

# INTERIM AUDIT REPORT

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## **Financial Procedures in the Garda College Templemore**

**February 2017**

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## Executive Summary

### Audit Opinion

The audit opinion expressed below is the situation that was found from the audit testing in 2016. This audit testing is documented from page 7 onwards. The audit opinion should be read in the context of the full report. Attention is drawn to the section entitled the *Historical Background* (page 11), the section entitled “Effects of these Arrangements” and the section on “Previous Reports” (page 12). These sections attempt to set the background as to how the current situation in 2016 arose. It should be noted that assumptions made in the past and legal advice received by Garda Management in the past may have resulted in different conclusions been drawn at that time. This however does not affect the findings and audit opinions arrived at by the testing undertaken in 2016.

GIAS can provide **no assurance** that the internal management and control systems in place to manage the finances at the Garda College are adequate.

In relation to specific audit objectives GIAS can provide;

1. **No assurance** that the financial controls at the Garda College are compliant with the Public Financial Procedures.<sup>i</sup>
2. **No assurance** that the financial controls at the Garda College are compliant with the Garda Finance Code.
3. **Limited Assurance** that the financial controls at the Garda College are compliant with Public Procurement Legislation<sup>ii</sup>. Contracts for the college managed by Central Procurement Office at Garda HQ were found to be of a high standard and were compliant with the legislation. Supplies sourced locally by Garda College Management were not compliant.
4. **Reasonable Assurance** that the staff cost, the management of vehicles, the College Imprest Account are managed to a high standard and are compliant with the Garda Finance Code.

### Nature of the Advice

The advice in this report is that of professional accounting or audit advice. This may differ from legal advice on the same issues but this difference does not mean that that either advice is wrong but rather that it is professional advice from two different disciplines.

### Main Findings and Recommendations:

1. It is recommended that all of the recommendations in this report are implemented immediately or as soon as possible thereafter. In April 2008 a report was completed by the Finance Directorate that identified many of the

issues of concern also highlighted in this audit and recommended remedial action. The College management responded in March 2010 rejecting many of the recommendations of the Finance Directorate's Report. Some of the issues were address by College Management however the structural issues in the College Governance were not addressed and over the years some of the improvements in financial controls have now been reversed.

2. The issue as to whether a report should be made to the Minister per section 41 of the Garda Síochána Act 2005 is essentially a legal issue that GIAS is not competent to advise on. GIAS would however advise that the issues identified in this report are serious and present considerable risk to the organisation and should be dealt with in an open and transparent manner.
3. The Statement of Internal Financial Control in relation to the Appropriation Account 2015 should be amended to reflect the fact that the financial controls at the Garda College are not compliant with the Public Financial Procedures. The wording of this amendment should be discussed with the Office of the Comptroller and Auditor General.
4. Garda Staff assigned to administrative roles in the College had no training in or experience of administration and had no knowledge of Public Financial Procedures (the Blue Book) and associated governance codes including, Public Procurement Procedures, Risk Management Guidance for Central Government Department and Offices, Corporate Governance and associated Circulars and Directives from DPER, Government Accounting Unit. It is recommended that the role of College Administrator should be filled by a Principal Officer with experience of Public Financial Procedures instead of a Garda Superintendent. The Principal Administrator in the Garda College should have the same grade/rank and status as the Chief Superintendent acting as Director of Training. Both of these Officers should report directly to the Executive Director of Human Resources and People Development (HR&PD). The Principal Administrator and the Executive Director of HR&PD should have primary responsibility for the implementation of the required changes recommended.
5. The Garda College should engage with the Institute of Public Administration (or other service provider) to provide training in relation to the Public Financial Procedures and associated legislation, guidelines and standards. This should also be included in CPD courses for Superintendents, Chief Superintendents and equivalent grades.
6. All bank accounts under the control of the College Management should be closed with the exception of the College Imprest Account. Permission should be sought from the Minister for Justice to open one additional account namely a College Restaurant Imprest Account. All payments and receipts for the College should be administered through these two accounts with the exception of payments made centrally by the Finance Directorate. These two accounts should report monthly to the Finance Directorate in the normal manner. The College Restaurant Imprest Account should include all

transactions for the Restaurant, Bar and Shop. Particular focus should be placed on cash income from the Restaurant, Bar, Shop and vending machines at the College to insure that adequate controls are in place.

7. All revenue from the Garda Restaurant, Shop (including vending machines) and Bar should be brought into the Garda Vote through Appropriations in Aid<sup>iii</sup> and reported in the Appropriation Account. This may required a Vote in the Dáil to allow this revenue to offset other expenditure within the Garda Vote. The advice of the Department of Justice and Equality and the Department of Public Expenditure and Reform should be sought in this regard.
8. All purchases for the College including the Restaurant should be strictly in accordance with Public Procurement legislation. Advice should be sought from the Public Procurement Office in Garda HQ and the Office of Government Procurement in this regard.
9. The Principal Administrator in the College should have three specialist staff reporting to her/him namely;
  - (a) An Accountant with responsibility of putting in place the recommended accounting systems and to continually review and report on the financial position of the College
  - (b) A staff member from Human Resources and People Development Directorate to resolve the issues relating to the restaurant and other staff identified in this report, once these issues are addressed there may not be a continuing full time need for this position
  - (c) A Facilities Manager to manage the facilities in the College.
10. The Garda College Sportsfield Co Ltd should be wound up. An accounting firm should be contracted from the Office of Government Procurement panel of firms to undertake this work. All assets including all associated assets such as the Sportsfield land and Golf Course land should be taken into State Control. All bank accounts and investment accounts linked with the College should be closed and the balances surrendered to the Central Fund.
11. All land and buildings should be transferred to the control of the Office of Public Works (OPW).
12. The status of the Restaurant employees should be considered by Garda HRM and Legal Affairs Section. This is not an area where GIAS would have competence to offer advice.
13. The rents collected €124,903 for the rental of Dromad Farm for years 2009 to 2013 should be transferred to OPW who are the legal owners of the land. This should be paid from the Garda Vote.

14. Garda Staff who were Directors of Garda College Sports Field Co. Ltd should take immediate steps to correct the public record and retrospectively make declarations under the Ethic in Public Office, Standards in Public Office Legislation. Garda HRM should remind these staff of their legal obligations and provide appropriate legal advice to help them retrospectively report to the Standard in Public Office Commission.
15. The €15,964 collected in interest payments received from placing money related to European Funded projects and CEPOL funding in deposit accounts should be returned to the European Commission if it has not already been deducted from claims.
16. A separate sub-head of account should be set up in the chart of accounts for the Appropriation Account for Grants to College Clubs and Societies. An annual budget should be set for disbursement from this sub-head. Applications from College Clubs and Societies should be evaluated by a panel and decisions on funding made in a transparent manner.
17. A HQ Directive should be issues stating that where the word “*audit*” is used in any context in An Garda Síochána that GIAS should be informed and copied with any reports.
18. A review of insurance costs should be undertaken at the Garda College to consider whether this expenditure is necessary given the principle that *the State insures itself*.
19. The report is entitled “Interim Audit Report” further auditing is required particularly in the period 2002 to 2008 and to further examine some issues in the 2009 to 2016 period.

## Audit Report

### Introduction

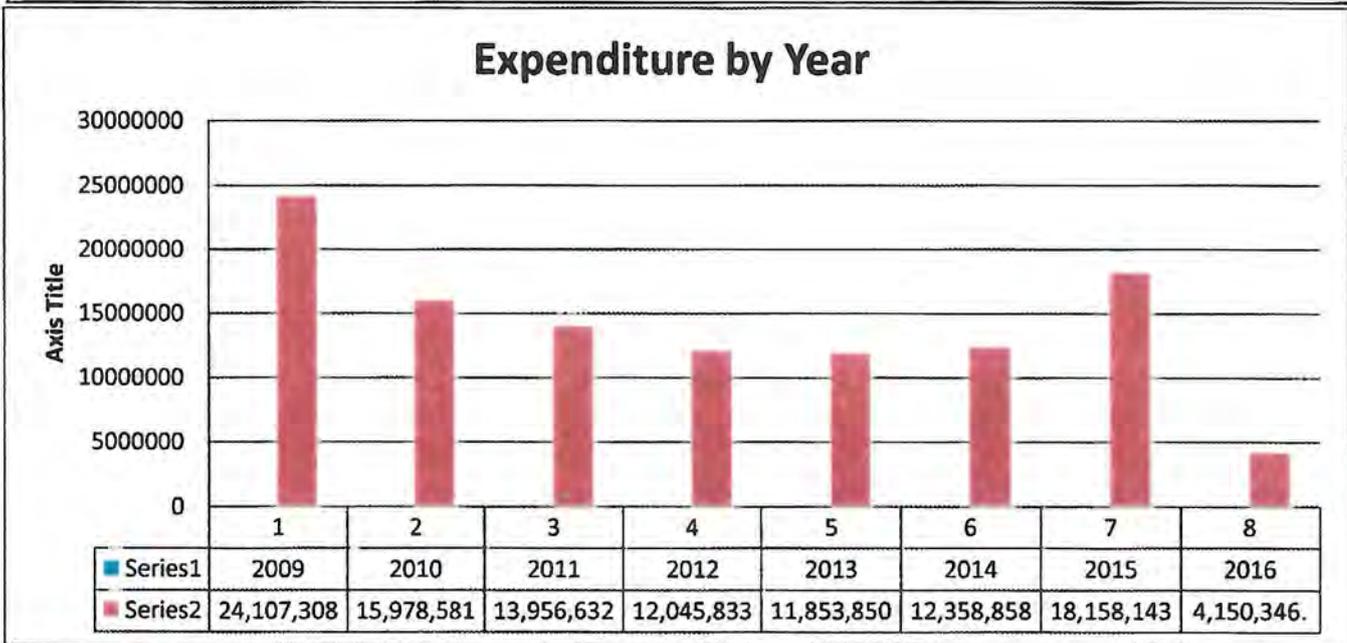
The Garda College is the national centre for police training, development and education within the Irish State. It is a modern university campus type structure on 8 acres within the town of Templemore, Co. Tipperary. It also has 240 acres of undeveloped land available to it within the environs of Templemore for tactical and operational training interventions.

The Garda College provides education, training programmes and interventions ranging from M.A; B.A, B.Sc in Police Leadership, Higher Diplomas, Certificates and Firearms, Driver Training, Public Order and First Aid Programmes. It is an accredited Third Level training and educational centre within the National Qualification Framework (NQF) of Ireland providing accredited programmes from level 6 to level 9 on the NQF. In addition the Garda College partners with other third level institutions in the facilitation of programmes. It is a CEPOL networked partner hosting a number of European Police training initiatives on an annual basis.

The Director of Training (Chief Superintendent) has overall responsibility for the training of Garda Staff reporting to the Executive Director of Human Resources and People Development. The Director of Training is supported by two Superintendents, one who has overall responsibility for training and education and one responsible for the General Administration of the Garda College (the College Administrator). The Superintendents are assisted by two Inspectors and one Higher Executive Officer. In addition there are 149 Garda members at sergeant and garda rank and another 31 Civil Servants at various grades, 18 civilian teachers and 72 service officers and general operatives working in the college. A more detailed breakdown of staffing is shown below under the heading staffing.

The total expenditure in the period audited from 1<sup>st</sup> January 2009 to 31<sup>st</sup> March 2016 from the Garda Vote in relation to the Garda College was €112m.

**Graph 1: Expenditure by Year**



Note: Figure for 2016 is for the 1<sup>st</sup> Quarter only.

The expenditure varied considerably from €24m in 2009 down to €11m in 2013 and rose back to €18m in 2015. This arose as the College effectively closed down other than for specialist courses and Continuous Professional Development (CPD) from 2010 to the end of 2013 and started training new entrants again in 2014/15.

**Graph 2: Pay v Non Pay Expenditure**



Of this €112m expenditure, 80% or €90m related to salary costs and the remaining 20% or €22m to non-pay costs.

The top 20 sub-heads of expenditure are analysed below. These represent 84% of all non-pay expenditure relating to the college.

Subhead Item Description	€	%
Training Work Fees - Domestic	3,227,745	15%
Fuel Charges	3,298,677	15%
Living Allowance	2,800,759	13%
Cleaning etc.	961,943	4%
Electricity Charges	917,555	4%
NDRS Terminal Usage Charges	851,680	4%
Heat (incl. Oil, Gas, Fuel)	820,564	4%
Water Charges	764,996	3%
Maintenance of Garda Premises	640,864	3%
Hire/Rental Expenses (buildings/rooms, vehicles, equipment, etc.)	632,137	3%
Purchases of Publications - General	577,675	3%
Education Course Fees - Nomination	573,974	3%
Maintenance Vehicles, incl. Car Wash	385,080	2%
Executive Leadership Programme	348,948	2%
Payments to External Lecturers	335,280	2%
Specialised Equipment - General - Assets	333,026	2%
Medical Expenses - Doctors Fees/Reports	316,385	1%
Telephones - Landline Accounts	243,614	1%
Refunds of Fees- Applications - Gardaí	194,762	1%
Furniture - Non-Assets/Consumables	149,869	1%

*Training work fees domestic* the largest subhead of expenditure relates to direct payments for training courses to course providers either internal to the Garda College or paid to other educational institution for the provision of training courses.

The second highest sub-head is *vehicle fuel* charges. The third highest cost is *living allowance* which is the amount paid to the College Restaurant for the sustenance and upkeep of the students.

## Scope and Methodology

Deputy Commissioner Strategy and Change Management on 29<sup>th</sup> March 2016 requested that an audit be conducted on the Garda College to examine;

- *"The financial structures and procedures within the Garda College, Templemore to assess corporate governance and financial controls.*
- *In particular the operation and financial control of all accounts to include the operation of the Garda College Restaurant Account"*

The genesis of the *financial structures and procedures* in the College date back to the Walsh Report in the late 1980's which recommended that the Garda College be upgraded to third level status. For practical purposes it is not possible to audit further back than 2002 as records are not available. Again for practical purposes the period from 2002 is subdivided into;

1. from 1<sup>st</sup> January 2009 to date for which records and accounts should exist for audit purposes.
2. from 2002 to the end of 2008 for which full records may not be available

This interim audit focuses on the first of these periods namely 1<sup>st</sup> January 2009 to 31<sup>st</sup> March 2016. This is the period for which financial records are legally required to be kept for audit purposes. It however does audit issues in the second period (2002 – 2008) where records have been found on relevant issues.

The audit has been entitled as an "Interim" Audit Report as there may be a requirement for further auditing.

In the course of this audit 48 separate bank accounts relating to the college have been identified and these accounts have been interrogated to trace the major cash flows. From the transactions in the bank accounts sample transactions have been tested and the financial controls accessed. The Audit included a level of compliance testing and verification as part of the audit methodology in accordance with the Internal Audit Standards for Central Government set by the Chartered Institute of Internal Auditors and recommended by the Department of Public Expenditure and Reform.

Where Financial Accounts were available for the College Restaurant, College Bar, College Shop and the accounts of Garda College Sportsfield Company Ltd these have been examined. Where these accounts have been audited by external auditors reliance has been placed on the audit opinions expressed by external auditors.

The normal financial procedures such as Imprest Account, travel and subsistence expenses, overtime expenses, control of vehicles cost that would be part of most audits within An Garda Síochána have been audited. Procurement procedures for the College have been considered.

Previous reports on the Garda College were examined along with the files of the Working Group established by the Chief Administrative Officer in 2015 to consider the issues. The issues were discussed with Garda Staff at Headquarters and

Templemore and with external parties including the Accountants and Auditors to the College and the Bank Manager in Templemore, Bank of Ireland.

## Historical Background

In the late 1980's a review of the education and training of Gardaí was undertaken. This review became known as the Walsh Report<sup>iv</sup>. The primary recommendation of this Report was that Garda Training and the Garda College should be upgraded to third level educational standard. In order to affect this change, facilities including sports facilities needed to be provided or upgraded. A scheme was established to facilitate funding in order to provide for the sports fields and sports facilities. There is evidence from documents in the College that the Department of Justice including the then Head of Internal Audit in the Department of Justice as having been consulted in relation to these arrangements and the Secretary General of the Department of Justice was the Accounting Officer for the Garda Vote until July 2006. This scheme operated as follow;

1. A weekly capitation grant/fee was calculated for the provision of food and lodgings including laundry for each student in the college. This was calculated in the late 1980's and index-linked since then. The capitation grant per student in the period audited was €77.92 per student per week and this did not change from 2009 onwards. These payments come from sub-head *Living Allowance* within the Garda Vote totalling €2.8m in the period audited (see Table 1 above).
2. The Garda College Restaurant and Shop were set up as committees separate from the standard Garda College financial controls. These however were never set up as companies. Accounts were prepared each year by Mulcahy O'Neill Fitzgerald & Co. (Accountants). These accounts were signed by the Superintendent occupying the College Administrator role. The accounts were audited by FDC & Associates (Accountants). The last set of prepared accounts was for the year ending 31 of December 2014. Accumulated Funds made by the College Restaurant and Shop were transferred to Sportsfield Company Ltd or invested in various investment accounts opened periodically by the Garda College.
3. In 1993, Sportsfield Company Ltd a company limited by guarantee with four directors was set up with the purpose of developing sports facilities for the College. All four directors were serving Gardaí. The last annual return to the Companies Registration Office was made on 31/07/15.

## Effect of these Arrangements

The capitation grant for each student in the college did not take account of the effect of economies of scale. When the College was operating at peak or close to peak capacity large surpluses were accumulated by the Restaurant and Shop. Likewise when the College was underutilised the Restaurant and Shop made losses. This arrangement meant that public funding for the upkeep of students became private funding by passing it through the College Restaurant & Shop with the presumption that these were private entities and then the excess funds were passed to a private company (Sportsfield Co. Ltd) for disbursement. All of these entities were controlled

by Garda College Staff ultimately reporting to Garda Commissioner as Accounting Officer (the Secretary General of the Department of Justice prior to July 2006).

The capitation grant per student was set to cover all costs of feeding and accommodating students and this was originally designed just to breakeven. Exchequer Funds cross-subsidise the Restaurant as follow;

1. Electricity/heat/power costs in the kitchen, restaurant and shop were borne by the Exchequer.
2. Equipment, furniture in the kitchen and shop were supplied by the Exchequer.
3. For several years a Civil Servant worked in the shop and her salary was paid by the Exchequer.
4. While the restaurant staff were paid from the restaurant bank account the cleaning staff in the college were Civil Service industrial staff paid from the Exchequer.
5. Even through the capitation grant was meant to cover laundry the College also charged the students a small fee for their laundry effectively charging twice for the same laundry. Charging of students ceased in November 2008 when the Laundry Account was closed.

The net effect of this was to create a substantial cash surplus which was not included in the Appropriation Account or subject to public scrutiny. In effect this became what would be described in the Public Financial Procedures as “ Exchequer Extra Receipts (C5 19) ” .

## Previous Reports

Concerns were first expressed about the finances in the Garda College in an incomplete and unfinished audit report conducted by GIAS in 2006 a year before GIAS was restructured.

A report concluded by the Finance Directorate in April 2008 concluded;

“Our examination and review have uncovered discrepancies in compliance to Public Financial Procedures and exposes the organisation to substantial risk in terms of the internal control environment and governance environment as applied to Templemore College”.

It should be noted that this Finance Directorate Report of 2008 was not forwarded to GIAS and was only discovered as part of this audit in June 2016. The 2008 report was not brought to the attention of the Garda Audit Committee at that time. In a note to the Commissioner on 25th April 2008 the then Chief Administrative Officer (CAO) advised that;

“the Audit Committee be advised at its next meeting in June of the issues that have been revealed and the measures being taken (from) to correct them. Not

to brief the Audit Committee at that juncture could be regarded by the external members of the Committee as a significant breach of trust”

There is no record of such a briefing in the minutes of the June 2008 or subsequent meetings of the Audit Committee.

The CAO summaries the areas of concern as;

- “A complex financial organisational structure involving the College itself, a company, a number of clubs & committees, a retail outlet and the College restaurant.
- Intertwined with these is a complex and significant number of bank accounts, investment accounts, credit union accounts, loan accounts and other investments.
- A pension fund operated by the College on behalf of the employees of the restaurant.
- A significant accumulated surplus from all the financial strands which is slightly in excess of €2 million. However when various loans to committees, groups and the company are taken into account the monetary value of the accumulated surplus is in excess of €5 million.
- An issue around the employment status of the employees engaged by the College restaurant and shop and the status of a pension fund for these employees.
- Governance issues over the ownership of investments, the ownership of assets, the investment decision making process and the documentary trail in relation to such matters.
- Lack of proper record-keeping in the source documentation has been kept for periods prior to 2007 in respect of the College restaurant shop.
- Governance issues around the segregation of duties and roles.”

The CAO in this note further advises that;

“The Director of Finance be authorised to conduct a full and comprehensive audit of all the financial activities in the College”

GIAS were not informed of this proposed audit.

Finally in the last point in this note the CAO advises that;

“On receipt of the Audit Report (i.e. the one to be conducted by the Director of Finance).....that C&AG be advised”.

In response on 8th May 2008 the then Commissioner responded agreeing all the points in the CAO’s letter. Subsequent to this agreement the file shows that the Head of Legal Affairs advised in relation to the Garda College Sportsfield Company Ltd on 11th September 2009. The substance of this advice is discussed under the heading Corporate Veil below (page 18).

The next significant document is the response by the Chief Superintendent of the College in March 2010 to the Finance Directorate Report of April 2008. In this report the Chief Superintendent reports that;

- 13 bank accounts were closed
- A new College Administrator role was established at Superintendent rank
- New processes (not specified in the Finance Office) were put in place and were reviewed at Weekly PAF meetings.

However of the twelve specific recommendations from the Finance Directorate Report (2008) only two were implemented. Of the six points agreed in correspondence between the Commissioner and the Chief Administrative Office none were implemented.

From 2010 to 2014 the Garda College effectively closed to all but specialist and CPD courses, with no undergraduate Gardaí in training.

On 2<sup>nd</sup> March 2011 GIAS reported to the Garda Commissioner in relation to Financial Controls in 2010 the following is stated;

***“Training Expenditure in the Garda College***

*GIAS can provide no assurance in regard to the financial controls in place in the Garda College Templemore or the expenditure of the College. In 2008 the Head of Internal Audit in the course of reviewing old audit files from the period prior to his commencement in June 2007 became aware of serious issues of concern emanating from a draft audit report dated from 2006. At that stage (2008) we sought to conduct an audit of the financial controls in the Garda College but were informed that the Finance Directorate were updating the financial systems in the College and advised that we await the outcome of this work. In August 2009 we commenced our audit work. During the course of this audit work we became aware that the Finance Directorate were actively writing a report on the finances in the College. At that point (December 2009) we suspended our audit pending the conclusion of the Finance Directorate Report. We have sought access to this report on several occasions since but have been told that it is still in draft, a version of the report has however been provided to Management in the College.”*

On 4<sup>th</sup> March 2011, the Head of Internal Audit received a note from the Chief Administrative Officer headed **“Urgent”** with an attached note from the Commissioner in which the Commissioner had noted in the margin that a report from the Executive Director of Finance should be forwarded to the Head of Internal Audit. This report was also appended. In this report assurance is provided by the Executive Director of Finance in regard to improved and streamlined financial controls in the College. At this stage having presented concerns to the Commissioner and having read the assurances in the report from the Executive Director of Finance the Head of Internal Audit was satisfied that the issues were being addressed and deleted the

paragraph above (*in italics*) from the final version of the Report to the Garda Commissioner in relation to Financial Controls in 2010. GIAS also concluded an Audit Report in relation to Training Expenditure (A3.3 Subhead). This GIAS Report identified high risk issues in relation to;

1. Compliance with Public Procurement Guidelines
2. Implementation of recommendations of the Garda Inspectorate and the Training and Development Review Group.

and medium risk issues in relation to

1. Appropriate authorisation of payments
2. Inadequate financial management
3. Alignment with strategic goals
4. Alignment with Department of Finance guidelines.

The report from the Executive Director of Finance forwarded to the Head of Internal Audit, on 4<sup>th</sup> March 2011 was a summary of a report concluded by the Finance Directorate in April 2008 together with updates on changes made to the financial and administrative controls in the College .;

On 6<sup>th</sup> July 2015 the Executive Director of Human Resources and People Development (HR&PD) who has responsibility for the College, delivered a report to the then Chief Administrative Officer entitled Summary of the issues arising from reports and discussion held at the Garda College. This report was an analysis and compilation of the 2008 Finance Directorate Report and the response of Garda College Management in 2010 and an update on the current position in 2015 as reported by the Executive Director HR&PD. The report was prepared by the Executive Director HR&PD, in order that the Chief Administrative Office could brief the Garda Audit Committee at the upcoming meeting on 15<sup>th</sup> July 2015. It should be noted that no discussion of these issues occurred at this Audit Committee meeting in July 2015.

The former Chief Administrative Officer has indicated to GIAS that he did not bring the report of the Executive Director HR&PD to the attention of GIAS and the Audit Committee in July 2015 as he wanted to check the issues presented and gather more information. He states that his actions have contributed to the issues being put in a format where they could not be ignored.

While GIAS acknowledge the contribution of the former CAO in progressing the issues we conclude that GIAS should have been informed immediately and that the report of the Executive Director HR&PD should have been put on the Agenda of the Audit Committee meeting in July 2015. GIAS with the backing of the Audit Committee were better placed to do the investigative and information gathering process that was taken on by the former CAO in July 2015.

At the Audit Committee meeting on the 30th September the Chief Administrative Officer gave an oral account of some of the issues under the Any Other Business agenda item. The Report from the Executive Director HR&PD was not circulated to the Committee. The briefing highlighted the numerous bank accounts, the fact that issues identified from previous reports had not been addressed, the establishment of a working group, some legal issues and the requirement that an audit may be required but not until the legal issues had been clarified.

The Report from the Executive Director HR&PD presented 21 issues of concern which could be summarised into the following categories;

- Financial Governance Issues
- Organisational Governance Issues
- Principal Risk & Liability Issues
- Contractor & Employment Issues
- Operational Risk Issues
- Issues pertaining to the Sports Field Co Ltd

The Chief Administrative Office engaged from July 2015 onwards with other Sections/Units within An Garda Síochána and with the Department of Justice and Equality to gather information on these issues and to verify the concerns highlighted in the report from the Executive Director HR&PD. The issues were again discussed at the December 2015 Audit Committee meeting.

### **Internal Audit and the Garda Audit Committee**

The Finance Directorate Report (April 2008) and the Garda College Report (March 2010) were carried out without involving or seeking the assistance of GIAS who have statutory authority in this area. Information and reports were not forwarded to GIAS and the Garda Audit Committee.

### **Risk Management Procedures**

There was a requirement from 2004 onwards from the Department of Finance for all Votes to have Risk Management Procedures<sup>v</sup> in place. Risk management procedures were in place within An Garda Síochána from 2010<sup>vi</sup> onwards. However despite these issues being identified as risks by the Finance Directorate they were not included in the Garda College Risk Register, the Finance Directorate Risk Register or the Corporate Risk Register.

### **Garda Boat Club**

In the period from 10<sup>th</sup> May 2000 to 10<sup>th</sup> February 2003 a total of €100,000 was transferred in four separate payments from the Garda College Sportsfield Co. Ltd to the Garda Boat Club Islandbridge, Dublin 8. As concluded below under the section Corporate Veil, the Garda College Sportsfield Co. Ltd is an integral part of the Garda College operation under the control of Garda Management. An application for funding was on file from the Garda Boat Club signed by the President of the Garda

Boat Club. The Garda Síochána Boat Club is a private sports club with membership mainly from the ranks of serving and retired Gardaí and their families. The €100,000 transferred to the Garda Síochána Boat Club is by far the largest transfer to a Sports Club from the Garda Síochána Sportsfield Co. Ltd

During this period the Deputy Commissioner, Strategy and Resource Management was also the President of the Garda Síochána Boat Club. The chain of command between the Garda College and the Deputy Commissioner was Chief Superintendent Garda College to Assistant Commissioner HRM to Deputy Commissioner Strategy and Resource Management.

In response the former Deputy Commissioner points out that the role of the Deputy Commissioner was that of "strategic management of training" responsibility for the day to day management of the College rested with the Chief Superintendent – Director of Training. He further states that "the assistance given by the Garda College to the Boat Club was given for the right reason".

### **Dromad Farm**

A farm was purchased by OPW in 2007 situated about 5/6 Km from the College with the intention of developing a tactical training centre for An Garda Síochána and a conference centre for the Justice Sector. Following the fiscal crisis this centre was never developed and it was left idle for some years. As a result of complaints from neighbouring farms about the land left idle resulting in weeds transferring to their farms it was decided to lease the land to local farmers. Between 2009 and 2013, €124,903 was collected from rental income and lodged to the Garda Restaurant Account. While there was some evidence from the file of OPW staff being aware of this arrangement we were informed by Internal Audit Unit in OPW that the Property Management Service in OPW who had responsibility for this land were not aware. The actions of College Management in renting out this land to local farmers seem logical in terms of community relations. An Garda Síochána however did not have the authority to enter into such an arrangement as this was in contravention of section 29(3) of the Garda Síochána Act 2005 which prohibits An Garda Síochána from entering into "contracts relating to land or any interest in land".

OPW were the legal owners of the land and entitled in law to any money's derived from the land. The money collected from this contract (€124,903) was lodged to the Garda College Restaurant Account instead of being forwarded to OPW.

In the course of this audit a document was discovered entitled;

*"Items of expenditure from Dromad Rental Income through Garda College Restaurant Account (2010 to 2013)".*

2010 includes the following items of expenditure;

<i>Fetac Entertainment</i>	€186
<i>Garda Boat Club Sponsorship Entertainment</i>	€500
<i>Lyons Club Donation</i>	€440
<i>Presentation on Retirement</i>	€120
<i>Presentation on Transfer Supt. Sponsorship</i>	€99
<i>Murphy's Restaurant Entertainment</i>	€433
<i>Presentation on Retirement AC</i>	€500
<i>Fiacri House Restaurant Retirement</i>	€412
<i>Presentation to Commissioners Retirement</i>	€340
<i>St Josephs National School – Donation</i>	€740
<i>Special Olympics</i>	€200
	€100

The expenditure also cross-subsidised the Sports Field Co Ltd as follows;

<i>Mulcahy O Neill Fitzgerald – Sportsfield Accounts</i>	€2178
<i>Cullen Insurance – Insurance on Sportsfields</i>	€5640

There was also expenses relating to the College listed including;

<i>Hanley Event Group – Hire of Drapes for graduation</i>	€1773
<i>Prospect Design – Purchase of Ceremonial Flags</i>	€2321
<i>SNAP Printing – 2 display signs for Sports Hall</i>	€1742

In addition expenditure on Information Technology Services were funded from this money Commencing in 2010 and running into 2011 to *David Tuohy - Information Technology Services totalling €13,800.*

In 2011, the Garda College Sportsfield Co Ltd is again cross-subsidised from these funds;

<i>Cullen Insurance on tractor for Sportsfield</i>	€242
<i>Mulcahy O Neill Fitzgerald – Sportsfield Accounts</i>	€2178
<i>Companies Registration Office Sportsfield Co.</i>	€1220
<i>Companies Registration Office Sportsfield Co.</i>	€229
<i>Mulcahy O Neill Fitzgerald – Sportsfield accounts</i>	€2178
<i>Mulcahy O Neill Fitzgerald – Sportsfield accounts</i>	€2178
<i>Lisney – Valuation of Sports Fields</i>	€1210
<i>Cullen Insurance</i>	€5640

Other expenditure from these funds in 2011

Irish Kidney Research Institute Donation	€350
Boxing Club	€1600
Garda Boxing Club	€400
Keane Jewellers – Presentation to AC	€257
Raffertys- Hospitality trays for ensuite rooms	€1123

The issue of An Garda Síochána collecting rental income has been resolved since early 2014 when the Office of Public Works (OPW), Property Management Service took over full control of the farm and the letting contracts. The OPW, Internal Audit Unit have confirmed that the OPW received the rental income for the farm in 2014 and 2015.

The above expenditure highlight significant expenditure on insurance for the sports fields. It is questionable whether this expense is necessary given the established principle that the “*State insures itself*”.

## The Corporate Veil

In the famous *Saloman V Saloman Ltd* case (1897) the term “corporate veil” was first used to describe the divide created between corporate entities. When GIAS audited the Garda College in 2009/10 we were informed that the Garda Restaurant and Shop were separate entities from the Garda College and that the money was not Voted money as it arose from profits on trading by a private firm. Company jurisprudence includes situations where this corporate veil should be lifted to reveal the position behind the governance structures. GIAS is of the view that no corporate veil actually exists. The Capitation Grant to the Restaurant are from public funds and as public funds are under the control of the Commissioner. In addition GIAS are conscious of professional accounting standards in particular FRS102<sup>vii</sup> which states that;

*“Transactions and other events and conditions should be accounted for and presented in accordance with their substance and not merely their legal form. This enhances the reliability of financial statements” (FRS 102, 2.8)*

The **substance** is that the assets are under the control of the Garda Commissioner and should be accounted for accordingly.

It is noted however that the then Head of Legal Affairs on 11<sup>th</sup> September 2009 in a letter to the then Chief Administrative Officer advises in relation to the Garda College Sportsfield Company Ltd that the separate identity in law can be assumed. No such legal identity exists for the Garda College Restaurant or the Garda College Shop which were never incorporated. If the Restaurant and the Shop have any separate identity from An Garda Síochána it is that of a *sole trader* without the protections of company law. Even this is tenuous as there is no contract between the Garda Restaurant/Shop and the Garda College for the supply of services and no tender competition was ever undertaken. While the staff of the Restaurant are not paid

directly from the Exchequer it is noted that when staff were made redundant several years ago the Garda College Management acted in the role as employer when negotiating with staff representatives. The status of the staff working in the Restaurant is currently being considered by Garda HRM and Garda Legal Affairs.

Even if as advised by the previous Head of Legal Affairs there is a *corporate veil* around Garda College Sportsfield Co. Ltd, it would be very difficult to argue that such a *veil* exists between An Garda Síochána and the Garda College Restaurant. The question that would arise in this scenario, if we accept a separate legal identity for the Garda College Sportsfield Co. Ltd is why funds coming from the Exchequer were transferred to a private company outside the control of An Garda Síochána and who authorised these transfers? From a Garda Síochána corporate perspective it is easier to accept what is the substance of these arrangements, that there is no “corporate veil” and that these entities are part of the Garda Organisation and were a fully in the control of the Garda Commissioner as Accounting Officer since July 2006 and the Secretary General before that date.

### **Garda Members Acting as Directors**

Section 29(3) of the Garda Síochána Act 2005 prohibits Gardaí from being involved in land contracts. The Garda Síochána Sportsfield Co Ltd is essentially a land holding company. From the commencement date of this Act the Garda Síochána Sportsfield Co Ltd should have been dissolved and its assets secured to the Garda Vote or transferred to OPW. It is also an established tenet of the Public Service that Public Servants do not take up positions as Company Directorships in relation to their work without the express permission of their Minister. Section 9 (2) of the Public Service Management Act states;

*“ an Office of a Department or Scheduled Office to whom the responsibility for the performance of functions has been assigned shall be accountable for the performance of those functions to the Secretary General of the Department or Head of the Scheduled Office”*

As Directorships may affect this chain of command and may result in conflicting responsibilities they are generally not appropriate for Public Servants except in exceptional situations with express permission.

The Garda Síochána Sportsfield Company Ltd continued to operate with Garda College Management as Directors. The legal standing of the actions of these directors since 2005 is questionable. Even in the period prior to 2005 it is questionable whether Gardaí as public servants should have been acting as Directors of what was set up as a private company without being appointed by or having the express permission of the Minister for Justice. While there was evidence in some of the documentation of the knowledge of Department Officials in the set up of this Company in 1992, no evidence was found of any Gardaí having received permission from the Minister to act as a director.

## Disclosure Under Ethics in Public Office Legislation

Under the provisions of the Ethics in Public Office Act (1995) and the Standards in Public Office Act (2001) office holders in the public service over a certain grade/rank are required to make an annual declaration of interests including any Company Directorships held. This includes Gardaí from Superintendent and above rank and Civil Servants from Higher Executive Officer grade and above. The purpose of this legislation is to have on public record any possible influences that may infringe on the decision making by Officeholders in the public service. The oversight of the Standards in Public Office Commission is intended to reduce the possibility of conflicts of interest in relation to Officers such as the one highlighted above.

Garda members including Superintendents and Chief Superintendents have acted as Directors of the Garda Síochána Sportsfield Co Ltd since its incorporation in 1993. GIAS could not find any declaration under the provisions of this Act in relation to Directorships held in particular the Garda Síochána Sportsfield Co Ltd.

## Tax Liability

During the course of this audit three letters from the Revenue Commissioners were found in regard to liability for tax;

1. Dated 12<sup>th</sup> August 1977 confirming that the Garda Mess Committee were exempt from VAT. Note that the Garda Mess Committee subsequently became the Garda Restaurant.
2. Dated 14<sup>th</sup> December 2007 confirming that VAT registration has been cancelled on the Garda Síochána Golf and Leisure Club.
3. Dated 1<sup>st</sup> April 2010 confirms tax exemption for Garda College Sportsfield Co Ltd on the basis of it being "*for the sole purpose of promoting athletic or amateur game or sport*".

This audit found that the Garda Restaurant and Shop were compliant regarding the payment of payroll tax liabilities.

GIAS enquired of the Finance Directorate and the Garda College as to whether any other relevant correspondence was available but have not received any other documents.

From the above listed correspondence it is clear that there is a tax exemption for the Garda Mess Committee. This presumably would imply that the same exemption would be applied to the Garda College Restaurant, if it is considered as part of the Garda Organisation. If however the Garda College Restaurant is considered a separate and distinct business then presumably it should pay tax as any other business. Note that no tax has been paid on the income from the Garda Restaurant or Shop. It is therefore in the corporate interest of An Garda Síochána that the Garda College Restaurant and Shop are considered as an integral part of the Garda

Organisation rather than as standalone businesses as to do so would imply a significant tax liability for income tax, penalties and interest going back many years.

### **Garda College Golf Course**

The Garda College Golf Club occupies land contiguous with the Garda College. For many years this facility has been developed through funding from the Garda College Sportsfield Co. Ltd and from the Garda College Restaurant bank accounts.

From this audit GIAS can confirm that the consideration for the lease passed from An Garda Síochána to the OPW and no duplicate payment arose.

The Internal Audit Unit of OPW confirmed to GIAS that a bank draft for €106,927.73 was lodged to the OPW Vote in 2003. This represented the consideration for the lease of the Golf Club land agreed in 1998 as IR£85,000. This money was paid out of the Garda College Sportsfield Co No 2 A/C Bank of Ireland on 20<sup>th</sup> January 1998 (copy documents are on the audit file). The delay in lodging this amount was because the original bank draft was lost by OPW and a new bank draft was then drawn up several years later and after the euro changeover. If we accept the argument set out above under the section “Corporate Veil” that the Garda College Sportsfield Co. Ltd is part of the Garda organisation with no real separate identity and that substantially all of the funding to the Garda College Sportsfield Co Ltd ultimately comes from the Garda Vote then it would appear that this land was “held in trust for the State”.

### **Garda College Banking**

During this audit a total of 50 bank accounts were discovered with connections to the Garda College (see appendix 1).

Some of these have been closed for many years, some may be private accounts (e.g. College Clubs and Societies paid by individual subscriptions) but have Garda College in the title. Some are investment accounts intended as a pension fund for Restaurant employees others are deposit accounts or accounts with elevated interest rates. Funds have been periodically switched between these accounts. In this audit GIAS have attempted to trace the major cash flows between these accounts from 2009 to date. In 2010 thirteen accounts were closed following on from the findings of the 2008 Finance Directorate Report into the Garda College Finances.

GIAS are concerned that the number of accounts and the complex switching of funds between accounts has resulted in a non-transparent system of accounting. It is important that public funds are fully transparent. The current system of banking in the college does not lead to transparency and accountability.

On 10<sup>th</sup> May 2016 GIAS emailed a list of 42 bank accounts were emailed to College Management requesting bank statements and accounts. GIAS asked in this email for details of any other bank accounts not listed. The majority of these bank accounts

were not made available to GIAS until 26<sup>th</sup> June. During the course of the audit a further 8 bank accounts were discovered by GIAS when transfers from accounts were traced which were not notified in advance.

Section 29 1 (b) of the Garda Síochána Act (2005), states that bank accounts held by An Garda Síochána must have the consent of the Minister and the Minister of Finance. In 2015 a bank account (Garda Student Sport BOI) was opened without such consent been obtained.

### **Garda College Bar Accounts**

There is a bar located in the *Recreational Hall* in the College which is used by students and staff for certain events. Bar Accounts were prepared and audited by Mulcahy O'Neill Fitzgerald & Co. The last set of accounts to be audited was for the year 2009. A copy of these accounts was provided to GIAS. Since 2009 no accounts have been completed or audited. The audit opinion for these accounts was qualified by Mulcahy O'Neill Fitzgerald for 2009 as follows;

*“In our opinion proper books of accounts have been kept, except for the cash records on which certain assumptions had to be made.”*

Following discussions with the accountant in relation to what this qualification means he was asked whether he had any suspicions regarding possible misappropriation of money. This was to ascertain whether a report of a suspected crime was required to be made to the Garda Bureau of Fraud Investigation per the provisions of section 59 of the Criminal Justice, Theft and Fraud Offences Act 2001. In response he said that the issues were more related to poor management including inadequate stock control and record keeping rather than suspicion of theft or fraud. He said that he could not verify the cash records for certain days/functions held in the bar (note of the conversation with Accountant on the audit file).

At a meeting with the Accountant he indicated that he had done some of the preliminary work on these accounts but he would be reluctant to give an audit opinion on the accounts for 2010 onwards. GIAS asked him to complete the accounts with the information provided to him with an accompanying letter setting out his reservations or any concerns. As this work is awaiting completion the accounts or records of the College Bar were not audited by GIAS from 2010 to 2013.

From 1<sup>st</sup> January 2014 the Garda Restaurant Manager is in control and managing the College Bar. A small sample of transactions were audited including a wages slip for work in the bar, a lodgement and a number of payment to suppliers. The lodgement was verified by lodgement slip with no till receipt. In relation to the payments to suppliers controls were weak with payment being made on foot of statements rather than an invoice in one case and discounts being deducted that were not shown on the invoices in others. It is considered that the controls in relation to the College Bar need to be improved.

GIAS found the St Raphael (Garda Credit Union) Bar Account had a balance of €417,068 on 1<sup>st</sup> October 2010. Since then this balance has been dissipated with large amounts of money being transferred into the Garda Restaurant Account as follow;

	€
To Garda Restaurant Account 4/12/09	-100,000
To Garda Restaurant Account 24/02/10	-100,000
To Garda Restaurant Account 23/2/11	-100,000
To Garda Restaurant Account 30/6/11	-100,000
To Garda Restaurant Account 10/4/12	-20,000
Balance at the 2/3/16 after interest to Restaurant A/C	3,770

These substantial transfers were to keep the Restaurant going when student numbers were low. The question that is posed by these transfers of cash is whether the State was best served by these transactions and whether the loss of these resources could have been avoided by more drastic cuts in the operation of the Garda Restaurant and Shop during the period 2009 to 2014.

### **Garda College Restaurant**

The Garda College Restaurant is based in the Garda Training College, Templemore, Co. Tipperary and it provides meals to College Students, College Staff, College courses and College visitors. All meals provided to College students (Students and Garda Reserves) are provided free of charge to the students. Meals to non-resident students, College staff and College visitors are paid for on an individual basis.

Restaurant expenses (Food, Wages, Revenue and Pension contributions) are paid from a 'Restaurant Account'. All energy costs are paid by the Garda College through the Vote. The vast majority of the furniture, equipment and fixtures and fittings were supplied from Voted expenditure.

### **Restaurant Payments**

The audit examined the payments made from the Restaurant Account. The Restaurant Account payments were made from the Garda Restaurant Committee, Garda Training Centre, Bank of Ireland Account.

The audit examined payments from the Restaurant Accounts for the years 2009 to 2015 inclusive. Payments were made by cheque from 2009 to 2012 and by Electronic Cash Transfer (EFT) from 2013.

The audit took sampled payments from years 2009 to 2015 inclusive and sought supporting invoices / documentation in respect of each payment sampled. The audit was provided with all invoices requested and also provided with satisfactory explanations for payments made from the account.

It was found that the majority of the expenditures incurred, and payments made, from the Restaurant Account were for routine restaurant expenditure and included

payment for restaurant food supplies, staff wages, revenue payments, and staff pension contributions.

The audit did find that some non restaurant expenditure (other Garda College expenditures) was paid from the Restaurant Account and these are outlined later in this report.

The following is a table breakdown of Garda College Restaurant Expenditures from 2009 to 2015 inclusive:

**Table 2: Garda College Expenditure 2009 to 2015**

Year	Totals €	Ledger €	Wages €	Misc €
2009	1,997,265	643,028	998,457	355,780
2010	901,963	317,227	401,169	183,565
2011	648,126	213,028	292,672	142,425
2012	430,828	120,684	244,501	65,642
2013	572,268	208,622	236,581	66,951
2014	789,629	335,233	253,915	200,480
2015	1,146,479	556,036	360,392	230,049
Totals	6,492,559	2,393,858	2,787,687	1,244,892

The total expenditure incurred in the Garda College Restaurant for the years 2009 to 2015 inclusive was €6.49 million, of which 43% was spent on staff wages, 38% was spent on food provisions and 19% was spend on Miscellaneous expenses .

Ledger payments (38% of expenditure) were in the main payments to food suppliers for basic restaurant provisions.

Wages payments (43% of overheads) are payments to restaurant staff. The wages payments for years 2009 and 2010 include some Redundancy Payments made to restaurant staff.

Miscellaneous payments (19% of overheads) were for non food restaurant expenditure and included monthly payments to Revenue, staff pension contributions, annual accounts fees, insurances etc. There were also some cash transfers from the Garda Restaurant Account to the Garda Shop Account included in the Miscellaneous payments, in 2013 a total of €43,500 was transferred, in 2014 a total of €70,000 was transferred and in 2015 a total of €30,000 was transferred (12% of total Misc expenses).

Non restaurant expenses paid under this heading are covered in a later chapter.

It is clear to see that the Restaurant Expenditure peaked during 2009 and then dropped in years 2010, 2011, 2012 and 2013 when recruitment and training ceased.

### Restaurant Lodgements

The audit examined the lodgements paid into the Restaurant Account. The Restaurant Account lodgements were paid into the Garda Restaurant Committee, Garda Training Centre, Bank of Ireland Account.

The audit examined lodgements made to the Restaurant Accounts paid through the above mentioned account for the years 2009 to 2015 inclusive. The audit took sampled lodgements from years 2009 to 2015 inclusive and sought supporting invoices / documentation in respect of each lodgement sampled. The audit team was provided with all documentation requested and also provided with satisfactory explanations for lodgements made to the account. The audit sampled a number of till receipts from the Garda College Restaurant tills (receipts from food sales from College staff, Garda course attendees and College visitors) from 2009 to 2015 inclusive which were consistent with the lodgements to accounts.

The audit did find that some non Restaurant transaction lodgements were paid to the Restaurant Account and these are outlined later in this report.

The following is a table breakdown of total Garda College Restaurant Incomes lodged to the Bank account from 2009 to 2015 inclusive:

Table 3: Total Garda College Restaurant Income 2009 to 2015

Year	Totals €
2009	1,781,664
2010	876,340
2011	1,010,833
2012	592,007
2013	671,126
2014	1,012,066
2015	1,371,891
<b>Totals</b>	<b>7,315,927</b>

The audit found that the following were the funding sources into the Garda College Restaurant:

- Reimbursement from the Garda Vote for meals supplied for
  - o Garda Students
  - o Garda Reserves
  - o Garda Reserves Graduations
  - o Garda Conferences
  - o Other vouched provision of meals
- Cash Lodgements from Restaurant till receipts.
- Non Restaurant income from cash transfers, other received incomes and Investment Accounts as outlined in Table 4.

The audit found that all meals were invoiced by the manager of the restaurant, claimed on Form A8 or FMS1, approved by Garda management and claimed through the Department of Justice.

Payments in respect of Garda students were calculated on a daily / weekly per head calculation which was claimed on a regular basis. Periods where students were absent from the Garda Training College by means of Bank Holidays, Holidays or personal absence (sickness etc.) were deducted or excluded from calculation and not reimbursed to the Garda College. The audit team sampled a number of these payments directly from the Supplier Payments Section, Financial Shared Services and from the Finance Office, Garda Training College.

The audit however found that funds were transferred into the Restaurant Account from sources other than Garda Vote reimbursements as set out below:

**Table 4: Funds Transferred to the Restaurant A/C**

Year	Source	Amount	Yearly Totals €
2009	Garda Shop	140,000	
	St. Raphael's Credit Union	100,000	240,000
2010	St. Raphael's Credit Union	100,000	
	An Post Investment	78,925	
	Irish Life Investment	50,094	
	Dromard House Land Lease	28,000	
	Transfer from Services AC (AC Closed)	12,562	
	Transfer from Sportsfield AC (AC Closed)	3,713	273,294
2011	Dromard House Land Lease	25,000	
	St. Raphael's Credit Union	100,000	
	St. Raphael's Credit Union	100,000	
	Irish Life Investment	303,929	528,929
2012	Dromard House Land Lease	26,000	
	St. Raphael's Credit Union	20,000	
	Bank of Ireland Temp Inv AC 77039771	20,000	
	Bank of Ireland Temp Inv AC 76101481	50,000	
	Bank of Ireland Temp Inv AC 76101481	50,000	
	Bank of Ireland Temp Inv AC 77039771	20,358	
	Bank of Ireland Temp Inv AC 76101481	50,614	236,972
2013	Bar Account	20,000	
	Zurich Investment Policy	185,981	
	Dromard House Land Lease	23,000	
	Bank of Ireland Temp Inv AC 30485926	50,000	
	Bank of Ireland Temp Inv AC 30485926	50,439	329,420

2014	Unknown Source?	75,970	
	Royal Mutual Investment	190,247	
	New Ireland Assurance AC 45991147	356,543	622,760
2015	Aviva Shares Inv No. U700297510	403,915	
	New Ireland Inv No. 45978549	149,939	553,854
	<b>Totals</b>		<b>2,785,229</b>

The following analysis shows the reduction in cash balances over the period audited.

Summary of Cash Reduction	€
Balance Restaurant A/C 01/01/09	303,226
Total Transfers to Restaurant	2,785,229
Less amount transferred to Shop A/C	143,500
Less balance Restaurant A/C at 31/12/15	456,443
Reduction/Loss of Cash	2,488,512

#### Restaurant Payments (Non Restaurant Provisions)

The audit examined the non restaurant provision payments made from the Restaurant Account. These payments were made from the Restaurant Account, Garda Restaurant Committee, Garda Training Centre, Bank of Ireland Account.

The audit examined all non restaurant provision payments from the Restaurant Accounts and paid through the above mentioned account for the years 2009 to 2015 inclusive. All payments were made by cheque from 2009 to 2012 and by Electronic Cash Transfer (EFT) from 2013.

The audit took sampled payments from years 2009 to 2015 inclusive and sought supporting invoices / documentation in respect of each payment sampled. The audit was provided with all invoices requested and was also provided with explanations for payments made from the account.

It was found that the majority of the expenditures incurred, and payments made, from the Restaurant Account were for non routine restaurant expenditure. Some of the payments related directly to Restaurant equipment but a significant number of payments related to other Garda College Expenditures. They are summarised and broken down in Table 5 below:

**Table 5: Restaurant non routine expenditure**

Date	Name / Reference	Reason for Expenditure
2009	Donohue Marquees	Hire of Marquee for Conference / Graduations

Garda Internal Audit Section – Garda College, Templemore

	Cullen Insurances	Restaurant Insurance
	FDC Accountants	Restaurant Account Fees
	Coiste Rinne	Payment (per head) for sports for students
	Garda Training Centre Welfare Fund	Welfare Fund
	GTC Services	Laundry Payments for Students
	Power Washer	For Restaurant
2010	Cullen Insurance Fire Insurance	Restaurant Insurance
	Mulcahy O'Neill Fitzgerald Accounts Sportsfield A/C	Sportsfield Account Fees
	Cullen Insurance Sportsfield Insurance	Sportsfield Insurance
	Dromard House	Preparatory work for Dromard House
	<b>Date</b>	<b>Name / Reference</b>
	<b>Reason for Expenditure</b>	
2011	David Tuohy IT Services	Provision of IT Support for Garda College Learning Management System (LMS) – Support for Content development and administration of LMS. (Payments totally €12,900)
	Cullen Insurances	Restaurant Insurance
	Mulcahy O'Neill Fitzgerald Accounts Sportsfield A/C	Sportsfield Account Fees
	Geraghty Joinery	Installation of a Door in Recreation Hall – Health & Safety Issue
	Barry Plant Hire	For work in Dromard House
	FDC Accountants	Restaurant Account Fees
	Lisney Auctioneers	Valuation of Sports Fields for State purposes
2012	DK Fencing Services	Work in Dromard House
	Cullen Insurances	Restaurant Insurance
	FDC Accountants	Restaurant Account Fees
2013	Cullen Insurances	Restaurant Insurance
	FDC Accountants	Restaurant Account Fees
	Mulcahy O'Neill Fitzgerald Accounts Sportsfield A/C	Sportsfield Account Fees
2014	Cullen Insurances	Restaurant Insurance
	FDC Accountants	Restaurant Account Fees
	Mulcahy O'Neill Fitzgerald Accounts Sportsfield A/C	Sportsfield Account Fees
	Event Service Logistics	Purchase of a Mobile Stage for use in College events (previously hired)
	Tony Mullen	Re-upholstering of chairs
	Craven Distribution	Purchase of Ladders for College Use
	AV Star Systems	Public Address Systems for use in Graduations / Conferences
2015	Court Care	Repair of Garda College Tennis Courts
	Templetouhy Farm Machinery	Purchase of a Utility Vehicle for the Garda

		College
	Odin Gym Equipment	Purchase of Gym Mats for Garda College Gym
	Doyle Hotels	Expenses for GAA Team, Sigerson Cup
	Storan Fluid Systems	Purchase of 3 Water Pumps for the Garda College Swimming Pool
	John J. Ronayne	Purchase of Plumbing Equipment for the Garda College
	O'Connor Maintenance	Maintenance of Garda College Restaurant Equipment
	Alan Lewis Display	Electronic Sign for Garda College
	ARCO Safety	H&S Equipment for Garda College Staff - used in the Restaurant

*Notes: Tendering of Services, i.e. David Tuohy IT Services, Joinery Work, Purchase of Utility Vehicles, use of the restaurant account for the payment of services as listed.*

## Garda Laundry Account

Laundry income was derived from 20c per day per student that was charged to the restaurant and then transferred to the Laundry Services accounts periodically. There was also cash amounts collected from students for Laundry services.

After 2008 this was all managed through the Restaurant Account a balance of €23,400 was transferred to the Restaurant Account on 30/11/08.

The audit examined expenditure for this account in 2008 up to when it was closed (11 months to 30/11/08). This expenditure totalled €59,341 in this period. Payments were made from the Laundry/ Services account for laundry services and for a variety of other services. An analysis of this account in 2008 shows the following expenditure unrelated to laundry or service costs; including;

Flowers	€200
Staff Bonus	€500
Meals Entertainment	€7231
Contribution to Parish Clergy	€2150
Rent of field for graduation parking	€1200
Jewellery & Gifts	€300
Bus for GELP	€200
Golf Society	€1040
Garda Boat Club	€500
Contributions to Charity	€3030
Amount owed by GAA Club	<u>€5527</u>
Total	€21,878

In addition substantial expenses were paid out of this account in relation to the GAA club however these are tracked and repaid by the GAA Club e.g. there is a transfer in to the account in June 2008 of €23,500 from the GAA Club to refund such

expenses. Expenses in the second half of the year in relation to the GAA Club amount to €5527 for which no repayment appears.

There was also a staff loan facility operating from this account with loans of up to €500 appearing. It would appear that these were being repaid promptly.

Therefore approximately 37% of the expenditure from this Laundry and Services account had nothing to do with laundry or services.

## Investment Accounts

The Garda College Restaurant and Shop have held investments and savings accounts. The table below shows the balances on these accounts over the period audited. Figures are not available for 2015 as the annual accounts for 2015 have not been completed yet.

**Table 6: Summary of Restaurant Investment Accounts**

Investments - Restaurant A/C	31/12/14	31/12/13	31/12/12	31/12/11	31/12/10	31/12/09
	€	€	€	€	€	€
Bank of Ireland Private Banking	126,823	528,593	494,394	464,425	476,451	450,778
Saving Certificates	0	0	0	0	0	68,100
Norwich Union Investment	317,435	317,435	317,435	317,435	317,435	317,435
Norwich Union Freeshare Issue	30,177	30,177	30,177	30,177	30,177	30,177
Eagle Star	0	0	150,000	150,000	150,000	150,000
Caledonian Life	190,247.78	150,000	150,000	150,000	150,000	150,000
Irish Life						50,000
	664,683	1,026,205	1,142,006	1,112,037	1,124,063	1,216,490
Change	-361,522	-115,801	29,969	-12,026	-92,427	
Investment Shop						
Bank of Ireland Private Banking	0	0	0	0	300,000	300,000
<b>Total</b>	<b>664,683</b>	<b>1,026,205</b>	<b>1,142,006</b>	<b>1,112,037</b>	<b>1,424,063</b>	<b>1,516,490</b>
Reduction in Investments	-361,522	-115,801	29,969	-312,026	-92,427	
<b>Total Reduction</b>	<b>-851,807</b>					

The table highlights that the value of these investments decreased by €851,807 from 2009 to 2014 as investments were encashed and brought back into the Garda College Restaurant and Shop Accounts to defer running costs.

### Deposits held in High Interest Accounts

In addition to the investment accounts money from the Restaurant Account was placed on what is called “elevator” accounts with Bank of Ireland which gave elevated or higher rates of interest than would be offered on normal deposit accounts. The audit found instances where large amounts of money were placed in these accounts as follows;

19/01/12	€150,000
29/06/12	€100,000
06/06/12	€ 20,000
06/03/12	€ 40,000 (copy document on audit file)

This was at a time when the Exchequer was at the apex of the fiscal crisis and found it almost impossible to borrow on financial markets and was reliant on the Troika Bailout facility to keep the country going. DPER Circular 17/13 required all Votes to surrender any *windfall or extra revenue* received back to the Central Fund because of the financial crisis.

### EU Project & CEPOL Accounts

In the course of the audit four bank accounts relating to EU Funded Projects or CEPOL were found. Two current accounts and two deposit accounts. In recent months the control of three of these accounts has been taken over by the Finance Directorate with one account managed by an Inspector in Templemore.

#### Garda College European Course AIB

This account was examined in Templemore. It related to small payments relating to travel and subsistence for CEPOL courses. No issues found. Back-up documentation was available for transactions tested.

EU Central Garda Fund Public Current - Managed by Finance Directorate. No issue found.

#### EU Central Garda Fund Public Dep AIB - Managed by Finance Directorate,

Interest rec'd 1/4/11	€226.66
Interest rec'd 1/10/10	€2890.91
Interest rec'd 1/4/10	€5432.68

#### EU Central Garda Fund Public Dep AIB - Managed by Finance Directorate,

31/08/15	Interest received	€497.08
29/08/14	Interest received	€580.56
29/08/13	Interest received	€936.95
27/08/12	Interest	€846.91
23/06/11	Interest rec'd	€1068.79
23/03/10	Interest rec'd	€3483.68

Total interest on these accounts in the period examined was €15,964. It is a basic tenet of European Financial Controls that member States cannot benefit from interest payments on European Funds held on deposit<sup>viii ix x xi xii</sup>. The issue as to whether these interest receipts should be return to the European Commission needs to be examined further.

In the course of this audit GIAS was informed that audits of these European Projects had been conducted however these audit reports were not forwarded to GIAS. It is important that GIAS has sight of all audit reports conducted by external auditors and that the Statutory Garda Audit Committee is fully informed.

The bank account was closed on 30<sup>th</sup> April 2015 with the balance of €97,834.00 transferred to A/C BOFI Garda College International Training.

## Awareness of Public Financial Procedures

The basic framework of financial procedures in Central Government Votes is contained in the Public Financial Procedure (2008) colloquially referred to as *the Blue Book*. This together with DPER Circulars and Guidance and Frameworks issued by DPER Government Accounting Unit comprise the main standard against which public bodies are required to maintain their accounting systems and against which the Office of the Comptroller and Auditor General conduct their audits. The Garda Act 2005 placed the An Garda Síochána centrally with the central government financial control structure when it made the Garda Commissioner the Accounting Officer for the Garda Vote expenditure and income. As well as this An Garda Síochána have the Garda Finance Code which contains most but not all of the requirements of the Public Financial Procedures. The Garda Finance Code is therefore an internal Financial Procedures Manual. The Garda Finance Code was revised last in 2005 and updated since by the issue of HQ Directives as necessary. The Garda Finance Code is not the primary standard for financial control. Despite this Garda staff perceive that the Garda Finance Code is the primary standard and in principle Garda Management in Templemore are supposed to work within these instructions.

## Financial Controls Evaluated from Audit Testing

Sample transactions were tested from some of the other banks accounts identified with the following results;

1. Sportfield Company Ltd 36367090 BOI: Two payments were tested one direct debit and one by cheque. No supporting documentation could be found to

justify the payments. GIAS conclude that **no control exists** in relation to this account.

2. Garda College Library Current (No 1) A/c: All files relating to this account were sent to the Executive Director of Finance in 2011 at their request. No copies retained in the college.
3. Garda College Library Current A/C (No. 2) A/C BOI: Three payments were tested from this account. All had signed A8's and invoices attached. GIAS conclude that **adequate control exists** in relation to this account.
4. Garda College Student Sports BOI: Two payments and one lodgement were tested. All were administered by the Restaurant Manager. Invoices were available for inspection but no A8 were completed and no authorisation evidenced, no segregation of duties exists. GIAS conclude that the **controls were poor** in relation to this account.
5. Garda College GAA Club BOI: GIAS cannot confirm whether this is a private club account or a State account but testing has shown that public funding has been transferred from the College Laundry A/C and the College Restaurant Accounts. A sample of two lodgements and three payments from this account were tested. Supporting documentation was not available. GIAS conclude that **no financial control exists** in relation to this account.
6. Garda College Services Account BOI: One lodgement and three payments were tested. While some paperwork exists in relation to this account it mainly consists of evidence from cheques stubs. Invoices were not kept. GIAS conclude that the **controls over this account are very poor**.

## Staffing in College

At the end of 2015 the college had the following staffing;

- 1 Chief Superintendent
- 2 Superintendents
- 2 Garda Inspectors
- 1 Higher Executive Officer
- 48 Garda Sergeants
- 3 Executive Officers
- 8 Staff Officers
- 101 Gardaí
- 20 Clerical Officers
- 18 Civilian Teachers
- 17 General Operatives

32 Cleaning/Housekeeping

23 Restaurant and Shop

276 Total

### **Staff related costs (Travel & Subsistence, Overtime & Allowances)**

GIAS examined a random sample of travel and subsistence claims (form FMS2) and overtime and allowances claims (form A85) made in the years 2008 and 2015. The years were selected because 2008 was the last year of full activity before the severe budgetary cutbacks and 2015 is the most recent full year. There were no major issues arising and improvements in controls were evident from the latter part of 2015.

While no major issues were identified the following did come to the auditor's attention during the review of claims:

1. There was evidence of claims being hoarded. This creates an added burden for the managers who are certifying and approving the claim. In mitigation the FMS2's were very clearly presented; providing GIAS with the assurance that the certifying member could readily verify the claim.
2. Resources could be used more prudently, although the Garda Code was complied with. For example TS 471067:
  - a. On 19<sup>th</sup> March 2008 the member was in Santry being fitted for a uniform from 9.00am to 4.00pm.
  - b. On 10 July at 5pm to 11 July at 7.00pm, the member was absent for a uniform fitting.
  - c. On 23 July at 9am to 24 July at 8.00pm, the member was absent for a second uniform fitting.
  - d. On 29 September at 9pm to 30 September at 8.00pm, the member was absent for a uniform/Sam Browne fitting.
  - e. This would not appear to be an effective use of a member's time. GIAS consider that other options should be explored, for example engaging local tailors or, when there are a number of people requiring uniforms, having a tailor travelling from Santry to the College.
3. The GIAS examination of the claims did disclose an accidental over-claims:
  - a. A member claimed (TS 476543) the night before and the night after presenting a course; however two overnights seem to have been claimed in error (weeks 20-24 October 2008 and 1-5 September 2008). The relevant A85 was examined but it does not provide clarity.
  - b. The GIAS examination of the claims disclosed an accidental over-claim in 2015 (TS 1698743) of €296. The claim involved completing four forms covering seventeen overnights and this in GIAS's view

made the claim susceptible to error. As the error was relatively recent, GIAS recommend that a recovery should be made.

4. Members are claiming subsistence which includes both the night before and night after a course. GIAS can appreciate that a lecturer may want to be at the venue the night before a lecture; however, staying the night after the lecturer as an alternative to claiming overtime may not be the best use of resources. Management should give careful consideration to the best option before approving claims for the night after.
5. The claim for overtime and allowances (Form A85) relevant to individual FMS2s could not be found in all instances as :
  - a. Unless the member is claiming overtime or allowances there was no obligation on him/her to submit an A85.
  - b. More than one A85 may be completed by an individual member for a single roster period; this depended on the cost code the overtime was being charged to.

As a consequence the audit trail was frustrating and the A85 was ineffective as a verification of a claim for travel and subsistence. Examining the Form A85s that could be located a number of minor weaknesses were apparent:

1. On occasion the A85 was authorised by a supervising member but not certified by the Superintendent.
2. There were also occasions where the reverse of the Form A85 was not completed or certified.
3. On occasions the information on the FMS2 is vague; for example TS1702979 which records nature of duty as "College" instead of indicating where travel was to. There is no reason why the entries on the FMS2s cannot be succinct, clearly stating where the duty was performed.
4. The GIAS examination included a claim (TS1578737) for subsistence (8 hour subsistence from 15:00 - 23:00hours on 25 January 2015. The claimant was on duty at Guard Room and was unable to avail of a meal break. The amount is not a serious issue (the member received subsistence totalling €164 in 2015) but it appears unreasonable that Guard Room staff in the College are unable to leave their posts for a meal break.
5. There were occasions where there was no evidence attached to the A85 of prior sanction for extra hours worked.
6. There were occasions where the Form A85 was not authorised by the Superintendent or an Inspector on his behalf.
7. There were incidents where an A85 could have been more robustly completed to avoid confusing entries or to include location of duty in order to facilitate the verification of the details on a travel claim.

From observation and discussions with College staff, GIAS noted that from late 2015 controls over T&S and overtime claims were enhanced as follows:

1. Members are to submit an A85, even if overtime or allowances are not being claimed.
2. The A85s must be fully complete, back and front, and signed.
3. Extra hours must be sanctioned in advance.
4. When claiming travel and subsistence a copy of the relevant Form A85 is to be attached to the FMS2.
5. These measures facilitate checking by managers and contribute to a robust audit trail. They also address the control weaknesses identified by GIAS in the course of the audit. Unfortunately some members refuse to comply with this instruction.

### **Conclusion:**

GIAS appreciate that the College is aware of the shortcomings in the management of staff related costs and acknowledges that action is being taken to address these.

### **College vehicles & fuel invoices**

The petrol pumps at the College entrance were decommissioned on 15<sup>th</sup> February 2012 and the tanks filled with foam.

GIAS inspected the records at the Driving School and examined a random sample of log books, which were found to be in good order. The auditor was informed that the fuel invoices from Topaz are being checked. This is accepted as the vehicle log books examined are well maintained and till receipts retained. GIAS recommend that the checking of the Topaz invoices be evidenced. This could be done by, for example, appropriate ticks on the invoice or, if the invoice is electronic, by:

- Ticks on the relevant log books or till receipts or
- Signing a certificate confirming that the invoice has been checked.

Topaz cards are, with rare exceptions, issued to the instructor – as opposed to the car as is the normal practice in districts. GIAS reviewed a sample of entries, which recorded fuel purchases by 7 members, on the Topaz invoice for June 2016. It was noted that:

- All members in the extracts are diligent in recording the registration of the vehicles being fuelled.
- 3 of the members were also diligent in recording the odometer reading, while the remaining 4 never recorded the reading.

The extract from the invoices also included the fuel purchases for two vehicles. It is noted that while the registration numbers are consistently recorded the odometer readings are never recorded. GIAS recommend that when fuel is being purchased members ensure that both the registration number and the odometer reading are recorded by the service station personnel.

GIAS also inspected the records for the motorcycle school and was satisfied that they are well maintained.

GIAS checked vehicle 142D10147 and found it to be clean and well maintained. The vehicle was parked alongside other cars which the auditor understood to be allocated to the Driving School and appeared to be equally well maintained.

### Conclusion:

Provided the recommendations made above are implemented, as a result of the examination GIAS are satisfied that appropriate controls are in place.

### Imprest Accounts

GIAS selected the Imprest Accounts for the years 2008 and 2015 for examination:

- 2008 which was a busy time at the College and pre-dates any reforms that may have been introduced in response to the report by the Finance Directorate.
- 2015 which should show the current situation, with increasing activity in the College.

The tests included discussions with the Finance Officer, checking reconciliations and summary sheets are satisfactory and posting a sample of transactions to the underlying records to verify accuracy and reasonableness.

An analysis of Imprest payments for 2015 shows that Imprest expenditure for the year was €308,996 and the main categories of expenditure were:

**Table 7: Imprest Account Expenditure Analysis 2015**

Main Category	Spend 2015	% of total
Student Accommodation	162,669	53%
Office Maintenance	77,402	25%
Purchase of Publications	34,272	11%
<b>Additional Category:</b>		
Hire of equipment	18,343	6%
<b>Total Expenditure 2015</b>	<b>308,996</b>	<b>100%</b>

Source: Imprest Account 2015

The examination of the Imprest for 2015 did give rise to some minor findings but overall GIAS are satisfied that the record is true and fair.

The main category of expenditure in 2015 was student accommodation. This was discussed with the Finance Officer who explained that due to accommodation constraints some students are housed with local households. The householder is paid €65 per student per week; in November/December 2015 there were 76 students in such accommodation. The Finance Officer pays the householders from the Imprest Account by cheque, makes a consolidated claim for reimbursement on an FMS1. To support this claim she sends an "invoice" to the householder which they sign and return to her; most householders comply with this request.

Imprest expenditure for 2012 amounted to €162,434; not a material amount in the context of the organisation and 6.5% of the Imprest expenditure in 2008.

Imprest expenditure for 2008 amounted to €2.5million; which indicates the level of activity in the College at that time. The most material categories were:

**Table 8: Imprest Account Expenditure Analysis 2008**

Main Category	Spend 2008	% of total
Student Allowances	1,268,410	51%
Electricity	390,460	16%
Medical expenses	201,964	8%
Cleaning	149,008	6%
Hire of equipment	84,994	3%

Source: Imprest Account 2008

The examination of the Imprest for 2008 did give rise to some minor findings but overall GIAS satisfied that the record is true and fair.

### Conclusion:

While some minor issues in relation to the College Imprest Account have been identified GIAS are satisfied that the Imprest Accounts are a true and fair record of transactions.

### Acknowledgements

Garda Internal Audit Section wishes to acknowledge the support and assistance provided by the Executive Director of Human Resources and People Development, the Chief Superintendent (Director of Training in the College), the Superintendent ( College Administrator) and other staff in College, the Head of Legal Affairs, the Executive Director of Finance, the Head of the Procurement Office and other staff in the Finance Directorate, the Deputy Commission SCM and his Office and the staff in the Office of the Chief Administrative Officer for their assistance during the course of this audit.

Niall Kelly

Head of Internal Audit

016/2/17



## Appendix 1 : Garda College Bank Accounts

1. Imprest Account	BOI	11330128
2. Restaurant Account	BOI	11324684
3. Restaurant	St Raphaels	12237
4. Shop Account	BOI	11324692
5. Library Account	BOI	53957420
6. Library Imprest Account	BOI	63680955
7. Bar Account	BOI	82168594
8. Bar Account	St Raphaels	12147
9. Coiste Roinne	AIB	10753079
10. Golf Club Account	BOI	47187896
11. Social Events	BOI	11324705
12. Welfare A/C	BOI	82410272
13. Driving School	BOI	39324416
14. Golf Society	BOI	63595961
15. Garda IWS Area Comm.	AIB	10763110
16. Garda Student Sport	BOI	88037827

### CEPOL Accounts:

17. EU Central Garda Fund Public Current	AIB	08252217
18. EU Central Garda Fund Public Dep	AIB	08252647
19. EU Central Garda Fund Public Dep 30	AIB	08252720
20. Garda College European Courses	AIB	10850008
21. Garda College International Training	BOFI	91915723

### Closed Accounts:

22. G.C. Sportsfield	BOI	29537661
23. G.C. Travel	BOI	38635896
24. G.C. W.I.S.P.A	BOI	47887235
25. G.C. GAA Club	BOI	25340116
26. G.C. GTC Laundry	BOI	42521584
27. G.C. GAA Club Redevelopment	BOI	36349503
28. G.C. Graduation Class	BOI	70931951
29. G.C. Rugby Club	AIB	10802033
30. G.C. HETAC Fees Deposit	AIB	10812263
31. EU Central Garda Fund Dep	AIB	8252480
32. Sportsfield Co Ltd	BOI	36367090
33. Pre-retirement	BOI	14865558
34. Garda College HETAC	AIB	10812180

### Saving and Investment Accounts:

35. Hiberian Norwich Union	U7002975N
36. Eagle Star	11420978
37. Caledonian Life	14034753

38. Irish Life		12007976
39. Irish Life		12144023
40. An Post		4002549704
41. An Post		4003081757
42. BOI Shop	BOI	12144023
43. BOI Restaurant	BOI	45978549
44. BOI Restaurant	BOI	45991147

**Other Account**

45. CATS Committee	BOI	22933610
46. Deposit Link	BOI	76101481
47. Deposit Link	BOI	77039771
48. Deposit Link	BOI	30485926
49. Garda Training College Rest A/C Dep	BOI	1880594
50. Garda Training College Rest A/C. Dep	BOI	1881506

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- <sup>i</sup> Public Financial Procedures; (the Blue Book) Department of Public Expenditure and Reform (2008) govacc.per.gov.ie/public-financial-procedures-booklet-by-section/
- <sup>ii</sup> Public Procurement Legislation;
- S.I. No. 192/2015 - European Communities (Public Authorities Contracts) (Review Procedures) (Amendment) Regulations 2015.
- S.I. No. 193/2015 - European Communities (Award of Contracts by Utility Undertakings) (Review Procedures) (Amendment) Regulations 2015.
- <https://procurement.ie/regulations-si-130-2010-european-communities-public-authorities%E2%80%99-contracts-review-procedures>
- S.I. No. 286 of 2016 European Union (Award of Contracts by Utility Undertakings) Regulations 2016 Date Published: 2016 [Download](#)
- S.I. No. 284 of 2016 European Union (Award of Public Authority Contracts) Regulations 2016 Date Published: 2016 [Download](#)
- S.I. No. 192 of 2015 European Communities (Public Authorities' Contracts) (Review Procedures) (Amendment) Regulations 2015 Date Published: 2015 [Download](#)
- S.I. No. 193 European Communities (Award of Contracts by Utility Undertakings) (Review Procedures) (Amendment) Regulations 2015 Date Published: 2015 [Download](#)
- EU Directive 2014/25 - Procurement by entities operating in the water, energy, transport and postal services sectors (Utilities Directive) Date Published: 2014 [Download](#)
- EU Directive 2014/24 - EU Procurement Directive Date Published: 2014 [Download](#)
- EU Directive 2014/23 - Award of Concession Contracts Date Published: 2014 [Download](#)
- <sup>iii</sup> Public Financial Procedures, Department of Public Expenditure and Reform 2008, Section C5 – 15 and Section 2 of the Public Accounts and Charges Act, 1891.
- <sup>iv</sup> Walsh (1985), Report on Probationer Training, Garda Training Committee.
- <sup>v</sup> Risk management Guidelines for Departments and Offices – Department of Finance 2004
- <sup>vi</sup> Risk Management Standard Operating Procedures within An Garda Síochána HQ.52/10
- <sup>vii</sup> Financial Reporting Standard 102; The Financial Reporting Council (2015)
- <sup>viii</sup> Commission Regulation (EC) No. 448/2004 Rule 2 Accounting Treatment of Receipts.
- <sup>ix</sup> Council Regulation (EC) 1083/2006 Article 83 - Interest
- <sup>x</sup> Council Regulation (EC) No 1995/2006
- <sup>xi</sup> Financial Regulation No. 966/2012 Article 8(4).
- <sup>xii</sup> Public Financial Procedures (DPER 2008) C4 19 Extra Exchequer Receipts.

