



MEMO

Office of the Dean

May 1, 2015

TO: Blye Frank, Dean

FROM: Tom Sork, Senior Associate Dean, International
Mark Edwards, Assistant Dean, PDCE

SUBJECT: Financial and Organizational Review of Professional Development and Community Engagement (PDCE), Faculty of Education, April 14, 2015

Thanks very much for asking us to review the report of the "Financial and Organizational Review of PDCE" dated April 14, 2015 and comment on the reported facts and perceptions. We have reviewed the document and provide below some commentary on the itemized "Findings" in both the Financial and Operational sections of the report.

Because many of the recommendations made are based on the findings, we felt it was important to point out what we regard as inaccurate, misleading or incomplete statements. The report also contains some potentially helpful observations and perceptions that invite further conversations about the role of PDCE in relation to departments and in achieving the Faculty's and University's strategic priorities.

We will, of course, have more to say about the recommendations after the report is released and conversations begin about the direction the Faculty wishes to take in supporting the wide range of professional development and community engagement activities needed to fulfill our obligations to the education profession in British Columbia and globally.

The report seems to be based on the perception that PDCE offers programs independently of departments and equates PDCE to UBC's Continuing Studies. As you know, PDCE's primary mandate is to support the delivery of courses and programs based in departments. Unlike Continuing Studies, the vast majority of activities supported by PDCE are department credit-based courses and programs.

In general, we were disappointed to not find any references to several dimensions of PDCE's work:

- The role of PDCE in supporting the Faculty's international work
- Support for cross-faculty (non-departmental) activities
- The integrated role that PDCE and ETS play in supporting program innovation

Further, we were surprised that recommendations were made without reference to:

- Overall efficiency and cost effectiveness of program delivery
- Existing governance mechanisms for reviewing and approving PDCE's operating principles
- Existing Faculty-approved operating principles which—among other things—do not include a full cost accounting mandate
- Strengths and achievements of PDCE

Following are our comments on each of the two "Findings" sections in the report.

P. 4 Findings (Financial)

1. Misleading statement. Internal financial controls consistent with UBC policies are indeed present in PDCE. Approval authority for appointments and one-over-one signing of expense claims are examples. PDCE procedures have evolved with each Director of Finance in the Faculty and continue to evolve under the current Director, Clara Ng. If there are some forms of financial control or quality management that are absent from PDCE operations, it would be helpful to know what those are so they can be remedied.
2. True.
3. Data in the "shadow systems" used in PDCE...primarily in the form of program budgets, revenue and expenditure tracking records...are indeed verifiable, although possibly not as easily as desired. It would be more accurate to say that "data are not as easily verifiable as is currently possible or expected at UBC." For the record, these shadow systems were created because UBC's standard systems were not set up for program-specific budgeting, were inadequate to generate timely revenue and expense summaries, and had other serious limitations. "Shadow budgets" have also been essential tools to track "missing" revenue for discrete programs.
4. True, but PDCE would be happy to discuss ways of simplifying the accounting system and bringing practices to University norms.
5. Although it is true that the spreadsheet-based budgets and financial account summaries used in PDCE cannot be queried as easily as might be desired, they do provide full information needed to make sound program-specific financial decisions. What may be desirable is to prepare program- or activity-level budgets that can be easily queried by the Director of Finance and others and to "roll up" program-level budgets for higher level reporting and decision making. In addition, all "variances" from budgets—substantial changes from the budgets reviewed and agreed to by heads—are reviewed approved by both the head and PDCE.
6. True...and simplifying the entire process would be highly desirable.

7. It is unclear what the reference point is for judging the number of transactions as “unusual,” but simplifying the process and the way funds are distributed would be very desirable because we know transactions are costly and add substantially to overhead.
8. Incorrect. We know of no accounts managed by PDCE that are used for “non-academic purposes.” If there are accounts thought to be used for non-academic purposes, we would like to know what they are.
9. Misleading. It is possible that some of those interviewed did not understand program/activity budgets, but it is not accurate to say that there is a lack of transparency. The format for all budgets used within PDCE follows a standard revenue/expenses structure with all income and agreed-upon expenses accounted for. There are assumptions built into all budgets (for example, the assumed proportion of various teaching appointments in cohort programs) that may not be fully explained, and there are university, Faculty and PDCE overhead charges included the amounts of which may require some explanation, but there is otherwise no lack of transparency in budgets.
10. Heads may have that impression, but it is the department’s programs and courses that are being offered through PDCE, it is the department that admits students into these programs, they are the department’s students who are benefitting from these programs, and departments (not faculty) share in surpluses generated, so it seems rather odd to say that the involved faculty benefit more than the department.
11. PDCE does not use the term “profits” but rather “surpluses.” Those who review budgets (heads and faculty who participate) are aware that surpluses are based on current Faculty-approved buyout rates, approved overhead/indirect cost charges, and other financial agreements...and that these have never been represented as...or been expected to be...full-cost recovery.
12. This implies that full-cost budgeting was expected but not provided. PDCE has never been expected to account for all direct and indirect costs. If this change is desired, then it can certainly be accommodated but it would represent a policy change for the Faculty of Education.

Page 6: Findings (Operational)

[All bullet points are numbered below for ease of reference]

1. Oversimplification. PDCE both “fields” requests but also collaborates in the development of program ideas with all these groups and with Associate Deans, the Dean and other university partners, both within UBC and internationally.
2. PDCE’s philosophy has always been to not start by saying “no.” Rather, when a proposed activity seems—on the face of it—to be consistent with the academic and other strategic priorities of the Faculty, PDCE tries its best to collaborate with departments and faculty to develop positive relationships and to make things work...financially and administratively.
3. True, however, there are other criteria/considerations that are brought to bear on final “go, no-go” decisions.

4. True, but misleading. These are not the only considerations when decisions are made about whether an activity should be supported or continued...and these decisions are made in consultation with the involved faculty and departments and in a way consistent with principles of engagement defined and approved by the Faculty's External Programs Advisory Committee.
5. Establishing clear Faculty-level expectations of PDCE would be helpful. If providing support in pursuit of departmental and Faculty priorities is perceived as not serving the Faculty well "in aggregate," it would be helpful to know more about these "on the ground level decisions" that seem to be of concern.
6. Incomplete. The range of PDCE-supported activities includes off-campus cohort, department-based graduate programs; conferences, workshops and summer institutes; non-department-based off-campus and online graduate programs; diploma and certificate programs; online courses; and "one-off" off-campus credit courses.
7. Misleading. The "offerings" administered by PDCE include a wide range of programs, courses and other activities...some are short term and are planned quickly, but many are long term, recurrent programs and activities, some of which take years to plan, receive approval for, and implement.
8. A primary role of PDCE historically has been to relieve departments and faculty from as many common administrative support activities as possible. In most respects, departments have always "run" academic programs in that they determine who is admitted, how the programs are staffed, what content is included, how that content is delivered, and how assessment is done. PDCE has provided administrative support including marketing, developing and monitoring budgets, preparing application files, arranging off-campus teaching spaces, coordinating needed technology support, processing appointments and expense reimbursements, answering non-academic questions from students. Greater clarity would be helpful in what aspects of academic program delivery departments wish to be responsible for.
9. PDCE...now and in its earlier incarnations...has always been expected by the Faculty to be self-perpetuating/self-sustaining financially, but only by encouraging and supporting professional development activities that are consistent with the Faculty's strategic priorities and with core values. We challenge the idea that the activities supported by PDCE are in any way inconsistent with Faculty priorities or values. We would welcome a conversation about the kinds of professional development activities that should receive both greater and lesser attention by the Faculty.
10. Would be good to have some direct feedback on this from those who work most directly with PDCE staff.
11. PDCE is not perfect and errors are sometimes made. This is the case with all demanding and detailed administrative work. PDCE has always welcomed feedback and always takes corrective action with staff when errors are identified, just as we hope happens when similar errors are made by departmental staff.
12. These are all major elements of PDCE's work.