

Page No	Description of Document	Deletions	Relevant Section of FOI Acts	Reason for Redaction	Decision Maker's Decision
1-2	Cover Page	0			Grant
3	Introduction & Background	1	Section 37(1)	Personal Information	Part Grant
4	Audit Opinion	4	Part 1(n) of Schedule 1	Outside the Scope of the FOI Act	Part Grant
5-6	Value Added Tax	0			Grant
6-7	Student Accommodation	4	Part 1(n) of Schedule 1; Section 36 (1)(b) & (c)	Outside the Scope of the FOI Act; Commercially Sensitive Information	Part Grant
8	Sportsfield Company	1	Part 1(n) of Schedule 1	Outside the Scope of the FOI Act	Part Grant
8-9	Templemore Golf Club	6	Part 1(n) of Schedule 1	Outside the Scope of the FOI Act	Part Grant
9-10	Conclusion	2	Part 1(n) of Schedule 1	Outside the Scope of the FOI Act	Part Grant

Garda Internal Audit Service

# Review Audit



# Garda College

**February 2020**

Garda Internal Audit Service

	<i>From</i>	<i>To</i>	<i>Date</i>
<b><i>Sent for Management Response</i></b>	<i>GIAS</i>	<i>Garda College Admin Finance Directorate Chief Administrative Officer Updated Version sent</i>	<i>02/10/2019   12/02/20</i>
<b><i>Management Response Received</i></b>	<i>Garda College</i>	<i>GIAS</i>	<i>27/02/20</i>
<b><i>Sent for Peer Review</i></b>	<i>Paul Mullen</i>	<i>Niall Kelly</i>	<i>10/02/20</i>
<b><i>Peer Review Received</i></b>	<i>Niall Kelly</i>	<i>Paul Mullen</i>	<i>12/02/20</i>
<b><i>Final Report to:</i></b>	<i>GIAS</i>	<i>Office of the Garda Commissioner</i>	<i>02/03/20</i>
		<i>Office of the CAO</i>	<i>02/03/20</i>
		<i>Executive Director Finance</i>	<i>02/03/20</i>
		<i>Garda Audit and Risk Committee</i>	
		<i>C&amp;AG and Policing Authority</i>	

## 1- INTRODUCTION

In February 2017 Garda Internal Audit Service completed a Report entitled;  
*Interim Audit of Financial Procedure at the Garda College*

This Report was the subject of intensive scrutiny from the Oireachtas Committee on Public Accounts during their meetings in May/June 2017. The Committee on Public Accounts published their report in July 2017 in relation to the issues raised in the earlier Internal Audit Report and how this Internal Audit Report, was handled by An Garda Síochána. The Comptroller and Audit General Report 2016, Chapter 12, Management of Ancillary Services at the Garda College published in September 2017 also dealt with these issues. This Interim review sought to evaluate that the recommendations were implemented by the Senior Administration team in the Garda College. |

## 2- BACKGROUND

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. The Garda College also has 240 acres of undeveloped land available to it within the environs of Templemore for tactical and operational training.

The Garda College provides education, training programmes and interventions ranging from M.A; B.A, B.Sc in Police Leadership, Higher Diplomas, Certificates to 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 collaborates 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.

### Management Structure in the Garda College

A Principal Officer was put in place in 2017, [REDACTED]  
[REDACTED] The Principal Officer is at an equivalent grade to the Chief Superintendent – Director of Training.

The Senior Management team in the Garda College comprises of a Chief Superintendent who is the Director of Training, a Principal Officer who is the Principal Administrator. There are also three Superintendents each of whom run one of the training schools and two Assistant Principals, one who runs the Human Resources (HR), Administration and Finance functions and the other who runs the Facility management service. Management of training and development, including all the supports services relating to training and development are performed by the management team in the Garda College. Both the Principal Officer and the Chief

Superintendent currently report directly to Executive Director of Human Resources and People Development.

### 3 – AUDIT OPINION

GIAS are now of the opinion that the two outstanding recommendations previously classified as priority one or high risk can now be downgraded to priority two or medium risk. While these recommendations have not been fully implemented there are processes in place at an advanced stage that should fully resolved these issues within a short timeframe. These two recommendations relate to;

1. Concluding a tax determination in relation to VAT
2. [REDACTED]

[REDACTED]

All other recommendations have now been fully implemented or are considered as low risk.

### 4 - REVIEW AUDIT METHODOLOGY

The Garda Internal Audit Service (GIAS) has reviewed the following areas of audit concern in September 2019:

- Value Added Taxation
- Student Accommodation

[REDACTED]

An update on previous review reports was sought from the management in the Garda College. [REDACTED]

### 5 - Review and Recommendations

#### 5.1 Value Added Tax

Value-added tax (VAT) is chargeable on the supply of goods and services within the State by a taxable person in the course or furtherance of any business carried on, and on goods imported into the State from outside the European Union. VAT returns and payment must be submitted between the 10th and 19th days of the month (23rd day of the month if filing and paying electronically following the end of the accounting

period). Each taxable period is a period of two months beginning on the 1st day of January, March, May, July, September or November. However, if authorised by the Collector-General, a taxable person may file an annual VAT return and pay their VAT on an annual basis. Failure to make the returns and payments can give rise to interest and penalties.

### **Expected Control**

If the Garda College is designated as a taxable person, control process should be implemented to ensure both the submission of VAT returns and the delivery of payments between the 10th and 19th days of the month (23rd day of the month if filing and paying electronically following the end of the accounting period) for each taxable period.

### **Finding**

The Garda shop and restaurant has historically regarded itself as VAT exempt and has received correspondence from the Office of the Revenue Commissioners (Revenue) dated 1999, to that effect. The current approach to accounting for VAT by the management of the Garda shop and restaurant is that all Garda College activities relate to the provision of educational related services, which is a VAT-exempt activity as specified by Section 46 of the VAT Consolidation Acts (VATCA).

Revenue has performed an audit review of the Garda College in July 2019. An Garda Síochána are currently awaiting the determination, from Revenue, as to the VAT status of the shop and restaurant.

The management of the Garda shop and restaurant are currently calculating all bi-monthly VAT liabilities relating to the operation of the shop and restaurant as providers of taxable supplies liable to VAT. However, the Management of the shop and restaurant have stated that Revenue is currently unwilling to accept both the filing of bi-monthly VAT returns and related VAT payments until a determination has been issued.

In the course of the review, it was identified that the Management of the Garda College are currently engaging taxation advisors. Therefore, any undue delay in obtaining a determination would incur continuous additional expenditure.

### **Recommendation**

#### **Priority 2**

Senior Management of the Garda College should continue to seek a resolution on this issue in order to achieve a determination from Revenue as to the VAT status of the shop and restaurant. The delivery of such a final determination should be obtained as a matter of urgency as significant costs, associated with the engagement of external taxation advisers, are currently being incurred.

### **MANAGEMENT RESPONSE**

*A determination was finally received from Revenue on Monday 17th February with a summary of their opinion on the VAT treatment of both the Restaurant and Shop.*

*The conclusion regarding the shop is that it is accountable for VAT on the supply of goods. The conclusion regarding the restaurant is that the services supplied to students enrolled on educational courses or vocational training are VAT exempt. The exemption does not apply to services supplied to staff or visitors. The services supplied to staff and other non-students is subject to VAT at the normal VAT rates for catering.*

*A payment for the VAT owing up to date will be made as soon as the Official Revenue Letters is received (this is expected within the next 6 weeks).*

*The till system in the shop and restaurant is currently being updated to account for the collection of VAT for future purchases.*

*The Finance Directorate have been informed and we are liaising with them and the external tax advisors to bring this to a conclusion as soon as possible.*

*A meeting to conclude and agree the VAT money owing has been arranged and following agreement, this will be paid over to revenue. Monthly returns will then be sent to revenue as normal. It is hoped to have this in place for the April return 2020.*

## **5.2 Student Accommodation**

Garda College Facilities provide a spreadsheet to Garda College Finance with the list of names of householders, the number of students and the number of week's accommodation. [REDACTED]

[REDACTED] These payments are primarily relating to pay householders for accommodating trainee recruits. At the meeting in June 2018, college management outlined that the Imprest account was replenished at circa €220k a month, the bulk of that was to pay householders for accommodating trainee recruits.

### **Expected Control**

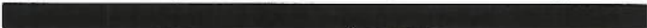
- **Student Accommodation Payments**  
All providers of student accommodation should be paid by electronic transfer funds. There should be no payments processed on the basis of cheque payments.

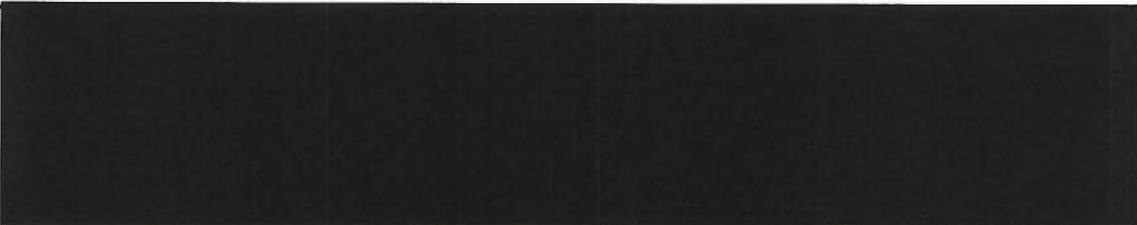
- **Compliance To Taxation Legislation – Tax Clearance Certificates**

The Garda College should have control processes to identify all student accommodation contracts of a value of €10,000 (inclusive of VAT) or more within any twelve month period and to ensure that such contractors hold a valid tax clearance certificate (TCC) or C2 certificate (Relevant Contracts Tax). All public sector contracts of a value of €10,000 (inclusive of VAT) or more within any twelve month period, the landlord (and agent as appropriate) is required to hold a valid tax TCC or C2 certificate (Relevant Contracts Tax). The Revenue will only issue a TCC if the person is in compliance with taxation legislation regarding the payment or remittance of any taxes, interest or penalties required to be paid or remitted and the delivery of any returns required.

### Finding

- **Student Accommodation Payments**

All providers of student accommodation are paid by CSV upload through the Financial Shared Services centre. 

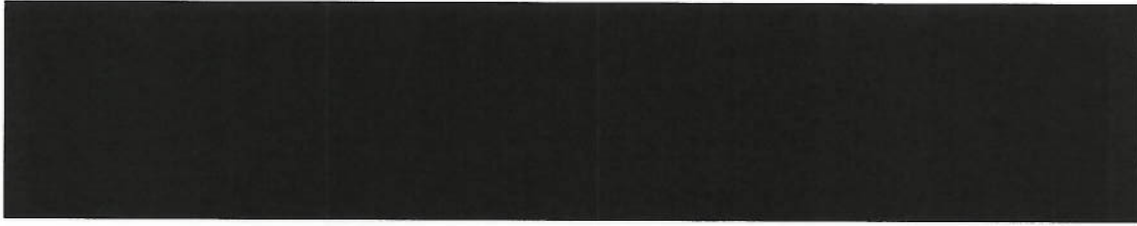


### Recommendation

#### Priority 2

- **Student Accommodation Payments**

All payments to the providers of student accommodation should continue only to be processed through CSV upload and paid directly by FSS. A record of all payees and payments should be maintained for the purposes of audit trail.



- **Compliance To Taxation Legislation – Tax Clearance Certificates**

Control processes should be implemented by the Garda College to identify all student accommodation contracts of a value of €10,000 (inclusive of VAT) or more within any twelve month period and to ensure that such contractors hold a valid TCC or C2 certificate (Relevant Contracts Tax).

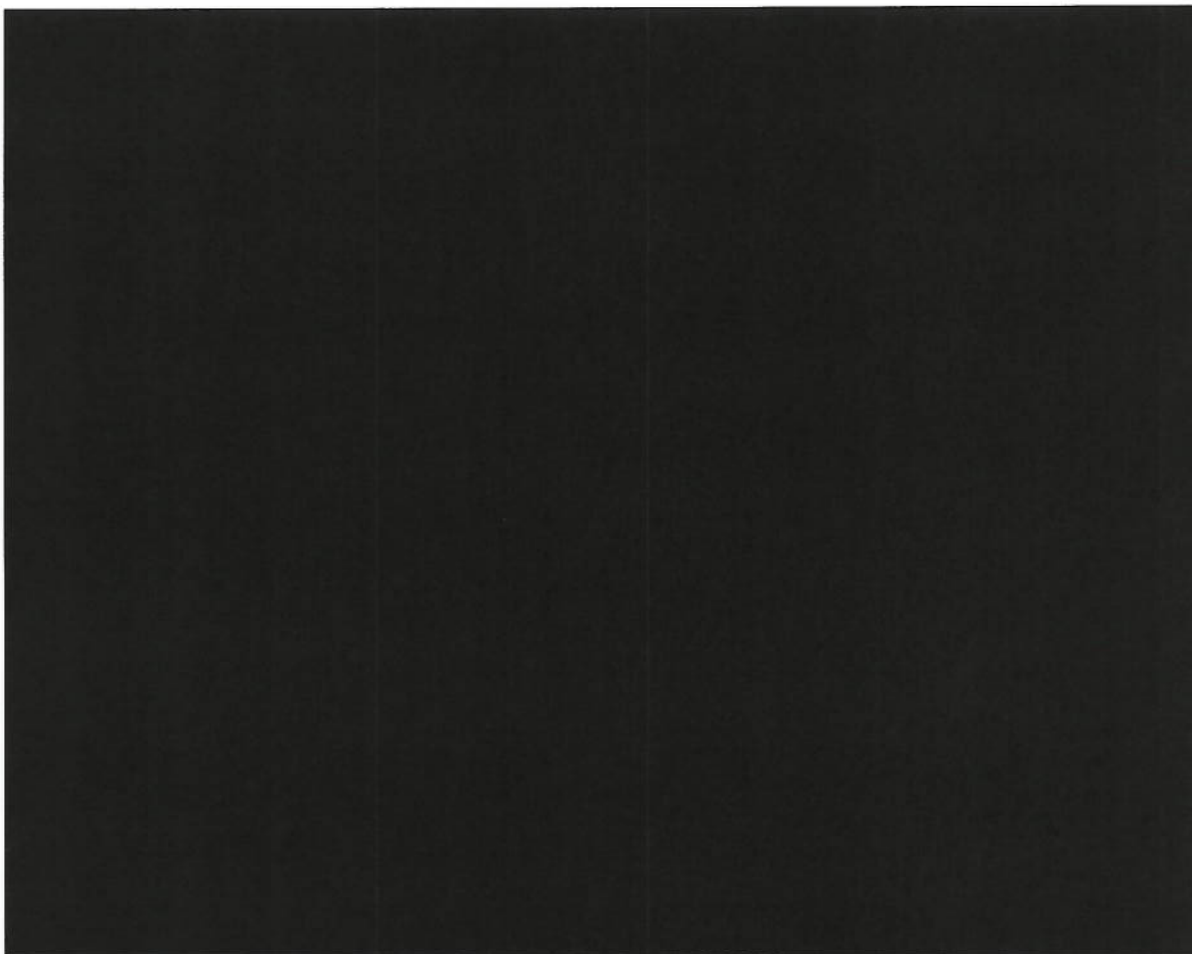


**MANAGEMENT RESPONSE**

The recommendations are agreed. All controls for the above recommendations are already in place in the Garda College.

In relation to the third recommendation regarding TCC certs, the maximum that any one householder could possibly receive in a 12 month period for provision of student accommodation is less than €10,000 so this does not apply.

**5.3 Sportsfield Company**



**5.4 Templemore Golf Club**

[REDACTED] An annual rent is payable from Templemore Golf Club to the Garda College. [REDACTED]  
[REDACTED]

**Expected Control**



**Finding**

[REDACTED]

[REDACTED] Payments have not been made by Templemore Golf Club to Sportsfield Co. for many years. The amount due is in excess of €100,000. [REDACTED]

[REDACTED]

**Recommendation**

**Priority 2**

[REDACTED]

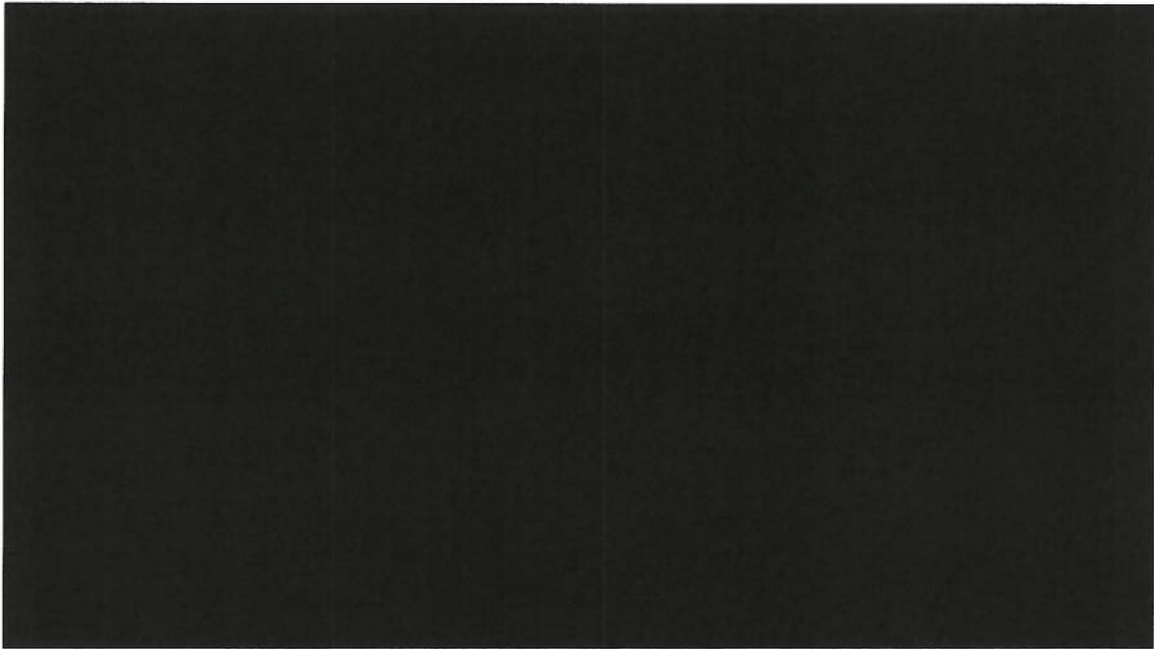
**6 - CONCLUSION**

GIAS are satisfied that all priority one recommendations from previous audits of the Garda College have now been substantially implemented.

This review has identified the following issues for continuing attention:

- **Shop and Restaurant VAT Status**  
The Senior College Management should put in place the procedures to comply with the recently received VAT determination from the Revenue Commissioners.

[REDACTED]



## 7 - Acknowledgements

We would like to thank the staff in the Garda College Finance, Procurement and Facilities Office and the staff in the Finance Directorate as well as OPW staff, for their assistance during the course of this review audit.

*Niall Kelly*

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Head of Internal Audit  
Date: 02/03/2020