

AAR

ANNUAL REPORT 2013 / 2014

NCAD DUBLIN

National College of Art and Design
A Recognised College of University College Dublin

ANNUAL REPORT 2013/2014

National College of Art and Design Act, 1971 Section 16(1):

"An Bord shall make a report to the Minister annually of the proceedings under this Act during the previous academic year of the College and the Minister shall cause a copy of the report to be laid before each house of the Oireachtas."

An Bord – 2013-2014

Chairman of An Bord	Seán O Laoire
Members of An Bord	Adrienne Eacrett Octavian Fitzherbert (from March, 2014) Orla Flynn Peter Johnson Suzanne Macdougald Lucy McCaffrey Paul O'Brien Helen Steele Oliver Whelan (from September 2013)
Officer of An Bord	Professor Declan McGonagle Director and Ex officio Member of An Bord Damian Downes Registrar/Secretary

An Bord – Current (at June 2017, appointed on or after June 2015)

Chairman of An Bord	Niamh Brennan
Members of An Bord	Karen Furlong Ian Power Blaise Smith Mary Dorgan Oliver Whelan Rachel Tuffy Gráinne Murphy Ross Golden-Bannon
Officer of An Bord	Bernard Hanratty Acting Director Damian Downes Registrar/Secretary

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Chairman's Report

This report covers the third year in which Sean O Laoire was Chairman of An Bord of the National College of Art and Design appointed by the Minister for Education and Skills for a three-year term to 1st March 2015.

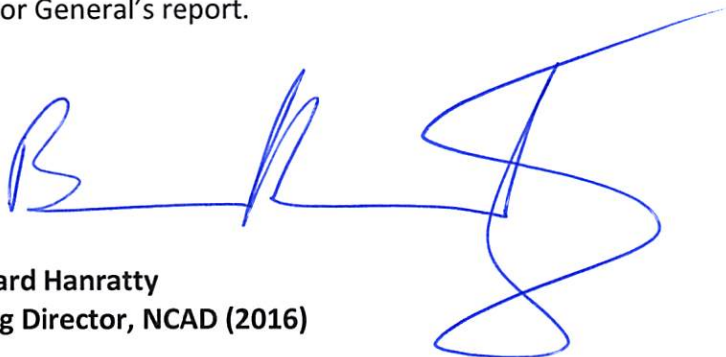
An Bord discussed and implemented a revision of some College structures in academic areas. It also undertook a Strategic Review Process taking into account strategy statements received from staff with a view to developing a new Strategic Plan when the final stages of various reviews of the Education Sector were completed in 2014.

A draft Mission-Based Performance Compact was submitted to the HEA in September 2013, which included a set of performance indicators for the period 2014-2016 which was discussed with the HEA, agreed and signed off in February, 2014.

The Cumulus Conference, the annual gathering of design professional and educators from across the world, was held in the College in November, 2013. This was a significant event undertaken by the College and featured over 70 papers, 10 workshops, 200 delegates of whom the majority were from overseas. Keynote speakers included NCAD Graduate, Paul Adams, former Head of Brand Design at Facebook and now with customer outreach start-up, Intercom, based in Dublin.

An Bord gratefully acknowledged the significant bequest from the late Edward Murphy, former Librarian at NCAD. Edward was Librarian at NCAD for 36 years and was responsible for the setting up of the College's Library, which is now named in his honour. Having retired in 2013, Edward Murphy passed away in 2014, and made a substantial bequest to the College's National Irish Visual Arts Library. Through his bequest he has ensured that the National Irish Visual Arts Library will continue to serve the research needs of students, living artists and the greater art and design community in Ireland for many years to come.

The Audit Committee and An Bord met and discussed the draft report from the Comptroller and Auditor General 'Accountability and Governance at the National College of Art and Design'. An Bord acknowledged that there had been delays in the College producing accounts for audit. Both the Minister and the Department of Education and Skills and the Higher Education Authority were kept fully informed of all issues raised about the College's accounting, governance, and compliance processes and actions were initiated to implement the recommendations of the Comptroller and Auditor General's report.



Bernard Hanratty
Acting Director, NCAD (2016)

On behalf of
Sean O Laoire
Chairman of An Bord NCAD

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Academic Report

UCD Alliance

Funding under the Strategic Innovation Development Fund was provided by the HEA for a due diligence exercise in developing the Alliance with UCD up to and including merger. Two seconded appointees from UCD: Professor Hugh Campbell and Michael Sinnott were tasked with the compilation of a strategy and a report due to be submitted to NCAD's Board and UCD's Governing Authority in September, 2015, to indicate what an Alliance, up to and including merger, would involve, in detail, for both institutions.

Revision of some College Structures

An Bord initiated a series of strategic processes over the past few years, including the shift to a 3+2(+3) degree structure, a strategic approach to research and development, an enhanced relationship with UCD, commitments to the development of clusters with peer institutions and the proposed use of external spaces adjacent to the College for teaching and learning, research and postgraduate development.

Revised management structures were discussed by An Bord which included the renaming of Faculties to Schools, conforming to current academic provision in the University sector. The Department of Textiles (Art and Artefact) and Ceramics and Glass were combined and managed within the School of Fine Art. Also the Department of Fashion/Textiles (Surface Design) and Jewellery and Metals (Department of Design for Body and Environment) was formed within the School of Design. The Department of Sculpture was renamed Sculpture and Expanded Practice and a proposal was also made to consider combining the Departments of Fine Print and Media. All staff were asked to respond in a considered way to the proposals taking account of discipline/pedagogic issues/looking forward; current resources – finance, space, time and staffing, and the external factors/requirements to which the College has to respond in light of the National Plan for Education.

HEA

2013 Strategic Dialogue and Performance Funding: Invitation to submit Draft Mission-Based Performance Compact and Proposed Indicators of Success for the period 2014-2016:

The College submitted a draft Mission-Based Performance Compact in September, 2013, setting out the College's strategy. This will form the basis of a compact between the College and the HEA for the next three years.

Work Allocation Model Review:

The HEA initiated a review of Academic Workload Allocation across the whole education sector. The Director met with all staff, individually, to determine how workloads are carried out in the College and reported back to the HEA in December, 2013.

HEA/Strategic Development Fund:

The College submitted a substantial application for funding under Strand 1 of the Strategic Innovation and Development Fund which involved a core partnership with UCD School of Architecture and Ballyfermot College of Further Education and a range of statutory and non-statutory bodies with which the College was already engaged to advance 'in situ' learning and research, focused on the College's context in Dublin 8.

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Liberties Business Forum and Regeneration

NCAD is an active member of the new Liberties Business Forum, which is a means of advancing the development of Dublin 8 and the Thomas Street area in particular.

3+2(+3) Implementation

Implementation of the new 3+2(+3) programmes commenced on 23rd September, 2013 with the intake of the first cohort of students on to the new 3-Year Degree.

Teaching Council Validation

The College received a positive response from the Teaching Council in validating the BA (Joint Honours) in Fine Art and Education and BA (Joint Honours) Design and Education as well as the new Professional Master of Art and Education two-year course, established in the context of the Institute of Education initiative.

Origin8

Minister for State for Small Business, Mr John Perry T.D., visited Origin8 on 22nd January, 2014. Minister Perry was both impressed by and interested in the College's engagement with business and innovation, and at his suggestion, the College invited An Taoiseach, Enda Kenny T.D. to officially launch the new Origin8 innovation centre at NCAD to create greater links between projects and industry.

Origin8 houses a number of embryonic campus spin-out companies that are working to establish their businesses. 50 collaborations with industry partners are also already under way at the Origin8 centre, including projects with the healthcare production company Hollister and PwC.

Internationalisation

The HEA has cited Internationalisation as an important strategic area for higher education institutions. NCAD is now listed in Education Ireland and has had a number of queries from students in Brazil interested in studying at NCAD under the HEA: Science without Borders/Brazil scheme. The first intake of students under this scheme is expected in September 2014.

Edward Murphy Bequests

An Bord at its meeting on 20th June, 2014, noted with gratitude, the remarkably generous bequests by Edward Murphy and his wife Patricia Casey, to the Edward Murphy Library and NIVAL. This was a substantial gift of resources to the College for which the College, staff and students are extremely grateful.

Cumulus Conference 2013

The Cumulus Conference 2013 – 'More for Less – Design in an Age of Austerity' – was held in Dublin from 7th to 9th November, 2013. The conference featured over 70 papers and 10 workshops and hosted over 200 delegates with over 175 travelling from overseas. Keynote speakers were Paul Adams (NCAD Graduate) and Werner Aisslinger. The Cumulus Conference coincided with DESIGNweek.ie from 5th-11th November which explained, demonstrated and celebrated Dublin's design impact.

Initial Teacher Education

Detailed discussions continued on the development of a model for a 'dispersed' Institute of Education for the joint development and provision of a Professional Masters in Education (over two years) by NCAD, TCD, UCD and MIE, in response to the HEA's Review of Teacher Education in 2012.

Access

Access Day:

Access Day took place on 27th February, 2014. Over 160 secondary school pupils participated, representing 16 DEIS band schools. NCAD students were responsible for the design and delivery of studio-based workshops gaining valuable experience in workshop facilitation.

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Academic Report

Quality Assurance

QA Reviews:

2013-14 concentrated on internal reviews of postgraduate provision through a Masters Forum and a PhD Forum.

The MA Forum was set up to review existing master provision in NCAD and in the light of the introduction of the 3+2 degree structures to bring forward proposals for the rationalisation of Masters provision. The resulting report establishing an integrated Masters Platform was adopted by Academic Council, and published on the NCAD website at: <http://www.ncad.ie/about/head-of-academic-affairs/quality/cycle-1-reports/>.

The PhD Forum was tasked with reviewing the delivery of the current PhD programme and with recommending how doctoral study at NCAD might be strengthened within current contexts and the commitment to develop the postgraduate nature of the College. The outcomes and recommendations of the Forum were adopted by Academic Council, and published on the NCAD website at: <http://www.ncad.ie/about/head-of-academic-affairs/quality/cycle-1-reports/>.

The MSc in Medical Device Design commenced review in October 2014.

CEAD credit programmes, due to commence review in October 2014 were deferred for a year.

Student Feedback Surveys:

The National Strategy for higher Education to 2030 recommended that, as well as local feedback systems for students, a national student survey system should be put in place and the results published coupled with structures to ensure that actions are promptly taken in response to student concerns.

The Irish Survey of Student Engagement (ISSE) was established to develop a valuable information source on students' experiences of higher education through sector-wide study. It is intended:

- To add value for institutions
- To inform national dialogue and policy

In 2014 the first "full" national survey with 30 higher education institutions (including NCAD) was issued with a national report published in Autumn 2014.

NCAD had a strong response rate of 32% compared to the overall national average response rate of 15.6%.

The ISSE student feedback information was augmented by the now well-established internal annual surveys:

- The Student Exit Survey
- The End-of-year Student Survey
- The Research Student Survey

NCAD Gallery Activity

The NIVAL exhibition of material from the Dorothy Walker Archive ended on 7th October with a Panel Discussion: *Dorothy Walker: evaluating the legacy*.

Ahead of the opening of Turner Prize 2013, Derry, UK City of Culture 2013, Tate brought a special road *REACT* show to Dublin to introduce Turner Prize 2013 to a new audience and stimulate debate and interest in contemporary art. On 7th October, 2013 the REACT mobile studio visited the College with a specialist REACT team. The College was delighted to host this event especially having connections to the Turner Prize.

Academic Report

In 1987, the NCAD Director, Prof. Declan McGonagle was shortlisted for the Prize and was also a panel Juror in 1993. The current judging panel members for the Turner Prize include Dr. Declan Long, NCAD lecturer and Co-Director of the MA Art in the Contemporary World.

Contemporary Self-Portrait Project: CSP project focused on individuals, local communities and different European regions ways of expressing their personal, local and European identities and ran from 9th - 31st January 2014. The exhibition featured a combination of work by the F2 Art Group from Rialto and young people from the Rialto Youth Project, NCAD 3rd year Fine Art Media Students and two students from the MA in Socially Engaged Art programme.

1913 Tapestry: A Collaboration between NCAD and SIPTU was launched by Mr Ruairi Quinn, T.D. Minister for Education and Skills in February 2014 at NCAD Gallery. The 1913 Tapestry is the outcome of an ambitious collaborative arts project, led by NCAD and the trade union, SIPTU. In early 2012, the two organisations commissioned artists Cathy Henderson and Robert Ballagh to design the tapestry and work with community groups to create 30 panels for it. The exhibition ran until 28th February 2014.



Image: Torch Panel, 1913 Tapestry. Photography: Derek Speirs

Season of Exhibitions 2014

NCAD's Season of Exhibitions 2014 ran over the period from May to July, and were very well attended, commencing with the First Year Show in May; the Annual Fashion Show which was held in St Catherine's Church on Thomas Street; the end-of-year Graduate Exhibition in June which was officially opened by the Minister for Education and Skills, Mr Ruairi Quinn, T.D.; the NCAD Gallery, which exhibited paintings from graduates of the MFA and BA Fine Art Painting Departments 2013, and finally the Centre for Continuing Education in Art and Design (CEAD) Exhibition in July 2014.

The NUI Purchase Prize at NCAD

The NUI Purchase Prize is awarded each year for a piece of work by a graduate of NCAD who has distinguished him or herself. Final year students are automatically eligible for consideration for the Prize. The winner of the NUI Purchase Prize for 2014 was Lorraine Cross, 4th Year Painting graduate.

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Academic Report

NCAD Staff Prize 2014

The annual NCAD Staff Prize was awarded to two students, Avril Buttle, 4th Year Education and Loretta Moore, 4th Year Fine Art Painting. Both students received €1,500 each which is provided from a fund supported by a number of staff in the College who make a voluntary contribution from their salary each month. At the end of each academic year, funds are allocated for a staff prize to students who have completed the 3rd Year of their studies. Schools and Departments make recommendations from their areas and the students are invited to make a presentation to a panel that has been selected by the contributors.

Library – National Irish Visual Arts Library

An Advisory Panel for NIVAL was established during the year, fulfilling a request from the Arts Council. This group will be strategically helpful in drawing in information and other users to NIVAL and in furthering the promotion of NIVAL in relevant constituencies.

NIVAL: Fund raising / Strategic development:

The Arts Council awarded revenue funding of €56,700 to NIVAL under the Regularly Funded Organisations scheme for 2014/2015. This represents a 10% decrease on last year and a cumulative decrease of 40% since 2011. The Arts Council has confirmed the high value it places on the work of NIVAL and its importance as a national public resource. However, given the financial climate, the Council can no longer commit to a funding partnership, but will continue to endorse and support NIVAL in its strategic development and funding initiatives.

NIVAL received a grant of €6,000 under the Heritage Council's Heritage Management Grant Scheme for the conservation of the Egan Gallery Scrapbook. The work was carried out by paper conservators at Marsh's Library. As part of National Heritage Week, Dr. Eimear O' Connor delivered a lecture to promote the project titled 'Radical undercurrents: The Story of the Daniel Egan Gallery'.

Deposits / Bequests / Donations:

The exhibition archives of the Fenderesky Gallery were deposited in NIVAL and archives of the Crescent Arts Centre have been appraised and are awaiting deposit. This is a very significant contribution to our coverage of Northern Ireland and strengthens NIVAL's profile as an all-Ireland resource.

The estate of the late Patrick Scott was in touch to discuss the transfer of his papers to NIVAL in early 2015.

Also this year, several boxes of catalogues & ephemera were donated by the Arts Council, Kerlin Gallery, Kevin Kavanagh Gallery and the OPW.

The College Library received a generous donation of 500 books on fine art and design subjects from a private source and nearly 100 books on knitting, sewing and weaving from a domestic library. Duplicate and out-of-date material has been re-distributed to secondary schools by the Access Office and several books on knitting and sewing were sent to the Ugandan women's project established by former NCAD textiles student Tanya Kelly Baker.

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Administration Report

Audit Committee

At its meeting in March 2014, An Bord agreed that the Internal Audit Committee would be renamed the Audit Committee and report to An Bord on a regular basis on the four internal audits a year and that responsibility for the annual Comptroller and Auditor General's audit be transferred from the Finance and Development Committee to the new Audit Committee.

Two meetings were held in April, 2014 at which the Audit Committee agreed specific milestones for the work to be completed following the report received by the College from the Comptroller and Auditor General. It was noted that this body of work would place huge demands on a very small Accounts Department and that additional resources would have to be provided to meet those demands. An Bord agreed that governance was a priority.

At its meeting in April, 2014, An Bord (i) approved the Terms of Reference of the Audit Committee; (ii) ringfenced resources for the Accounts Department which could not be eroded for any reason; (iii) agreed that no individual member could sit on both the Audit Committee and Finance and Development Committee.

The Audit Committee provided its 2014 Annual Report to An Bord covering the period 1/6/13 to 30/5/14 at the meeting of An Bord held on 20th June, 2014.

Code of Practice for the Governance of State Bodies

At its meeting held on 18th October, 2013, An Bord formally adopted the Code of Practice for the Governance of State Bodies.

Procurement

Staff took part in a workshop on procurement led by a Public Sector Procurement and Contracts Advisor. This advisor was employed as a procurement consultant for the College to assist in preparing relevant documentation, purchasing procurement manual/policy, staff training and tendering for a range of services.

Risk Management Report

An Bord received and noted the Risk Management Report at its meeting on 6th December, 2013.

Administration Report - Selected Student/Graduate Achievements

RSA Student Design Awards 2014

Major success was achieved by NCAD Students in the Prestigious U.K. Design Competition. The Awards – which are run annually by the Royal Society for the Encouragement of Arts, Manufactures and Commerce (RSA) in London – provide the creative industries globally with a platform through which to spot the best emerging talent.

Six Product Design students won the following awards: In the 'Tomorrow's Workplace' category, sponsored by RBS, James Donnellan and Kevin Glynn won the overall award for 'Best Design Project' for 'The Hatchery', a methodology manifested through a work environment that gives workers a greater sense of place and autonomy. They received £3,500 in prize money.

Stephen Quinn and Pat D'Arcy were highly commended in the same category. Their project, 'Attend', focused on how to increase productivity and ideas by enhancing workers' attention spans.

In the 'Water, Water Everywhere' category, Paul Moran and Jess Lockhart won the Severn Trent Water Award for their project, 'Water Sculptures in the Home', a series of sculptures that work in conjunction with home water meters to let household occupants know how much water they are using in an elegant and simple way. They received £1,000 in prize money.

Newbridge Silverware NCAD Design Bursary Award

Annmarie Reinhold, 2nd Year Craft Design student, won the 2014 Newbridge Silverware NCAD Design Bursary Award. The bursary was launched nine years ago to support the creative careers of NCAD students.

Persil Fashion Award Winner 2014

Fashion Design student Amie Egan won the Persil Irish Fashion Awards 2014, worth €10,000. Amie's winning mother and child outfits were manufactured and sold in selected Dunnes Stores nationwide.

Undergraduate Awards 2013

Fine Art Media graduate Brendan Fox was the winner in the Visual Arts Category of the Undergraduate Awards, 2013.

DIT Fashion Award 2014

Patricia Carroll, 4th Year Fashion, won the DIT Fashion Award for 2014 worth €2,500.

L'Oreal Professional Creative Award 2014

Michael Power, Fashion graduate (2012), took joint first prize for the best collection at a fashion show at London Fashion Week.

British Fashion Awards 2013

Fashion Design graduate Simone Rocha won the Emerging Talent Award for Womenswear at the 2013 British Fashion Awards.

Thomas Dammann Junior Memorial Trust Art and Design Research Awards 2014

Thomas Dammann Junior Memorial Trust Art and Design Research Awards for 2014 were awarded to students Laura Healy, Francesca O'Brien, Kay Byrne and graduates Alan Costello and Orla Fitzpatrick.

RDS Student Awards 2013

RDS Taylor Art Award: Joe Scullion

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Administration Report - Selected Student/Graduate Achievements

Society of Dyers and Colourists International Design Competition – 2013

Rachel White, Textiles Design graduate, won the Society of Dyers and Colourists International Design Competition 2013. Rachel, who was chosen from a list of international finalists, was presented with her prize at a ceremony in Mumbai.

Golden Fleece Award

NCAD Fine Art graduate, David O’Kane, won the prestigious Golden Fleece Award for 2014.

Mary Cawley Travel Bursary 2014

This travel bursary is unique to the NCAD Access Office and has a value of €5,000 per annum. Awards were made to: William Doherty, 4th Year Visual Communication, Eimear Murphy, 3rd Year Painting, Loretta Moore, 3rd Year Painting, Laura Dunne, 3rd Year Visual Communication, Ciaran Kelly 2nd Year Media and Janice Harrington, 2nd Year Textiles.

Tilestyle KTP Project

Jill Abbott, 3rd year Ceramics, was selected as the winner of the Tilestyle DTP project. Emma Doyle, 2nd Year Ceramics won the Tilestyle purchase prize.

River Island 2014 Fashion Design Bursary

Alice Doherty, 4th Year Fashion student, won the River Island Bursary, worth €3,500 plus a paid 3 month internship in River Island’s design studio in London.

ADFX Awards - Trophy Design

ADFX Awards are held bi-annually by the Institute of Advertising Practitioners in Ireland, sponsored by TV3. Winners on the night were awarded with two unique pieces of glass, designed by Andy Sharkey, a 3rd year glass design student in NCAD.

Louis Copeland Post Graduate Diploma Bespoke Fashion Tailoring Scholarship 2013

Fionn O Dubhghaill, 3rd Year Fashion Design Student, was the winner of the 2013 the Louis Copeland Post Graduate Diploma Bespoke Fashion Tailoring Scholarship.

Student Statistics**1. Number of Undergraduate Certificate & Diploma Students: (Part-Time)**

	2009/10	2010/11	2011/12	2012/13	2013/14
Male	No Course Held		54	43	33
Female	No Course Held		149	131	119
Total	No Course Held		203	174	152

2. Number of Full and Part-Time Undergraduate Students: (BA & BDes)

	2009/10	2010/11	2011/12	2012/13	2013/14
Male	247	247	256	253	295
Female	506	514	522	531	621
Total	753	761	778	784	916

3. Number of Full and Part-Time Postgraduate Students:

	2009/10	2010/11	2011/12	2012/13	2013/14
Male	61	61	53	48	51
Female	118	131	144	141	121
Total	179	192	197	189	172

4. Number of Continuing Education Students:

	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014
Totals	968 *	903 *	689 **	573 **	436**

*Includes Summer, Autumn and Easter Courses.

** Non-Credit Short Courses

5. Full-Time Students:

	2009/10	2010/11	2011/12	2012/13	2013/14
Male	752	752	771	768	909
Female	167	177	170	146	135
Total	919	929	941	914	1044

6. Part-Time Students:

	2009/10	2010/11	2011/12	2012/13	2013/14
Male	752	752	771	768	909
Female	167	177	170	146	135
Total	919	929	941	914	1044

These figures do not match those in Note 2 of the Financial Statements. These numbers relate to registered students (including Erasmus) where as those reflected in Note 2 of the financial statements relate to full time equivalent paying students.

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NATIONAL COLLEGE OF ART AND
DESIGN

FINANCIAL STATEMENTS FOR THE
YEAR ENDED 30 SEPTEMBER 2014

COLÁISTE NÁISIÚNTA EALAÍNE IS DEARTHA
NATIONAL COLLEGE OF ART AND DESIGN
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2014

College Information

Address	National College of Art and Design 100 Thomas Street Dublin 8
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Auditors	Comptroller and Auditor General 3A Mayor Street Upper Dublin 1
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Bankers	Bank of Ireland 85 James Street Dublin 8
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Solicitors	St John Solicitors 14, City Gate Lower Bridge Street Dublin 8
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STATEMENT OF RESPONSIBILITIES OF AN BORD

Under Section 15 (1) of the National College of Art and Design Act, 1971, An Bord is required to prepare financial statements in such form as may be approved by the Minister for Education and Skills with the consent of the Minister for Finance.

In preparing the financial statements, An Bord is required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- Prepare the financial statements on the going concern basis, unless that basis is inappropriate.
- Follow applicable accounting standards, subject to any material departures disclosed and explained in the financial statements.

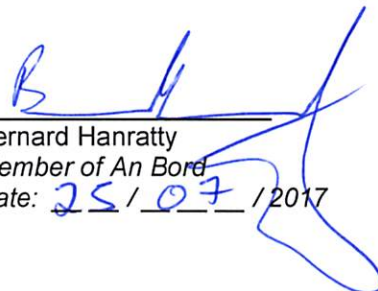
An Bord is responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the National College of Art and Design and which enable it to ensure that the financial statements comply with the statutory requirements. An Bord is also responsible for safeguarding the assets of the National College of Art and Design and for taking reasonable steps for the prevention and detection of fraud and other irregularities.



Niamh Brennan

Chairperson of An Bord

Date: 25 / July / 2017



Bernard Hanratty

Member of An Bord

Date: 25 / 07 / 2017



Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

National College of Art and Design

I have audited the financial statements of the National College of Art and Design for the year ended 30 September 2014 under the National College of Art and Design Act 1971. The financial statements comprise the statement of accounting policies, the income and expenditure account, the statement of total recognised gains and losses, the balance sheet, the cash flow statement and the related notes. The financial statements have been prepared in the form prescribed under Section 15 of the National College of Art and Design Act 1971, and in accordance with generally accepted accounting practice.

Responsibilities of the Board

The Board is responsible for the preparation of the financial statements, for ensuring that they give a true and fair view and for ensuring the regularity of transactions.

Responsibilities of the Comptroller and Auditor General

My responsibility is to audit the financial statements and report on them in accordance with applicable law.

My audit is conducted by reference to the special considerations which attach to bodies in receipt of substantial funding from the State in relation to their management and operation.

My audit is carried out in accordance with the International Standards on Auditing (UK and Ireland) and in compliance with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements, sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of

- whether the accounting policies are appropriate to the College's circumstances, and have been consistently applied and adequately disclosed
- the reasonableness of significant accounting estimates made in the preparation of the financial statements, and
- the overall presentation of the financial statements.

I also seek to obtain evidence about the regularity of financial transactions in the course of audit.

In addition, I read the College's annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies, I consider the implications for my report.

Basis for qualified opinion on the financial statements

There were significant weaknesses in the College's accounting system in respect of the year ending 30 September 2014, as explained in detail by the Board in the statement on the system of internal financial control. Those weaknesses resulted in delays in the production of the financial statements, substantial errors in the draft financial statements presented for audit, and significant challenges for the audit to obtain sufficient appropriate evidence. However, the audit was able, through substantial additional testing, to gain reasonable assurance in respect of all material figures in the financial statements.

Opinion on the financial statements, including a qualified opinion in relation to the keeping of adequate accounting records

In my opinion, the financial statements

- give a true and fair view of the assets, liabilities and financial position of the College at 30 September 2014 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with generally accepted accounting practice.

In my opinion, the College did not keep adequate accounting records for the year ended 30 September 2014. In particular, the accounting records maintained for the year of account were not sufficient to

- correctly record and explain the transactions of the College, or
- enable the financial position of the College to have been determined with reasonable accuracy at any time, or
- facilitate the preparation of financial statements in the required form, or
- enable the financial statements to be readily and properly audited.

Going concern

Without qualifying my opinion on the financial statements in this regard, I draw attention to Note 22 Going Concern. The College incurred an operating deficit of €758,000 for the year ended 30 September 2014. While the College had an accumulated deficit of over €1.4 million on 30 September 2014, the members of the Board are satisfied that the College remains a going concern.

Future pension arrangements

The defined benefit pension arrangements operated by the College consist of an unfunded superannuation scheme and the Single Public Service Pension Scheme (Single Scheme).

Without qualifying my opinion on the financial statements in this regard, I draw attention to Note 16 and to the recognition as at 30 September 2014 of an asset of €75 million in respect of deferred pension funding.

The recognition of the asset in respect of the Single Scheme reflects statutory provisions relating to the funding of that scheme. The recognition of an asset in respect of the other scheme anticipates that funding will be provided by the State to meet pension liabilities as they fall due. Inherent in this accounting treatment is an assumption that any income generated by the College will in the first instance be applied towards current expenses and that State funding will meet any shortfall in resources required to meet future pension liabilities.

Matters on which I report by exception

I report by exception if I have not received all the information and explanations I required for my audit, or if I find

- any material instance where money has not been applied for the purposes intended or where the transactions did not conform to the authorities governing them, or

- the information in the College's annual report is not consistent with the related financial statements or with the knowledge acquired by me in the course of performing the audit, or
- the statement on the system of internal financial control does not reflect the College's compliance with the governance arrangements set out in the Code of Practice for the Governance of State Bodies, or
- I find there are other material matters relating to the manner in which public business has been conducted.

Governance issues

The statement on the system of internal financial control discloses a number of governance issues in respect of the year ended 30 September 2014, including failures in relation to the fixed asset register, procurement, documentation of procedures, recording of risks and the internal audit function. It also discloses that a review of the effectiveness of the system of internal control in respect of the year ended 30 September 2014, as required by the Code of Practice for the Governance of State Bodies, was not carried out until June 2015.



Seamus McCarthy
Comptroller and Auditor General

31 July 2017

STATEMENT ON THE SYSTEM OF INTERNAL FINANCIAL CONTROL

Responsibility for the System of Internal Financial Control

An Bord acknowledges that it is responsible for ensuring that an adequate system of internal financial control is maintained and operated effectively in the College.

Given the need for controls to be commensurate with the level of risk, a system can only provide reasonable but not absolute assurance that: assets are safeguarded, transactions are authorised and properly recorded, and that material errors or other irregularities are either prevented or would be detected in a timely manner.

An Bord was appointed in June 2015. An Bord found that there were considerable deficiencies in the NCAD system of internal financial control which would take some time to remedy. These deficiencies prevailed during the period of account of these financial statements. Because the period of account for these financial statements pre-dates our appointment, An Bord cannot accept responsibility for the inadequacy of the system of financial control in that period.

An Bord and senior management remain focussed on addressing these control weaknesses. An Bord and the Audit & Risk Committee have met 28 and 16 times respectively since they were established in June '15. A governance action plan has been put in place. Based on the board's initial assessment of internal control deficiencies within the College it was decided to seek external technical expertise in governance, finance and HR. The objective was to request these resources to design and implement a governance, finance, internal control and HR framework with supporting policies and procedures. While this process is underway and almost complete, part 1 (the development of the framework and policies) took considerably longer than expected due to the lack of resources and competencies in the college to assist and drive this forward. This has highlighted a further issue with respect to part 2 - the implementation and embedding of these new policies and way of working. With the existing resource and competencies available implementation of a new governance framework will be challenging and incremental. This however will be supported by a determined Board.

Background Information

For reasons explained elsewhere, there has been a time-lag in presenting year-end financial statements. There have been significant changes in staff within the finance function. Financial information on year ended 2013/14 has not been as readily available as it may have been had the financial statements been prepared in a timely manner. In early 2015, the Executive Team and the then Chairman of NCAD appeared before the Public Accounts Committee (PAC) following the identification of fundamental flaws in the internal financial control environment for year ended 2012. The timing of this appearance was such that some but not all necessary changes to eliminate financial flaws were implemented. This continues as a work in progress.

Change in preparation practices for 2013/14 financial statements

Overview

The National College of Art and Design (NCAD) 2010/11, 2011/12 and 2012/13 financial statements were qualified by the Comptroller and Auditor General for reasons including not keeping proper books of account.

For this reason, a preliminary investigation of the information available within the NCAD accounting package (Opera) was undertaken. This identified significant gaps in substantiating information that were exacerbated due to changes in staffing resulting in a lack of corporate financial history.

Accordingly, it was decided that relying on the accounts package solely to inform the financial statements would give rise to further doubts about the integrity of any outputs due to incomplete records. The financial statements were generated from the application of first principles using transactions from the College's Bank of Ireland bank statements for 2013/14. This exercise was underpinned by other reliable 3rd party verifications such as grant letters of offer from the Higher Education Authority (HEA), letters of offer from organisations funding research projects and Bank of Ireland correspondence.

STATEMENT ON THE SYSTEM OF INTERNAL FINANCIAL CONTROL – CONT'D

Specific Disclosure in relation to Internal Controls and Accounting Records

NCAD acknowledges that control weaknesses were identified in August 2014 during the 2011/12 audit process, with the following areas being considered to be of particular concern: Fixed Assets; Audit Committee; Purchasing and Procurement; Documented Procedures; Risk Register; certain book-keeping practices; HR and payroll controls; and student fee record keeping. These could not be addressed sufficiently early to make improvements in the 2013/14 accounting year. Specific disclosures in respect of 2013/14 are listed below.

Disclosures in respect of on-going weaknesses in the accounting system as identified in the C&AG's special report Number 85 on NCAD, August 2014

Fixed Assets

Prior to 2014, there was no written fixed assets policy, leading to significant inconsistencies in accounting for fixed assets.

During the 2012/13 financial statement preparation a fixed asset register was prepared for the chattel assets of the College, which ties back fully to the Financial Statements. This still has some weaknesses as the assets are not tagged and their locations are not recorded on the register. Progress has been made in remediating these weaknesses and they will be fully addressed 30 June 2018.

The land and buildings fixed asset register of the College is not complete. Land and buildings were revalued in late 2016 and the revaluation will support the register and consequently the financial statements for the year end 2015/16.

Code of Governance for State Bodies

An Bord is responsible for ensuring that the College is compliant with the Code of Practice for the Governance for State Bodies (2009 or 2016 as applicable). However, the College is not in full compliance with the Code. The College has conducted an assessment of its compliance across the entire Code. These are being addressed on a risk rated basis by the College.

Audit Committee and Internal Audit

In 2013/14 the audit committee met five times during this financial period.

In 2013/14, one internal audit was undertaken.

Following a public tender, in January 2015 RSM McClure Watters (RSM) were appointed as the College's internal auditors for a 3-year term. They are working closely with the Audit and Risk Committee of An Bord to ensure a comprehensive and effective internal audit work programme is being carried out within the College. RSM did conduct a review of the College's Internal Financial Controls in place at year end 2013/14 focusing on Bank & Cash Management by the College, Payroll Controls and Travel & Subsistence claims. The findings of this review were: "it is our opinion that there is, overall, Limited Assurance that the systems within NCAD can be relied upon to support the overall achievement of objectives."

Procurement

Management acknowledges that during the 2013/14 Financial Year, National Procurement Guidelines were not consistently complied with. Due to control issues and the failure to keep adequate records it is not possible to determine the level of compliance with National Procurement Guidelines for the period in question. In response, a procurement specialist was appointed in March 2014 and continues to provide expert support when required. This has been followed by a comprehensive education process within the College.

Management also acknowledges that an unacceptably high volume of expenditure on goods and services took place outside of the purchase order system during this accounting period which has now been corrected.

STATEMENT ON THE SYSTEM OF INTERNAL FINANCIAL CONTROL – CONT'D

Lack of Formal Procedures

Management acknowledges that prior to 2014, there were no written procedures for confidential disclosures, avoidance of conflicts of interest, related party transactions, procurement, fraud, credit cards, travel and subsistence, information technology, banking or processing of journal entries.

Written policies were drafted for all these areas in 2015 and 2016, and are in the process of being finalised and implemented.

Lack of Risk Register

Management acknowledges that a Risk Register was not in place in NCAD during the financial year 2013/14. The College has recently completed its strategic plan and the risk register is being created in the context of this document.

Issues with Accounting and Book-keeping Practices, as well as Management Information Systems

(a) Posting Income to Expense Accounts

During 2013/14, a significant volume of receipts were posted to expense codes in the NCAD financial system, with both income and expenditure being equally understated as a result.

Certain other practices, including posting of income and expenditure to the balance sheet (resulting in further understatement of both income and expenditure in the financial system), have been discontinued since October 2014.

(b) Poor Configuration of Financial System

NCAD has recognised a number of weaknesses in the configuration of the NCAD financial system, including a chart of accounts that was not fit for the organisation's needs, as well as poor reporting functionality. Costs from the payroll system were posted manually into the financial system.

In September 2014 a new chart of accounts was introduced into the College. From May 2015, the payroll system automatically updates the accounts package. A comprehensive review of processes and procedures has taken place with improvements implemented in 2015/16.

(c) Sub-optimal use of other Management Information Systems

In relation to Continuing Education in Art and Design (CEAD) students, it was not possible to produce a comprehensive records listing of the amount of fees paid per student.

There were significant control weaknesses around reporting functionality from the payroll system.

Also due to disparity between the student records system and the accounting system, significant additional work was undertaken by staff within the College to furnish assurances to the external audit team that student fees had been received and recorded correctly within the College.

The above issues with book-keeping practices and system configuration in turn led to delays in the production of the financial statements.

(d) Weaknesses in respect of accounting for Research Income and Expenditure

Research income and expenditure was coded within the same income and expense codes as all other income and expenditure. Consequently, preparation of the Financial Statements to accurately reflect research related transactions was very difficult as the research expenditure had to be extracted from the operational expenditure within the College. An exercise was undertaken to extract research income and expenditure relating to specific projects when preparing the 2013/14 financial statements. However some uncertainties remain. It should be noted that the College is working towards addressing this historic problem with separate research projects now having their own income and expense codes within the accounts package.

STATEMENT ON THE SYSTEM OF INTERNAL FINANCIAL CONTROL – CONT'D

(e) Weak controls in relation to Payroll / HR

There were no documented policies or procedures in relation to payroll and expenditure. While monthly meetings were held in 2011/12 and 2012/13 between Finance, HR and Payroll to approve any necessary adjustments from previous months, the paper trail supporting these adjustments was not comprehensive. Since late 2014, amendments to payroll from the HR office are documented and an audit trail is in place.

(f) Student Fee income recognition

As part of the comprehensive work undertaken to produce a reliable set of financial statements, weaknesses were identified relating to student fees. The accounting policy of the College is to recognise student fees in the academic year to which they relate. As such a student fees debtor should be recognised at year end to recognise outstanding amounts from students.

A look back exercise was carried out in 2014 to address significant historical balances brought forward in the student fee system. This allows the year end position to be determined and reported on from 2014 onwards.

Annual Review on the effectiveness of the System of Internal Financial Control

A review on the effectiveness of the System of Internal Financial Control was completed in June 2015 for the financial year end 2013/14. The failings found during this review support the weaknesses highlighted above.

Signed on behalf of An Bord



Bernard Hanratty
Acting Director

Date: 25 / 07 / 2017

STATEMENT OF ACCOUNTING POLICIES

The significant accounting policies adopted by the College are as follows:

(a) Accounting Convention

The Financial Statements have been prepared on an accruals basis, under the historical cost convention and in accordance with Generally Accepted Accounting Practice. Financial reporting standards recommended by the recognised accounting bodies are adopted as they become applicable.

(b) Fixed Assets and Depreciation

Fixed Assets are stated at cost less accumulated depreciation. Depreciation is calculated on a straight-line basis to write off the cost of the Fixed Assets over their estimated useful lives. The Capital Account is amortised in line with depreciation.

Fixed Assets are depreciated on a straight-line basis using the following rates:

Asset Category	Depreciation rate	
Land	0%	(land is presumed to have an infinite lifetime)
Buildings	2%	(50 year life)
Plant and Equipment	10%	(10 year life)
Furniture, Fixtures and Fittings	20%	(5 year life)
Computer Equipment	33.33%	(3 year life)

(c) Recognition of Income

State Grants

State Grants for recurrent expenditure are allocated by the HEA on a calendar year basis. The grant reported in the Income and Expenditure Account is the amount determined to be appropriate to the relevant academic year, based on a 75% / 25% split of calendar year grant.

Academic Fee Income

Academic Fee Income (including for Continuing Education in Art & Design), is recognised in the academic year to which it relates.

Research Grants & Other Contracts

Income from Research Grants and Other Contracts is matched to expenditure, and is included in the income of the year in which the related expenditure has been incurred.

Interest Income

All income from short term deposits is credited to the Income and Expenditure Account in the period in which it is earned.

STATEMENT OF ACCOUNTING POLICIES – CONT'D

(d) Capital Account

The Capital Account represents the unamortised value of Capital and Current Income used for Capital purposes.

(e) Leased Assets

Rentals under operating leases are charged to the Income and Expenditure Account in the period in which the expenditure is incurred.

(f) Pension Schemes

The National College of Art and Design operates a defined benefit pension scheme, which is funded annually on a pay as you go basis from monies available to it including monies provided by the Higher Education Authority and from pension contributions deducted from staff salaries.

Pension costs reflect pension benefits earned by employees in the period and are shown net of staff contributions which are retained by the College. An amount corresponding to the pension charge is recognised as income to the extent that it is recoverable and offset by grants received in the year to discharge pension payments.

Actuarial gains or losses arising on scheme liabilities are reflected in the Statement of Total Recognised Gains and Losses and a corresponding adjustment is recognised in the amount recoverable from the Higher Education Authority.

Pension Liabilities represent the present value of future payments earned by staff to date. Deferred pension funding represents the corresponding asset to be recoverable in future periods from the Higher Education Authority.

The National College of Art and Design also operates the Single Public Service Pension Scheme (Single Scheme) which is the defined benefit pension scheme for pensionable public servants appointed on or after 1 January 2013. Single Scheme members' contributions are paid over to the Department of Public Expenditure and Reform.

(g) Taxation

NCAD is exempt from Corporation Tax under a Charitable Status Order.
NCAD Charity Registration Number: CHY 07503.

(h) Erasmus

Erasmus funds are included in the income of the year in which the related expenditure is incurred.

STATEMENT OF ACCOUNTING POLICIES – CONT'D

(i) Heritage Assets

FRS30 (Heritage Assets) has not been applied by NCAD for the 2013/14 Financial Statements. NCAD are reviewing the requirements of FRS30 with a view to future compliance.

(j) NIVAL

The National College of Art and Design holds a collection (known as the National Irish Visual Arts Library) of books, manuscripts, and art work that it has acquired mainly through donations and bequests. These items have not been treated as fixed assets in the financial statements as the College has considered that the inclusion of such assets in the financial statements would not provide reliable and relevant financial information.

(k) Stocks

Expenditure on books and consumable stocks is charged to the Income and Expenditure Account as incurred.

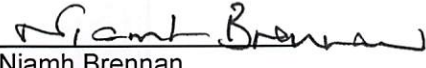
COLÁISTE NÁISIÚNTA EALAÍNE IS DEARTH
NATIONAL COLLEGE OF ART AND DESIGN
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2014

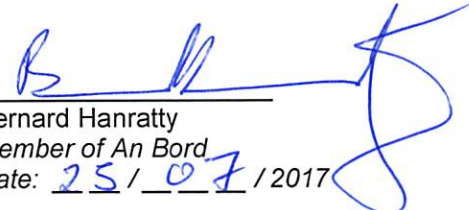
INCOME AND EXPENDITURE ACCOUNT

	Notes	2014 €000's	2013 €000's
Income			
State Grants	1	6,399	7,258
Academic Fees	2	6,729	5,867
Other Income	3	196	176
Research Grants and Other Contracts	10	806	635
Bank Interest		7	32
Amortisation of Capital Funds	15	665	728
Net Deferred Funding for Pension	16c	2,610	2,643
Total Income		17,412	17,339
Expenditure			
Academic Departments	4	7,418	7,308
Academic and Other Central Services	5	749	592
Premises	6	2,141	1,759
Central Administration	7	2,052	1,821
General Education Expenditure	8	32	7
Student Facilities and Amenities	9	341	342
Research Grants and Other Contracts	10	584	351
Depreciation	12	665	728
Pensions	16a	4,188	4,389
Total Expenditure		18,170	17,297
Surplus / (Deficit)		(758)	42
Balance at beginning of Year		(660)	(702)
Balance at Year End		(1,418)	(660)

There are no recognised gains or losses, other than those dealt with in the Income and Expenditure Accounts and in the Statement of Total Recognised Gains and Losses.

The Statement of Accounting Policies, and Notes 1-24 form part of the Financial Statements.


Niamh Brennan
Chairperson of An Bord
Date: 25 / July / 2017



Bernard Hanratty
Member of An Bord
Date: 25 / 07 / 2017

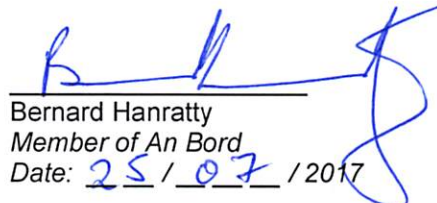
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	Notes	2014 €000's	2013 €000's
Income and Expenditure Account			
Surplus / (Deficit) for the year		(758)	42
Actuarial Gain / (Loss) on Pension Liabilities	16b	(6,603)	6,451
Adjustment to Deferred Pensions Funding	16d	6,603	(6,451)
Total Recognised Gains / (Losses) for the year		(758)	42

There are no recognised gains or losses, other than those dealt with in the Income and Expenditure Accounts and in the Statement of Total Recognised Gains and Losses.

The Statement of Accounting Policies, and Notes 1-24 form part of the Financial Statements.


Niamh Brennan
Chairperson of An Bord
Date: 25 / July / 2017



Bernard Hanratty
Member of An Bord
Date: 25 / 07 / 2017


COLÁISTE NÁISIÚNTA EALAÍNE IS DEARTH
NATIONAL COLLEGE OF ART AND DESIGN
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2014

BALANCE SHEET FOR THE YEAR ENDED 30 SEPTEMBER 2014

	Notes	2014 €000's	2013 €000's
FIXED ASSETS	12	13,499	14,075
CURRENT ASSETS			
Debtors and Prepayments	13	540	1,031
Bank Balances and Cash		2,582	2,320
		<u>3,122</u>	<u>3,351</u>
CURRENT LIABILITIES			
State Grants Received in Advance		1,343	1,076
Creditors and Accrued Expenses	14	3,197	2,935
		<u>4,540</u>	<u>4,011</u>
NET CURRENT ASSETS / (LIABILITIES)		<u>(1,418)</u>	<u>(660)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>12,081</u>	<u>13,415</u>
Deferred Pension Funding	16d	74,902	65,689
Pension Liabilities	16b	(74,902)	(65,689)
Net Assets		<u>12,081</u>	<u>13,415</u>
Funded By:			
Capital Account	15	13,499	14,075
Income and Expenditure Account		(1,418)	(660)
		<u>12,081</u>	<u>13,415</u>

The Statement of Accounting Policies, and Notes 1-24 form part of the Financial Statements.


Niamh Brennan
Chairperson of An Bord
Date: 25 / 07 / 2017



Bernard Hanratty
Member of An Bord
Date: 25 / 07 / 2017

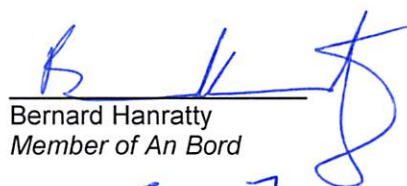
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NATIONAL COLLEGE OF ART AND DESIGN
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2014

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2014

Reconciliation of the Net Movement for the year to Net Cash Inflow from Operating Activities	Notes	2014 €000's	2013 €000's
Surplus / (Deficit) for the year		(758)	42
Bank Interest		(7)	(32)
Decrease / (Increase) in Debtors & Prepayments		491	(701)
Increase / (Decrease) in Current Liabilities		529	(64)
Net Cash Inflow / (Outflow) from Operating Activities		255	(755)
Returns on Investments and Servicing of Finance			
Interest Received		7	32
Net Cash Inflow on Investments and Servicing of Finance		7	32
Capital Expenditure and Financial Investments			
Purchase of Fixed Assets	12,15	(89)	(68)
Proceeds from Sale of Fixed Assets		-	3
Net Cash Outflow on Capital Expenditure and Financial Investments		(89)	(65)
Net Cash Outflow before Management of Liquid Resources		173	(788)
Financing		89	65
Increase/(Decrease) in Cash		262	(723)
Reconciliation of Net Cash Flow to Movement in Net Funds			
Increase/(Decrease) in Cash in Year		262	(723)
Net Funds at 1 st October 2013	19	2,320	3,043
Net Funds at 30th September 2014		2,582	2,320

The Statement of Accounting Policies, and Notes 1-24 form part of the Financial Statements.


Niamh Brennan
Chairperson of An Bord
Date: 25 / July / 2017


Bernard Hanratty
Member of An Bord
Date: 26 / 07 / 2017

COLÁISTE NÁISIÚNTA EALAÍNE IS DEARTHÁ
NATIONAL COLLEGE OF ART AND DESIGN
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2014

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2014

1. STATE GRANTS

	2014 Allocated for Recurrent Expenditure €000's	2014 Allocated for Capital Expenditure €000's	2014 Total Allocated for Expenditure €000's	2013 Total Allocated for Expenditure €000's
Higher Education Authority				
Recurrent Grants	5,833	89	5922	6,690
Information Technology	50		50	62
Disability & Financial Assistance Grants	69		69	71
Quality Assurance	-		-	21
Skills Conversion	57		57	62
Improved Access and Progression	144		144	115
Training of Trainers	-		-	31
Irish Language	3		3	10
Other State Grants				
Arts Council	65		65	59
Digital Repository Ireland	21		21	11
Student Assistance	33		33	47
Other Grants	124		124	144
Total 2014	6,399	89	6,488	7,323
Total 2013	7,258	65	7,323	

2. ACADEMIC FEES

	2014 €000's	2013 €000's
Full-Time Tuition Fees – 1,040 students (2013 – 928 students)	4,278	3,851
Student Contribution (formerly FT Registration Fees) – 834 students (2013 – 738 students)	2,084	1,618
Part-Time Tuition Fees – 38 students (2013 – 38 students)	85	96
Continuing Education in Art & Design Fees – 825 students (2013 – 825 students)	282	302
	6,729	5,867

3. OTHER INCOME

	2014 €000's	2013 €000's
Continuing Professional Development	14	7
Sponsorship	22	37
Event Income	60	14
Student Charges	17	15
Other Income*	77	95
Photocopy Income	6	8
	196	176

*Other income denotes income received but not deemed sufficient to include as a separate line item. Due to uncertainty around some of the records kept within NCAD, income which would normally be identifiable as either Sponsorship or Event Income was classified into Other Income as its origin was unclear.

COLÁISTE NÁISIÚNTA EALAÍNE IS DEARTHA
NATIONAL COLLEGE OF ART AND DESIGN
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2014

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2014 – CONT'D

4. ACADEMIC DEPARTMENTS	2014	2013
	€000's	€000's
Academic Staff	5,496	5,495
Technical Staff and Models	1,023	1,010
Faculty Administrative Staff	358	338
Non-pay Costs	541	465
	<u>7,418</u>	<u>7,308</u>

5. ACADEMIC AND OTHER CENTRAL SERVICES	2014	2013
	€000's	€000's
Library Staff	477	453
Books, Catalogues and Periodicals	244	116
Lease Charges	28	23
	<u>749</u>	<u>592</u>

6. PREMISES	2014	2013
	€000's	€000's
Attendants and Cleaners	496	479
Maintenance Staff	149	168
Light, Heat and Power	302	344
Maintenance Materials	467	95
Cleaning Costs	302	251
Security Costs	155	156
Rent and Rates	220	183
Telephone	50	83
	<u>2141</u>	<u>1,759</u>

7. CENTRAL ADMINISTRATION	2014	2013
	€000's	€000's
Administration Staff	1,079	1,020
Quality Assurance Staff	43	62
Stationery and Supplies	85	68
IT Expenditure	38	-
Postage	30	22
Professional Fees	187	217
Auditors' Remuneration	58	31
Travel and Subsistence	30	9
Advertising	22	17
Insurance	95	92
Photocopying Costs	30	10
Safety Costs	38	38
Gallery	35	15
Exhibitions, Seminars and Catering	95	66
Entertainment Expenditure	29	-
Bad Debt Write Off	65	-
Miscellaneous	93	154
	<u>2,052</u>	<u>1,821</u>

COLÁISTE NÁISIÚNTA EALAÍNE IS DEARHTHA
NATIONAL COLLEGE OF ART AND DESIGN
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2014

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2014 – CONT'D

8. GENERAL EDUCATION EXPENDITURE

	2014	2013
	€000's	€000's
Examiners' Fees and Expenses	9	(2)
Staff Development	23	9
	<u>32</u>	<u>7</u>

9. STUDENT FACILITIES AND AMENITIES

	2014	2013
	€000's	€000's
Examination and Registration Fees	32	101
Students' Union Subvention	54	70
Students Assistance Scheme	51	94
Health and Counselling Services	157	65
Materials Subvention	-	(15)
Student Travel	-	(1)
Sports and Leisure Facilities	47	28
	<u>341</u>	<u>342</u>

10. RESEARCH GRANTS AND OTHER CONTRACTS

	2014	2013
	€000's	€000's
Income		
Research Grants and Other Contracts	806	635
Expenditure		
Staff Costs	175	145
Other Operating Costs*	409	206
	<u>584</u>	<u>351</u>
Net Outcome	<u>222</u>	<u>284</u>

*During the financial statement preparation process for the prior year, it was identified that Research Income and Expenditure was coded within the same income and expense codes as all other Income and Expenditure. The issue repeated in 2013/14. Research expenditure had to be extracted from the operational expenditure within the College. However, given the issues surrounding the books and records of the College for the period, an element of research expenditure may be captured in other operational expenditure line items. The level of expenditure incurred is in the normal course the driver of income recognition in the area of Research Grants and Other Contracts. The outcome is that Income may not have been recognised on the accrual basis and the expenditure total above is likely to be understated, thus overstating the net outcome of Research Grants and Other Contracts. The knock-on effect to this is that there is also uncertainty regarding the amounts of income which have been deferred to 2014/15 and also the amounts which have been accrued into the same period.

COLÁISTE NÁISIÚNTA EALAÍNE IS DEARTHACH
NATIONAL COLLEGE OF ART AND DESIGN
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2014

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2014 – CONT'D

11. ANALYSIS OF EXPENDITURE

	Staff Costs	Other Operating Expenses	Total	
	2014	2014	2014	2013
	€000's	€000's	€000's	€000's
Academic Departments	6,877	541	7,418	7,308
Academic and Other Central Services	477	272	749	592
Premises	645	1,496	2,141	1,759
Central Administration	1,122	930	2,052	1,821
General Education Expenditure	-	32	32	7
Student Facilities and Amenities	-	341	341	342
Research Expenditure	175	409	584	351
	<u>9,296</u>	<u>4,021</u>	<u>13,317</u>	<u>12,180</u>
Depreciation			665	728
Pensions			<u>4,188</u>	<u>4,389</u>
			<u>18,170</u>	<u>17,297</u>

Other Operating Expenses would normally be identified and recorded to a specific expense classification. However, given the issues surrounding the books and records of the College for the period, an element of Other Operating Expenses whose origin was unclear, may not have been captured in the correct Other Operating Expenditure expense classification.

12. FIXED ASSETS

	Land & Buildings	Plant & Equipment	Fixtures & Fittings	Computer Equipment	Total
	€000's	€000's	€000's	€000's	€000's
Costs					
Balance at beginning of yr	29,751	137	151	649	30,688
Additions	-	19	24	47	90
Disposals	-	(12)	-	(3)	(15)
Balance at year end	<u>29,751</u>	<u>144</u>	<u>175</u>	<u>693</u>	<u>30,763</u>
Depreciation					
Balance at beginning of yr	15,763	114	138	598	16,613
Charge for yr	595	7	16	47	665
Disposals	-	(12)	-	(2)	(14)
Balance at year end	<u>16,358</u>	<u>109</u>	<u>154</u>	<u>643</u>	<u>17,264</u>
Net Book Value at 30/09/14	13,393	35	21	50	13,499
Net Book Value at 30/09/13	13,988	23	13	51	14,075

The National College of Art and Design holds a collection of books, manuscripts and art works that it has acquired for both its main library and also for a collection known as the National Irish Visual Arts Library (NIVAL). These items have not been treated as fixed assets in the financial statements as no meaningful value can be attributed to them owing to the lack of information on the original purchase cost and the fact that these assets are not readily realisable.

Heritage Assets:-The College holds and maintains heritage assets such as books, paintings and artwork. Heritage assets acquired pre 1 October 2015 are not capitalised in the financial statements because it is considered that no reasonable value can be attributed to them owing to the lack of information on the original purchase cost and the fact that these assets are not readily realisable. All costs incurred in relation to preservation and conservation are expensed as incurred.

In relation to Heritage asset additions acquired subsequent to 1 October 2015 the College capitalises these at either their cost (in the case of acquisitions made by the College) or their fair value (in the case of donations).

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Donated heritage assets are capitalised with reference to their insurance value, as this approximates their fair value. Heritage assets valued at less than €5,000 are not capitalised in the financial statements.

13. DEBTORS AND PREPAYMENTS

	2014	2013
	€000's	€000's
Payroll Debtor	8	10
Student Debtor	-	77
Trade Debtors	-	2
Accrued Income	191	746
Accrued Endowment*	228	-
Prepayments	113	196
	<u>540</u>	<u>1,031</u>

*During the year 13/14, the College was notified of a bequest to the National Irish Visual Arts Library (NIVAL) the value of which was contingent on the sale of an asset within the estate of the deceased. The value of this bequest (€228,131) did not crystallise until August 2015.

14. CREDITORS AND ACCRUED EXPENSES

	2014	2013
	€000's	€000's
Fees	1,622	1,521
Research Grants and Other Contract Balance	242	417
PAYE	103	118
PRSI	115	123
Pension Levy	38	42
Trade Creditors	133	320
Continuing Education in Art and Design	139	95
Endowments Received in Advance*	228	-
Payroll Creditors	44	35
Other Creditors	41	-
Accrued Payroll Expenses	-	4
Accrued Expenses	489	260
Other Revenue Creditor	3	-
	<u>3,197</u>	<u>2,935</u>

15. CAPITAL ACCOUNT

	2014	2013
	€000's	€000's
Balance at the Beginning of the Year	14,075	14,739
Grants used for Buildings Acquisition and Development	-	20
Grants applied to Purchase Fixed Assets	89	48
Disposal of Fixed Assets	-	(4)
	<u>14,164</u>	<u>14,803</u>
Less Amortisation	<u>(665)</u>	<u>(728)</u>
	<u>13,499</u>	<u>14,075</u>

16. PENSION COST

General Description of the Scheme

A Staff Superannuation Scheme and a Spouses' and Children's Pension Scheme under Section 20 of the National College of Art and Design Act, 1971 were approved in January 1984 and September 1987 respectively. The College's pension schemes are unfunded schemes.

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Staff contribute at a rate of 5% to the Staff Superannuation Scheme and 1.5% to the Spouses' and Children's Pension Scheme. The scheme provides a pension (one eightieths per year of service), a lump sum (three eightieths per year of service) and spouses' and children's pensions.

Normal retirement age is a member's 65th birthday and pre-2004 members have an entitlement to retire without actuarial reduction from age 60. Pensions in payment (and deferment) normally increase in line with general public sector pay increases.

The Single Sector Public Service Pension Scheme (Single Scheme) is the defined benefit pension scheme for pensionable public servants appointed on or after 1 January 2013 in accordance with the Public Service Pension (Single Scheme and Other Provisions) Act 2012. The scheme provides for a pension and retirement lump sum based on career-average pensionable remuneration, and spouse's and children's pensions. The minimum pension age is 66 years (rising in line with State pension age changes). It includes an actuarially-reduced early retirement facility from age 55. Pensions in payment increase in line with the consumer price index.

The valuation used for FRS 17 (revised) disclosures has been based on an actuarial valuation at 30 September 2014 by a qualified actuary taking account of the requirements of the FRS in order to assess the scheme liabilities at 30 September 2014.

Single scheme members are included in the pension liability at 30 September 2014, but the actuarial calculations did not take into account the differing entitlements that apply to that scheme. The effect on the figure in the financial statements is not material.

	2014	2013
	€000's	€000's
(a) Analysis of Total Pension Costs Charged to Expenditure		
Current Service Cost	2,289	2,628
Interest on Scheme Liabilities	2,299	2,224
Employee Pension Contributions	(400)	(463)
	<u>4,188</u>	<u>4,389</u>
(b) Analysis of Movement in Scheme Liability during the Year		
Scheme Liability at Start of Year	65,689	69,496
Current Service Cost	2,289	2,628
Interest on Scheme Liabilities	2,299	2,224
Benefits Paid in the Year	(1,978)	(2,208)
Actuarial Loss / (Gain)*	6,603	(6,451)
Scheme Liability at End of Year	<u>74,902</u>	<u>65,689</u>

*The large movement in the actuarial Loss / (Gain) figures shown above is primarily due to movements in the discount rates used at the various FRS17 dates.

(c) Deferred Funding for Pensions

The National College of Art and Design recognises these amounts as an asset corresponding to the unfunded deferred liability for pensions on the basis of a set of assumptions described in this note and a number of past events. These events include the statutory basis for the establishment of the pension scheme, and the policy and practice currently in place in relation to funding public service pensions, including contributions by employees and the annual estimates process. NCAD has no evidence that this funding policy will not continue to meet such sums in accordance with current practice.

The Net Deferred Funding for Pensions recognised in the Income and Expenditure Account was as follows:

	2014	2013
	€000's	€000's
Funding recoverable in respects of current year costs	4,588	4,852
Grants from tUdaras um Ard-Oideachas applied to pay pension benefits	(1,978)	(2,209)
Net Deferred Funding for Pension in Year	<u>2,610</u>	<u>2,643</u>

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The deferred funding asset for pensions as at 30 September 2014 amounted to (€74,901,700) (2013: (€65,688,600)).

(d) History of Deferred Benefit Obligations

	2014	2013	2012	2011	2010
	€000's	€000's	€000's	€000's	€000's
Deferred Benefit Obligations	74,902	65,689	69,496	50,800	58,300
Experience (Gains) or Losses on Scheme Liabilities Amount	6,603	(6,451)	16,327	(10,317)	(4,520)
Percentage of Scheme Liabilities	8.8%	(9.8%)	23.5%	(20.3%)	(7.8%)

(e) The principal actuarial assumptions were as follows:

Assumption	2014	2013
Discount Rate	2.4%	3.5%
Salary increase assumption	2.8%	3%
Pension increase assumption	2.8%	3%
Price inflation	1.8%	2%

Average future life expectancy according to the mortality tables used (PNML00 and PNFL00) to determine the pension liabilities:

	2014	2013
Male aged 65	20.6	21.9
Female aged 65	23.2	23.6

17. CAPITAL COMMITMENTS

Capital Commitments at 30 September 2014 amounted to €Nil (2013 €NIL).

18. LEASE COMMITMENTS

The College holds premises at John Street West, Dublin 8 under an operating lease. The lease is for a period of 10 years from March 2006. The annual rent is €134,112 with a rent review every 5 years. The College recognises that contingent on ending of the above lease there is a potential liability in relation to dilapidations on the property which at the time these financial statements refer to, an accrual to the value of €196k has been provided against these costs.

There are also operating leases for photocopiers / scanners and a portacabin.

There were no finance lease commitments at 30 September 2014.

At year end NCAD had commitments under non-cancellable operating leases expiring as follows:

	2014	2013
	€000's	€000's
Within 1 Year	154	152
Between 1 Year and 5 Years	288	402
More than 5 Years	-	-

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2014 – CONT'D

19. ANALYSIS OF CHANGES IN NET FUNDS DURING THE YEAR

	At 1 October 2013 €000's	Cashflows €000's	At 30 September 2014 €000's
Cash at Bank and on Hand	1,892	(335)	1,557
Short-Term Deposits	428	597	1,025
	<u>2,320</u>	<u>262</u>	<u>2,582</u>

20. EMPLOYEES

During 2014 there were 82 full time equivalent monthly paid staff, 26 full time equivalent weekly paid staff, and 23 full time equivalent, part time staff.

21. RELATED PARTIES

No member of An Bord had an interest in any contracts or awards given by the College during the year nor derived any interest or benefit or had any conflict of interest in relation to any of the College's operations during the year.

There were no related party transactions in the year ended 30th September 2014.

During 2013/14 there were no Fees paid to any member of An Bord.

The director of the College was paid total remuneration of €136,276 during the period.

Total spend on expenses for An Bord for the year ended 30th September 2014 was €435. This relates primarily to train travel expenditure for one member of An Bord who was located outside of Dublin.

Friends of NCAD Ltd was established in 1992, primarily as a fund raising vehicle for NCAD. There are two members of staff from NCAD on the Board of FNCAD (The former Director of NCAD and the College Secretary and Registrar). FNCAD is audited separately from NCAD, and its financial statements are filed with the Companies Registration Office on an Annual Basis. There was no income or expenditure in the FNCAD financial statements for the year ended 30th September 2014.

In the United States, a separate entity was registered in 2000, known as US Friends of NCAD Inc. This entity was created primarily to reduce or eliminate the tax payable on any US donations. There was no income or expenditure in the US Friends of NCAD accounts for the year ended 30th September 2014.

22. GOING CONCERN

The college has incurred a series of operating surpluses and deficits between 2011 and 2016. This has resulted in a cumulative deficit being carried forward for a number of years.

The main factors contributing to the College's financial position are the decrease in State Funding of recurrent activities and the ongoing funding of the Staff Pension Liability by the College.

The College is engaged in ongoing discussions with the Higher Education Authority regarding the financial position of the College. Plans are urgently being developed to bring the College back to breakeven and to address the accumulated deficit.

On this basis, and combined with the cash reserves held by the College, the Members of An Bord consider it appropriate to have prepared these financial statements on a Going Concern basis.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2014 – CONT'D

23. POST BALANCE SHEET EVENTS

There were no post balance sheet events beyond those already disclosed in these financial statements which require adjustment to the financial statements.

24. APPROVAL OF FINANCIAL STATEMENTS

The financial statements for the year ended 30th September 2014 were approved by An Bord at its meeting on 7th July, 2017.