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Purchasing Procedures

PURCHASING POLICY & PROCEDURES

Placing an Order

Purchasers must generate an electronic purchase order.

It is the responsibility for Section Heads & Project Research Leaders to designate a person or persons within their group to place orders.

If an order is in excess of €25,000 it will be necessary to refer to the Finance office for further instructions.

Quotation & Tender Thresholds Procedure for Goods & Services

Expenditure Levels (Exclusive of Vat)	Purchase Procedure	Contract/ P.O
< €150	No requirement for quotations	Administer through Section Petty Cash
> €150 but <€1,000	No requirement for quotations but value for money should be sought	Purchase order required
€1,000 - €5,000	A minimum of 2 verbal quotes required	Purchase order required
**€5,000 - €25,000	A minimum of 3 written quotes required	Purchase order required
€25,001 - €193,000	Competitive 'National Tender' required. Advertise at www.etenders.gov.ie or appropriate media –Note 3	Purchase Order & Contract required (review of procurement guidelines necessary)
€193,000	'EU Tender' required. Please contact Finance office for instruction.	Purchase Order & Contract required

**

For Sole Suppliers purchases, please complete the Sole Source Justification Form available from our Procurement Forms Section (DIAS Finance Office)

Advertise all ICT procurement opportunities with a value of €10,000 or greater on the Government eTenders website at www.etenders.gov.ie (Circular 2/09)
(ICT = IT and telecommunications expenditure on projects, systems and infrastructures)

Note 1. Where there is an existing Institute Contract, there is no requirement for quotations to be obtained. Contact Finance Office for further details.

Note 2. No order should be placed unless funds are immediately available to meet the expenditure.

Note 3. For amounts in excess of €25,000 the Institute must draw up tender documentation for purchases. The Institute must advertise on www.etenders.gov.ie or appropriate media. Tenders can be invited but there must be at least five.

Tendering should be open to competition from as wide a range of firms as is practicable. The national procedures that should be used for competitive tendering are: -

Open tendering – open advertisement: all interested parties may tender.

Restricted tendering - a) invitation of tenders from firms on a list.

-b) selective tendering: pre-qualification of firms for a particular project, followed by invitation to tender for the contract.

In all cases, but particularly where it is not feasible to have open tendering, every effort should be made to ensure the existence of adequate competition.

Public contracts must be advertised in the Official Journal of the European Communities for all purchases of goods or services of a value of €193,000 or more.

The Registrar together with any one of the following: - Chairman of the Institute, School Director or Finance Officer should always be involved in placing the advertisement, setting the evaluation criteria and evaluating tenders. Tenders should be evaluated on the basis of value for money and the tender should be chosen on the basis that it is the most economical, effective and efficient solution and is in accordance with Institute policy. All tenders should be evaluated on the basis of the same criteria.

Where applicable all tenders should be opened together at the date and time set for receipt of tenders. No tender should be opened in advance, nor should any tender information that may have become available – by a casual remark from a supplier for example – be passed on to others.

The tender evaluation process should be documented and attached to the quotations and full details should be provided of the reason for choosing the successful tender. The Finance Office should retain the tenders on file for each Financial Year.

Where it has not been possible to secure five tenders (either due to limited response or limited sources of supply) serious consideration must be given to any decision on the choice of supplier. The matters affecting the decision must be agreed by all personnel involved in the evaluation process and be documented appropriately on record.

Purchase Order Procedures

An electronic purchase requisition should be completed for **all** purchases of goods and engagement of services where the unit cost is greater than €150.

It is the responsibility of the individual preparing the requisition to attach quotations & or tendering details where applicable.

For purchases between €1,001 and €4,999, the individual preparing the requisition should show evidence that value for money concepts have been applied. The individual should record in the comment section the list of suppliers/prices quoted.

On receipt of the order, the Creditor's Clerk must first check that a valid Tax Clearance Certificate for the Supplier is on hand. If this is not the case, he/she must secure receipt of this prior to sending the order to the supplier.

Authorized personnel may only approve the purchase order

Authority & Limits for the Ordering of Goods and Services

<u>Expenditure Levels</u> (exclusive of Vat)	School/Section central funds	Research Funds
> €150 but < €1,000	Head of Section or Finance Officer	Project Leader
€1,000 to €5,000	Head of Section or Finance Officer	Head of Section & Project Leader
€5,001 to €25,000	School Director & Registrar	Project Leader & School Director & Registrar
€25,000 to €193,000	School Director & Registrar	School Director & Registrar
Over €1931,000	Registrar & Council	Registrar & Council

Note 1. Funding must be in place before orders are issued to Suppliers.

Note 2. The signing authorities list above represents the minimum requirement for adequate control purposes.

Note 3. Each person with signatory authority is required to nominate a representative to sign during absences due to holidays, illness etc. This authorization should 1. be communicated in writing to the Finance Officer.

Note 4. The approval of the Registrar is required prior to going to tender.

Note 5. Prior to approving orders, authorized persons should ensure

- Goods/services being ordered are approved within budgets;
- value for money concepts have been applied;
- the purchase order details are completed;
- the purchase order is coded correctly;
- tendering and tax clearance procedures have been followed;
- Goods/services being ordered comply with general Institute guidelines.

Taking delivery of goods and services

Where applicable, when goods are delivered, the individual who made the order (or their direct superior) should match the Goods Received Note (G.R.N) against the original electronic order. Once the order is matched, the order can be closed and the invoice paid. Any shortfalls or differences should be reviewed and a note of the shortfall should be communicated to the Creditor's Clerk immediately.

Payroll Procedures

New Employee Details are *submitted* by:-

- (1) the Director in each School for a Schools academic and administrative appointments
- (2) Registrar for Administrative appointments

These details are then verified by the Personnel Department, before forwarding to the Clerical Officer in Accounts for processing. Employee details for new employees are then set up by the Clerical Officer.

The Personnel Dept. should submit to the Clerical Officer (at least one week before the Payroll Period) a list of new starters and leavers for the pay period as well as any adjustments to the payroll. The Secretary should forward the adjustment sheets to the Personnel Dept. from each School, or in the case of Administration by the Registrar. Following verification by the Personnel Dept., payroll adjustments are input by the Clerical Officer to the payroll package and a payroll run is then carried out by the Clerical Officer which incorporates new employees and adjustments for current staff. .

The following are the principal pay reports produced and filed: -

- Control Summary -A cumulative total of the Earnings/Tax and Prsi amounts c/f from the previous period
- Monthly Salary Control Check List
- Cost Analysis Report
- Departmental Analysis Report
- Earnings Tax and PRSI Report
- Gross to Nett Report
- PRD and USC Reports
- Paypath & Cheque Register -totals to agree with Nett total from the Gross to Nett report
- Employee Audit Report -shows starter/leavers and adjustments to Employees Pay records for the period.
- Payroll details -payments/deductions etc.
- Salary to Headcount Control Report (Quarterly, to be signed by the Registrar)

The payroll reports are approved/verified by the FO or the AFO. On receipt of verification the Clerical Officer completes the cheque run or where Paypath is in operation the pay details are forwarded to the Institute's bank via BOL. The approval of pay cheques and the transfer of funds using Paypath follow the normal cheque payments procedure.

Payslips and where relevant cheques, are put into envelopes and distributed to employees by the Clerical Officer. A copy of all payroll reports is maintained in the Accounts Payroll file in chronological order.

Following review and verification by the FO/AFO of the payroll run he/she authorises the Clerical Officer to update the nominal ledger. This allocates all payroll costs to a School/Section and identifies the deductions made from payroll. These deductions are automatically credited to the respective accounts and subsequent payments are debited to the account when they fall due for payment.

The AFO is responsible for ensuring that the monthly/quarterly payments are made on behalf of employees for deductions at source in accordance with stated deadlines He/she also oversees the monthly payments in respect of PAYE and PRSI and PRD. Quarterly and year-end reconciliations are carried out by the Clerical Officer in respect of deductions from employees. These include PAYE/PRSI, PRD, National Savings, VHI etc. In addition all employees are issued with a PRD certificate and a P60 stating earnings and tax/PRSI/USC deductions for the year.

These certificates are issued within one month of the end of the tax year. The AFO is responsible for the submission of year end returns (including P35) in accordance with government deadlines.

Amendments to pay rates may only be put into effect when authorised by the Personnel Department and the Registrar. It is the responsibility of the Administration Officer in the Personnel Dept. to ensure that the Institute receives the correct returns in respect of Social Welfare cheques.

Where an individual is due to leave the Institute, if employed in a School the relevant School Secretary should notify, in writing, the Personnel Department who will subsequently notify the AFO. The Registrar will deal with departures of administrative staff. The AFO will authorise the Clerical Officer to make the required adjustments to the final pay cheque and remove the employee's name from the payroll run.

Imprest and Expense Claim Procedures

All staff, including project funded staff, must complete the electronic Expense Claim Form when recouping expenditure incurred on behalf of the Institute or a Project. These should be prepared on a calendar month basis (i.e. 1st of month to 31st of month) and the approved form should be submitted to the Finance Office by the 10th of the following month. Before any travel claims are processed, the Clerical Officer in the accounts office should ensure that he/she has an electronic approved travel request form for the claimant. Authorised personnel may only approve the travel request form.

The Geophysics section uses a similar system via email.

All expense claim forms are processed and checked by the Clerical Officer in the Finance Office.

The electronic Expense Claim Form should contain the following details: -

- Duties performed;
- Journeys undertaken;
- Subsistence being claimed;
- Vehicle registration number;
- Vehicle engine capacity
- Miles travelled;
- Mileage claimed;
- Project codes.

Receipts for all claims should be forwarded to the Finance Office.

The costs should be recorded in their original currency denomination.

The AAA approves the Expense Claim Form confirming the following: -

- Sufficient detail has been provided for journeys and duties undertaken;
- The forms are marked with the correct project codes;
- Receipts have been supplied for all miscellaneous items;
- Correct subsistence and mileage rates have been used and totals are correct;
- Forms have been signed by the claimant;
- In the case of travel claims (that prior approval for travel was granted)
- Claim complies with general Institute policies and procedures.
- Value for money concepts have been applied.

The Clerical Officer reviews the completed Expense Claim Forms to ensure that the form has been approved and totals are correct. Where there are any omissions or errors the Clerical Officer returns/rejects the Claim Form to the AAA for correction.

The Clerical Officer updates the nominal ledger following the same procedures as apply to the processing of invoices. Each expense is allocated to an account in the nominal ledger and a cost centre.

Staff are entitled to receive a payment in advance if they are likely to incur expenses on behalf of the Institute. There is a facility to apply for an advance on-line when completing the Travel Request Form (For further details see **Section 4 Payments Procedure**).

Requests for further imprests will be withheld until all existing expense claims and receipts from the claimant (where a prior imprest has been granted) have been submitted to the Finance Office.

Invoice Processing & Payments System

Invoice Processing

Cheque Payment System

Routine Creditor Payments

Manual Cheque Payments

Prompt Payments of Account

Cheque Signing Procedure

Tax Clearance Requirements

Professional Service Withholding Tax

Relevant Contracts Tax

Invoice Processing

Invoices that arrive in the Institute are date stamped by the Administration Assistant (in the Registrar's Office).

In the event that Invoice is sent directly to the Finance Office, or to one of the Schools they should be dated stamped by either the Creditor's Clerk (Finance office) or the School Secretary.

When date stamped all Invoices should be sent immediately to the Creditor's Clerk in the Finance Office.

The Creditor's Clerk will stamp each invoice with an approval grid. The approval grid allows for entry of the following information.

- The Institute Order Number
- The Supplier Account Number
- The Internal Invoice reference number assigned
- A certification entry "checked by"
- A passed for payment entry
- The accounting code to be charged
- A description of the code
- The Invoice total.

The Creditors Clerk will

1. attach a copy of the Purchase Order to the Invoice and
2. enter details of the Invoice on the second copy i.e. the permanent order record.

The invoice is entered onto the system and assigned an internal reference number.

In the case of contract/utility/periodical invoices, the document is scanned and e-mailed to the Secretary in charge of the relevant Section for certification that

1. the goods/service has been received/conducted
 2. the values are correct
- and
3. the invoice can be cleared for payment.

Once the Invoice is certified, it is sent to the Finance Officer or the Registrar for payment approval. Either the Finance Officer or Registrar signs the approval grid verifying that the Invoice has been certified, procedures have been followed and values are correct.

Cheque Payments System

Routine Creditor Payments

Payment Dates:

- An automated cheque payment run is completed weekly
- Foreign payment cheque runs are completed weekly.
Payments to non-resident Suppliers are made by either an International Bank Draft or an electronic Funds transfer (EFT). Before requesting the bank drafts or effecting an EFT, the FO will certify that the payment list is in order (same procedure as with routine Creditor Payments).
- All outstanding query accounts are handled in the non-routine, manual cheque payment system (see below).

Manual Cheque Payments.

Manual cheques should only be written for outstanding query accounts, insurance payments and non-routine cheque requisitions.

They will normally be prepared on the Wednesday of each week but may be prepared at any time during normal working hours.

Prompt Payments of Accounts Act & EC Late Payment Regulations

The payment procedures as applied in the Institute are designed to ensure that the obligations under The Prompt Payment of Accounts Act & The Late Payment in Commercial Transaction Regulations, 2002 are met.

These laws aim to ensure that all Public Bodies pay their suppliers in a timely manner. Under the terms of the Act, DIAS is obliged to pay its Irish Suppliers within 15 days of the receipt of an Invoice or within 15 days of the delivery of the goods or services, whichever is the later.

If payment is not paid by the due date, DIAS must pay an interest penalty based on the outstanding payment and the length of the delay.

In order to avoid interest penalties, all staff members should ensure that invoices are sent to the Finance Office for payment as quickly as possible. If there is a valid reason for the late submission of an invoice, a memo should be attached to the invoice stating the reason why the interest should not apply.

For further information on the law, please refer to the Department of Enterprise, Trade and Employment website www.entemp.ie/ecd/promptpa.htm

At the end of each quarter the Creditors Clerk prepares a schedule of all invoices received and paid within the quarter. A prompt payment summary schedule is completed and returned to PromptPaymentReturns@education.gov.ie. The return must be completed by the 10th of the month following the end of the quarter. A copy of the return is published on the DIAS website.

Cheque Signing Procedure

Cheque signing procedures apply to all payments.

The Creditors Clerk will print from the accounting system a detailed Trial Balance Creditors' Report monthly. This report will be used to review creditor balances on the system.

The Creditors Clerk prepares a cheque listing and presents this for review by the Finance Officer. Accompanying the cheque listing will be the supporting invoices and where applicable a reconciliation of the supplier's statement.

The FO verifies that the cheques agree with the cheque listing.

The Creditor's Clerk will then be instructed by the Finance Officer to proceed with the payment run.

The cheques are then presented to the cheque signatories for signing.

Note: Two cheque Signatories are required from the following list

Names & List of Cheque Signatories

<u>Cheque Signatories</u>	<u>Names</u>
Chairman of Council	Mr. Vincent Cullinane
Registrar of the Institute	Mr. Cecil Keaveney
Finance Officer of the Institute	Ms. Grace Forkin
Director of the School of Celtic Studies	Prof. Padraig Breatnach
Director of the School of Theoretical Physics	Prof. W. Nahm
Director of the School of Cosmic Physics	Prof. Luke Drury

Tax Clearance Requirements:

A Tax Clearance Certificate (TCC) is required for contracts of a value of €10,000 (incl. Vat) or more. Individual contracts with any supplier with a cumulative value of €10,000 or more during any 12-month period are subject to the tax clearance procedures.

It is the responsibility of the individual making the order to liaise with the Finance Office to ensure that there is a current TCC on the Accounts file. Where current tax clearance documentation is not on file then the individual making the order should submit a written request to the AFO to secure the requisite documentation. No goods/services should be ordered until this documentation has been received.

As an additional control, the Clerical Officer should prepare on a monthly basis, a payment to creditor's (YTD) report. When the total value of payments (YTD) to a supplier exceeds €8,000, a TCC should be requested from the supplier and placed on file. This report should be reviewed and signed by the Finance Officer.

Professional Services Withholding Tax (PSWT)

Chapter 1, Part 18 of the Taxes Consolidation Act 1997 provides for withholding tax to be deducted from payments made by public sector bodies in respect of professional services.

Under the legislation, the Dublin Institute for Advanced Studies is obliged to deduct 20% from payments to certain suppliers of professional and consultancy services.

The Creditors' Clerk will issue an F45 certificate to the Supplier with the payment. This will detail the tax deducted. The Creditors Clerk will put the Institute's copy in the PSWT File. The supplier submits the F45 with their annual tax return and will receive credit for the tax deducted.

A revenue booklet on the operation of Withholding Tax is available from Ronan Byrne in the Finance office.

Further information is available on the Irish Revenue Commissioner's website www.revenue.ie/leaflets/it61.pdf

Relevant Contracts Tax -Payment Cards

The Dublin Institute for Advanced Studies is registered as a Principal Contractor for the purposes of operating Relevant Contracts Tax (RCT) from payments to sub-contractors in the construction industry.

As a Principal Contractor, the Dublin Institute for Advanced Studies is required to deduct tax as advised by Revenue (via the ROS online system) and complete the return on a quarterly basis. This percentage (0% to 35%) is deducted from payments to sub-contractors. In addition, the Institute is required to maintain a record of payments to all sub-contractors regardless of whether deductions were made.

In addition, DIAS is required to pay VAT on behalf of this category of supplier. Invoices received from this category of supplier must be exclusive of VAT.

Further information on application of RCT is available on the Irish Revenue Commissioners website www.revenue.ie/leaflets/it63.pdf

Billing / Sales Procedure

Contract Income

The Head of Section or Director of a School undertaking a contract must get the written agreement of the Registrar or his/her nominee on the price set and the details for the Contract. This is to ensure that standard conditions have been considered when preparing the contract documentation.

The contract price should, wherever possible, be set at a level that covers the total costs to the Institute of the contract. In limited cases it may be appropriate to charge a price which does not fully cover the costs of the contract. Where the contract is not included in the annual work programme as originally approved for the School the prior approval of the School Chairman is required.

A copy of the final contract should be given to the Finance Office before any expenditure is incurred. A cost centre should then be set up by the AFO for the contract. All documentation relating to the project, including subsistence claim forms and invoices, should be marked with the contract reference number.

An invoice should be generated by the AFO for all contracts in accordance with the agreed terms and conditions and the nominal ledger and sales ledger should be updated simultaneously. Where relevant the invoice should be posted to the appropriate cost centre. The normal procedures should be followed in relation to the management of debtors and cash receipts.

Grant Income

A schedule of monthly pay expenditure, non-pay expenditure and own resources should be prepared by Finance Officer of the Institute in January of each year, in consultation with the Director of each School and the Registrar and with reference to the voted estimates as advised by the Department of Education and Skills

The Finance Officer applies to the Department for payment of the Exchequer Grants as detailed in the above schedule by the 15th working day in the month. The Finance Officer also notifies the Department of the financial effect of any changes in permanent staff numbers following notification.

The Institute submits with the grant application:

1. A monthly profile to the Department identifying budgeted and actual income and expenditure This review should cover the following: -

(a)Permanent Staff Costs

(b)Temporary Staff Costs

(c)Seasonal Staff Costs

(d)Own Resources

(d)Non-pay Expenditure

2. Reconciliation of the Bank Accounts

3. A schedule of outstanding cheques and lodgements

The monthly grant payable to the Institute may be adjusted according to the outcome of this monthly review.

Non Routine Exchequer Funding

The School Director or Head of Section or his nominee must liaise with the Finance Officer when preparing the project cost section of the application for External Funding. A submission should not be made without being signed off by the Finance Officer or Registrar. If an application is successful, a copy of the final signed Letter of Offer or a Project Contract (usually for larger funding arrangements) should be given to the Finance and Personnel Officers before any expenditure is incurred.

A cost centre and the Project cost codes can only be set up by the AFO. A Project name should be agreed between the AFO and the Project Manager. All documentation relating to the project, including subsistence claim forms and invoices, should be marked with the Project Name and cost code.

The Personnel Dept. is required to get the sanction of the Department of Education and Science before it can issue sanction to engage any project staff. Project staff should only undertake duties relating to the specified project for which they were engaged.

No expenditure should be incurred except that which is detailed in the budget accompanying the Letter of Offer. Where it becomes necessary to veer from the original schedule of costs, a letter requesting a revision should be submitted to the funding authority by the School Director or Project Manager, detailing the reasons for the required amendment. Expenses arising from any revision to the project may only be incurred when a letter from the funding authority sanctions the revised expenditure profile. Copies of this letter should be provided to the Personnel and Finance Officers.

The Project Manager is responsible for compliance with all the conditions of the Letter of Offer and the regulations in relation to the recruitment of staff and purchase of goods and services.

Project Managers may use additional income to cover research expenditure provided such income does not exceed the maximum overhead sum received/receivable from awards. Overheads earned from different projects may be aggregated for use by Project Managers to cover research expenditures including resources that can be deployed across various projects. The Finance Office will provide financial reports to project managers routinely and on request.

In the event of a surplus resulting from a Project, Managers will have a period of two years from the date of completion of the project to use that surplus. They will be required to submit an expenditure plan to the Finance Officer outlining their proposed use of surplus funds. Thereafter any unused balance will be allocated to the Head of Section. The Head of Section will have a further 12 months to expend the surplus after which expenditure from any residual balance will be agreed by Central Administration.

Preparation of Claims for Reimbursement

Claims for reimbursement of expenditure should be submitted by the A.F.O. on the basis agreed between the Institute and the Agency managing the Project. He/she should have agreed with the Project Manager on the costs to be submitted at least one week before the report due date. The following information must be available in support of each claim:-

- Covering Letter;
- Schedule indicating approved costs, incurred costs and variance;
- List of Project Assets;
- Cost summary schedules;
- A Statement showing cumulative Income and approved expenditure to date.

To identify the costs incurred on a particular project a nominal ledger printout is obtained for the particular project. Adjustments are made for non-allowable expenses and a schedule is prepared for the claim.

Payroll should be calculated by reference to the diary details and by applying the standard daily rate. Subsistence and mileage if claimed is calculated with reference to the details on the Expense Claim Form and by applying the standard Civil Service rates for mileage and the Institute rates for subsistence. Fuel receipts are used to recoup expenses in relation to the use of project funded vehicles.

Copies of all claims and the supporting documentation should be maintained in the Finance Department. A copy of the claim covering letters should be filed on the individual claim correspondence files.

When the payment is received from the Agency administering the project it should be accompanied by a note detailing any disallowed amounts and the reasons why these amounts have been disallowed. Any errors and omissions relating to the project management should be referred to the School Director or Project Manager for correction and a supplementary amended claim should be made. Where amounts have been disallowed and are unrecoverable then a note should be prepared detailing the reasons and this should be submitted to the School Director, Project Manager and Finance Officer.

Reimbursement of claims are posted as income to the relevant cost centre in the nominal ledger which has been set up to capture the costs for each project.

Cash Receipts Procedures

Receipts received at Burlington Road

The Personnel Dept opens daily mail for the Accounts Department, other than that specifically addressed to the Finance Office. Cheques received are recorded in a daily register by the Personnel Department which identifies the date, payer, amount paid and any notes on the amount being paid to the Institute. The register is maintained in the Personnel Department. The mail is then distributed to the relevant Accounts Personnel for further action

The Clerical Officer prepares bank lodgement slips and ensures that each lodgement corresponds with the entries in the cash receipts book.

Where it is necessary to hold cheques overnight then these are placed in the safe by the Clerical Officer or the AFO.

At the end of each month the AFO reconciles the receipts per the cash receipts book with the daily register maintained by the Clerical Officer.

Receipts received at No 5 Merrion Square and Fitzwilliam Place

Sums received at the above locations are summarised on a Schedule and returned to the Personnel Dept in Burlington Road. An acknowledgement is issued by the Finance Dept. to the Secretary of whichever School forwarded the money/cheques setting out details of the amounts received.

The daily register is up-dated and the receipts along with the schedule are passed on for the attention of the Accounts Department.

Daily, where possible, the Clerical Officer posts the amounts to the nominal ledger. The Nominal Ledger receipts are posted to the relevant cost centre.

Petty Cash

Petty cash is available to discharge small or non-material expenses incurred by staff (e.g. milk, papers, parking etc.). The total cash available in the petty cash box should not exceed €500 at any one time. The management of petty cash is devolved to a nominated person who is responsible for ensuring that receipts are available, Reconciliations take place and the records are up to date at all times.

The petty cash box must be kept locked and secured in the **Accounts or the Administrator's Office** . These Offices must be locked at the close of business each day. Each petty cash transaction must be supported by a petty cash voucher and a receipt for expenditure and these should be authorised by the appropriate authorising authority.

Petty cash should only be used in exceptional circumstances. In the normal course of events, expenditure for incidental items should be reimbursed by means of the expense claim form.

Lodgements to petty cash should be made by means of a cheque made out to cash. The Finance Officer must be one of the signatories on the cheque.

Movements in petty cash should be recorded on a monthly basis in the nominal ledger.

Bank

Opening or closing of bank accounts

Prior approval of Council is required before the opening or closing of a bank account.

Asset Register

An Asset Register must be maintained for all assets purchased by the Institute. The Asset Register should contain details of all non-consumable stock (both capital and non-capital) in excess of a value of €1000. The details to be included in the Asset Register are as follows: -

- Asset Number
- Asset Category
- Asset Description
- Manufacturers identification number
- Invoice number
- Project code
- Date of Invoice
- Location of Asset
- Custodian of Asset
- Value of Asset including Vat
- Details of sales and trade-ins
- Details of cumulative depreciation and depreciation for the year

Maintenance of the Asset Register is the responsibility of a nominated person in the Finance Department. Additions to the Asset Register must be recorded at the time of processing of the Invoice. An Asset Tag will be sent to the person who requisitions the Asset and they will be responsible for ensuring that the Asset Tag is applied to the item/s. The Finance Officer should be advised by a School Director or the Registrar when irreparable breakages have occurred or where assets have been stolen. The A.F.O. will initiate and process any necessary insurance claims in the event of a loss of assets through accident or theft.

The individual to which the asset is assigned has a duty to exercise due care in the utilisation and maintenance of the asset. The individual is also obliged to any care and safety procedures as recommended in the accompanying instruction manual where applicable. The School Director or Registrar is responsible for ensuring compliance with these procedures.

Assets should only be disposed of if authorised by the School Director/Head of Section A disposal form should be completed (see Intranet), signed by the School Director/Head of Section or in the case of Administration, the Registrar/Finance Officer. This form should then be sent to the Finance Office.

A periodic stock take should be undertaken by the Finance Office in order to verify the existence of assets and to ensure that assets are being maintained in proper working order.

Periodic Controls

Bank Reconciliations

A Bank Reconciliation should be prepared every month for all Bank accounts, reconciling the statements received from the bank statement to the nominal ledger bank account. Bank Reconciliation Statements should be maintained on file.

The permission of the Council of the Institute is required before a new Bank Account is opened. A detail of any bank account, which has been opened or closed, is advised to the Audit Committee as soon as possible after the event.

Where applicable the Audit Committee is to be advised of any overdraft facility that the Institute requires and will confirm that Ministerial sanction is requisitioned before an overdraft is incurred.

Nominal Ledger Transactions Listings

A printout of the Nominal Ledger Transactions Listing should be obtained and reviewed by the A.F.O. to ensure that entries have been posted to the correct cost analysis codes and to the correct project codes and cost centres. The listing should also be reviewed to ensure that the level of detail for each transaction is sufficient and correct. Any large items should be reviewed to ensure that the supporting documentation is in place and has been approved by the appropriate Approving Authority.

Creditors Days

A Creditors Days Printout should be produced and reviewed by the Clerical Officer to ensure compliance with the regulations in relation to the Prompt Payments Act

Debtors Days

A Debtors Days Printout should be produced and reviewed by the A.F.O. to ensure compliance with the cash collections policy. Any Debtors that are overdue should be followed up with a request for prompt settlement. Any unpaid accounts that exceed 30 days should be referred to the Finance Officer for review

Petty Cash Review

A Petty Cash Review should be undertaken by the A.F.O. to ensure that all lodgements have been recorded in the Petty Cash Account and that all withdrawals are properly vouched. A reconciliation of the actual balance and the nominal ledger should be completed each month and verified by the Finance Officer.

Departmental Income and Expenditure Accounts

A monthly Income and Expenditure report should be produced by the FO for each School Director and the Registrar. Variances from budget should be explained and proposals made by the School's Director and in the case of Administration, the Registrar to correct variances.

Journal entries

Where errors have occurred in processing to the accounts system it is likely to give rise to the need for a journal entry. A Journal Entry File is maintained for all non-routine journal entries to the system. Journal entries may only be authorised by the Finance Officer. Details should be provided of the following: -

- Date of the journal entry;
- The amount being transferred;
- The account being debited and the account being credited;
- The reference number of the source document (invoice no., cheque no. etc.);
- The reasons for the journal entry.

When entering the journal entry onto the system details of the account transfer should always include the reference number of the source document.

Budgeting Procedure

The Department of Education and Skills together with the Registrar and Finance Officer of the Institute should hold a meeting, as soon in the year as practicable to review: -

- The basis for preparation and the format of the estimates;
- The date for submission of first estimates to the Department;
- The date for submission of the final estimates to the Department;
- The date for formal approval by the Minister.

The Institute prepares its first estimates in the format as approved with the Department. Council approval for the submissions and individual estimates is formally recorded and each School and Administration submits their approved estimates to their Board as soon as is practicable after Council's approval.

Between July and August the Finance Officer, in conjunction with the Registrar, responds to queries raised by the Department.

The Department advises the Institute of the final approved estimate provision in January. The Institute's Administrative and Finance Committee agree any final adjustments and the revised estimates are forwarded to the Board of each School for approval at the first meeting held each year. The estimates are then submitted for formal approval of the Minister. This is issued to the Institute by 28th of February and the School Boards are notified by the Registrar within two working days.

The Budgets should incorporate all matters relating to the following years-funding requirements. As such, the Schools own resources, pay expenditure (permanent and temporary) non-pay operational costs and capital expenditure requirements would be dealt with. The review should incorporate work programmes, priorities, previous years performance and performance indicators.

Periodic Financial Reporting

A monthly consolidated financial statement reviewing all Schools and cost centres should be prepared by the Finance Officer or his/her nominee detailing the variance between budgeted and actual income and expenditure for the month.

The schedule should cover the following:-

- Permanent Staff Costs
- Temporary Staff Costs
- Costs for Scholars and Visitors
- Own Resources
- Non-Pay Expenditure – capital and non capital

The schedule will be submitted to the Department of Education and Skill for review and the monthly grant may be revised according to the outcome of the review. The schedule should also be submitted to the audit committee who may examine in detail one or more aspects of the Institute's accounts.

Where significant variances arise the Director of the relevant School or in the case of Administration, the Registrar, prepares and forwards it to the Finance Officer together with the proposals for dealing with the contributory factors. These are made available to the Audit Committee for review.

The Institute is expected to operate within its annual budget and the necessary actions must be taken in order to ensure that it does not incur either a deficit or surplus for the year under review. In respect of certain specified sources of income (e.g. sale of books) it may not be possible to determine the actual year-end in take. However, this will not apply in dealing with expenditure. Each School should therefore be in a position to restrict any year-end deficits. Any material year-end deficit/surplus (>€10,000) must be reviewed by the Audit Committee.

Periodic Financial Review by School Boards & Council

Using the latest monthly Financial Reports, the Finance Officer will report to the School Boards on the position of the School's finances. This will include a review of the School's Research Programmes and Fees. Concerns over variances with budgets will be considered at the board meetings.

The Boards will be asked to consider options to utilise residual funds from completed Programmes and to deal with adverse variances should they arise.

Preparation and Audit of the Annual Financial Statements

The Annual Financial Statements should be submitted to the Offices of the Comptroller and Auditor General by the 30th April following the year to which they relate. The Statements should be prepared in the agreed format and the accounts file should include the supporting schedules as agreed with the Institute's auditors.

In preparing the Statements the Finance Officer should follow the procedures and policies as outlined in the above-mentioned tendering document.

The Institute should assist the Office of the C&AG wherever possible in the execution of their audit of the Financial Statements. On completion of the Audit the necessary adjustments should be made to the accounts. The Financial Statements should be signed as follows: -

- The Statement of the Institute's Responsibilities should be signed by the Chairman of the Institute and a designated member of Council.
- The Auditors Report should be signed by a member of the Offices of the C&AG for and on behalf of the Comptroller and Auditor General.
- Two designated members of Council should sign the Income and Expenditure Account and Balance Sheet, on behalf of the Institute.

On completion of the audit and signing of the financial statements, they should be forwarded to the Minister together with such observations thereon (if any) as Council considers appropriate. A copy of the final signed Accounts should be made available to the Internal Audit Committee.

Under Section 9 of the Comptroller and Auditor General Act 1993 the C&AG has the power to carry out examinations, as they consider appropriate, to ascertain whether the resources of Schools, persons or funds, audited by them, have been used economically and efficiently.

At the conclusion of any examination by the C&AG, a report of the examination may be presented to Dail Eireann, and the Committee of Public Accounts has the power, under standing order 131 relative to Public Business, to examine the reports, if so presented, and report thereon to Dail Eireann. The provision of the Act and the powers of the Committee were extended in March 1994.

Preparation of the Annual Report

The three Schools comprising the Institute will prepare and submit to the Registrar a report on 30 April detailing the activities of their School for the preceding financial year. The report should be prepared in the format specified by the Council to facilitate the subsequent preparation of the annual report.

The Registrar also prepares a report of the activities of Administration for the preceding financial year. This report is submitted to the Administrative and Finance Committee not later than 30 April.

The Annual Report for the Institute is prepared as soon as possible after receipt of the Schools and Registrars reports but in any case may not be prepared until the Financial Statements have been audited by the C&AG.

The Report must include the following items: -

- Mission Statement;
- Chairman's statement;
- Members of the School Boards;
- Detailed report on the activities of each for the financial year;
- Audited Financial Statements of the Institute;
- Statement of the Institute's responsibilities;
- Notes to the accounts;
- Accounting policies;
- Key financial and operational statistics.

Audit Committee Responsibilities

Membership

The Committee shall be appointed by Council for a period of not less than two years from amongst the Non-Executive Directors and shall consist of not less than four members. A quorum shall be three members.

Council shall appoint the Chairman of the Committee.

In the event of a member being unable to fulfil his/her term the Chairman of the Committee can co-opt a new member in his/her place.

The Registrar and Finance Officer shall normally attend meetings. However, at least once a year the Committee shall meet with the external auditors without executive of the Institute being present.

Frequency of meetings

Meetings shall be held not less than three a year. The external auditors may request a meeting if they consider that one is necessary.

Authority

The Committee is authorised by Council to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.

The Committee is authorised by Council to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience if it considers this necessary.

Main Duties

The main duties of the Committee shall be: -

1. To review the Annual Financial Statements before submission to Council, focusing particularly on: -
 - Any changes in accounting policies and practices;
 - Major judgmental areas;
 - Significant adjustments resulting from the audit;
 - Compliance with accounting standards.
2. To review the risk register
3. To discuss with the external auditor before the audit commences the nature and scope of the audit;
4. To discuss problems and reservations arising from the interim and final audits and any matters the auditor may wish to discuss (in the absence of management where necessary);
5. To review the Institute's statement on internal control systems with particular reference to E.U. funds;

6. To consider the major findings of internal investigations and management's response;
7. To consider other topics, as defined by the including: -
 - Internal procedures and documentation
 - Review budgeting control
 - Code of practice and ethics
 - Cost saving initiatives.

Reporting Procedures

The Chairman of the Committee shall inform Council on a half-yearly basis of the activities and findings of the Committee.

Minutes of all meetings will be recorded.

For further details on the above, please refer to the DIAS Audit Committee Charter

Council/Board Members Responsibilities

The position of individual Council/Board members is distinct from both Council and the School Board itself. They have no functions or powers of any consequence to act on their own apart from Council or the Board. Such powers as they have are almost entirely related to ensuring Council or the Board can function.

Members are not indemnified by the Minister nor by any other party against personal loss or injury occurring in the course of discharging their duties. However, the actions of the members of Council or a Board where these are intra vires their powers and functions under the Institute for Advanced Studies Act, 1940 and in accordance with any procedural requirements adopted by Council or the relevant Board, will be treated as actions of Council or the relevant Board. The legal costs associated with meeting claims against Council or Boards arising from the performance of their functions would be implicitly provided for in the annual estimates of the Institute and should be expressly so provided for where the claim is known or anticipated. If they act outside their powers however this protection will not be afforded.

Where a member is or becomes disqualified or otherwise ceases to be a member, there is an obligation to so inform Council and the Board. Should a member who is disqualified attend a meeting, as he/she is not a member, his/her vote does not count. Where a vote is carried by a majority of one which majority includes the disqualified vote, the vote is tied and is determined on the casting vote of the Chairman.

Obligations and rights of members of Council or Boards.

- Members are obliged to be aware of the provisions of the 1940 Act that apply to them, or to Council or the Board of which they are members. (“Ignorance of the law is no excuse”).*
- Their first obligation is to ensure that Council/Board performs its functions.*
- They should attend and participate in meetings.*
- At meetings each member has a right to speak and to vote, all exercisable in accordance with Standing Orders and the law governing procedure at meetings. Standing Orders must of course accord with the Act and the law.*
- Members have a right of access to information or records of the Institute/Board or any other information as may necessary to perform their functions.*
- Members of Council or Boards cannot be paid for their services as such. Remuneration or other benefits can only be given where it is explicitly provided for in the Act. Council and the Boards can pay to members only such travel expenses and subsistence allowances as the Minister determines. Otherwise payments made personally by a member, can be reimbursed only when incurred “by and on behalf of Council or the Board” - i.e. they are Council or Board expenses not personal expenses of the member. Neither Council nor a Board should give its members any benefit exclusive to them as members.*

Duties of Members of Council or a School Board.

Members are under a fiduciary duty to act in utmost good faith and in the best interests of the Institute at all times. Pursuant to this, a Council or Board member must never place himself/herself in a position of conflict of interest and must never seek to promote either his/her own interests or those of any person or group with which he/she is involved in a manner which would be contrary to the interests of the Institute..

Council and Board members must not only be impartial, but must operate so as to give all a fair opportunity in any matter in which Council or a School Board is involved. In addition, in expending public money received by way of grant from the Minister or from EU or otherwise, the Institute must use its best endeavours to ensure that any conditions attached to such grants are fully complied with. The Institute is not permitted to expend any money nor to borrow any money whatever without the Minister's consent, but his consent, however procured, does not exonerate the Institute from its ultimate responsibility. In seeking Minister's consent all relevant matters must be disclosed.

If Council or a Board acts outside its powers and thereby incurs any loss, expense, or liability, the members may be personally liable for the loss. Any one member considered to be a good mark can be held liable for the full loss not otherwise recovered - but she/he in turn could have a right of proportionate claim against her/his colleagues. In general, this is applied to the members who voted in favour of an action which was ultra vires Council or the Board if at the time they were aware, or ought reasonably to have been aware, that the action was ultra vires and would foreseeably result in loss to an affected party. A person suffering loss by reason of Council or a Board's consciously ultra vires and unlawful conduct has remedy in the first instance against Council/Board. Thereafter, however, the Minister may look to individual members who have been responsible for the situation to make good the losses incurred. While the C. and A.G. does not have power to surcharge he has the power and duty to report any instances of loss. An investigation on behalf of the Minister could likewise do so. These situations can arise, for example if the Institute incurred expenditure not sanctioned by the Minister. The outside third party is usually entitled to assume that internal procedures have been complied with particularly if it was falsely so represented by Council or Board members.

Where the personal liability of members arises, it may be joint and several: i.e. a claim against members personally by any party, including one by the Council/Board itself, could be pursued against the relevant Council/Board members as a group allowing them to agree between themselves whether to share the loss equally or otherwise; or the full claim could first be pursued against one member (e.g. one who is known to be a good mark) and to the extent that it has not been satisfied then successively against each of the other members (members may subsequently have a right of set-off against each other).

In signing any documents which do not have the Institute's seal affixed Council/Board members' and officers' signatures should clearly be stated as

“For and on behalf of theCouncil/Board”, as otherwise they become personally liable if the Institute defaults. The question of the authentication of the Institute’s seal is a separate matter. The seal is the Institute’s “signature” and authenticating signatures of Council members on sealed documents are merely authenticating the fixing of the seal.

- The question of conflict of interest arises in line with Government directions issued by Minister for Finance through Minister for Education and Science, and the relevant code of conduct. An interest giving rise to conflict can be personal where the actual or potential benefit is to the member personally, or to his/her immediate family. The extent of the benefit needed to make the interest significant is not stated, nor is it stated how far the indirect interest may go.*

The conflict in question can also be “organisational” - as when Council or a Board is dealing with matters concerning another organisation in which Council or the Board member has an interest, especially if it is a significant interest, e.g. an equity interest or a senior position in the other organisation.

The position of Director or Chairman of a School Board is different. Such a member is entitled to participate fully at Council meetings dealing with the School of which he is Director/Chairman. However, as a member of Council participating in a meeting of Council, he/she must take into account Council’s objects, obligations, policy and role in reaching a decision. The merit of this arrangement is that the member is able to place firsthand before Council the views of his School Board (as well as any own personal views) and in turn able to report firsthand to his/her Board the basis of Council’s decisions and actions.

Chairmen and Directors of Schools, as members of Council should bring all the concerns of the School to Council in a fair and balanced way.

The Registrar is currently reviewing Directors and Officers Insurance cover. October 14th 2013