



National College of Art and Design

A Recognised College of University College Dublin

Annual Report
2014/2015

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

Chairman of An Bord Seán O Laoire (to 1st March, 2015)

Members of An Bord To 1st March, 2015:
Adrienne Eacrett
Octavian Fitzherbert
Orla Flynn
Peter Johnson
Suzanne Macdougald
Lucy McCaffrey
Paul O'Brien
Helen Steele
Oliver Whelan

An Bord – Current (at September 2017, appointed on 15 June 2015)

Chairman of An Bord Niamh Brennan

Members of An Bord Karen Furlong
Ian Power
Blaise Smith
Mark Rogers (Resigned 30 March 2017)
Mary Dorgan
Oliver Whelan
Rachel Tuffy
Rian Coulter (Resigned 29 January 2016)
Gráinne Murphy (Appointed 5 February 2016)
Adrienne Eacrett (Resigned 28 October 2016)
Ross Golden-Bannon (Appointed 9 December 2016)

Officer of An Bord Declan McGonagle (Resigned 31 December 2015)
Director

Bernard Hanratty (1 March 2016 to 4 August 2017)
Acting Director

Alex Milton (28 September 2017)
Locum Director

Damian Downes
Registrar/Secretary

ANNUAL REPORT 2014/2015

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Chairman's Introduction

The final meeting of the outgoing Board took place on 25th February, 2015. Speaking at the meeting the Chairman of An Bord, Mr Seán O Laoire thanked members of An Bord for their commitment and work over the past three years.

The Minister for the Department of Education and Skills announced a new Board on 15th June, 2015. The first meeting was held on 28th July, 2015 and at that meeting members of An Bord nominated Professor Niamh Brennan for appointment as Chairman to the Minister. The appointment of Professor Brennan as Chairman of An Bord was formally confirmed by the Minister for Education and Skills on 10th September, 2015.

On taking office 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 substantially pre-dates our appointment, An Bord does not 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 29 and 18 times respectively since they were established in June 2015. 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, financial 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 resource 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.



Professor Niamh Brennan
Chairman of An Bord
National College of Art and Design

Academic Report

Quality Assurance

QA Framework Review:

A review of the QA Framework and Guidelines effected a revision of QA procedures. Four different review measures make up the QA Framework:

1. School-based reviews – recurrent QA Reviews of each School within NCAD are required by the HEA. All programmes are reviewed either as part of, or in advance of, the school review.
2. Internal annual Programme-based reviews - are an essential part of our teaching and learning quality indicators and are embedded within the annual academic cycle.
3. External programme-based peer reviews may also be conducted through the following agencies:
 - on request from School or Programme leader
 - authorised by Academic Affairs
 - necessitated by revisions of existing programmes or by a new programme validation process.
4. In tandem with Academic Reviews, a regular review (every 5 years) should take place of the Support areas. These consist of all areas which support the student experience and student learning i.e.
Registrar's Office
Academic Affairs
Library

QA Reviews:

Following review this academic year, The MSc in Medical Device Design Quality Improvement Plan was published in September 2015.

The QA review of the Library commenced in October 2015.

Student Feedback Surveys:

The Irish Survey of Student Engagement (ISSE) was established in 2013 with the first “full” national survey launched in 2014. 30 higher education institutions (including NCAD) take part in the survey. In 2014 NCAD had a strong response rate of 32% compared to the overall national average response rate of 15.6%. In 2015, the response rate from NCAD students rose to 39.5% with the national average being 21.9%.

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

Teaching & Learning Support:

All undergraduate and taught postgraduate programme information was systematised through standard Programme Specification Forms and module descriptors. Inclusive information on programmes is now published on the NCAD website.

A common External Examiner Response Form was issued for the first time in 2015. Responses and plans for implementation of recommendations is returned to the Externs through Academic Affairs.

UCD Alliance

Resourcing was provided by the HEA Strategic Innovation and Development Fund to investigate the possibilities of further Collaboration, Accreditation / Validation and possibly Merger with UCD under the project name “NCAD+UCD – The Academic Alliance. Two seconded appointees from UCD, Professor Hugh Campbell and Michael Sinnott were dedicated to the project. It was noted during the early part of the project that the HEA indicated that there was no funding available for mergers in the sector.

An Bord were given an overview and update of the UCD+NCAD Project at its meeting in October, 2014. There was considerable joint activity with UCD over the year, which was complementary to both institutions. A key feature in the re-negotiation of a new MOU/MOA with UCD would be to retain NCAD’s mission and identity – which objective was acknowledged by both parties. Postgraduate programmes were amplified with input from the Smurfit Business School and School of Science for the MA in Interaction Design and from the School of Cultural Policy and Art History connecting with NCAD’s School of Visual Culture.

The President of UCD opened an exhibition of works by MA Fine Art students on 26th January, 2015 in the UCD Student Centre and spoke warmly of the developing relationship and its potential.

Centre for Creative Arts & Critical Cultures NCAD/UCD Alliance

The Centre for Creative Arts & Critical Cultures is a new joint initiative between UCD and NCAD to promote, initiate and co-ordinate, cross-institutional academic activity in the domain of creative arts and critical cultures.

It seeks to support a cross-institutional, creative academic community whose work bears an affinity of interest in the arts, culture and critical studies—amplifying the impact and reach of this work across both institutions, and beyond to wider society. It will achieve these aims by developing new teaching and research initiatives, promoting and supporting the activities of its affiliated members, and facilitating collaborations between the two institutions.

NCAD+UCD Launch Innovative ‘City Life’ Summer School

The ‘City Life’ International Summer School – a joint initiative between NCAD and UCD - took place on NCAD’s campus and across Dublin city centre in July, 2015, exploring urban history, interaction design, spatial arts and architecture.

Innovation Day

The 2nd Annual National College of Art and Design Innovation Day took place on 17th June, 2015 and brought together leaders from business, society and academia to discuss how to drive business and social innovation with creative thinking and design. Minister for Jobs, Enterprise and Innovation, Mr Richard Bruton, T.D., attended and delivered the closing address and focused on the importance of the creative industry and the contribution it can make to the Irish economy.

With support from Knowledge Transfer Ireland (KTI) and NovaUCD, NCAD is emerging as an internationally recognised Research Performing Organisation (RPO) in the technology transfer and commercialisation sector.

A number of high-profile industry leaders spoke over the course of the day, including: Wayne Hemingway, co-founder of British design company Red or Dead; Sean McNulty, MD of the creative design and innovation consultancy, Dolmen and Dr Sarah Miller, CEO, Rediscovery Centre, a social enterprise dedicated to providing community employment and training via innovative reuse enterprises focused on new product design.

A series of keynote speeches, followed by a panel discussion moderated by Ali Grehan, City Architect, Dublin City Council, illustrated how creative thinking is being adopted to achieve innovation in a variety of for-profit and not-for-profit contexts, and how creative practice models can be applied to transform business and address real world issues.

Tyndall Institute Partnership

As part of the CitySense project, 30 courier bikes in Dublin city centre were fitted with the internet of things (IoT) technology to measure the city's air quality, air temperature and pollution. Cyclone Couriers provided 20 bikes as part of the project, while the Dublin Cycling Campaign were provided an additional 10 for commuters. Once data is collated, researchers will be able to map information considered critical to the everyday functioning of the city and its inhabitants, such as environmental pollution, traffic congestion, urban planning and policy development. Many Irish research organisations and companies were involved in the project, including the Tyndall National Institute (hardware), TSSG Waterford (software), and the National College of Art and Design (design).

At its meeting on 25th February, 2015, the Chairman, Director and members of An Bord attended the signing of a Memorandum of Understanding between NCAD and the Tyndall National Institute by the Director of NCAD and Chief Executive Officer of the Tyndall National Institute.

Liberties Business Forum Limited

At its meeting on 30th January, 2015, An Bord agreed to approve, in principle, that the Director of NCAD become a director of the Liberties Business Forum Limited.

Access & Outreach

Student Shadowing Project

Thirty-one secondary school pupils from 13 secondary schools participated in the Student Shadowing Project, which took place on the 18th and 19th November, 2015. This project aims to promote peer-mentoring opportunities for fifth year pupils who wish to explore their options regarding higher education in art and design. Pupils spent two days shadowing art and design students in the studio and at lectures.

Access Day

Access Day took place in February, and 200 pupils from 16 secondary schools had the opportunity to experience two art and design workshops over the day. Workshops are designed and led by students from across NCAD.

Artist Mentoring Project

Twelve secondary schools participated in this after-schools project, where 2nd Year art/design and education students designed a themed project introducing elements of visual notebooks and contemporary arts practice. The pupils' artwork was showcased at NCAD in the School of Education during April at an event that was attended by parents and teachers.

Graduate Tours

Approximately 700 primary school children from local schools visited NCAD and participated in a mediated tour of the Graduate Shows.

Access Scheme

Ten additional places were awarded through the Access Scheme. 36 first year students registered with the Access Office and 33 students received an Access Grant on registration.

Mary Cawley Travel Bursary

The Mary Cawley Travel Bursary is unique to NCAD and is open to students who are registered with the Access Office. Eight applications were submitted with 7 students receiving a travel bursary to support their research and study visits to Seattle, Netherlands, Liverpool, Berlin, Venice, Paris and Barcelona.

Future Creators

Twenty-one teenagers who attend schools in Dublin 8 successfully completed the Future Creators programme. Participants received a Certificate of Achievement from NCAD, and showcased their films and their achievements in coding and app. design.

Digital Pathways

NCAD Access has partnered with H2 Learning, Dublin, the Kryzowa Foundation, Poland and MFG, Germany in the Digital Skills Pathways for Youth across Europe project, funded by the EU Commission under Erasmus+.

In partnership with Tallaght Community Arts, the project set up a Creative Lab in Tallaght. Twenty-two teenagers from Mount Seskin Community School, Killinarden Community College, Firhouse College and Coláiste Bride have completed the first phase, which involved a series of taster workshops in Film, Animation and Post-Production.

Future Creators Alumni Group

24 teenagers who graduated from previous Future Creators projects worked together over four weeks in designing an i-Doc (Interactive Documentary) profiling the Future Creators project. Funded by The Ireland Funds.

Creative Campus

Second year students from the School of Fine Art participated in the Creative Campus elective in association with Tallaght Community Arts Centre.

What Makes North Wall Unique – collaboration with Central Bank of Ireland.

NCAD Access and graduates of Fine Art Painting were commissioned by the Central Bank to work with local schools in designing and realising a mural on hoarding constructed around the new site in North Wall Quay. The project was shortlisted under the Allianz Business to Arts Awards category for Best Use of Creativity in the Community.

NCAD Gallery Activity

The NCAD Gallery hosted 12 diverse exhibitions during the period – including being open for Culture Night, an Irish Design Week focused event and collaborations with alumni. Full details can be found at <http://www.ncad.ie/about/gallery/>.

Irish Distillers

Irish Distillers financed the first phase of providing a visitor experience programme on NCAD's campus. The aim is to tell the stories of Powers Distillery, the Thomas Street Fire Station and the contemporary identity of the campus as a national centre of excellence in art and design education. It is intended to provide a self-guided tour of some exterior parts of the site, with ten information points on the historical and contemporary story of the campus, and the people who have used and are now using the campus.

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 2015 was Shane Berkery, a 4th Year Painting graduate.

NCAD Staff Prize 2015

The NCAD Staff Prize for students was set up in 1994 and is funded by voluntary contributions from some of the NCAD staff. Students are nominated by their Schools/Departments for consideration for the award of the Prize in their final year, and from those nominated, a Selection Committee looks for one student who meets the criteria for the award. The 2015 Staff Prize, worth €1,500 was awarded to Sarah O'Neill, 4th Year Textile Art and Artefact at a reception held on 1st December, 2015. A second prize of €500 was awarded to Elaine Hoey, 4th Year Media. The remaining nine nominated students each received €100 as runners-up.

The Edward Murphy Library and National Irish Visual Arts Library (NIVAL)

NIVAL: Fund raising | Strategic development

The late Edward Murphy, former Librarian of NCAD and founder of the National Irish Visual Arts Library, left a generous bequest to NIVAL, tied to specific functions and development goals. The allocation of this funding will relate directly to the strategic plans for NIVAL, building capacity in crucial areas such as fundraising, communication, archives and digital collection management.

NIVAL: Cataloguing | Digitisation

Kilkenny Design Workshops Archive Demonstrator Project was launched as a part of the Digital Repository of Ireland at an international conference in Croke Park. The project involves the digitisation of over 2,000 images of exhibitions, public events, and product designs from the KDW archive. This ambitious project enabled NIVAL to build capacity in the area of the digital archiving of visual resources and to exploit modes of access to these resources for the widest public audience.

NIVAL's *An Tur Gloine / Michael Healy Collection* was awarded the DRI Decade of Centenaries Digital Preservation Award. The award recognised the collection's significant contribution to the national dialogue on the decade of commemorations. As a winner, NIVAL was provided with the services of a professional digital archivist to prepare the collection for long-term digital preservation in the Digital Repository of Ireland.

Deposits | Bequests | Donations

A number of significant collections have been deposited in NIVAL including: the Patrick Scott Archive, bequeathed by the artist; a large collection of press material and publications documenting the activities of the Rubicon Gallery; the An Tur Gloine/Michael Healy collection, donated by Dr. David Caron; prints, samples, photographs and documents from Distillers Press, donated by the founder of the press, Sean Sills; the 1913 Lockout Tapestry Project, deposited by the School of Education, NCAD; documentation and papers of the artist Brian Connolly; sketchbooks of the artist Brian K. Reilly, donated by his son Marc; *The Drawing Box*, an artists' collective project; catalogues and papers from the library of the late Gordon Lambert; research notes relating to artist Daniel Maclise, compiled and donated by Prof. John Turpin; a rare collection of turn of the century wallpaper samples and women's interest magazines.

Exhibitions | Outreach

The exhibition *Mobile Encounters: documenting the early years of performance art in Ireland*, took place at IMMA and was curated by NIVAL's Jenny Fitzgibbon in partnership with the museum. Drawing on both national collections, the exhibition traced the people, organisations and events that contributed to shaping a culture of 'mobile encounters' for performance art from the early 1970s to the late 1990s.

Unfolding the Archive, an exhibition of new work by international artists' group Floating World in response to the archives at NIVAL and the F.E. McWilliam Studio, took place at NCAD Gallery and F.E. McWilliam Gallery. Alongside select items from the archives, the exhibition featured artists' books and new work in textiles, drawing, painting, sculpture and video installation. The artists' book component travelled to Bank Street Arts in Sheffield for a spin off exhibition entitled *Unfolding the Archive: Reprised and Reassessed*.

Publications

Exhibition catalogue: Coulter, R & Romano, D 2015, *Unfolding the Archive*, National Irish Visual Arts Library, Dublin.

Published article: Conroy, A, Caron, D & Romano, D 2015, 'Archiving Michael Healy's 1916 diary: a centenary debut', *Archives & Records Association Newsletter*, summer, pp. 2-5.

Administration Report

Comptroller and Auditor General

The Comptroller and Auditor General submitted his Special Report No. 85 Accountability and Governance at the National College of Art and Design, to the Minister for Education and Skills on 10th September, 2014.

At the meeting of An Bord held on 24th October, 2014, the Director, Professor Declan McGonagle informed An Bord that the Comptroller and Auditor General's Office had completed its examination on accountability and governance at NCAD on 29th August, 2014 and this had raised a number of issues around: (i) delays in finalising financial statements and furnishing annual reports; (ii) compliance with national procurement guidelines; (iii) lack of review of effectiveness of system of internal financial control.

At the 12th December 2014 meeting of An Bord the Audit Committee reported that the Minister for Education and Skills had forwarded the Special Report from the Comptroller and Auditor General to the Dáil on 10th December 2014. The College was subsequently called before the Public Accounts Committee on 22nd January 2015.

At the meeting of An Bord held on 30th January, 2015, the Director gave a full account of the hearing of the Public Accounts Committee which was attended by the Chairman of An Bord, the Director, the Registrar/Secretary and a member staff from the Accounts Department. The hearing focused on the Special Report by the Comptroller and Auditor General on the delays in the College filing its accounts. The College was heavily criticised and regretted its shortcomings.

Revenue Audit

An Bord was informed at its meeting on 12th December, 2014 that the Revenue Commissioners were conducting a revenue audit on NCAD. A number of problems were highlighted, including the underpayment of PRSI, the taxation of external examiners and payment to students employed by the College.

Audit and Risk Committee

An Bord received the minutes of the Audit Committee meeting held on 6th June 2014 at its meeting on 12th September, 2014.

At the meeting of An Bord held on 12th December, 2014, the Audit Committee reported on the Special Report from the Comptroller and Auditor General. The Director informed the meeting that there had been no question of misappropriation of funds in the Special Report from the Comptroller and Auditor General's Office, but there were procedural and compliance issues.

The minutes of the NCAD Audit Committee Meeting held on 3rd February, 2015 were circulated to An Bord at its 25th February, 2015 meeting. At that meeting it was agreed to rename the Committee as the Audit and Risk Committee and that the terms of reference be adjusted accordingly to take account of responsibilities regarding the Risk Register.

The Chairman of the Audit and Risk Committee informed An Bord that there were some problems with procedures around College finances. Resources were now in place with the appointment of a new Finance Officer. Notwithstanding that, the College was in a difficult position regarding the lateness of filing of accounts and the quality of data to the Comptroller and Auditor General's Office.

Procurement

A number of services were tendered for during the year including cleaning; waste; security; public relations; learning support services; internal auditors and insurance.

Administration Report

Risk Management Report

At its meeting on 24th October, 2014, An Bord were informed of a Risk Management Workshop which had been held for senior staff. Risks were identified and scored and this would provide the basis of a Risk Management Register, which would also include controls to mitigate against risks.

Selected Student/Graduate Achievements

2015 Newbridge Silverware NCAD Jewellery Designer of the Year

Michelle Coakley was named the Newbridge Silverware NCAD Jewellery Designer of the Year for 2015. The annual competition, which is now in its tenth year, provides young jewellery designers with the chance to have their designs developed by Newbridge Silverware. One of Michelle's winning designs will go on sale as part of the Ariel Collection from Newbridge Silverware in January 2016. Michelle also receives a student bursary as part of her prize.

Undergraduate Awards 2014

NCAD student Katie Watchorn won the 2014 Undergraduate Award in the Visual Arts Category. As well as winning the Visual Arts Category, six other NCAD students were highly commended across two of the categories.

British Style Council - New Establishment Designer of the Year

Fashion Design graduate Simone Rocha won the British Style Council's New Establishment Designer of the Year award.

Thomas Dammann Junior Memorial Trust Art and Design Research Awards 2015

Thomas Dammann Junior Memorial Trust Art and Design Research Awards for 2015 were awarded to undergraduate and postgraduate students: Rebecca Devaney, Marian Balfe, Cathy Burke, Eimear Kinsella, Sean Molloy, Caitriona Moloney and Sven Sandberg.

RDS Student Art Awards 2014

Jillian McAteer won the RDS Printmaking Award.

Louis Copeland and Sons Tailoring Scholarship

Graduate Blathnaid McClean beat four other finalists shortlisted for the scholarship, to attend the year-long postgraduate course at the National Tailoring Academy. This is the second year of the scholarship, worth €8,995.

SDC International Design Competition 2014

Orla McCarthy, a Textiles and Surface Design graduate was presented with the winning prize of the SDC International Design Competition 2014 at an awards event held at Huizhou University, China. Orla was chosen over the other finalists representing Hong Kong, India, UK, Pakistan, Singapore, Thailand, Bangladesh, China, Portugal and South Africa. The competition judges were Kathy Lewiston, a UK-based fashion designer and lecturer and Janet Cheung, vice chair of the Hong Kong Fashion Designers Association. Orla received a £1,000 cash prize and the Veronica Bell trophy.

Specsavers Children's Book of the Year – Junior - 2014

The winner of the 2014 Specsavers Children's Book of the Year – Junior went to Chris Haughton, a graduate from Visual Communication, for his book 'Shh! We have a Plan'.

Gilchrist-Fisher Award 2014

NCAD Painting Department graduate Andrew Shannon won the Gilchrist-Fisher Award for 2014. The award, worth £3,000, is a biennial prize established in 1987.

Universal Design Grand Challenge 2015

NCAD students Isabella Morehead and Dylan McKimm received a Commercial Case Feasibility Grant from Enterprise Ireland at the Universal Design Grand Challenge Awards for 2015 for their 'Ripple' universal jerry can cap and filtration system for developing countries.

Selected Student/Graduate Achievements

River Island 2015 Fashion Design Bursary

Adam Henderson was the winner of the River Island 2015 Fashion Design Bursary. Adam received a €3,500 bursary in addition to a three month internship at River Island's design studio in London.

Student Statistics

1. Number of Undergraduate Certificate and Diploma Students (Part-Time)

		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
	Male	<i>No Courses Held</i>		54	43	33	28
	Female	<i>No Courses Held</i>		149	131	119	109
	Total	<i>No Courses Held</i>		203	174	152	137

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

		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
	Male	247	247	256	253	295	329
	Female	506	514	522	531	621	719
	Total	753	761	778	784	916	1048

3. Number of Full-Time Postgraduate Students

		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
	Male	61	61	53	48	51	36
	Female	118	131	144	141	121	116
	Total	179	192	197	189	172	152

4. Number of Continuing Education Students

		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
	Total	968*	903*	689**	573**	436**	347**

*Includes Summer, Autumn and Easter Courses.

** Non-Credit Short Courses

5. Number of Full-Time Students

		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
	Undergraduate	752	752	771	768	909	1048
	Postgraduate	167	177	170	146	135	125
	Total	919	929	941	914	1044	1173

6. Number of Part-Time Undergraduate Students

		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
	Undergraduate	1	9	7	16	7	0
	Postgraduate	12	15	27	43	37	27
	Total	13	24	34	59	44	27

ANNUAL REPORT 2014/2015

Accounts

The audited accounts for the year ended 30 September 2015 form part of this report.

COLÁISTE NÁISIÚNTA EALAÍNE IS DEARTHA

NATIONAL COLLEGE OF ART AND
DESIGN

FINANCIAL STATEMENTS FOR THE
YEAR ENDED 30 SEPTEMBER 2015

**COLÁISTE NÁISIÚNTA EALAÍNE IS DEARTH
NATIONAL COLLEGE OF ART AND DESIGN
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2015**

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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COLÁISTE NÁISIÚNTA EALAÍNE IS DEARTHÁ
NATIONAL COLLEGE OF ART AND DESIGN
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2015
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: 29 / September / 2017



Alex Milton
Acting Member of An Bord

Date: 29 / 9 / 2017

COLÁISTE Náisiúnta Ealaíne is Deartha
NATIONAL COLLEGE OF ART AND DESIGN
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2015
REPORT OF THE COMPTROLLER AND AUDITOR GENERAL



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 2015 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 weaknesses in the College's accounting system in respect of the year ending 30 September 2015, 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, errors in the draft financial statements presented for audit, and 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 2015 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 2015. In particular, the accounting records maintained for the year of account were not sufficient to

- enable, at any time, the assets, liabilities, financial position and income and expenditure of the College to be determined with reasonable accuracy, or
- facilitate the preparation of financial statements in a timely manner and in the required form, or
- enable the financial statements to be readily and properly audited.

REPORT OF THE COMPTROLLER AND AUDITOR GENERAL

Report of the Comptroller and Auditor General (ctd)

Emphasis of matter – going concern

Without qualifying my opinion on the financial statements in this regard, I draw attention to Note 22 Going Concern. While the College had an accumulated deficit of €1.2 million on 30 September 2015, it had a surplus of €223,000 in the year of account, and the members of the Board are satisfied that the College remains a going concern.

Emphasis of matter – deferred pension funding

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 2015 of an asset of €73 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 2015, including failures in relation to the fixed asset register, procurement, documentation of procedures and recording of risks. It also discloses that no review of the effectiveness of the system of internal financial control took place in respect of the year ended 30 September 2015.

Seamus McCarthy
Comptroller and Auditor General

4 October 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 the majority of 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 29 and 18 times respectively since they were established in June '15. A governance action plan has been put in place. Based on the initial assessment by An Bord 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. The chart of accounts was reformed in time for the preparation of the 2014/15 Financial Statements which meant that greater reliance could be placed upon the information contained within the accounts package. 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.

Preparation practices for 2014/15 financial statements

Overview

The National College of Art and Design (NCAD) 2010/11, 2011/12, 2012/13 and 2013/14 financial statements were qualified by the Comptroller and Auditor General for reasons including not keeping adequate accounting records.

However, by 2014/15 the NCAD had updated the chart of accounts and introduced some new financial policies and procedures which resulted in the accounts for 2014/15 being based on information contained within a trial balance which was generated from the accounts package. There are still process improvements to be filtered through but the corrections to systems of internal control are starting to take effect.

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 all be addressed sufficiently early to make improvements in the 2014/15 accounting year. Specific disclosures in respect of 2014/15 are listed below.

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2015
STATEMENT ON THE SYSTEM OF INTERNAL FINANCIAL CONTROL – CONT'D

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 and in subsequent internal and external audit reports.

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 (2009)

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. Areas of non-compliance are being addressed on a risk rated basis by the College.

Audit and Risk Committee and Internal Audit

In 2014/15 the Audit and Risk Committee met three times during this financial period. The shortfall in one Audit and Risk Committee meeting occurred as the old Board ended in February 2015 and the new Board was not appointed until June '15.

In 2014/15, there were no internal audit reports issued for 2015, as the College focused on corrective actions and remediation working to ensure the College was making progress within governance and internal controls.

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." The results of this audit were not finalised until June '15. The findings were such that it was deemed that another review of internal financial controls for year end 2014/15 would not show significant progress made by the College.

Procurement

Management acknowledges that during the 2014/15 Financial Year, National Procurement Guidelines were not consistently complied with. Due to control issues 14 suppliers were not procured in compliance with government and EU guidelines. These suppliers were paid a total of €773k. Further developmental work is on-going within the College to ensure greater compliance year on year.

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.

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2015
STATEMENT ON THE SYSTEM OF INTERNAL FINANCIAL CONTROL – CONT'D

Lack of Risk Register

Management acknowledges that a Risk Register was not in place in NCAD during the financial year 2014/15. 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 Bookkeeping Practices as well as Management Information Systems

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

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

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

In 2014 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. In 2015 each Research project was allocated its own unique code so that Income and Expenditure could be posted accordingly. However, due to preparation methods used in the 2013/14 Financial Statements, historical comparison figures are weak and show significant fluctuations.

(c) 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 relating to 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.

Weak controls in relation to Payroll / HR

There were no documented policies or procedures in relation to payroll and expenditure.

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 March 2015 for the financial year end 2013/14. The failings found during this review support the weaknesses highlighted above. There was no formal review of the System of Internal Financial Control for the financial year end 2014/15 as it was decided that the time frame to correct the system weaknesses had not been of sufficient duration to make material differences and it was better to deploy the College's limited resources to focus on remediation of the shortcomings than addressing a review when we already knew the issues.

Signed on behalf of An Bord

 29/9/17

Alex Milton
Acting Director

COLÁISTE NÁISIÚNTA EALAÍNE IS DEARTHÁ
NATIONAL COLLEGE OF ART AND DESIGN
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2015
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)
Leasehold Improvements	25%	(4 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.

(d) Capital Account

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

COLÁISTE NÁISIÚNTA EALAÍNE IS DEARTHÁ
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STATEMENT OF ACCOUNTING POLICIES – CONT'D

(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.

(i) Heritage Assets

FRS30 (Heritage Assets) has not been applied by NCAD for the 2014/15 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 DEARTHÁ
NATIONAL COLLEGE OF ART AND DESIGN
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2015
INCOME AND EXPENDITURE ACCOUNT

	Notes	2015 €000's	2014 €000's
Income			
State Grants	1	6,551	6,399
Academic Fees	2	7,802	6,729
Other Income	3	227	196
Research Grants and Other Contracts	10	368	806
Bank Interest		1	7
Amortisation of Capital Funds	15	718	665
Net Deferred Funding for Pension	16c	2,081	2,610
Total Income		17,748	17,412
Expenditure			
Academic Departments	4	6,786	7,418
Academic and Other Central Services	5	593	749
Premises	6	2,035	2,142
Central Administration	7	2,556	2,052
General Education Expenditure	8	32	32
Student Facilities and Amenities	9	424	341
Research Grants and Other Contracts	10	324	584
Depreciation	12	718	665
Pensions	16a	4,057	4,188
Total Expenditure		17,525	18,170
Surplus / (Deficit)		223	(758)
Balance at beginning of Year		(1,418)	(660)
Balance at Year End		(1,195)	(1,418)

There are no recognised gains or losses, other than those dealt with in the Income and Expenditure Account 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: 29 / September / 2017



Alex Milton
Acting Member of An Bord

Date: 29 / 9 / 2017

COLÁISTE NÁISIÚNTA EALAÍNE IS DEARTHACHA
NATIONAL COLLEGE OF ART AND DESIGN
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2015
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	Notes	2015 €000's	2014 €000's
Income and Expenditure Account			
Surplus / (Deficit) for the year		223	(758)
Actuarial Gain / (Loss) on Pension Liabilities	16b	4,226	(6,603)
Adjustment to Deferred Pensions Funding	16d	(4,226)	6,603
Total Recognised Gains / (Losses) for the year		223	(758)

There are no recognised gains or losses, other than those dealt with in the Income and Expenditure Account 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: 29 / September / 2017



Alex Milton
Acting Member of An Bord

Date: 29 / 9 / 2017

COLÁISTE NÁISIÚNTA EALAÍNE IS DEARTHÁ
NATIONAL COLLEGE OF ART AND DESIGN
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2015
BALANCE SHEET FOR THE YEAR ENDED 30 SEPTEMBER 2015

	Notes	2015 €000's	2014 €000's
FIXED ASSETS	12	13,101	13,499
CURRENT ASSETS			
Debtors and Prepayments	13	1,341	540
Bank Balances and Cash		2,054	2,582
		<u>3,395</u>	<u>3,122</u>
CURRENT LIABILITIES			
State Grants Received in Advance		1,027	1,343
Creditors and Accrued Expenses	14	3,563	3,197
		<u>4,590</u>	<u>4,540</u>
NET CURRENT ASSETS / (LIABILITIES)		<u>(1,195)</u>	<u>(1,418)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>11,906</u>	<u>12,081</u>
Deferred Pension Funding	16d	72,757	74,902
Pension Liabilities	16b	(72,757)	(74,902)
Net Assets		<u>11,906</u>	<u>12,081</u>
Funded By:			
Capital Account	15	13,101	13,499
Income and Expenditure Account		(1,195)	(1,418)
		<u>11,906</u>	<u>12,081</u>

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



Niamh Brennan
Chairperson of An Bord

Date: 29 / September / 2017



Alex Milton
Acting Member of An Bord

Date: 29 / 9 / 2017

COLÁISTE NÁISIÚNTA EALAÍNE IS DEARHTHA
NATIONAL COLLEGE OF ART AND DESIGN
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2015
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2015

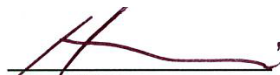
Reconciliation of the Net Movement for the year to Net Cash Inflow from Operating Activities	Notes	2015 €000's	2014 €000's
Surplus / (Deficit) for the year		223	(758)
Bank Interest		(1)	(7)
Decrease / (Increase) in Debtors & Prepayments		(801)	491
Increase / (Decrease) in Current Liabilities		50	529
Net Cash Inflow / (Outflow) from Operating Activities		(529)	255
Returns on Investments and Servicing of Finance			
Interest Received		1	7
Net Cash Inflow on Investments and Servicing of Finance		1	7
Capital Expenditure and Financial Investments			
Purchase of Fixed Assets	12,15	(320)	(89)
Net Cash Outflow on Capital Expenditure and Financial Investments		(320)	(89)
Net Cash Outflow before Management of Liquid Resources		(848)	173
Financing		320	89
Increase/(Decrease) in Cash		(528)	262
Reconciliation of Net Cash Flow to Movement in Net Funds			
Increase/(Decrease) in Cash in Year		(528)	262
Net Funds at 1 st October 2014	19	2,582	2,320
Net Funds at 30th September 2015		2,054	2,582

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



Niamh Brennan
Chairperson of An Bord

Date: 29 September / 2017



Alex Milton
Acting Member of An Bord

Date: 29 / 9 / 2017

COLÁISTE NÁISIÚNTA EALAÍNE IS DEARTHÁ
NATIONAL COLLEGE OF ART AND DESIGN
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2015

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2015

1. STATE GRANTS

	2015 Allocated for Recurrent Expenditure €000's	2015 Allocated for Capital Expenditure €000's	2015 Total Allocated for Expenditure €000's	2014 Total Allocated for Expenditure €000's
Higher Education Authority				
Recurrent Grants	5867	320	6187	5,922
Information Technology	40		40	50
Disability & Financial Assistance Grants	92		92	69
Skills Conversion	41		41	57
Improved Access and Progression	166		166	144
Irish Language	3		3	3
Other State Grants				
Arts Council	57		57	65
Digital Repository Ireland	3		3	21
Student Assistance	35		35	33
Literacy and Numeracy	23		23	-
Science without Borders	50		50	-
Other Grants	174		174	124
Total 2015	6,551	320	6,871	6,488
Total 2014	6,399	89	6,488	

2. ACADEMIC FEES

	2015 €000's	2014 €000's
Full-Time Tuition Fees – 1,163 students (2014: 1040 students)	4,705	4,278
Student Contribution (formerly FT Registration Fees) – 965 students (2014: 834 students)	2,652	2,084
Part-Time Tuition Fees – 42 students (2014: 38 students)	94	85
Continuing Education in Art & Design Fees – 617 students (2014: 825 students)	351	282
	7,802	6,729

3. OTHER INCOME

	2015 €000's	2014 €000's
Continuing Professional Development	2	14
Sponsorship	-	22
Event Income	10	60
Student Charges	20	17
Other Income*	92	77
Reimbursement of costs for seconded staff	25	-
Pension costs reimbursed from 3 rd parties	61	-
Photocopy Income	17	6
	227	196

*Other income denotes income received but not deemed sufficient to include as a separate line item. Due to better classifications in the 2015 financial records two additional lines of other income have been developed. Prior to this they would have been recorded in other income. Prior year comparatives are not available.

COLÁISTE NÁISIÚNTA EALAÍNE IS DEARTHÁ
NATIONAL COLLEGE OF ART AND DESIGN
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2015
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2015 – CONT'D

4. ACADEMIC DEPARTMENTS

	2015	2014
	€000's	€000's
Academic Staff	5,082	5,496
Technical Staff and Models	1,103	1,023
Faculty Administrative Staff	412	358
Non-pay Costs	189	541
	<u>6,786</u>	<u>7,418</u>

5. ACADEMIC AND OTHER CENTRAL SERVICES

	2015	2014
	€000's	€000's
Library Staff	484	477
Books, Catalogues and Periodicals	63	244
Lease Charges	46	28
	<u>593</u>	<u>749</u>

6. PREMISES

	2015	2014
	€000's	€000's
Attendants and Cleaners	606	496
Maintenance Staff	115	149
Light, Heat and Power	324	302
Maintenance Materials	201	467
Cleaning Costs	262	302
Security Costs	149	155
Rent and Rates	320	220
Telephone	58	50
	<u>2,035</u>	<u>2,142</u>

7. CENTRAL ADMINISTRATION

	2015	2014
	€000's	€000's
Administration Staff	1,445	1,079
Quality Assurance Staff	25	43
Stationery and Supplies	51	85
IT Expenditure	254	38
Postage	24	30
Professional Fees	155	187
Memberships and Subscriptions	41	-
Auditors' Remuneration	91	58
Travel and Subsistence	68	30
Advertising	83	22
Insurance	103	95
Photocopying Costs	3	30
Safety Costs	46	38
Gallery	52	35
Exhibitions, Seminars and Catering	74	95
Entertainment Expenditure	12	29
Bad Debt Write Off	4	65
Miscellaneous	25	93
	<u>2,556</u>	<u>2,052</u>

COLÁISTE NÁISIÚNTA EALAÍNE IS DEARTHÁ
NATIONAL COLLEGE OF ART AND DESIGN
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2015
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2015 – CONT'D

8. GENERAL EDUCATION EXPENDITURE

	2015 €000's	2014 €000's
Examiners' Fees and Expenses	9	9
Staff Development	23	23
	<u>32</u>	<u>32</u>

9. STUDENT FACILITIES AND AMENITIES

	2015 €000's	2014 €000's
Examination and Registration Fees	57	32
Students' Union Subvention	59	54
Students Assistance Scheme	200	51
Health and Counselling Services	69	157
Sports and Leisure Facilities	39	47
	<u>424</u>	<u>341</u>

10. RESEARCH GRANTS AND OTHER CONTRACTS

	2015 €000's	2014 €000's
Income		
Research Grants and Other Contracts	368	806
Expenditure		
Staff Costs	(185)	(175)
Other Operating Costs*	(139)	(409)
	<u>(324)</u>	<u>(584)</u>
Net Outcome	<u>44</u>	<u>222</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. 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 DEARTHÁ
NATIONAL COLLEGE OF ART AND DESIGN
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2015
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2015 – CONT'D

11. ANALYSIS OF EXPENDITURE

	Staff Costs	Other	Total	
	2015	Operating	2015	2014
	€000's	Expenses	€000's	€000's
		2015		
		€000's		
Academic Departments	6,597	189	6,786	7,418
Academic and Other Central Services	484	109	593	749
Premises	721	1,314	2,035	2,141
Central Administration	1,470	1,086	2,556	2,052
General Education Expenditure	-	32	32	32
Student Facilities and Amenities	-	424	424	341
Research Expenditure	185	139	324	584
	<u>9,457</u>	<u>3,294</u>	<u>12,750</u>	<u>13,317</u>
Depreciation			718	665
Pensions			<u>4,057</u>	<u>4,188</u>
			<u>17,525</u>	<u>18,170</u>

12. FIXED ASSETS

	Land & Buildings	Guinness	Plant &	Fixtures &	Computer	Total
	€000's	Fit Out	Equipment	Fittings	Equipment	€000's
		€000's	€000's	€000's	€000's	
Costs						
Balance at beginning of yr	29,751	-	144	175	693	30,763
Additions	-	159	51	43	67	320
Disposals	-	-	-	-	-	-
Balance at year end	<u>29,751</u>	<u>159</u>	<u>195</u>	<u>218</u>	<u>760</u>	<u>31,083</u>
Depreciation						
Balance at beginning of yr	16,358	-	109	154	643	17,264
Charge for yr	595	40	13	14	56	718
Disposals	-	-	-	-	-	-
Balance at year end	<u>16,953</u>	<u>40</u>	<u>122</u>	<u>168</u>	<u>699</u>	<u>17,982</u>
Net Book Value at 30/09/15	12,798	119	73	50	61	13,101
Net Book Value at 30/09/14	13,393	-	35	21	50	13,499

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 no reasonable value can be attributed to them owing 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. The collection known as the National Irish Visual Arts Library (NIVAL) has not been treated as fixed assets in the financial statements either, 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.

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13. DEBTORS AND PREPAYMENTS

	2015	2014
	€000's	€000's
Payroll Debtor	-	8
Student Debtor	80	-
Accrued Income	989	191
Accrued Endowments	85	228
Prepayments	187	113
	<u>1,341</u>	<u>540</u>

During the prior year, 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 2016.

14. CREDITORS AND ACCRUED EXPENSES

	2015	2014
	€000's	€000's
Fees	1,545	1,622
Research Grants and Other Contract Balance	314	242
PAYE	92	103
PRSI	113	115
Pension Levy	34	38
Trade Creditors	325	133
Continuing Education in Art and Design	107	139
Endowments Received in Advance	228	228
Payroll Creditors	80	44
Other Creditors	55	41
Accrued Expenses	633	489
Other Revenue Creditor	37	3
	<u>3,563</u>	<u>3,197</u>

15. CAPITAL ACCOUNT

	2015	2014
	€000's	€000's
Balance at the Beginning of the Year	13,499	14,075
Grants used for Buildings Acquisition and Development	-	-
Grants applied to Purchase Fixed Assets	320	89
Disposal of Fixed Assets	-	-
	<u>13,819</u>	<u>14,164</u>
Less Amortisation	(718)	(665)
	<u>13,101</u>	<u>13,499</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. 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.

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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 2015 by a qualified actuary taking account of the requirements of the FRS in order to assess the scheme liabilities at 30 September 2015.

Single scheme members are included in the pension liability at 30 September 2015, 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.

	2015 €000's	2014 €000's
(a) Analysis of Total Pension Costs Charged to Expenditure		
Current Service Cost	2,648	2,289
Interest on Scheme Liabilities	1,798	2,299
Employee Pension Contributions	(389)	(400)
	<u>4,057</u>	<u>4,188</u>
(b) Analysis of Movement in Scheme Liability during the Year		
Scheme Liability at Start of Year	74,902	65,689
Current Service Cost	2,648	2,289
Interest on Scheme Liabilities	1,798	2,299
Benefits Paid in the Year	(2,365)	(1,978)
Actuarial (Gain) / Loss*	(4,226)	6,603
Scheme Liability at End of Year	<u>72,757</u>	<u>74,902</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:

	2015 €000's	2014 €000's
Funding recoverable in respects of current year costs	4,446	4,588
Grants from tUdaras um Ard-Oideachas applied to pay pension benefits	(2,365)	(1,978)
Net Deferred Funding for Pension in Year	<u>2,081</u>	<u>2,610</u>

The deferred funding asset for pensions as at 30 September 2015 amounted to (€72,756,400) (2014: (€74,901,700)).

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(d) History of Deferred Benefit Obligations

	2015		2014		2013		2012		2011
	€000's		€000's		€000's		€000's		€000's
Deferred Benefit Obligations	72,757		74,902		65,689		69,496		50,800
Experience (Gains) / Losses on Scheme Liabilities Amount	(4,226)		6,603		(6,451)		16,327		(10,317)
Percentage of Scheme Liabilities	-5.8%		8.8%		(9.8%)		23.5%		(20.3%)

(e) The principal actuarial assumptions were as follows:

Assumption	2015	2014
Discount Rate	2.4%	2.4%
Salary increase assumption	2.6%	2.8%
Pension increase assumption	2.6%	2.8%
Price inflation	1.6%	1.8%

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

	2015	2014
Male aged 65	21.1	20.6
Female aged 65	23.6	23.2

17. CAPITAL COMMITMENTS

Capital Commitments at 30 September 2015 amounted to €Nil (2014: €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. This lease was extended for an additional period of 9 months and ended in December 2016. 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. An accrual of €196k was made in the 2013-2014 financial statements, and a further accrual of €26k has been provided against these costs in this financial year.

The College entered into a new 4-year lease arrangement with Diageo for premises at 101-103 James Street and the Rupert Guinness Theatre on Watling Street in July 2015. The rent is €35k for the first year and €50k for the subsequent three years.

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

There were no finance lease commitments at 30 September 2015.

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

	2015 €000's	2014 €000's
Within 1 Year	232	154
Between 1 Year and 5 Years	416	288
More than 5 Years	-	-

19. ANALYSIS OF CHANGES IN NET FUNDS DURING THE YEAR

	At 1 October 2014 €000's	Cashflows €000's	At 30 September 2015 €000's
Cash at Bank and on Hand	1,557	396	1,953
Short-Term Deposits	1,025	(924)	101
	<u>2,582</u>	<u>(528)</u>	<u>2,054</u>

20. EMPLOYEES

During 2015 there were 87 full time equivalent monthly paid staff (2014: 82), 15 full time equivalent weekly paid staff (2014: 26), and 21.5 full time equivalent, part time staff (2014: 23).

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 2015.

During 2014/15 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 2015 was €286. 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 2015. The decision to close the Friends of NCAD was taken by the incumbent Board and the process was completed in early 2016.

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 2015. The decision to close the US Friends of NCAD was taken by the incumbent Board and the process was completed in early 2016.

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. Current financial projections reflect deficits in the coming three 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.

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 2015 were approved by An Bord at its meeting on 29th September 2017.