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## Book Reviews / Comptes rendus

Prowle, M., & Morgan, E. (2005) *Financial management and control in higher education*. London: RoutledgeFalmer. Price: \$51.95 USD Pages: 304 (paper).

Reviewed by Andrew J. Simpson, Vice-Principal (Operations & Finance), Queen's University.

In the past decade Higher Education (HE) has undergone substantial change, in response to the convergence of a number of factors, including the acknowledgement of knowledge as a driver of competitive economic advantage, the consequent significant growth experienced in the sector, and the rationalization of public funding and public accountability. Management of these changes has required an increased focus on revenue generation, resource allocation, capital investment, as well as other areas of financial management practice. This book has been written for those who have an interest in these changes, and the future requirements of best practice in financial management within HE.

The authors note that the material is aimed at four classes of reader: first, the managers and academics in HE who have a limited financial background but require a working knowledge of finance; second, the HE finance professional to assist as a reference book for various aspects of finance management; third, members of governing boards and councils of HE; and finally, students who may be pursuing programs in public sector management or other professional courses and require a guide to the various financial issues contained in HE.

The authors have backgrounds in the higher education sector within the UK. Morgan is former Director of Finance and Governor of Nottingham Trent University whilst Prowle has consulted to senior management in HE for many years. Consequently the book is based on the UK HE sector. While some sections of the book would be of limited value to a non-UK based reader, most of the book discusses issues that are generic to HE throughout the world.

The initial chapters of the book primarily address issues relating to the background, financing and allocation of resources within HE in the UK. This material includes consideration of the organizational structure of HE institutions and the challenges of managerial decision-making practices in this environment. Also addressed is the financing structure for HE within the UK, including detailed information about government departments and other funding

bodies. Non-UK readers may find this material more interesting than they might think as it provides an explanation of the rationale for funding decisions and also includes comparative data with other countries.

An informative part of the analysis on financing of HE is the section that discusses options for increasing revenue within the sector, including an evaluation of the strengths and weaknesses of each alternative discussed. These options include increased government funding, differing approaches to tuition fees, endowment management, and fundraising. The mid section of the book focuses on areas of financial management that have a strategic and planning focus, including strategic business planning, budget management, costing, and pricing. The section on strategic business planning provides a helpful overview of the main types of strategic planning processes and puts into context the purpose of strategic planning for HE institutions. The authors outline a framework for strategic planning that is simple and addresses the main questions arising when developing a strategic plan: “where are we now?”; “where do we wish to get to in the longer term?”; and “how do we get to where we want to be?” There follows a more detailed and comprehensive analysis of the types of strategic planning outcomes that arise in HE. Included in this chapter are both detailed explanations and diagrams that illustrate the process of strategy development. Also discussed is an often overlooked dimension of strategic planning – the evaluation of risk and its importance in identifying issues that must be addressed in any development of strategy. It is pleasing to see that the authors have not overlooked the important next steps of strategic planning – that of the implementation of a strategic plan and the monitoring of progress of its achievement. In the latter part of this section, the authors describe in detail the financial aspects associated with strategic business planning, including the setting of financial objectives, the financial analysis of existing activities, resource forecasting, financial evaluation of strategic options, project appraisal, and funding strategies. Included in this material is a case study relating to one particular university’s situation.

An area of financial management that is under close review at many HE institutions is that of budgetary systems and budgetary management. The book addresses the purpose of the budget systems and types of budget models in a comprehensive way. It details general principles behind the budget framework and discusses typical budget setting processes followed within HE, including traditional incremental budgeting, zero based budgeting (ZBB), and priority based budgeting (PBB). Particularly helpful is a section on resource allocation models (RAM) that are increasingly being implemented in HE. There is discussion on the types of resource allocation models that might be considered, as well as helpful diagrams that explain how these models work in practice. There is also a university case study included in this discussion.

Another area of increased focus in recent years is that of costing and costing systems. The authors provide a detailed analysis of the principles behind costing analysis, including alternatives for developing costing models in HE.

The section on pricing is an important section of the book. Pricing is an area of financial management within HE that is not often widely acknowledged or addressed. There are clearly tensions between the social objectives associated with HE and the economic realities required to meet the widespread strategic objectives of each HE institution. The material contained in this section provides informative background and discussion on the types of factors that influence pricing issues in decisions in HE.

The final chapters of the book address the more traditional role of finance and accounting within universities: financial control and audit; financial accounting and accountability; and the organization and staffing of the finance function. The material on auditing and accountability issues focus on many of the requirements contained in the UK higher education system. Once again these may at first appear to be only useful to a UK based reader, however, the types of approaches and regulations in place are not dissimilar to requirements that are in place within other jurisdictions. The book includes an overview of the role of internal audit, the role of external audit, and the types of audits that are required to ensure an HE institution is being properly managed. There is also helpful discussion on governance structures within HE. The section on financial accounting outlines the types of issues that arise in the production of financial statements of institutions. There is a detailed discussion on accounting issues that pertain to accounting standards in the UK, but also the role of international accounting standards in HE.

The book closes with two important chapters. The first is a chapter on how the finance function can contribute to the improvement of performance in the HE sector. This material includes discussion on the ways in which value can be added to the HE institution by the performance of the finance function. The authors discuss issues such as how the finance function can contribute to improved customer satisfaction, improved management decision-making, and the improved public standing of an institution. Other strategic areas discussed include organizational reconfiguration, strategy development and appraisal, and alternative arrangements for outsourcing and utilizing a shared service structure. Also, the authors address the impact of improved financial information systems and the significance of financial advice that is given to academic and administrative departments throughout an HE institution.

The book appropriately concludes with a chapter on future trends in the HE sector, including the financial implications of such change. This contains a strong UK based discussion; however, the trends in the UK system appear to have characteristics that are common to financial managers working in HE anywhere. These include matters such as how access to HE can be strengthened, the implications of increased enrolment of international students, and the impact of increased research activity on the institution. Also addressed is the increasingly close relationship between HE and the business community.

*Financial Management & Control in Higher Education* is a book to be highly recommended to any reader with an interest in HE financial management.

The book will be of greatest value to those from the UK, however the material addresses issues that are impacting HE financial management practice globally. The authors succeed in developing material that is both comprehensive for a general reader, and detailed in important areas of interest for the finance professional. ♣

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Moon, J. (2006) *Learning journals: A handbook for reflective practice and professional development* (2<sup>nd</sup> Edition). London: RoutledgeFalmer. Price: £23.99 Pages: 208 (soft cover).

Reviewed by John Loughran, Associate Dean, Faculty of Education, Monash University.

*Learning journals: A handbook for reflective practice and professional development* authored by Jennifer A. Moon has been written for teachers and students in higher education who are interested in developing and refining their skills and understandings of journaling. The book has 13 chapters that take the reader through the background to journal writing and the processes associated with its use. The book offers a range of different ways of developing, maintaining, using and assessing journals as well as a resource section with instructions for reflective exercises, reflective writing, and reflective accounts.

The book is written in a plain language with a reader friendly style and is structured in such a way as to allow the chapters to flow smoothly from one to another but also as “stand alone” or out of sequence readings. Overall the chapters are “relatively self-contained, and, in particular, that applies to the more practical approaches of the last few chapters. The cost of self-containment is a little bit more repetition than there would otherwise be” (p. vii).

In her background chapter, Moon offers a brief overview of journals, their style, content and structure. In so doing, she gives the reader brief glimpses of a number of issues about journaling as she attempts to place the what, how and why of journaling in context and to make links with the notion of reflection and the place of learning; she uses the term learning journal as opposed to diary or “log” because of her explicit link to reflection and reflective practices.

The ideas briefly offered in the background are built upon (see chapters 2 – 5) as she outlines in more detail her views about student learning through journal writing and the conditions that might be helpful in fostering that learning. Each chapter closes with a ‘Thinkpoint’ designed to leave “the reader with something about which to think. The quotations are selected for their illustration of the rich experience of journal-writing” (p. 15). In many ways, what Moon does in these opening chapters is attempt to establish a place for learning journals as an important tool for thinking about learning. She does this by drawing on examples across a range of fields which eventually leads to a consideration of issues related to quality and depth in reflection and learning in journals. Because of the nature of this section of the book, there is a certain tension between an academic ex-