



16 October, 2018

Ms Margaret Falsey
Committee of Public Accounts Secretariat
Committee of Public Accounts
Leinster House
Dublin 2

Ref: PAC32-I-1096

Dear Ms Falsey,

I refer to your letter dated 10th instant under reference **Ref: PAC32-I-1096** and request for notes on the following, which we are glad to provide:

1. Details of ‘non-competitive’ procurements €5.2m

We attach the requested list in Excel file format together with background explanation/details as furnished to C&AG – styled ‘Appendix 111 – Finding 1’, including actions to mitigate recurrence.

2. Severance Payment and out of office leave payroll cost €91k

It should be noted that the severance agreement is the subject of a confidentiality clause which you will appreciate the University is keen to honour.

The severance arrangement was discussed in advance with the Department of Education & Skills and approved by the Department in July, 2016. The University Secretary subsequently provided further clarification on the full context of the need for same to the C&AG.

As regards its accounting treatment, our divergence from the view held by the C&AG centres around the categorisation of ongoing payroll payments made to the former employee in the months prior to their departure.

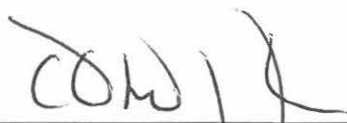
The C&AG took the view that these regular payroll payments should be classified as an integral part of the redundancy agreement and should be reported as such. The University takes the view that the cost of these regular payroll payments should not be so classified. I understand the employee worked from their home in the period prior to their official cessation date and while so engaged, was also available for consultation and advice relating to their University role. Such advice was regularly sought by both our HR and Finance functions. They therefore continued to be an employee of the University. These costs were therefore part of normal payroll costs and so classified consistent with accounting norms.

It was and is our judgement therefore that the classification adopted in the financial statements for which we are responsible was consistent with accounting norms. We were also mindful of the agreement entered into by the University with the approval of the Department of Education and Skills, and its confidentiality clause.

We were also conscious that if the C&AG wished to disclose the item in his report, this obviated the need to amend the accounting treatment while being true to our view with regard to the correct treatment in the financial statements of NUI Galway for which we are responsible.

We hope this clarifies the matter. If you have any further questions in this regard, please do not hesitate to contact us.

Yours sincerely,



Professor Ciarán Ó hÓgartaigh
BComm (Galway), DipPrAcc (UCD), PhD (Leeds), FCA (Ireland)
Uachtarán, OÉ Gaillimh
President, NUI Galway

Appendix III – Finding 1: Procurement – detailed narrative provided by NUIG

Background:-

In order to support the diverse range of activities across NUI Galway procurement has been devolved to operating units. The University has Policies and Procedures in place to drive compliance with Irish Government policy and EU Legislative Procurement Directives. Training is provided to all budget holders to communicate the policies and procedures and to support them to assure procurement compliance. The University adopts contracts and uses frameworks agreements put in place by the Office of Government Procurement (OGP) to support procurement compliance.

Management Comment in relation to 2016/17 Procurement Findings:-

In relation to the non-compliance total of €5,152,862 identified in the period under audit, the University has taken positive action and can report that :

1. Action has been taken so that 39% of this total (€2,034,935) is now governed by a current procured compliant contract. Many of the actions to achieve this result had been initiated but not completed during the audit period (e.g. procurement of the Sports Centre Operator, procurement of security services and adoption of the HEAnet framework agreement for desktop software).
2. Action has been initiated to put contracts in place for a further 26% of this total (€1,353,916). Of the total of 22 procurement projects currently in process it is expected that 11 of these will be complete before the end of 017/18.
3. The University is currently reviewing the 35% of this total (€1,764,010) to develop a procurement plan. This figure represents over thirty separate suppliers where multiple transactions have taken place across multiple budget holders.

Additional Actions Initiated:-System Enhancements

- The University is planning enhancements to its Finance Management System (Agresso) due for completion in line with the 2018/19 audit period to support enhanced procurement compliance. These enhancements include :-
 - New workflows for requisitions greater than €25,000 (the tendering threshold)
 - Additional pop-up screen to ensure purchaser is guided to comply with procurement policy.
 - Facility to support mandatory uploading of quotations for requisitions greater than €5000.
- Audit Findings Track & Tracing Tool
 - Investment in a tool that will support the adoption and implementation of actions highlighted by audit reports.
- Suppliers are only setup on Agresso once a compliant procurement process has been undertaken.

Training

- The University has also doubled its investment in procurement training programmes and workshops to assist all budget holders attain and maintain compliance.

NUIG 2017 - Procurement

Identified by C&AG testing		
1	Swimworld	127,980
2	Winters	88,446
3	Tim Kelly	96,910
4	McNamara	92,367
5	Cambridge Biosciences	24,012
6	Q/S Quacquarelli Symonds Ltd.	20,252
7	Mgt graphics	10,863
		460,830
Identified by NUIG		
1	G4S SECURE SOLUTIONS (IRELAND) LTD	373,302
2	TOMKINS & CO	241,074
3	MICROMAIL LIMITED	208,989
4	CORE COMPUTER CONSULTANTS LTD	180,100
5	CHARLES RIVER (UK) LTD	148,831
6	PFH TECHNOLOGY GROUP	135,129
7	PLAY THERAPY INTERNATIONAL LTD	132,185
8	CROI WEST OF IRE CARDIOL FOUNDATION	128,375
9	ABCAM LTD	124,370
10	UNIT 4 BUSINESS SOFTWARE (IRELAND) LTD	113,500
11	APCOA PARKING IRELAND	110,586
12	TOP OIL GALWAY	110,314
13	MVS CONSTRUCTION LTD	97,002
14	S GILL WINDOW MANUFACTURING LTD	94,061
15	MOLECULAR MEDICINE IRELAND (MMI)	90,000
16	SHARP ALARMS LIMITED	86,155
17	ENTERPRISE IRELAND	80,337
18	ENVIGO RMS (UK) LTD	77,059
19	DMT LIMITED T/A/ CODECDS	76,243
20	FATEH EDUCATION	75,822
21	RENT AN IRISH COTTAGE MGMT LTD	73,668
22	BIO-TECHNE LTD (R & D SYSTEMS EUROPE LTD)	72,429
23	EMOS INFORMATION SYSTEMS LTD	62,160
24	CLF PLANTCLIMATICS GMBH	60,651
25	NIALL O'LEARY	54,428
26	WINTERS PROPERTY MANAGEMENT DAC	52,210
27	HENDERSON FIRE & SAFETY LTD	50,895
28	PARTRIDGE PEARTREE	50,209
29	I AND C DIGITAL	48,320
30	PC SPECIALIST LTD	48,305
31	VECTOR WORKPLACE & FACILITY MGT LTD	46,965
32	ADECCO IRELAND LIMITED,	46,745
33	WESTERN HEALTH AND SOCIAL CARE TRUST	46,266
34	ENERGENAS LLC	43,318
35	CW DISTRIBUTORS LTD	43,309
36	MR PETER KENNEDY	42,139
37	CLADA MEDICAL	40,775
38	STAUNTON MEDIA	40,509
39	A & L GOODBODY SOLICITORS	38,033
40	O TUAIRISG ASSOCIATES LTD	36,553
41	TURNITIN UK LTD	35,050
42	MOTORPARK	34,973
43	KELLY OFFICE SUPPLIES LTD	34,322
44	NOONAN SERVICES GROUP	34,254
45	BIOS IT	34,186
46	SWIMWORLD LTD T/A KINGFISHER	34,147
47	INTEGRATED DNA TECHNOLOGIES BVBA	33,991
48	MACMILLAN PUBLISHERS LIMITED 01932810	33,824
49	PASSAX BUSINESS SYSTEMS & SUPPLIES LTD	32,505
50	VCC SYSTEMS	32,206
51	SRCL LIMITED	32,138
52	UPTODATE	31,781
53	LRC AS	31,455
54	ANNERTECH LTD	31,101
55	PMI SOFTWARE LTD T/A PEMAC	31,064
56	DIGI-AIRCIV	30,600
57	ATHRU CONSULTANCY LTD	30,504
58	BECKER & HICKL GMBH	29,957
59	MODEPHARMA LIMITED	29,220
60	SITULA CONSULTING LIMITED	28,535
61	LEAP	28,368
62	CIAT INTERNATIONAL CENTER FOR TROPICAL AGRICULTURE	28,134
63	GALWAY FILM CENTRE	27,018
64	GALWAY MUSIC CENTRE	27,000
65	SURVEY INSTRUMENT SERVICES LTD	26,980
66	JOHN O'DEA	26,780
67	IP PRAGMATICS LIMITED	26,671
68	JAMES MCCORMACK	26,600
69	HEINZ WALZ GMBH	26,495
70	INTERNATIONAL GRADUATE INSIGHT GROUP LTD	26,198
71	ORACLE EMEA LTD	25,634
72	AKARI SOFTWARE LTD	25,448
73	HPRA HEALTH PRODUCT REGULATORY AUTHORITY	24,907
74	LEADERSHIP FOUNDATION FOR HIGHER EDUCATION	18,668
		4,692,032
81		5,152,862