

# 12 Management of Ancillary Services at the Garda College

- 12.1** The Garda College is An Garda Síochána's national centre for police training, development and learning. The functional structure of the college covers foundation training for new recruits, as well as crime and specialist training and leadership, management and professional development for serving members. The college is located on a campus within the town of Templemore, County Tipperary.
- 12.2** In 2016, the Internal Audit of An Garda Síochána commenced an examination of the financial structures and procedures at the Garda College, to assess the corporate governance and financial controls, including the controls in relation to the operation of the restaurant and other ancillary services at the college.
- 12.3** A draft interim report in September 2016 highlighted significant governance, accounting and control shortcomings.<sup>1</sup> The interim report was completed in February 2017.
- 12.4** As a result of the findings contained in the draft report, the Accounting Officer amended her statement on internal financial control (SIFC) which was published along with the 2015 appropriation account. The amended SIFC stated that "A number of issues associated with the provision of ancillary services in the Garda College, Templemore, have been identified which are not in compliance with current public standard corporate governance procedures. A draft internal audit report has made a number of recommendations to ensure compliance with the *Public Financial Procedures* which will be incorporated into any action plan to address these issues."<sup>2</sup>
- 12.5** In mid-2017, the matters outlined in the internal audit report were the subject of hearings and a report by the Committee of Public Accounts of Dáil Éireann.<sup>3</sup> The hearings and report focused mainly on concerns around internal audit, oversight and governance, internal structures and organisational culture within An Garda Síochána.
- 12.6** This report examines the implications for the 2016 appropriation account of An Garda Síochána Vote of
- the funding and accounting for ancillary services at the Garda College, and
  - the management of college land.

<sup>1</sup> The report is described as interim because Internal Audit expect it to be the first in a series on issues related to the College.

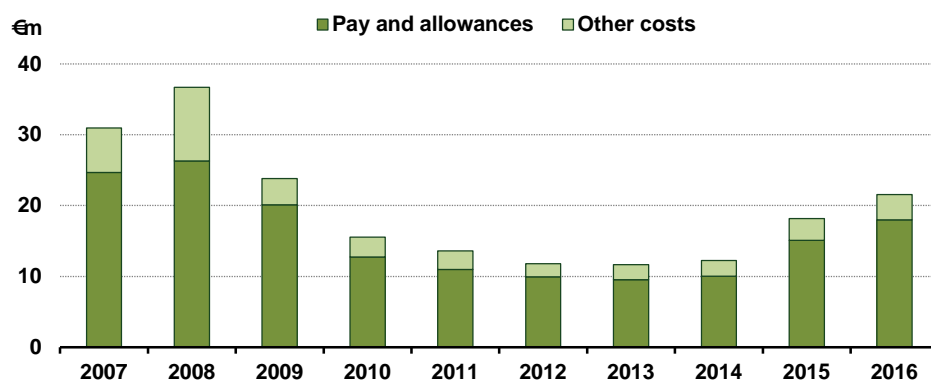
<sup>2</sup> *Public Financial Procedures* are issued by the Minister for Public Expenditure and Reform. The document sets out the principles of Government accounting and financial management and how they are to be applied in the day-to-day operations of central government departments and offices.

<sup>3</sup> *Committee of Public Accounts report — examination of matters in relation to financial procedures at Garda College, Templemore, July 2017 (Module 1).*

## Operation of the Garda College

**12.7** The cost of running the Garda College is charged to Vote 20 Garda Síochána. Figure 12.1 sets out the cost of the college between 2007 and 2016. There was a significant fall from the €36.7 million spent in 2008 to around €12 million a year between 2012 and 2014, as a result of the moratorium on recruitment to the public service introduced in light of the economic crisis. Recruitment recommenced in 2014 with over 1,800 new trainees attending the college since then.

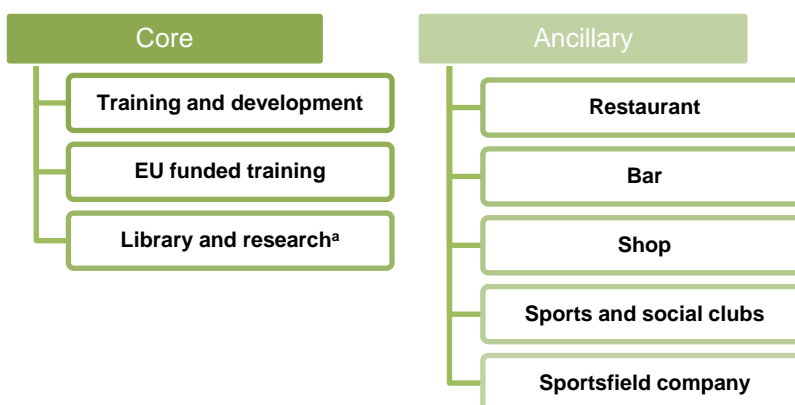
**Figure 12.1 Expenditure at the Garda College, 2007 to 2016**



Source: An Garda Síochána

**12.8** In addition to the core operations of the college funded by the Vote, a variety of ancillary services and social activities have operated within the college campus, mainly for the benefit of trainees. These include a restaurant, bar and shops, a number of college clubs and societies, and a company called Garda College Sportsfield Company Ltd, established to provide and manage sports facilities for the college community.

**Figure 12.2 Core functions and ancillary services at the college**



Source: An Garda Síochána

Note: a Library materials for the college were charged to the Vote. A separate library account was maintained where trainees paid for services such as photocopying.

### **College banking**

- 12.9** The Commissioner, as Accounting Officer, is personally responsible for safeguarding the public funds and property under her/his control, and for ensuring that appropriate systems are in place for the management of public funds. This includes the operation of public bank accounts.<sup>1</sup>
- 12.10** The operations and costs of the Garda College are administered in a similar manner to Garda districts. Most expenditure, including pay, equipment and capital costs, are managed centrally, while local management is responsible for expenditure incurred locally through the imprest accounting system.<sup>2</sup>
- 12.11** The Internal Auditor's interim report found that, in addition to the bank accounts required for the operation of the college's core activities (including the imprest account), over 40 accounts with financial institutions had been operated within the college to support ancillary services. Of those accounts identified, 18 had been closed in 2010, following a 2008 review by the Garda's Finance Directorate.
- 12.12** The college bank accounts which were operated since 2011 (a total of 30) are summarised in Figure 12.3 (overleaf). As at August 2017, nine accounts are operating — five controlled by An Garda Síochána, and four club/society accounts.
- 12.13** Since 2014, government departments have been obliged to ensure that the balance sheets attached to their appropriation account(s) include "all commercial bank account balances (payroll and other vote-related accounts) held at the year-end which are funded by the Exchequer through voted expenditure or contain receipts due to be deposited back to the Exchequer as appropriations-in-aid."<sup>3</sup> The accounts which were core to the college's activities, comprising the college imprest account and accounts relating to EU funded programmes, were recorded on the appropriation account bank balances from 2014, in accordance with those instructions.
- 12.14** A number of accounts were used for ancillary services. In some cases, these accounts were subject to the control of organising committees, while in others, these accounts were under the control of college management. None of the ancillary activity bank accounts under the control of management were recorded as part of the bank balances on the appropriation accounts for 2014 or 2015.
- 12.15** For 2016, the restaurant and shop bank accounts have been included in the balance sheet.

1 Section 29 of the Garda Síochána Act 2005 provides that the Garda Commissioner may, for the purposes of performing her/his functions under the Act in relation to the administration and business of An Garda Síochána, operate in the State or elsewhere bank accounts of any description, with the prior consent of the Ministers for Justice and Equality and Public Expenditure and Reform.

2 Imprest accounts are a feature of government accounting whereby funds are advanced from headquarters to local management to obviate the need for them to expend their own resources on public services. When expenditure is incurred, details are remitted to the central finance unit which in turn charges the expenditure to the appropriation account and replenishes the imprest account.

3 Department of Public Expenditure and Reform circular 17/2014 – *Requirements for Appropriation Accounts 2014*.

**Figure 12.3 Summary of bank accounts operating in college since 2010**

<b>Account</b>	<b>Balance Dec 2016</b>	<b>Balance Dec 2015</b>	<b>Funding source</b>	<b>Status of account (Aug 17)</b>
<b>Core activities</b>	<b>€</b>	<b>€</b>		
College imprest account	49,216	85,813	Public	Open
EU Central Fund <sup>a</sup>	242,094	154,157	Public	Open
Garda College International Training (CEPOL)	21,704	17,027	Public	Open
EU Central Fund (two deposit accounts)	–	–	Public	Closed (2015)
Garda College European Courses	–	–	Public	Closed (2013)
Library materials account <sup>b</sup>	–	–	Public	Closed (2012)
<b>Total</b>	<b>313,014</b>	<b>256,997</b>		
<b>Ancillary services (accounts controlled by management)</b>				
Restaurant current account <sup>c</sup>	210,415	456,443	Public and private	Open
Restaurant deposit accounts (ten) <sup>d</sup>	–	–	Restaurant surplus	Closed (2011 – 2015)
Shop	13,732	4,161	Sales	Open
Library – student purposes	–	–	Students	Closed (2012)
Student sports	670	5,950	Private and restaurant	Closed (2017)
Bar accounts (current and deposit)	8,099	16,133	Sales	Closed (2017)
<b>Total</b>	<b>232,916</b>	<b>482,687</b>		
<b>Ancillary services (accounts not controlled by management)</b>				
Coiste Roinne — sporting activities	N/A	N/A	Public and private <sup>e</sup>	Open
Student welfare	N/A	N/A	Public and private <sup>e</sup>	Open
Tours	N/A	N/A	Private	Open
Golf society	N/A	N/A	Private	Open
Golf club bar	N/A	N/A	Sales	Closed
Social events	N/A	N/A	Private	Closed
Water safety	N/A	N/A	Public and private	Closed

Source: An Garda Síochána. Balances for some private accounts were not supplied to the examination.

- Notes:
- a Managed by Finance Directorate from April 2016.
  - b Funded through the college imprest account from 2013.
  - c Funded from the Vote through the living allowance and direct charges, and from sales to paying customers.
  - d Ten accounts were used to manage surpluses from the restaurant.
  - e Includes apportionment from the living allowance.

### Operation of the college restaurant

- 12.16** The largest ancillary service related to the operation of the college restaurant which has functioned since the foundation of the college. While the restaurant was not formally established as a company, it had its own accounting records and a separate tax number. The internal audit report questioned whether it had a separate legal identity from An Garda Síochána. Its legal status is being examined by An Garda Síochána.
- 12.17** Arrangements were made by college management to have the accounts of the restaurant audited, but it appears they were not transmitted beyond college management. The audited accounts outline that up to 2008, the restaurant generated accumulated surpluses, with around €2 million in reserves at the end of that year.<sup>1</sup> Over the period 2009 to 2016, the restaurant accumulated trading losses of €1.95 million. An analysis of the financial information from the restaurant activities is shown in Figure 12.4. The main funding sources comprised
- a 'living allowance' for student meals, paid from the payroll subhead of the Vote
  - direct charges for events and training of other Garda personnel at the college which were paid from the Vote training subhead
  - direct charges at the till for paying customers of the restaurant, including staff and visitors.

**Figure 12.4 Garda restaurant — summary of financial outcome 2008 to 2016**

	2008	2009	2010	2011	2012	2013	2014	2015	2016
	€000	€000	€000	€000	€000	€000	€000	€000	€000
Sales <sup>a</sup>	2,590	1,477	533	430	354	330	427	755	1,105
Cost of sales	1,041	643	274	203	180	176	225	438	543
<i>Gross profit</i>	<i>1,549</i>	<i>834</i>	<i>259</i>	<i>227</i>	<i>174</i>	<i>154</i>	<i>202</i>	<i>317</i>	<i>562</i>
Expenses	1,449	1,232	576	478	439	366	411	556	621
<i>Net profit/(loss)</i>	<i>100</i>	<i>(398)</i>	<i>(317)</i>	<i>(251)</i>	<i>(265)</i>	<i>(212)</i>	<i>(209)</i>	<i>(239)</i>	<i>(59)</i>

Source: 2008 to 2014 audited accounts; 2015 and 2016 supplied by An Garda Síochána.

Note: a Garda management report that the restaurant generates annual cash sales currently of the order of €160,000.

- 12.18** Garda management stated that the losses incurred since 2009 were financed by the reduction of cash balances and the realisation of investments. They also stated that by the end of 2008, the model for funding the restaurant through the use of the living allowance had resulted in surpluses of income over expenditure during periods of accelerated trainee recruitment. They stated that the surpluses were retained and used to finance other ancillary student services in the college including purchases of land for the development of sporting facilities (playing fields), financing of sporting clubs and activities and other broader college expenditure.

<sup>1</sup> The reserves were held in bank accounts and a number of investments.

**12.19** In May 2017, An Garda Síochána commissioned external accountants to carry out a review of the tax affairs of the shop, restaurant, bar and Sportsfield Company Ltd. The review concluded that the tax affairs of the various activities were in order except for an underpayment of tax in relation to the bar. As a result, Garda management submitted an unprompted disclosure to the Revenue Commissioners in May 2017.<sup>1</sup> An amount of €32,800 was paid to the Revenue from the Vote in respect of

- incorrect accounting for VAT on bar sales since 2010, resulting in a liability of around €18,300, plus interest and penalties of €4,200
- incorrect treatment of payroll taxes on casual wages for the period 2014 to 2016 in the bar, resulting in a liability of around €8,800, plus interest and penalties of €1,500.

A determination on the matter by the Revenue is awaited by Garda management.

### ***Governance of ancillary services in other public bodies***

**12.20** A number of public bodies provide restaurant and canteen services on-site for staff and other users, generally where there is a sufficient number to avail of the services, or due to the nature or location of the work. Different approaches are adopted by public bodies, with some providing services directly and other providing services on an 'outsourced' or contracted basis, procured under a competitive process.

**12.21** An Garda Síochána has had no clear framework for the college restaurant which sets out its governance structure and accountability arrangements, and the use or application of any surpluses generated. A comparison of the arrangements for the college restaurant with the models in place for the provision of restaurant facilities in other public bodies is set out in Figure 12.5.

<sup>1</sup> In accordance with the *Code of Practice for Revenue Audit and Other Compliance Interventions*, an unprompted disclosure of a previously undeclared tax liability may qualify for reduced penalties, depending on the circumstances giving rise to the liability.

Figure 12.5 Comparison of models for the provision of restaurant services in public bodies

Key arrangements	Garda college restaurant	<u>Typical arrangements in other public bodies</u>	
		In-house provision (including army messes and campus companies) <sup>a</sup>	Contracted provision
<b>What is the operational model for the provision of services?</b>	The basis for the provision of services is unclear. No contract or service level agreement in place.	Services are part of the body's operations.	Publicly procured service with a contract in place.
<b>Who employs the staff?</b>	Status of staff is unclear.	Staff employed by body or subsidiary.	Contractor
<b>Who pays for supplies, utilities, premises and equipment, cleaning, etc?</b>	Costs such as premises, facilities and utilities are charged to the Vote. Payment for equipment varies. Supply costs are charged to the restaurant account.	All costs charged to body or subsidiary.	Contractor, but in most cases, public bodies fund some costs, such as the provision of premises and some facilities.
<b>How are sales prices set?</b>	College management set prices charged to paying customers. In the case of trainees, meals were paid for through the living allowance.	In general, sales prices are set by management (of body or subsidiary) with input from user forums.	Contractor sets sales prices.
<b>Who controls surplus funds generated from services?</b>	In practice, college management control surpluses.	Surplus funds are not usually generated (i.e. break even). <sup>b</sup>	Contractor
<b>Are the services provided within overall financial and governance control of the body?</b>	Not in the past but changes now being made.	Yes	No
<b>Are activities subject to internal audit and audit committee oversight?</b>	In practice, they were not.	Yes	No
<b>Does the body recognise the trading results of the operations in its financial statements?</b>	No Separate annual audited accounts for the restaurant .	Yes <sup>c</sup>	Not applicable
<b>Are operations compliant with public procurement rules?</b>	Not applied	Yes	Not applicable

Source: Analysis by the Office of the Comptroller and Auditor General of the arrangements for the provision of restaurant/canteen services in An Garda Síochána, Defence Forces, a number of government departments, the Houses of the Oireachtas Commission and a number of third level colleges.

- Notes:
- a The Defence Forces Canteen Board is established under military regulations and has its own governance structures. Many third level colleges operate campus companies that provide catering service on-campus.
  - b In the case of the Defence Force Canteen Board, the relevant mess committee has control of surpluses under the relevant regulations. The Houses of the Oireachtas Commission is paid an annual contribution from the Oireachtas catering service based on the trading surplus, with some funds retained for working capital.
  - c In most cases, restaurant activities are consolidated into annual financial statements. The Houses of the Oireachtas Commission 2016 accounts disclose summary trading results.

## Living Allowance for Garda Trainees

**12.22** An in-depth review of the training approach in An Garda Síochána was undertaken in 1985 under the chairmanship of Dr Thomas Walsh. The report included a number of recommendations to modernise the training and development for recruits.<sup>1</sup> On foot of the recommendations, the Government approved changes in January 1988 to the manner of the recruitment, training, conditions and accommodation of new members of An Garda Síochána.

**12.23** Up to 1988, training of new recruits was limited to a six-month programme in the Garda College, after which recruits were attested as Gardaí. As part of the reforms, an extended training period and system for new recruits was introduced in 1989. This had five phases

- Phase 1 — 22 weeks training in the college, plus 2 weeks annual leave
- Phase 2 — 24 weeks in a designated training Garda station, plus 2 weeks annual leave
- Phase 3 — 12 weeks in the college (followed by attestation as a Garda)
- Phase 4 — 32 weeks in a designated training Garda station, plus 4 weeks annual leave
- Phase 5 — 6 weeks at the college.

### *Allowance rates*

**12.24** Prior to the introduction of the phased training regime in 1988, new recruits commenced on the Garda incremental pay scale upon first appointment. A weekly deduction was made from their pay for food and accommodation while undergoing the six-month training programme at Templemore.

**12.25** Changes in remuneration of recruits were made in parallel with the introduction of the Walsh training regime. Under the phased regime, recruits received a weekly personal allowance (£58 in 1989) paid directly to them during the first three phases of training. In addition, a meal/lodging allowance referred to as the 'living allowance' was payable. Both elements of the training allowance ceased upon attestation, when members were placed on the normal Garda Síochána pay scale and received standard Garda allowances.

**12.26** While the personal allowance element was constant, the rate of payment of the living allowance varied over the different phases of training. When trainees were attending the college as students (i.e. the first and third phases), the allowance was paid directly to the college restaurant account, at a rate of £30 a week in 1989. When trainees were assigned to designated training stations during the second phase of training, the living allowance was paid directly to them through the relevant Garda district imprest account. In that case, the amount paid was the lesser of £50 a week (in 1989) or the actual cost of food and accommodation. The same living allowances were paid to trainees while on leave during the initial two phases of training.

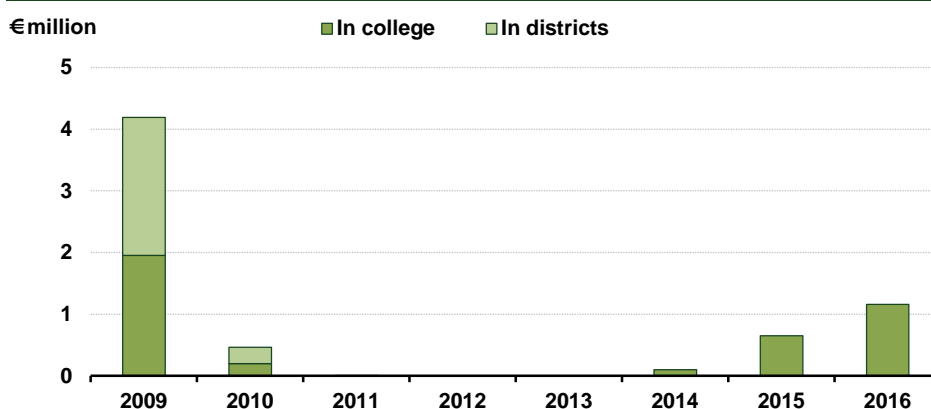
<sup>1</sup> *Report on Probationer Training by the Garda Training Committee, December 1985* (referred to as the Walsh Report).

- 12.27** A submission in 1989 from Garda management to the Department of Justice and Equality seeking an increase in the living allowance refers to the provision of college recreational facilities as one of the reasons for seeking the increase. Internal Garda college correspondence in January 1990 directed that an element of the living allowance be set aside for providing facilities for trainees, including sports and social clubs and student welfare. The Department has not identified any records which indicate that it specifically approved the use of part of the allowance in this way.
- 12.28** By 2009, when the last intake of trainees under the Walsh regime were finishing their training, the allowances payable up to attestation were
- personal allowance of €203.44 a week for phases 1, 2 and 3 (62 weeks in total)
  - living allowance of €71.42 a week while in college i.e. phase 1 (24 weeks in total) and phase 3 (12 weeks in total), and
  - living allowance of €120.47 a week during the phase 2 station assignment (26 weeks in total).
- 12.29** In 2014, a change was made to the time a recruit was on a training contract prior to attestation — this was reduced from 62 weeks to 32 weeks. Trainees now commence on the first point of the Garda incremental pay scale after that period. As a result, since 2014, the living allowance is payable only when the recruit is attending the college as a student.

### *Allowance expenditure*

- 12.30** Figure 12.6 shows the charge to the Vote for the living allowance over the period 2009 to 2016. Living allowances totalling €1.157 million were paid in 2016 in respect of recruits, representing 0.12% of total pay and allowances charged to the Garda Vote.

**Figure 12.6 Living allowance expenditure, 2009 to 2016**



Source: Analysis by the Office of the Comptroller and Auditor General

### ***Tax treatment of the trainee allowance***

- 12.31** The terms and conditions notified to recruits to An Garda Síochána under the revised training regime specified that the living allowance was payable ‘towards food and accommodation’ at the specified rates during the first three training phases. A key issue in determining the tax treatment of the living allowance is whether it is regarded as income of the trainees or simply an internal transfer within the Garda Vote. If it is income of trainees, then the only basis for not taxing it is that it represents reimbursement of expenses that would be deductible under tax rules.
- 12.32** There is evidence on the Department’s files of some initial consultations with the Revenue in 1988 regarding the tax treatment of the allowances. The Department concluded that if the allowance was paid directly to recruits, it would most likely be taxable whereas, if food and accommodation were provided to recruits and the college ‘mess committee’ was paid directly, then tax probably would not be payable.<sup>1</sup> It also noted that payment of the living allowance would be taxable during phase 2 training, while recruits were attached to designated training Garda stations.
- 12.33** In 1989, the Department directed that the living allowance should be paid
- direct to the Garda College ‘mess committee’ while recruits were at the college, and
  - in the form of a subsistence allowance during phase 2 of training.<sup>2</sup>
- Subsistence payments are generally paid by public bodies in respect of expenses incurred when staff are required by their employers to carry out duties away from their permanent base. Subsistence payments within standard civil service rates are generally not subject to taxation.
- 12.34** There is no evidence on file of Revenue having been formally consulted, or having agreed to this treatment.
- 12.35** Following a review of the tax treatment of a range of Garda allowances in November 2011, Revenue wrote to An Garda Síochána and directed that the practice of the payment of the living allowance during phase 2 as a subsistence allowance (i.e. without deduction of payroll taxes) was to be discontinued, and that amended procedures should be introduced to comply with rules on the tax treatment of employee expenses. No arrears of tax were levied in that regard. No reference was made by Revenue to the tax treatment of the living allowances paid during the period students were attending the college.

### ***Current position***

- 12.36** The Department has sought the views of the Attorney General in relation to the legal status of the living allowance.
- 12.37** An Garda Síochána have stated that the funding model for the college restaurant was changed in May 2017 when responsibility for the restaurant was handed over to the newly appointed (interim) Principal Administrator. The restaurant is now being run on a ‘net cost’ basis. Monthly funding from the Vote for the restaurant is now calculated from the cost of staff wages and restaurant supplies, and takes account of the till receipts. A record of the number of students in attendance in the college during that period is also provided to the Finance Directorate for information and correlation purposes. This should avoid any surplus occurring in the account.

1. Mess committees are provided for in Garda regulations which permit committees to be established to arrange the provision of meals to members.

2. The Department also directed that the payments should be charged to subhead A Salaries, wages and allowances of the Garda Vote and a separate payroll code should be established to facilitate tracking of expenditure on the living allowance.

- 12.38** The Secretary General has stated that his Department is in discussion with Garda management in relation to changing the existing structure for financing the college in order to give a transparent picture of the total costs and income. It is envisaged that changes to the existing structure will be reflected in the estimates provision for 2018 and subsequent years.

### Management of land at the Garda College

- 12.39** The land and buildings used to operate the Garda College belong to the Office of Public Works (OPW).

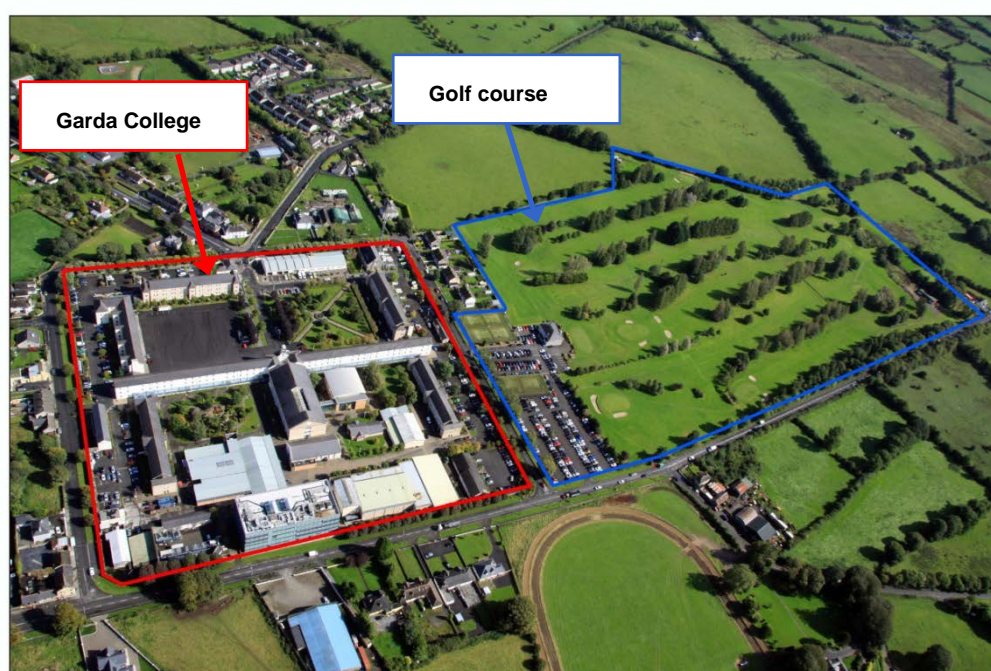
#### *Garda College Sportsfield Company Ltd*

- 12.40** Garda College Sportsfield Company Limited was established in 1993 by management in the college to provide sporting facilities for students.
- 12.41** In the past, the Director of Training and other senior managers at the college acted as directors of the company. There was no overall written framework setting out how acting as directors of the company interacted with management's responsibilities in relation to the running of the college. An Garda Síochána have stated that none of the current managers in the college are directors of the company and that it is intended to wind up the company once all land assets have been transferred to State ownership.

#### *Golf course land*

- 12.42** 37 acres of land adjacent to the college were acquired by OPW in 1964 and had been developed as a nine-hole golf course over the following years (see Figure 12.7). In 1998, Sportsfield Company Ltd purchased an interest in the golf course land under a 99 year lease for £85,000 and the payment of annual peppercorn rent of £1.

**Figure 12.7** Garda College and golf course land



Source: An Garda Síochána

- 12.43** In 2000, Sportsfield Ltd agreed to allow the use of the land by a local golf club for an annual fee of €12,600. An Garda Síochána have stated that the payment of the fee subsequently fell into arrears and an amount of approximately €88,000 is currently outstanding.

### *Dromard farm*

- 12.44** A Government decision was taken in 2004 to increase Garda numbers to 14,000. To cater for the consequential increase in the number of students attending the college, existing tactical training facilities at the college were demolished to make way for upgraded and extended accommodation on the campus.
- 12.45** In planning to replace and extend the tactical training facilities for the college, Garda management proposed development of a 'centre of excellence' to be provided on additional land procured in the Templemore area. The objective of the new centre was to deliver strategic, tactical and operational training and development of gardaí. The arguments cited in favour of the proposal to develop a centre of excellence included
- facilities at the college campus had been limited and supplementary facilities had to be occasionally sourced, risk assessed and indemnified
  - available supplementary facilities had limitations including a lack of training rooms, telecommunications and technology, difficulties with access, health and safety concerns, security risks and increased travel costs due to the distance from the college
  - the new centre could provide a variety of training areas for public order, method of entry, tactical, search, firearms, driving school and other practical training facilities.
- 12.46** Acting on behalf of An Garda Síochána, the OPW set about procuring a site for the new training centre in late 2004. In March 2005, advertisements were placed in national and local media seeking 'expressions of interest' to sell a site of 15 to 25 acres in the vicinity of the college.
- 12.47** A number of responses were received to the initial advertisement and each proposed site was visited by college management and an OPW official. In early May 2005, Garda management expressed concerns about the sites offered due to the proximity to local housing, the quality of some of the sites or the proposed purchase prices.

### *Procurement of Dromard farm*

- 12.48** At about the same time, a farm at Dromard — 6 km from the college — was advertised for public auction on 10 May 2005, at a guide price of €2.5 million. The farm included a Georgian period house, out-houses and 252 acres, including 92 acres of woodland. Garda management expressed an interest in this property, citing the benefits of the additional space for an outdoor firing range, a driver training course, and rural surveillance techniques training for specialised units.
- 12.49** The OPW estimated the open market value of the Dromard farm at €3 million and advised that, given the special value of the site to the Gardaí, a bid of up to €3.5 million would be justified. The Department of Public Expenditure and Reform gave sanction to purchase the site on the basis of the potential to provide a broader range of activities and the cost being significantly less than some of the sites submitted in response to the Garda request for expressions of interest. The sanction also directed that the site should be shared with other State agencies if required, and that the potential for disposing of any surplus part of the site was to be given due consideration.

- 12.50** The Dromard farm was withdrawn on the day of the auction for a private sale. An OPW staff member recorded at the time his understanding that the sale price was €3.5 million.
- 12.51** In June 2005, the Department informed OPW that the Garda requirements could be met more effectively than through the purchase of the Dromard farm. It pointed out that a 25 acre site was available in the same general area as the Dromard farm with an asking price of €500,000. Another site of around 29 acres with a price of €3.5 million close to the college was assessed in December 2005 as meeting training needs into the future. The latter was stated to be the preferred option of Garda management, even though the site had been assessed in May 2005 and rejected as being marshy land.
- 12.52** In March 2006, following a request from Garda management, the Department asked OPW to acquire the 29 acre site in Templemore. Given that problems arising from proximity to the town had been given in May 2005 as one of the reasons for seeking an out of town property, the Department asked Garda management to explain their latest proposal. They responded that the site had capacity for incremental development and for a complete 'centre of excellence'. Acquisition of the 29 acre site was pursued in the following months but was not completed.
- 12.53** In September 2006, the Dromard farm was again put up for auction at a guide price of €4.5 million. The Chief State Solicitor's Office advised OPW that the previous sale had not been completed and that the property was to be auctioned as a sub-sale of the previous transaction. The Department pointed out in a letter to OPW that the Dromard farm could be purchased for a price similar to the 29 acre site then being pursued within the town environs, and that every effort be made to acquire the farm.
- 12.54** OPW inspected the Dromard farm and noted that the land would not rank as best quality farmland. Property consultants engaged by OPW valued the site at €5.45 million, and OPW noted that it agreed with this valuation.
- 12.55** On 11 October 2006, OPW acquired the Dromard farm at auction for €4.3 million.

#### *Letting of land at Dromard farm*

- 12.56** Since the enactment of the Garda Síochána Act 2005, the Garda Commissioner does not have the power to enter into a contract in relation to land.
- 12.57** In March 2007, OPW arranged a short-term letting of the land at Dromard for grazing through a local auctioneer. The amount of land let was around 162 acres, yielding rental income of €38,000 (less fees and costs of €2,838) which was paid to OPW. In 2008, the lands were again let for two autumn months, and rent of €5,100 (less fees of €242) was paid over to OPW. Records on file indicate that college management sought advice from OPW in November 2008 for the continued letting of the land. No reply is on record.
- 12.58** Over the period 2009 to 2013, the local auctioneer continued to advertise short-term lettings on instruction from Garda management at the college. An Garda Síochána have estimated that rental income of around €131,000 (net of fees and expenses) was received.<sup>1</sup>

1. This amount was paid over to OPW in July 2017 by An Garda Síochána.

- 12.59** In May 2013, OPW asked An Garda Síochána about the Dromard farm in the context of a search to identify public land for use in helping to alleviate a national fodder crisis. On being informed of the local letting arrangement for the farm, the Garda Finance Directorate queried college management about the authorisation for the letting of the lands, the legal safeguards in place including the insurance arrangements, the appropriate accounting for the receipts and any possible tax implications.
- 12.60** In January 2014, the Garda Finance Directorate wrote to OPW outlining the events leading to the letting of the land between 2009 and 2013 and asked OPW to take steps to arrange for future lettings. In April 2014, OPW arranged a letting through the local auctioneer until November. OPW received rent of €27,000 in 2014 which it recognised as appropriations-in-aid of its Vote. Following a number of development and restoration works on the land, OPW arranged further lettings until 2020 which are yielding income of €30,000 per annum.

***Development of training facilities at the ‘centre of excellence’***

- 12.61** A master plan for the development of the proposed centre of excellence at Dromard farm was developed in May 2007. This envisaged that the centre would be used by around one-tenth of the Garda organisation at any one time. The plan included elements for firearms training, a tactical and public order training school, a driving training school, detective and command training, operation support units, communal and residential facilities and sporting and recreational facilities.
- 12.62** Actual development on the farm was limited to construction of a building for tactical training. Garda management at the college have stated that the tactical facility is used periodically, for search, public order, and armed support and commend training. The site is used for off-road training and has also been used by the Civil Defence for training from time to time.
- 12.63** An Garda Síochána explained that given the budgetary constraints following the economic crisis, the development of all of the planned training facilities had not been possible.
- 12.64** In February 2016, Garda management reviewed facilities at the college and training demands within the force. It outlined the urgent need for additional accommodation and training facilities to cater for training for the following 10 to 15 years. It noted that the facilities should be located as close as possible to the town in order to use the existing services which are available at the college.
- 12.65** In addition to the requirements which it had previously set out in 2007, the review also outlined the need for 500 additional bedrooms to offset the need to seek accommodation outside the college, and additional car parking spaces. Car parking spaces available at the golf course next to the college are currently used for college parking.

## Conclusions and recommendations

### *Ancillary services bank accounts*

- 12.66** The total number of bank accounts operating at the Garda College has been reduced since the 2008 review by the Garda's Finance Directorate, with five accounts controlled by Garda management operating at August 2017. Two accounts relate to ancillary services — the college restaurant and the campus shop. Most of the balances in the restaurant account arose from the living allowance payments in the past, and from trading.
- 12.67** At the end of 2016, €224,000 held in bank accounts of ancillary services at the Garda College were included on the balance sheet. Minor balances in two accounts which have since closed were not included in the balance sheet.
- 12.68** An Garda Síochána has stated that a revised funding model for the operation of the college restaurant has been put in place in 2017 which is expected to eliminate the accumulation of a surplus in the restaurant bank account.

### *Framework for management of services*

- 12.69** Measures have also been implemented by An Garda Síochána to regularise controls over ancillary services, and to bring them formally within An Garda Síochána's financial control system. However, no clear framework is yet in place to govern the relationship between the college (and An Garda Síochána more generally) and those activities.

### **Recommendation 12.1**

An Garda Síochána should set out in a document the governance arrangements in relation to ancillary services operating within the organisation.

#### **Accounting Officer's response**

Agreed. The Accounting Officer of An Garda Síochána stated that the events that unfolded in the college were due to structures that were established in the 1980s. Following the publication of the interim internal audit report in February 2017, An Garda Síochána appointed a new interim Principal Administrator at the grade of Principal Officer to manage all administrative functions in the college. New structures are being established in line with the recommendations of the report.

### *Management of State land*

- 12.70** OPW provides specialised support and assistance to central government departments and agencies, including An Garda Síochána, in relation to the acquisition, development, management and disposal of land and buildings. In general, OPW retains ownership of property acquired for use by public bodies which manage the property on a day-to-day basis. OPW also has a role in ensuring there is an overall strategy in place in relation to the portfolio, and that good value is obtained in relation to the State's investment.
- 12.71** In relation to the management and control of State owned property at the Garda College, there are concerns that the approach did not achieve good value.
- There is no evidence An Garda Síochána involved OPW in advising on the granting in 2000 of a licence for access to the golf course lands to a local club.

- There is no evidence that the buy-out of the lease of the golf course land was considered for college development purposes when An Garda Síochána and the Department sought to procure additional land to increase capacity of the college on foot of a Government decision on Garda numbers in 2004.
- There is no evidence that the purchase of the Dromard farm and transfer of control over it to An Garda Síochána has been underpinned by any formal agreement or clarification of responsibilities.
- There is no evidence that OPW followed up or monitored the extent to which the Dromard farm was used for the purposes for which it was acquired, or that its value was otherwise protected or optimised.

### **Recommendation 12.2**

An Garda Síochána and OPW, in conjunction with the Department, should develop a long term plan for the development of land and buildings in relation to the Garda College.

#### **Accounting Officer's response**

Agreed. The Accounting Officer of An Garda Síochána has stated he recognises that the Garda College is key to the future development and achievement of the organisations objective to grow An Garda Síochána to 21,000 Garda, civilian and reserve members by 2021. In 2007, the Director of Training developed a plan for the establishment of a centre of excellence to expand the training facilities of the college. In 2016, An Garda Síochána set out the requirements and investment required to modernise the college. The option to use the golf course lands adjacent to the Garda College provides an ideal opportunity to expand the existing campus in Templemore with obvious benefits for the Garda organisation and the town of Templemore.

He stated that An Garda Síochána has already discussed this option with the OPW as part of the on-going work to transfer lands from the Garda College Sportsfield Company Ltd to the OPW. Both organisations recognise the complexities associated with the golf course lands and the significant investment required to develop the facilities at the college. An Garda Síochána will continue to work with all of the relevant parties to ensure that all lands are transferred to the OPW in line with the interim internal audit report recommendation, and that the college is developed in the most appropriate way to meet future organisational requirements.

#### **Secretary General's response**

The Secretary General of the Department of Justice and Equality stated that his Department's submission for the mid-term review of the capital plan included details of a longer-term master-planning programme at the college, under which it is also proposed to progress two projects that comprise: a new purpose-built education and training facility, including classrooms, break out room, and ancillary teaching and administration functions; and new or expanded residential accommodation predominantly for use by trainee Gardaí undergoing foundation training.

**OPW Chairman's response**

The Chairman of OPW has stated that, as the golf course lands are in the town, and adjoin local housing, proximity to housing and the town was deemed problematic for An Garda Síochána, this site, at that time, would not have been deemed suitable. Therefore, no further consideration was given by OPW to locating the new training centre on the adjacent golf course lands. He also stated that the purpose for which the Dromard farm was acquired dissipated with the onset of the financial crisis and the consequential termination of the development project.

**Recommendation 12.3**

OPW should put formal agreements of responsibility arrangements in place with public bodies to which State property has been assigned.

**OPW Chairman's response**

Agreed. The Chairman of OPW stated that he accepts the general intent of the recommendation to ensure that there is clarity between OPW as a property holder, and its occupants as to respective responsibilities relating to property. He stated that, traditionally, in the case of central government departments, there is no lease or license arrangement put in place, as many departments are not allowed hold leases in their own name. While OPW is currently examining the advisability of putting in place letters of agreement/understanding relating to such occupancy, it has been our experience that such arrangements have never been seen as necessary as occupants traditionally care for, and utilise the property for its intended purpose. The use of any such agreements could only be completed following the receipt of legal advice as consideration would need to be given to any unintended consequences relating to existing legislation on health and safety, etc.

**Recommendation 12.4**

Cyclical inspection should be undertaken by (or on behalf of) OPW of all property it owns to ensure the property continues to be used for authorised purposes, that the State's interest in the property is protected and there is optimum return from property no longer (or not yet) required for strategic purposes.

**OPW Chairman's response**

Agreed. The Chairman of the OPW stated that the OPW, through its regional network of offices throughout the country, routinely inspects properties and lands to ensure they are protected and free of encroachments. As set out above, the OPW is currently examining ways of ensuring heightened clarity between the roles and responsibilities of both the OPW in its role as property owner, and its various tenants. Given the scale and dispersed nature of the OPW portfolio, the existing resource allocations do not allow for constant oversight of all property managed by the OPW. The OPW believes there needs to be a shared responsibility acknowledged and defined for both parties in terms of property management.

