640,145 | 670,867 | 502,984 |
| Prisons | 411,184 | 397,138 | 406,346 | 379,319 |
| Courts | 118,208 | 130,927 | 146,196 | 122,027 |
| PRA | 41,150 | 44,694 | 46,820 | 42,620 |
| DOT | 37,675 | 43,836 | 45,494 | 33,786 |
| NMI * | 19,842 | 19,512 | 19,058 | 15,415 |
| NLI ** | 11,817 | 12,701 | 12,002 | 10,742 |
| Total | 2,930,682 | 3,243,250 | 3,486,187 | 3,139,064 |

- ◆ *NMI Grant is included in DAST Vote and therefore for the purpose of this exercise DAST budget has been reduced by corresponding amounts.
- ◆ ** NLI non-pay expenditure is not processed through FSS. Payroll is processed but recorded in NLI Ledger together with their non-pay expenditure. NLI Grant is included in DAST Vote and therefore for the purpose of this exercise DAST budget has been reduced by corresponding amounts.

SERVICE LEVEL AGREEMENT COMPLIANCE

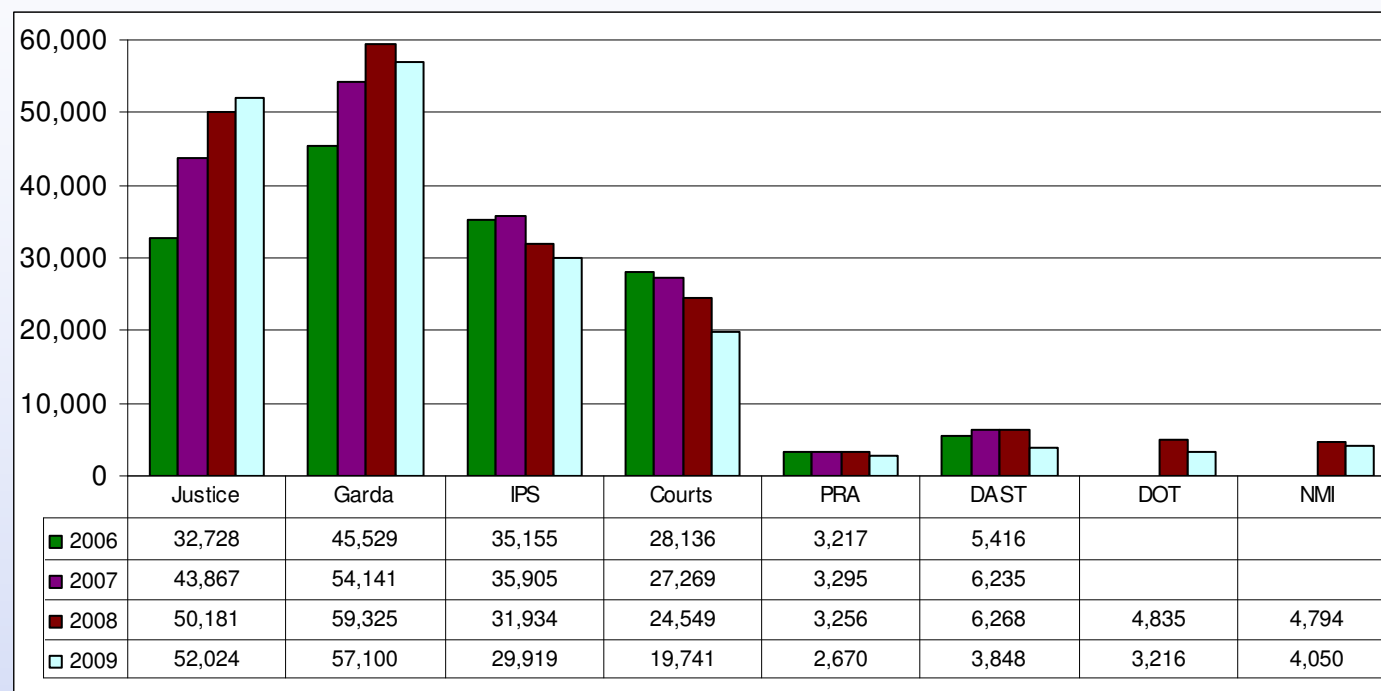
The table below measures the performance of the FSS against key performance indicators agreed by the Client Organisations. While it does not detail all outputs produced by the FSS, the table demonstrates a compliance rate of 98.8% across almost 2.5 million transactions during 2009.

| Overall SLA Compliance Rates | | | | | | |
|---|------------------|---------------|-------------------|-------------------|-------------------|-------------------|
| Description | Volumes 2009 | Non Compliant | 2009 % Compliance | 2008 % Compliance | 2007 % Compliance | 2006 % Compliance |
| Salary payments issued | 1,285,203 | 0 | 100% | 100.00% | 100.00% | 100.00% |
| Input of all amendments to the payrolls | 715,083 | 0 | 100% | 100.00% | 99.93% | 99.88% |
| Issue of final pays | 1,229 | 0 | 100% | 100.00% | 100.00% | 99.80% |
| Implement pay increases/arrears | 8 | 0 | 100% | 100.00% | 100.00% | 100.00% |
| Reconcile all Payroll suspense accounts | 3,639 | 24 | 99% | 98.89% | 97.37% | 87.91% |
| Payover of payroll deductions: Weekly: | 608 | 0 | 100% | 100.00% | 100.00% | 99.82% |
| Fortnightly: | 234 | 0 | 100% | 100.00% | 100.00% | 99.64% |
| Monthly : | 2,907 | 0 | 100% | 100.00% | 100.00% | 96.69% |
| Quarterly: | 1,103 | 0 | 100% | 100.00% | 99.91% | 100.00% |
| Input payroll deductions | 105,791 | 0 | 100% | 100.00% | 99.44% | 97.57% |
| Issue of P45s | 2,000 | 0 | 100% | 100.00% | 99.94% | 96.16% |
| Issue P60's | 679 | 0 | 100% | 100.00% | 100.00% | 100.00% |
| Prep & Submit P35 | 3 | 0 | 100% | 100.00% | 100.00% | 100.00% |
| Update GL Balances | 36 | 9 | 75.00% | 100.00% | 91.67% | 85.19% |
| Monthly Returns to Dept. Finance | 48 | 0 | 100.00% | 100.00% | 100.00% | 100.00% |
| FMS System Changes re Authorising Officers | 109 | 0 | 100.00% | 100.00% | 100.00% | 100.00% |
| FMS Maintain Reg of Approvers | 141 | 0 | 100.00% | 100.00% | 100.00% | 100.00% |
| FMS Coding Changes | 93 | 0 | 100.00% | 100.00% | 100.00% | 100.00% |
| Invoice Payments | 172,568 | 12,965 | 92.49% | 71.85% | 76.37% | 71.95% |
| Pay Agency Drawdowns | 12 | 0 | 100.00% | 100.00% | 100.00% | 100.00% |
| Pay all Grants (5 working days) | 2,238 | 164 | 92.67% | 92.31% | 93.97% | 91.12% |
| Replenish Imprest A/C | 1,733 | 112 | 93.54% | 90.41% | 92.84% | 91.44% |
| FMS Oracle System Amendments | 433 | 0 | 100.00% | 100.00% | 100.00% | 100.00% |
| FMS New Suppliers set up | 1,747 | 0 | 100.00% | 100.00% | 100.00% | 100.00% |
| FMS Bank Details set up | 872 | 0 | 100.00% | 100.00% | 100.00% | 100.00% |
| FMS Amendments | 3,946 | 0 | 100.00% | 100.00% | 100.00% | 100.00% |
| Revenue Returns | 119 | 0 | 100.00% | 100.00% | 73.53% | 85.48% |
| Pay T&S | 153,293 | 16,167 | 89.45% | 86.50% | 82.16% | 97.40% |
| Reconcile Susp. A/c | 1,049 | 37 | 96.47% | 90.17% | 62.30% | 35.29% |
| Appropriation Account - Ensure all information is available | 3 | 0 | 100.00% | 100.00% | 100.00% | 100.00% |
| Produce Financial Reports | 156 | 0 | 100.00% | 100.00% | 100.00% | 100.00% |
| Process FA1 & FA2 | 336 | 0 | 100.00% | 97.23% | 84.02% | 100.00% |
| Produce FA Register | 24 | 1 | 95.83% | 91.67% | 83.33% | 91.67% |
| Electronic and signed copies of schedules issued to PMG | 351 | 0 | 100.00% | 100.00% | 100.00% | 100.00% |
| TOTAL | 2,457,794 | 29,479 | 98.80% | 97.28% | 97.31% | 97.72% |

BUSINESS STATISTICS

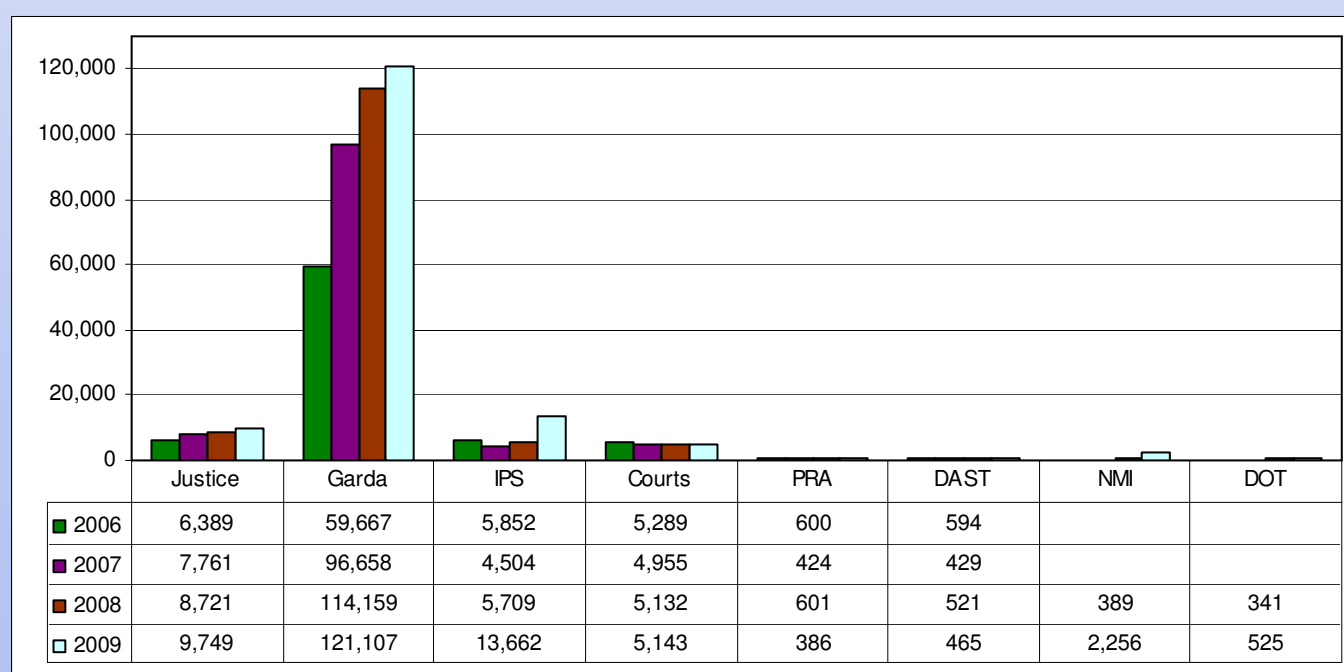
This section includes some statistics on volumes.

INVOICE VOLUMES PROCESSED BY ORGANISATION



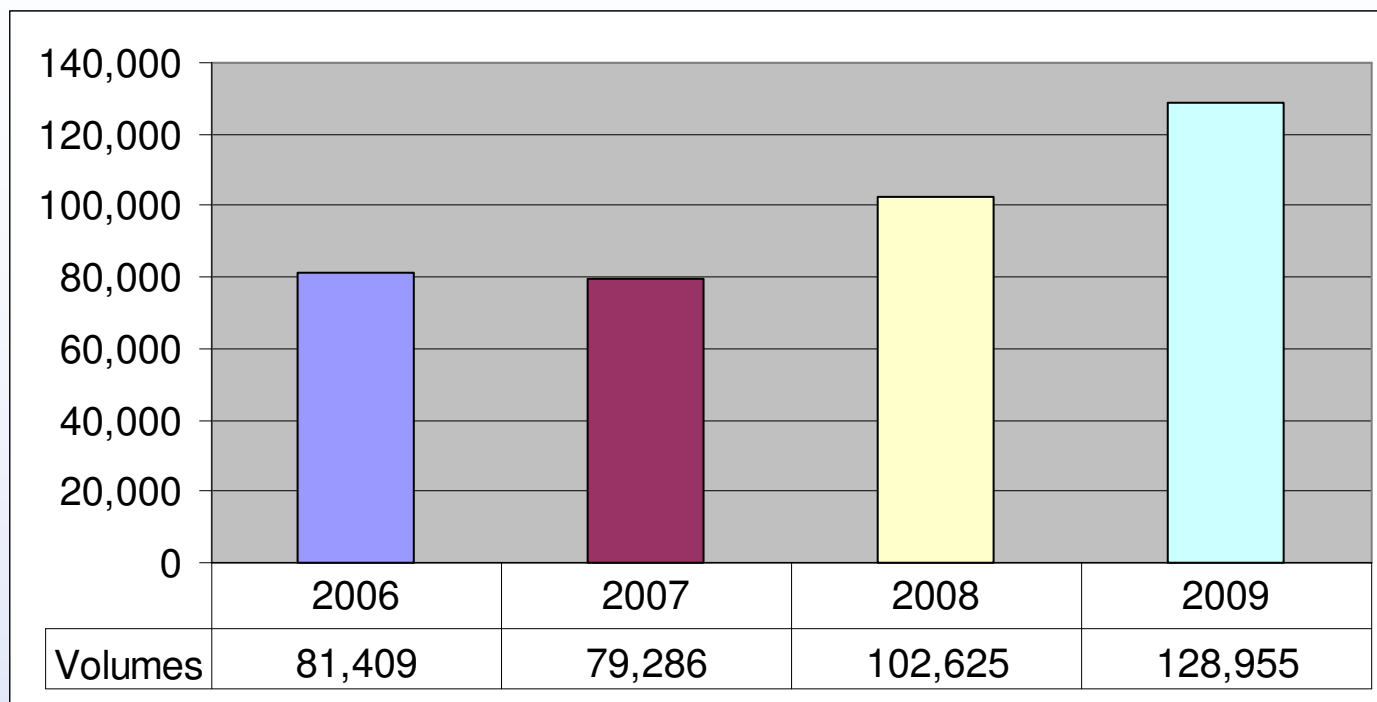
The total invoice volumes in 2009 decreased by 6.79% from 185,142 to 172,568.

EXPENSE VOLUMES PROCESSED BY ORGANISATION

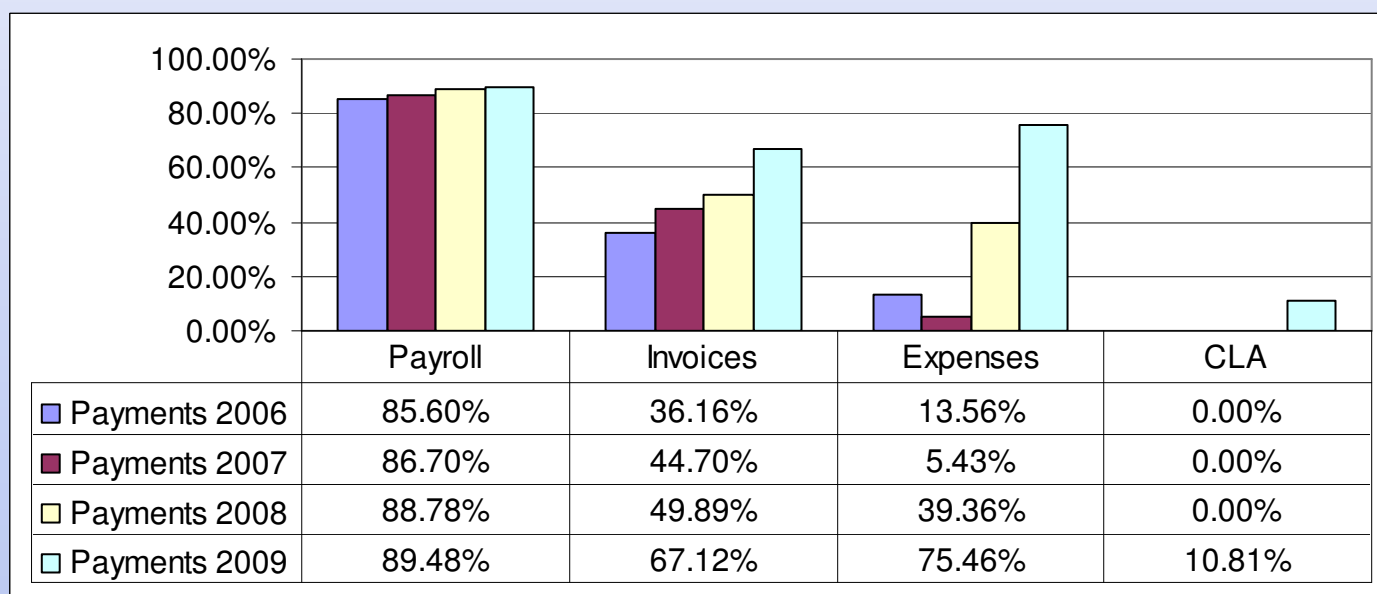


Total expense volumes increased by 14.55% in 2009 from 135,533 to 155,302.

CRIMINAL LEGAL AID VOLUMES PROCESSED



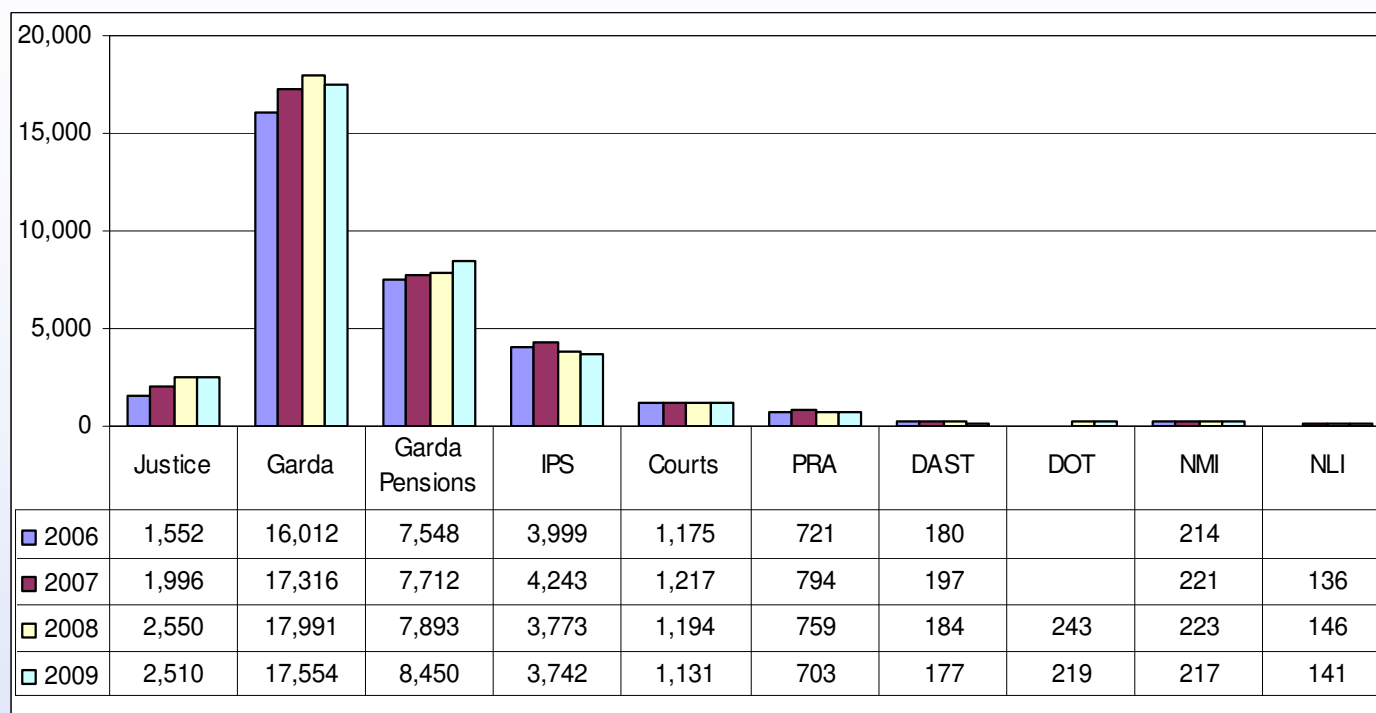
PAYMENTS BY EFT



NOTE: T&S figures for 2006 refer to Courts & Justice only. Figures for subsequent years include all Client Organisations.

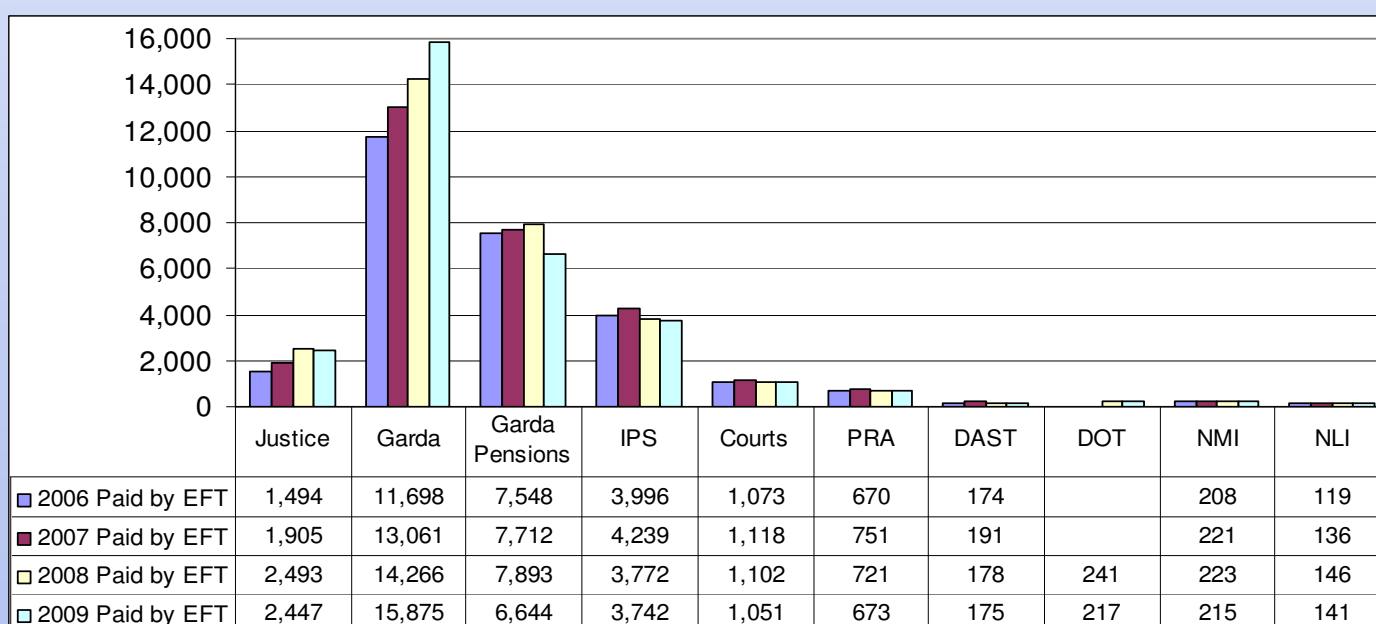
In 2009 The Irish Prison Service has the highest EFT user rate for payroll and invoice payments at 100% and 93.76%, respectively. The National Museum of Ireland had the highest use for invoice payments at 95.66%.

NUMBER OF PAYROLL AND PENSIONS EMPLOYEES



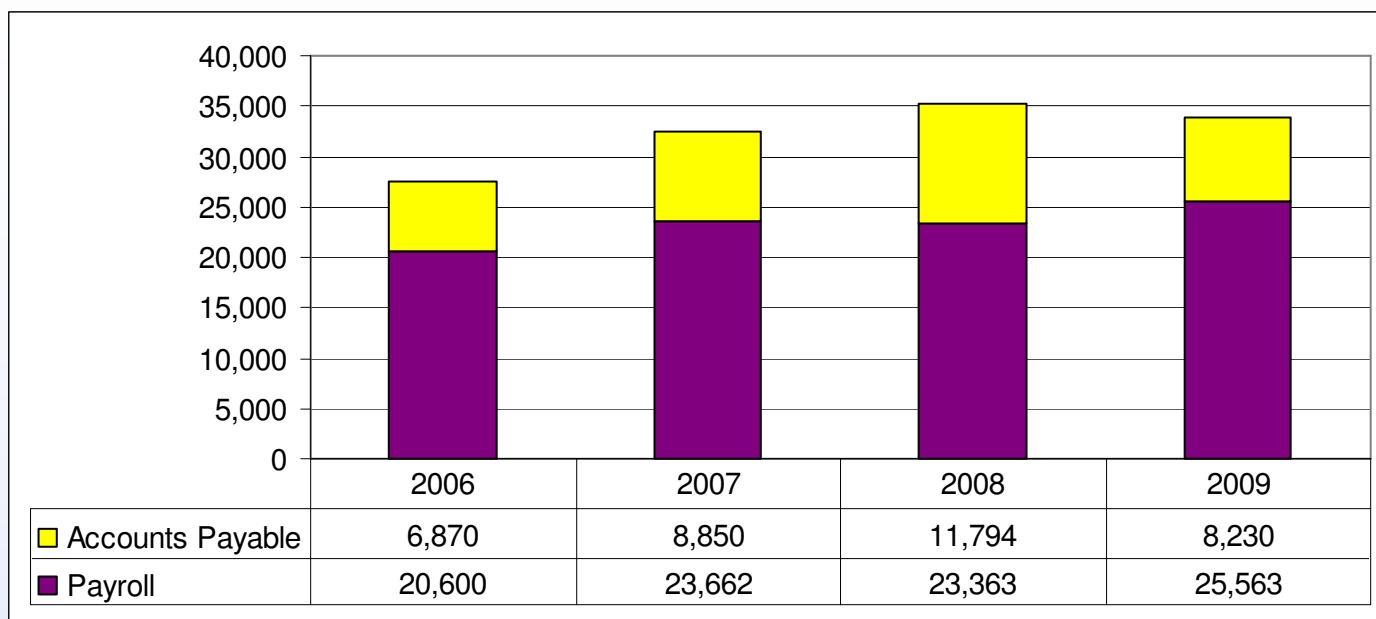
The FSS was paying 34,844 employees and pensioners at the end of 2009

NUMBER OF EMPLOYEES PAID BY EFT



89.48% of all payroll payments are now paid by EFT.

HELPDESK QUERY VOLUMES



The FSS Helpdesk dealt with 33,793 calls in 2009. This is a decrease of 1,364 on 2008. Payroll accounted for 25,563 of the queries (up 9.4%) and the balance of 8,230 comprised supplier and expense queries (down 30.22%). The average number of calls answered each week in 2009 was 650 compared to 676 in 2008.



Retired and past staff members with the Director at a recent reunion.

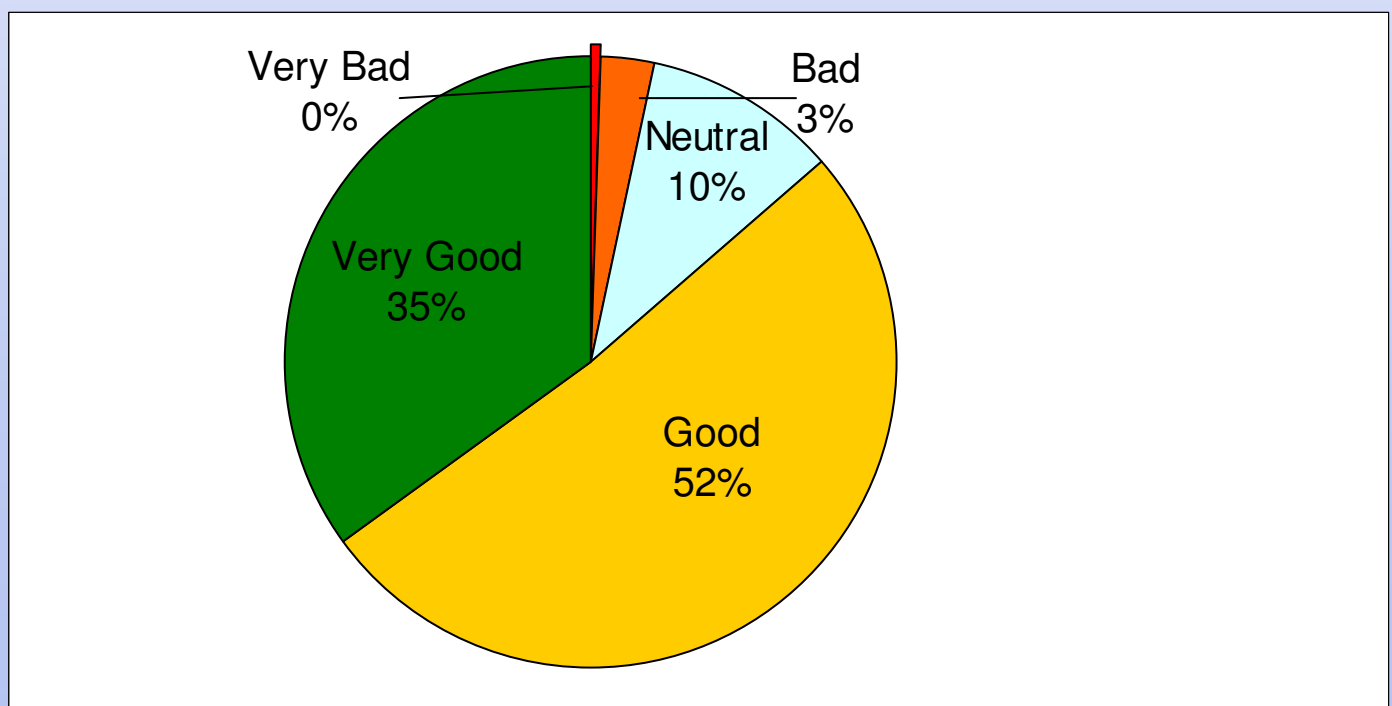
Front: Mary O'Mahony, Maureen Rooney, Ken Bruton, Irene McCarthy, Joan Broderick.
Back: Nicky Cotter, Declan Morrison, Mary Cahill, Tom Carey, Jerry O'Connell, Sheila Meade, Seán Ó Moráin, Maire Moriarty and Mick Madden.

CLIENTY SATISFACTION SURVEY

It was decided that, in line with best practice for shared services operations, that the FSS would carry out regular Customer Satisfaction Surveys. It is hoped that this will provide valuable feedback to assist in maintaining the good relationships that already existed with Client Organisations. It would also, hopefully, confirm the overall positive feedback the FSS receives in the course of our Annual Performance Review meetings. It might also identify any issues or areas where performance and service delivery might be improved.

During the summer of 2009, the FSS launched its first web-based Client Satisfaction survey. Client Organisations selected the staff members to be surveyed. These staff members were a mix of three sectors:

- (i) Senior Managers
- (ii) Staff who had regular contact with the FSS, e.g. from HR, Finance and IT Units
- (iii) General staff members, who might only receive payroll or T&S payments from the FSS



2009 MANAGEMENT STRUCTURE

DEPT. JUSTICE , EQUALITY & LAW REFORM

Dublin

NOEL WATERS

Assistant Secretary

Head Office, Dublin

FINANCIAL SHARED SERVICES

Killarney

KEN BRUTON

Director

SEAMUS CLIFFORD

Principal Officer

SENIOR MANAGERS

FRANK MAHER

Assistant Principal Officer
(Payroll & Pension Payments)

VACANT

Assistant Principal Officer
(Corporate Services)

ELLA O'CALLAGHAN

Assistant Principal Officer
(Accounts Payable)

SEAMUS LONG

Assistant Principal Officer
(Information and Communications
Technology)

BRENDAN KELLY

Assistant Principal Officer
(Financial Management &
System Support)

MATT O'NEILL

Assistant Principal Officer
(Customer Service, Organisation
Development & Pensions Administration)

BUSINESS UNITS

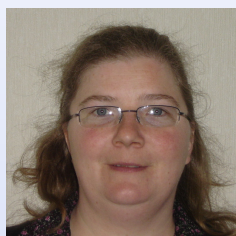
PAYROLL AND PENSIONS PAYMENTS SERVICES



Frank Maher
Senior Manager



Sean O'Connor
Manager Garda



Deirdre Kelly
Manager Prisons & DAST



John Ivory
Manager Justice & Courts



Jerry Sheehan
Manager Garda Pensions



Denis Crowley
Manager PRAI, DOT & Garda Civ.



Maireád Broderick
Manager Payroll System Support



Geraldine Moloney
Manager Payroll System Support

The Payroll area is subdivided into six 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 the An Garda Síochána, Irish Prison Service, Courts Service, Department of Justice, Equality & Law Reform, Property Registration Authority, the Department of the Taoiseach, the Department of Arts, Sport & Tourism, 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 as well as the support and development of the payrolls.

ACCOUNTS PAYABLE



Ella O'Callaghan
Senior Manager



John O'Leary
Manager Supplier Payments



Peter Brady
Manager Account Admin & CLA

Vacant
Manager Expense Payments

Supplier Payments Section is responsible for the payment of all invoices for, An Garda Síochána, Irish Prison Service, Department of Justice, Equality & Law Reform, Department of the Taoiseach, Courts Service, Property Registration Authority and National Museum Votes. It is also responsible for payment of invoice and grants for the Department of Arts, Sports & Tourism.

Expenses 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 & Law Reform, Property Registration Authority, Department of the Taoiseach, Department of Arts, Sport and Tourism and National Museum.

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.

FINANCIAL MANAGEMENT & SYSTEM SUPPORT



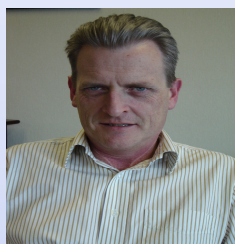
Seamus Clifford
Principal Officer



Brendan Kelly
Senior Manager



Liz Downey
Manager Accounting
& Reporting



Denis O'Leary
Manager Accounting
& Reporting



Robert Murray
Manager FMS
System Support



Dave Murphy
Manager FMS
System Support

Financial Services Unit is subdivided into three sections, which are managed by Professional Accountants and Higher Executive Officers.

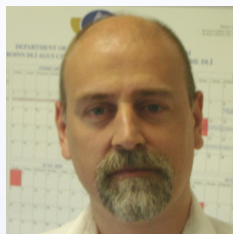
Estimates Section is responsible for expenditure monitoring and reporting, the Estimates process and the preparation of the Appropriation Account.

Financial Accounting & Reporting is 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.

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 to Client Organisations.

CORPORATE SERVICES

Vacant
Senior Manager



Des Furlong
Manager Corporate Services

Corporate Services is responsible for HR issues, staff training, PMDS, business planning, work environment policy, work/life balance and communications, accommodation, purchasing for the FSS, health and safety, postal services and security.

IT SECTION



Seamus Long
Senior Manager



Deirdre O'Dowd
Manager Oracle Financials



Denis O'Brien
Manager Payroll



Paddy Lawlor
Manager Network

Unix - technical support and maintenance of the Unix operating systems and associated server hardware.

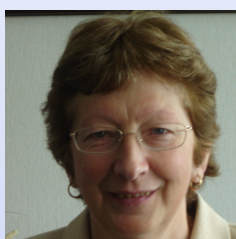
Oracle - technical support and maintenance of the Oracle Financials and Corepay Payroll systems software and databases.

Network - technical support and maintenance of the Local Area Network, desk top PCs, firewall, communications and other smaller systems.

CUSTOMER SERVICE, ORGANISATION DEVELOPMENT & PENSIONS ADMINISTRATION



Matt O'Neill
Senior Manager



Anne Brosnan
Manager Pensions Admin.



Michael Sullivan
Manager Pensions Admin.



Andrew Lucey
Manager Customer Services

This area is subdivided into two sections, each of which is managed by a Section Manager.

Customer Relations Management and Performance Development 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 queries

Pension 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 unestablished staff of Client Organisations (except Department of Arts, Sport and Tourism) and notifies the Paymaster Generals Office. This area is also responsible for testing and employing the new pension calculation system for Garda and unestablished staff.

MAIN CONTACT DETAILS

| | | |
|--|--------|-------------|
| Financial Shared Services | Phone: | 064-6670300 |
| Department of Justice, Equality and Law Reform | Fax: | 064-6634433 |

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 |

ACCOUNTS PAYABLE

| | | |
|--------------------|-------------|-----------------------------|
| Supplier Payments: | 064-6670451 | supplierpayments@justice.ie |
| Staff Expenses: | 064-6670410 | expensepayments@justice.ie |

PAYROLL

| | | | |
|-----------------|------------------------------|----------|--------------------------------|
| Garda: | fin.gardapaystaff@justice.ie | Prison: | prisonpayroll@justice.ie |
| Garda Pensions: | pensionspayments@justice.ie | Justice: | justicepayroll@justice.ie |
| Garda Civilian: | gardacivilian@justice.ie | Courts: | courtservicepayroll@justice.ie |
| Taoiseach: | taoiseachpayroll@justice.ie | DAST: | dastpayroll@justice.ie |
| PRAI: | registriespayroll@justice.ie | NMI: | museumpayroll@justice.ie |

OTHER CONTACT DETAILS

| | | |
|-----------------------|-------------|---------------------|
| Human Resources: | 064-6670510 | fsshmail@justice.ie |
| Customer Services: | 064-6670328 | fsshhelp@justice.ie |
| Financial Accounting: | 064-6670423 | |