



Ms. Éilis Fallon
Committee Secretariat
Committee of Public Accounts
Leinster House
Dublin 2

31st October, 2019

Ref: PAC32-I-1611

A Chara,

Táim ag scríobh chugat maidir le do litir, dar dháta 17ú Deireadh Fómhair 2019, inár ndearna tú tagairt ar Chuntaisí agus Ráitis OÉ Gaillimh, don bhliain a chríochnaigh ar 30ú Meán Fómhair, 2018.

The University has acknowledged the audit findings of the Comptroller and Auditor General. We wish to assure the Public Accounts Committee that the University takes matters relating to compliance with procurement guidelines and regulations very seriously. We would also like to inform you that we have taken significant steps to address the levels of non-compliance highlighted in the C&AG's findings. The table appended to this letter provides the specific information requested by the Committee.

The data will show that of the €4.45 million expenditure found by C&AG to be procurement non-compliant in 2018, contracts have been awarded in respect of €3.67 million, which is now compliant. The remaining €0.78 million is progressing through appropriate procurement processes towards compliance.

Since the C&AG's 2018 audit findings were published, NUI Galway has implemented the following measures, with the specific aims of identifying and addressing the weaknesses in our internal controls and processes that have resulted in procurement non-compliance, and of further embedding procurement compliance across the University.

1. The Director of Risk and Internal Audit at the University undertook an audit of procurement, including policy and procedures, which highlighted a number of areas that needed to be addressed, as a matter of priority. All the recommendations of the audit were accepted by management and an action plan was developed which is being actively implemented.
2. We have implemented additional controls within our financial system in recent months to alert the Procurement & Contracts Office of planned individual purchases with a value in excess of €25,000, so that the office can ensure that the appropriate procurement procedure is being employed.
3. One of the key challenges identified by both the C&AG and the Internal Audit is that of aggregation, where expenditures by individual budget holders contribute to an overall aggregated University spend close to or above the tendering threshold of €25,000. We are currently developing the systems and reporting mechanisms required to alert the

Procurements & Contracts Office of aggregated expenditure close to the tendering threshold, so that contracts can be established to ensure compliance.

4. The University's Procurement Policy has been reviewed, revised, and strengthened, to include controls that will have a considerable positive impact on procurement compliance. The revised policy is currently progressing through our internal approval process and will be in place before the end of this calendar year. These new controls include:
 - a) A significant strengthening of governance, with accountability and responsibility for procurement compliance assigned to staff across all levels of the organisation, including particular reinforcement of the obligations of individual budget holders to ensure that budgets assigned to them are expended in compliance with procurement policy, guidelines and regulations.
 - b) The introduction of regular monitoring of individual Unit/budget holder expenditure to monitor compliance with procurement policy.
 - c) The mandatory requirement of all staff involved in purchasing and procurement—regardless of the level of that involvement—to undertake regular procurement training and awareness programmes.
 - d) The introduction of new controls that prohibit those who have not undertaken the required procurement training from accessing the University's financial systems and from involvement in purchasing and procurement.
 - e) The development of additional training programmes, available online and on-demand, to support staff in meeting their mandatory procurement training requirements.
 - f) The requirement for all budget holders, in alignment with the annual budget preparation process, to identify planned expenditures for the forthcoming year and to develop, and submit to the Procurement & Contracts Office, a plan as to how assigned budgets will be expended in line with procurement policy.
5. The University has redeployed existing resources to the Procurement & Contracts Office enabling the recruitment of two Procurement Support Officers to the team. In addition The University has also approved investment in a new Head of Compliance. We have recruited for this position and the successful candidate will start by the end of the calendar year.

The focused efforts on reducing the reported procurement non-compliance of €4.45 million to €0.78 million, to date, the redeployment of resources, the investment of additional resources and the additional controls introduced in the last number of months demonstrates our commitment to ensuring procurement compliance in the longer term.

Thank you to you and to the Public Accounts Committee for your continued work to enhance and strengthen public accountability. Tá muid ag tnúth le leanacht linn ag obair le gníomhaireachtaí an stáit le dul chun cinn suntasach a dhéanamh ar chomhlíonadh le rialacháin agus treoirínte soláthair ins an Ollscoil seo againne.

Le dea-mhéin,

An tOllamh Ciarán Ó hÓgartaigh

B. Comm (Galway), DipPrAcc (UCD), PhD (Leeds), FCA (Ireland)

Uachtarán, OÉ Gaillimh

President, NUI Galway

OGP Category	No. of discrete purchasers / budget holders	Total value of non-compliance	Reason for non-compliance	Value of compliance achieved since Oct. 2018	Value currently non-compliant	Note regarding remaining non-compliance
International Services	2	€567,651	Specialist international student recruitment agency services, which required an involved procurement process, now completed.	€567,651	€0	N/A
HR Services	4	€297,165	This relates to the engagement of temporary professional agency staff, which was not included in the scope of the contract that was in place at the time. Such agency staff are included in the scope of the new contract.	€297,165	€0	N/A
Veterinary / Agriculture	15	€170,213	Aggregated expenditure related to discrete research projects, contracts now in place.	€170,213	€0	N/A
Managed services, Managed car parking services	1	€154,212	Extended procurement after contract expiry while OGP implemented a procurement process. Contract awarded in November 2018.	€154,212	€0	N/A
Surveillance and security systems and devices	1	€107,255	Multiple discrete purchases. Contract now in place.	€107,255	€0	N/A
Utilities: Fuel	1	€62,029	Incorrect procurement process used. Contract in line with OGP agreement now in place.	€62,029	€0	N/A
Minor Building Works and Civils	1	€711,608	Multiple discrete transactions that resulted in aggregated expenditure above the procurement threshold. Contract now in place for significant component of this type of work.	€611,168	€100,440	A framework is currently being established for the remainder of this category of spend.

OGP Category	No. of discrete purchasers / budget holders	Total value of non-compliance	Reason for non-compliance	Value of compliance achieved since Oct. 2018	Value currently non-compliant	Note regarding remaining non-compliance
Facilities Management, Maintenance	1	€668,434	Multiple discrete transactions, relating to different facilities, that resulted in aggregated expenditure above the procurement threshold. Contract now in place for significant component of these types of work.	€572,519	€95,915	Contract to the value of an additional €33,800 at award stage. An OGP framework will be used for the remainder.
Marketing / Print	100s	€519,274	Multiple discrete transactions that resulted in aggregated expenditure above the procurement threshold. Contract now in place for significant component of these types of procurement.	€491,849	€27,415	Remaining non-compliance will be addressed in 2019/2020.
Accommodation Services	5	€246,118	Multiple discrete categories of expenditure—hotel conference facilities, specific accommodation for US students, and accommodation for students of Irish attending the Gaeltacht. Contracts now in place for significant components of this category of service.	€220,362	€25,756	Remaining non-compliance will be addressed in 2019/2020.
ICT Equipment / Software	5	€227,603	Bespoke software and related maintenance contracts, and specialist assistive technology. Contracts now in place for significant components of this category of service.	€201,657	€25,946	Remaining non-compliance will be addressed in 2019/2020.
Laboratory Consumables / Services	40	€374,921	Multiple discrete transactions that resulted in aggregated expenditure above the procurement threshold. Contract now in place for a	€116,839	€258,083	The EPS is initiating a procurement process, on behalf of the OGP which will address the outstanding component of this

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			significant component of this type of procurement.			category of procurement.
Professional Services: Consultancy	11	€139,720	Three distinct categories of expenditure—research survey services, patent agent services, and certification services, and discrete purchases within those categories, resulting in aggregation. Contract now in place for a significant component of this type of procurement.	€103,015	€36,714	Remaining non-compliance is currently being addressed.
Library	15	€35,601	Multiple discrete transactions that resulted in aggregated expenditure above the procurement threshold.	€0	€35,601	Remaining non-compliance will be addressed in 2019/2020
Professional Services: Architect	1	€134,557	Multiple discrete transactions that resulted in aggregated expenditure above the procurement threshold.	€0	€134,557	Procurement competition underway with contract at the award stage.
Not categorised by OGP	1	€39,094	This procurement relates to multiples discrete purchases of Computer Aided Design (CAD) Services.	€0	€39,094	Recruitment process in progress for CAD technician; services will not be procured externally thereafter.
Total non-compliance at 30/09/2018		€4,455,455				
Value of compliance achieved since 01/10/2019				€3,675,934		
Value currently non-compliant					€779,521	