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Quality Assurance for Reform and Transformation of HEIs in Uzbekistan - QUARTZ

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Financial resources management (planning and strategies)

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In order to achieve the aims and results foreseen in their policies, Universities must develop the capacity to manage tangible and intangible resources.

How can they assess the quality of the strategies and of the related implementation plans?

Tangible and intangible resources are:

- Human resources (Professor *Irina Petkova* presentation)
- **Financial resources (this presentation)**
- Structures, Equipment and Technologies (Professor *Fabrizio Ciancetta* presentation)

Common Objective: How can Universities assess their capacity? Which are the indicators that measure the level of achievement and the quality of the results?





Financial Resources: Planning and Management

Universities

- must allocate financial resources for the implementation of the strategic policies
- have a planning and management system of such financial resources
- must be able to maintain over time the full sustainability

Objective: How can Universities assess this capacity? Which are the indicators that ensure the full economic and financial sustainability of the activities carried out?



Financial resources management

Financial resources concern:

Teaching, Research, Third Mission, Stewardship

The assessment goes through all the steps

planning -> strategies adopted -> implementation -> results -> planning ->....

For a continuous improvement (Deming Cycle application)



Aims and Methods

This means that the QA system must follow a continuous process of
Plan -> Do -> Check -> Act



that is the «correct» application of the Deming Cycle in the assessment of the financial resources management concerning the 4 dimensions:
Teaching, Research, Third Mission, Stewardship



Actors/Responsibles of the financial resources management

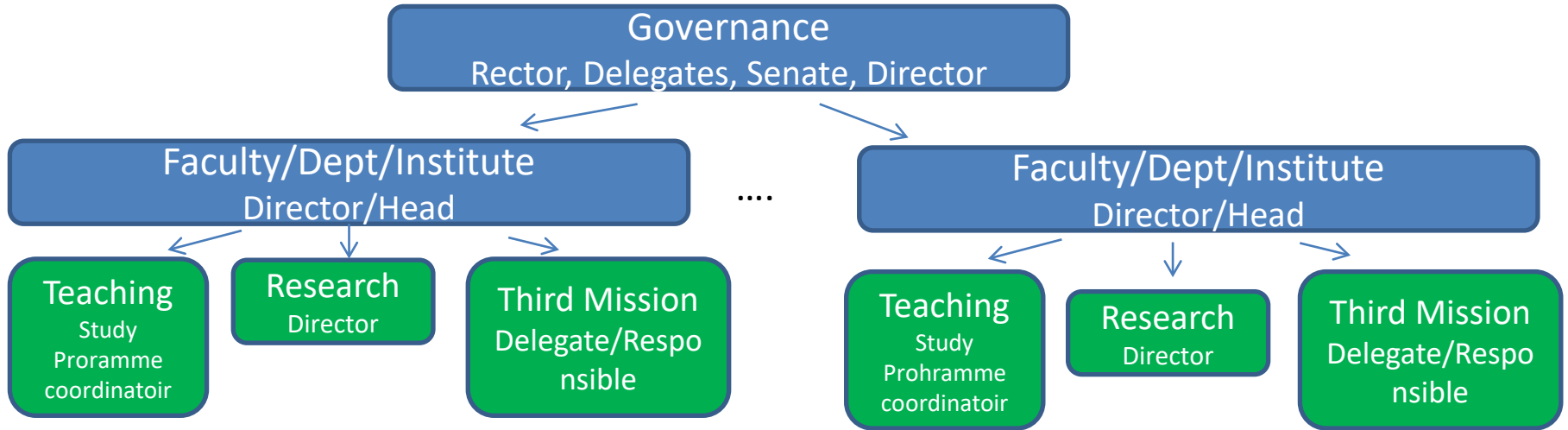


- **Governance**, that means academics and administrative staff supporting the highest decision-making levels;
- **Teachers and administrative staff** supporting the teaching activities at Faculty/Department level;
- **Researchers and administrative&technical staff** supporting the research in the labs;
- **Administrative&technical staff** working in the services offices/units.



Actors/Responsibles of the financial resources management

Usually the universities are structured in Faculties/Departments/Centers/Institutes, that all contribute to the 3 missions with some degree of freedom in the decision-making process, focused on their specific competencies but coherent with the University's Strategic Plan





Financial resources: planning and management

- The allocation of financial resources to these structures follows the distribution of human resources (teachers, technical and administrative staff), the maintenance/development of the structural (Labs, class rooms, ...) and infrastructural resources (equipment, devices, libraries, ...) for the implementation of the 3 missions.
- This means that the planning and management of the financial resources must consider the needs and requirements of these peripheral structures.
- The Quality Assurance system must consequently include the assessment of the activities and results produced by them, in a integrated vision.
- Furthermore the quality will be assessed at PLANNING and MANAGEMENT level.



Financial resources: **PLANNING**

The assessment of the quality of the **financial resources PLANNING** , that is the methods used for their distribution to the 4 dimensions of the university (teaching, research, third mission/social impact, institution/stewardship) must consider the needs and requirements of the peripheral structures.

What is then needed:

- A **Strategic Plan** (that is the University's policies and strategies for teaching, research, third mission/social impact and other institutional and management activities)
- an **adequate system of analytical accounting** and management control to support decisions



Financial resources: **PLANNING**

Strategic planning is the process aimed to

- Create a shared vision focused on its mission for the institution and its faculty, employees, and students
- Create a culture of quality and results impact for a continuous improvement
- Build a culture of risk management that provides mitigation measures and guardrails for administration
- Build structures/competencies/responsibles that enable administration to closely monitor the institution's progress towards the Plan
- Set a roadmap with goals, objectives, actions, and accountabilities for the institution and its people (indicators , measure units and targets)
- Maintain the financial health of the institution and adherence to its mission



Financial resources: **PLANNING**

The **Strategic Plan** must refer also to an **adequate system of analytical accounting** and management control to support decisions.

- Analytic Accounting is used to manage and forecast income and expenses, to allocate them and then to analyze profitability.
- Analytical Accounting presents a detailed view of the cost of each product or activity.
- It makes it possible to precisely identify the costs of the various functions and to identify the areas of performance and non-performance within the company.
- It is the Principal source of information for the management control activity.



Financial resources: **MANAGEMENT**

The **Strategic Plan** should refer also to the financial resources management. This means the QA system will assess if and to which extent:

- The University's three-year and annual budgets (economic and investment), are **consistent** with the University's Strategic Plan, and are **defined through motivated and reliable projections ensuring the achievement of the established objectives.**
- The economic-financial balances ensure full sustainability, from the analysis of the financial results of the last three financial years, of the annual and three-year budgets and of the trend of the indicators of expenditure for personnel, structures and infrastructures.



Financial resources: **MANAGEMENT**

The management of financial resources involves directly and at the same level of responsibility the central governance and the peripheral structures.

The QA system must be developed according to these perspectives and specific indicators for each of the 4 dimensions of the university must be defined according to the goals defined in the Strategic Plan.

The principles of accountability and transparency of procedures are shared by all the structures, offices and services.



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Thank you for your attention!

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