



Appropriation Account 2013

Vote 26

Education and Skills

Introduction

As Accounting Officer for Vote 26, I am required each year to prepare the appropriation account for the Vote, and to submit the account to the Comptroller and Auditor General for audit.

In accordance with this requirement, I have prepared the attached account of the amount expended in the year ended 31 December 2013 for the salaries and expenses of the Office of the Minister for Education and Skills, for certain services administered by the Office of the Minister and for the payment of certain grants and grants-in-aid.

The expenditure outturn is compared with the sums

- (a) granted by Dáil Éireann under the Appropriation Act 2013, including the amount that could be used as appropriations-in-aid of expenditure for the year, and
- (b) provided for capital supply services in 2013 out of unspent 2012 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €86.37 million is liable for surrender to the Exchequer.

The Statement of Accounting Policies and Principles and notes 1 to 7 form part of the account.

Reformatting of the Vote

Expenditure on education services is accounted for under Vote 26 in four main subhead headings which correspond to the high level goals contained in the Department's Statement of Strategy and covers both current and capital expenditure. Administration costs are also identified under individual headings as well as being apportioned across the four expenditure headings, in conformance with the performance budgeting approach introduced for all Government departments. The four programmes are as follows:

- Programme A - which caters for 1st, 2nd and Early Years Education
- Programme B – which caters for Skills Development
- Programme C – which caters for Higher Education
- Programme D – which caters for Capital Services.

Where appropriate, comparative amounts have been reanalysed.

The Department's gross expenditure is offset by appropriations-in-aid which are brought to account in the range of subheads E.1 to E.5.

Establishment of Education and Training Boards/SOLAS

In the context of the Public Service Transformation agenda, the Education and Training Boards Act 2013, which was commenced from 1 July 2013, provided for the dissolution of the 33 Vocational Education Committees (VECs) and the establishment of 16 new Education and Training Boards (ETBs) through a process involving the merger of certain of the 33 VECs.

The new ETB configuration paved the way for the establishment of An tSeirbhís Oideachais Leanúnaigh agus Scileanna (SOLAS). With the establishment of SOLAS on 27 October 2013, FÁS was dissolved. Over the course of 2014, the training functions previously carried out by FÁS are being transferred on a phased basis to the 16 ETBs.

The annual accounts of the ETBs and of SOLAS will be audited by the Comptroller and Auditor General.

Statement of Accounting Policies and Principles

The standard accounting policies and principles for the production of appropriation accounts have been applied in the preparation of the account except for the following:

Multi-Annual Capital Commitments

Legally enforceable capital commitments are reported on at the threshold of €12.7 million. (S14/03/06)

Remuneration

The Department has obtained a derogation from reporting certain remuneration arrangements (Note 5 to the accounts) in regard to the teacher and special needs assistants' payrolls as well as from reporting on employee numbers in bodies within the education sector.

Statement on Internal Financial Control

Along with the account, I have submitted a statement in the standard format on the system of internal financial control (SIFC) that operates in the Department of Education and Skills.

Responsibility for System of Internal Financial Control

As Accounting Officer, I acknowledge my responsibility for ensuring that an effective system of internal financial control is maintained and operated by the Department.

This responsibility is exercised in the context of the resources available to me and my other obligations as Secretary General. Also, any system of internal financial control can provide only reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected in a timely manner. Maintaining the system of internal financial controls is a continuous process and the system and its effectiveness are kept under ongoing review.

Financial Control Environment

I confirm that a control environment containing the following elements is in place:

- financial responsibilities have been assigned at management level with corresponding accountability;
- reporting arrangements have been established at all levels where responsibility for financial management has been assigned;
- formal procedures have been established for reporting significant control failures and ensuring appropriate corrective action;
- there is an Audit Committee to advise me in discharging my responsibilities for the internal financial control system.

Internal Audit, European Social Fund Audit and Audit Committee

Annual audit programmes are prepared under the auspices of the Department's Audit Committee and both the Internal Audit Unit and the European Social Fund (ESF) Audit Authority (which ensures compliance with the regulatory requirements of the European Union in relation to the management, control and audit of such functions in Ireland) report to the Committee on the conduct of these programmes and the finalisation of audit reports. During 2013, a total of seven audit reports, six ESF and one internal audit, were finalised. Progress on the implementation of recommendations arising from the audit reports is traced, by both units on a quarterly basis.

The Audit Committee, the Internal Audit Unit and the ESF Audit Authority operate under separate written charters.

Administrative Controls and Management Reporting

I confirm that a framework of administrative procedures and regular management reporting is in place including segregation of duties and a system of delegation and accountability and, in particular, that:

- there is an appropriate budgeting system with an annual budget which is kept under review by senior management;
- there are regular reviews by senior management of periodic and annual financial reports which indicate financial performance against forecasts;
- a risk management system operates within the Department;
- there are systems aimed at ensuring the security of the ICT systems.
- there are appropriate capital investment control guidelines and formal project management disciplines.

Public Procurement

The Department seeks to ensure that there is an appropriate focus on good practice in purchasing and that procedures are in place for compliance with all relevant guidelines. The Department is compliant with all relevant guidelines regarding procurement with the exception of the following:

- 33 services and purchases with a total contract value of €334,448 were in place in 2013 without recourse to an appropriate procurement process
- three contracts were in place, with values in the range of €41,000 to €100,000 per annum, where service continued to be provided beyond the original contract date without further competitive tender
- two contracts in the value range of €25,000 to €50,000 per annum, one contract in the value range €50,000 to €100,000 per annum, three contracts in the value range €100,000 to €200,000 per annum, one contract with two year support in the value range €100,000 to €200,000, two contracts in the value range €400,000 to €700,000 per annum and one contract in the value range €3.5 million to €4 million (cost of contract extension) were undertaken without a competitive process and details were provided to the Comptroller and Auditor General and the Department of Public Expenditure and Reform in the Circular 40/2002 return.

Where appropriate, the Department has terminated certain contracts or moved away from the use of certain applications/products or services. The Department is also proactively taking steps to put tenders in place during 2014.

Seán Ó Foghlú

Accounting Officer

Department of Education and Skills

24 September 2014

Comptroller and Auditor General Report for presentation to the Houses of the Oireachtas

Vote 26 Education and Skills

I have audited the appropriation account for Vote 26 Education and Skills for the year ended 31 December 2013 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993. The account has been prepared in the form prescribed by the Minister for Public Expenditure and Reform, and in accordance with standard accounting policies and principles for appropriation accounts.

Responsibility of the Accounting Officer

In accordance with Section 22 of the Exchequer and Audit Departments Act 1866, the Accounting Officer is required to prepare the appropriation account. By law, the account must be submitted to me by 31 March following the end of the year of account.

The Accounting Officer is also responsible for the safeguarding of public funds and property under his control, for the efficiency and economy of administration by his Department and for the regularity and propriety of all transactions in the appropriation account.

Responsibility of the Comptroller and Auditor General

I am required under Section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation accounts of all Votes and to perform such tests as I consider appropriate for the purpose of the audit.

Upon completion of the audit of an appropriation account, I am obliged to provide a certificate stating whether, in my opinion, the account properly presents the receipts and expenditure related to the Vote. I am also required to refer to any material case in which

- a department or office has failed to apply expenditure recorded in the account for the purposes for which the appropriations made by the Oireachtas were intended, or
- transactions recorded in the account do not conform with the authority under which they purport to have been carried out.

Under Section 3 (10) of the Comptroller and Auditor General (Amendment) Act 1993, I am required to prepare each year, a report on any matters that arise from the audits of the appropriation accounts or examinations of accounting controls.

Scope of audit

An audit includes examination, on a test basis, of evidence relevant to the amounts and regularity of financial transactions included in the account and an assessment of whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

The audit involves obtaining sufficient evidence to give reasonable assurance that the appropriation account is free from material misstatement, whether caused by fraud or other irregularity or error. I also seek to obtain evidence about the regularity of financial transactions in the course of the audit. In forming the audit opinion, the overall adequacy of the presentation of the information in the appropriation account is evaluated.

Opinion on the appropriation account

In my opinion, the appropriation account properly presents the receipts and expenditure of Vote 26 Education and Skills for the year ended 31 December 2013.

I have obtained all the information and explanations I considered necessary for the purposes of my audit. In my opinion, proper books of account have been kept by the Department of Education and Skills. The appropriation account is in agreement with the books of account.

Non Compliance with Procurement Rules

The Accounting Officer has disclosed in the statement on internal financial control that material instances of non-compliance with national procurement rules occurred in respect of contracts that operated in 2013.

Seamus McCarthy

Comptroller and Auditor General

24 September 2014

Vote 26 Education and Skills Appropriation Account 2013

		2013		2012
		Estimate provision		Outturn
		€000	€000	€000
A	First, Second and Early Years Education	6,131,453	5,998,821	6,143,761
B	Skills Development	371,344	362,116	392,477
C	Higher Education	1,511,834	1,542,677	1,578,410
D	Capital Services			
	<i>Current year</i>	492,702		
	<i>Deferred surrender</i>	19,000	511,702	519,902
				488,919
Gross expenditure				
	<i>Current year</i>	8,507,333		
	<i>Deferred surrender</i>	19,000	8,526,333	8,423,516
				8,603,567
Deduct				
E	Appropriations-in-aid		580,427	563,985
				580,513
Net expenditure				
	<i>Current year</i>	7,926,906		
	<i>Deferred surrender</i>	19,000		
			7,945,906	7,859,531
				8,023,054

Surplus for surrender

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer. Under section 91 of the Finance Act 2004, all or part of any unspent appropriations for capital supply services may be carried over for spending in the following year.

	2013	2012
	€	€
Surplus	86,375,415	39,656,013
Deferred surrender	—	19,000,000
Surplus to be surrendered	<u>86,375,415</u>	<u>20,656,013</u>

Analysis of administration expenditure

		2013		2012
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	58,352	57,043	58,607
ii	Travel and subsistence	1,520	1,507	1,493
iii	Training and development and incidental expenses	1,095	917	1,024
iv	Postal and telecommunications services	1,820	1,734	2,078
v	Office equipment and external IT services	5,444	5,632	4,796
vi	Office premises expenses	1,939	1,578	2,237
vii	Consultancy and other services	101	62	55
viii	National Education Psychological Service	18,368	17,437	17,261
ix	EU Presidency	752	531	55
		89,391	86,441	87,606

Notes to the Appropriation Account

1 Operating Cost Statement 2013

	2013	2012
	€000	€000
Expenditure on administration	86,441	87,606
Expenditure on services and programmes	8,337,075	8,515,961
Gross expenditure	8,423,516	8,603,567
<i>Deduct</i>		
Appropriations-in-aid	563,985	580,513
Net expenditure	7,859,531	8,023,054
Changes in capital assets		
Purchases cash	(11,152)	
Depreciation	772	
Loss on disposals	113,696	(6,971)
Changes in assets under development		
Cash payments	(46,346)	(37,398)
Changes in net current assets		
Decrease in closing accruals	(22,715)	
Decrease in stock	8	
	(22,707)	2,761
Direct expenditure	7,893,794	7,981,446
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	24,165	23,652
Notional rents	2,505	2,566
Net programme cost	7,920,464	8,007,664

1.1 Net Allied Services Expenditure

The net allied services expenditure amount is made up of the following estimated amounts in relation to Vote 26 borne elsewhere.

	2013	2012
	€000	€000
Vote 7 Finance	e 396	417
Vote 9 Office of the Revenue Commissioners	e 278	—
Vote 12 Superannuation	e 17,922	17,861
Vote 13 Office of Public Works	e 5,231	5,048
Central Fund – Ministerial pensions	e 338	326
	24,165	23,652

“e” indicates that the number is an estimate value or an apportioned cost

2 Balance Sheet as at 31 December 2013

	Note	2013 €000	2012 €000
Capital assets	2.2	100,662	125,486
Capital assets under development	2.3	<u>25,237</u>	<u>56,738</u>
		125,899	182,224
Current assets			
Bank and cash	2.4	5,533	77,768
Stocks	2.5	109	117
Prepayments		1,584	4,569
Overpayments for recoupment		6,326	3,966
Recoupment of secondment costs		297	172
Accrued income		21,372	221
EU funds suspense	2.8	29	—
Other debit balances	2.6	<u>80,978</u>	<u>3,542</u>
Total current assets		116,228	90,355
Less current liabilities			
Accrued expenses		10,237	12,288
Deferred income		28	7
Salary recoupment to other departments and agencies		—	2
EU funds suspense	2.8	4,885	52,401
Other credit balances	2.7	3,873	1,341
Net liability to the Exchequer	2.8	<u>77,782</u>	<u>27,567</u>
Total current liabilities		96,805	93,606
Net current assets		19,423	(3,251)
Net assets		145,322	178,973
Represented by:			
State funding account	2.1	<u>145,322</u>	<u>178,973</u>

2.1 State Funding Account	Note	2013 €000	2012 €000
Balance at 1 January		178,973	138,298
Disbursements from the Vote			
Estimate provision	Account	7,926,906	
Deferred Surrender	Account	19,000	
Surplus to be surrendered	Account	<u>(86,375)</u>	
Net vote		7,859,531	8,023,054
Expenditure (cash) borne elsewhere	1	24,165	23,652
Non cash expenditure – notional rent	1	2,505	2,566
Other non cash items		612	(933)
Net programme cost	1	<u>(7,920,464)</u>	<u>(8,007,664)</u>
Balance at 31 December		145,322	178,973

2.2 Capital Assets

	Land and buildings	Furniture and fittings	Office equipment	Total
	€000	€000	€000	€000
Gross assets				
Cost or valuation at 1 January 2013	123,959	7,638	18,108	149,705
Additions	88,072	144	1,429	89,645
Disposals ^{1,2}	(113,669)	(284)	(1,495)	(115,448)
Cost or valuation at 31 December 2013	98,362	7,498	18,042	123,902
Accumulated depreciation				
Opening balance at 1 January 2013	—	7,234	16,986	24,220
Depreciation for the year	—	145	627	772
Depreciation on disposals	—	(275)	(1,477)	(1,752)
Cumulative depreciation at 31 December 2013	—	7,104	16,136	23,240
Net assets at 31 December 2013	98,362	394	1,906	100,662
Net assets at 31 December 2012	123,959	405	1,122	125,486

¹ In regard to the land and building fixed asset disposals figure of €113.67 million, the Department treats the transfer of the control of an asset, as distinct from the ownership, to a school authority as a disposal for accounting purposes in the annual appropriation accounts.

² Office equipment fixed assets purchased by the Department of Education and Skills during 2010 and 2011 to the value of €41,000 have been written out of the Department's asset register at the end of 2013. The assets are in the process of being transferred to the City of Dublin Education and Training Board for the benefit of Student Universal Support Ireland.

General Information Note**1. First Level**

- 1.1 39 first-level sites are owned and controlled/managed by the Minister for Education and Skills.
- 1.2.(i) 67 Gaelscoileanna and 28 multi-denominational schools are operating on sites owned by the Minister for Education and Skills in either permanent or temporary accommodation and are controlled/managed by boards of management. Two community national schools operating on sites owned by the Minister for Education and Skills in either permanent or temporary accommodation are controlled/managed by a single manager appointed by the Minister for Education and Skills.
- 1.2.(ii) Three multi-denominational, and one Catholic school sites and buildings are held by the Minister for Education and Skills under long term lease agreements but are controlled/managed by boards of management.
- 1.2.(iii) Nine model schools, owned/leased by the State, are controlled/managed by boards of management.
- 1.3 The total number of national schools in operation on 31 December 2013 was 3,286. With the exception of 1.2 (i) to 1.2 (iii) above, the majority of these schools are denominational and owned by the relevant diocesan authority.

- 1.4 Following the enactment of the Children's Act 2001, one children's detention school remains vested in the Minister for Education and Skills. The process of transferring this school to the Health Service Executive is underway. The school is managed by a board of management.
- 1.5 The Minister is one of two guarantors of Middletown Centre for Autism (Holdings) Limited, a company limited by guarantee, which owns and holds a property in Co. Armagh, which is used for the Middletown Centre for Autism.

2. Second Level

- 2.1 19 sites for second-level schools are owned and controlled/managed by the Minister for Education and Skills.
- 2.2(i) 14 comprehensive schools, 80 community schools and four secondary schools owned by the Minister for Education and Skills are controlled/managed by boards of management.
- 2.2(ii) 256 vocational schools are vested in Education and Training Boards under the Education and Training Boards Act 2013.
- 2.2(iii) 369 secondary schools are privately owned.

2.3 Capital Assets under Development

	Construction contracts	In-house computer applications	Totals
	€000	€000	€000
Amounts brought forward at 1 January 2013	56,738	—	56,738
Prior year adjustment	—	518	518
	56,738	518	57,256
Cash payments for the year	45,445	902	46,347
Transferred to asset register	(77,476)	(890)	(78,366)
Balance at 31 December 2013	24,707	530	25,237

2.4 Bank and Cash

at 31 December	2013	2012
	€000	€000
PMG balances and cash	5,707	81,166
Orders outstanding	(174)	(3,398)
	5,533	77,768

2.5 Stocks

at 31 December	2013	2012
	€000	€000
Stationery	65	76
IT consumables	44	41
	<u>109</u>	<u>117</u>

2.6 Other Debit Balances

at 31 December	2013	2012
	€000	€000
Agency payments to OPW	804	594
Sub-accountants	—	107
Marriage, retirement and death gratuities	143	—
Salaries recoupable	60	152
Schools Broadband Programme	2,160	2,160
Travel passes	204	200
Due from State - suspense	56	63
Offices shared services recoupment	264	183
Cycle to Work Scheme	49	48
Miscellaneous	10	35
Payroll suspense	77,228	—
	<u>80,978</u>	<u>3,542</u>

2.7 Other Credit Balances

at 31 December	2013	2012
	€000	€000
Due to the State	26	298
Redress Board	3,292	56
Pension refund	60	188
Exchequer extra receipts	—	2
Marriage, retirement, death gratuity	—	52
Erasmus Smith Endowment	—	19
Energy building programme	441	454
Central Bank	7	135
Spouses and children's pension contributions	6	134
Cycle to work	3	1
Miscellaneous	38	2
	<u>3,873</u>	<u>1,341</u>

2.8 Net Liability to the Exchequer

at 31 December	2013	2012
	€000	€000
Surplus to be surrendered	86,375	39,656
Exchequer grant undrawn	(8,593)	(12,089)
Net liability to the Exchequer	<u>77,782</u>	<u>27,567</u>

Represented by:**Debtors**

Bank and cash	5,533	77,768
Debit balances: suspense	80,922	3,478
Due from the State – suspense	56	63
EU funds suspense	29	—
	<u>86,540</u>	<u>81,309</u>

Creditors

Due to State	(26)	(298)
EU funds suspense	(4,885)	(52,401)
Credit balances: suspense	(3,847)	(1,043)
	<u>(8,758)</u>	<u>(53,742)</u>

	<u>77,782</u>	<u>27,567</u>
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2.9 Commitments

at 31 December	2013	2012
	€000	€000

A. Global Commitments

Commitments likely to materialise in subsequent years for:

Procurement subheads	94	254
Grant subheads	10,296	3,198

B. Multi-Annual Capital Commitments

Expenditure in 2013	437,831	458,734
Commitments to be met in subsequent years	1,652,631	1,753,313

Capital projects involving total expenditure of €12,697,380 or more

	Expenditure to 31 December 2012	Expenditure in 2013	Legally enforceable commitments to be met in subsequent years	Totals
	€000	€000	€000	€000
Subhead D.3.				
1. Malahide Community School	13,860	—	6	13,866
2. Phibblestown Community College ¹	20,079	214	—	20,293
3. Luttrellstown Community College ²	4,324	8,728	286	13,338
Subhead D.4.				
4. Athlone - Engineering Informatics Building ²	38,352	1,467	—	39,819
5. National University of Ireland, Cork – Medicine	22,546	29	106	22,681
6. National University of Ireland, Dublin - Science Centre	33,070	26,622	1,082	60,774
7. NUI - Maynooth - Library	18,043	1,948	—	19,991
8. Trinity College Dublin - Medicine	20,620	604	—	21,224
9. Mary Immaculate College Campus Development Phase 1a/ infrastructure	15,889	—	—	15,889
10. Mary Immaculate College Campus Development Phase 1b/c infrastructure	24,152	—	—	24,152
11. St. Patricks Drumcondra - Campus Development	7,331	8,830	23,575	39,736
12. University of Limerick - School of Medicine	12,981	890	—	13,871
13. Grangegorman Campus – phase 1	—	12,400	15,500	27,900

¹ Phibblestown is a combined primary/post primary project. The overall project cost is €24.46 million which is 82.97% funded by the Department of Education and Skills. The remainder is funded by Fingal County Council.

² The cost of this project has been updated since 2012.

C. Capital Costs of Public Private Partnership Projects¹

	Expenditure to 31 December 2012	Expenditure in 2013	Legally enforceable commitments to be met in subsequent years	Totals
	€000	€000	€000	€000
1. National Maritime College of Ireland PPP ²	33,497	3,506	30,076	67,079
2. Five Pilot Schools Bundle ²	34,361	2,961	59,905	97,227
3. Cork School of Music ²	19,174	2,260	59,482	80,916
4. 1 st Bundle PPP Schools	12,312	1,869	70,539	84,720
5. 2 nd Bundle PPP Schools ²	13,764	2,465	94,289	110,518
6. 3 rd Schools Bundle PPP Schools	—	—	130,205	130,205

¹ Expenditure on the projects is being met from Subhead D.5.

² The cumulative expenditure to 31 December 2012 has been amended for these projects arising from a review the Department requested the National Development Finance Agency (NDFA) to carry out. Following the review it has become necessary to reattribute expenditure in the projects between capital and current. Arising from the review by the NDFA, the Pilot Schools Bundle capital expenditure was found to have been underestimated by €10.4 million, the National Maritime College capital expenditure was underestimated by €14.018 million and the Cork School of Music capital expenditure was underestimated by €3.501 million.

Note on PPPs

The Department has to date entered into six separate contracts to design, build, finance, maintain and operate educational accommodation under the Public Private Partnership (PPP) model.

There are two third level projects, the National Maritime College, Cork and the Cork School of Music and four schools projects, (five pilot schools and School Bundles 1,2 & 3). All six contracts are for twenty five years. The buildings will remain in State ownership for the duration of the contract, with the PPP company granted a licence to build the facilities and maintain them for a period of twenty five years.

National Maritime College

The National Maritime College of Ireland (NMCI) PPP project was completed in October 2004 with Focus Education Ireland as the private sector partner. NMCI was the first third level PPP to be completed and operating in Ireland. The college provides state of the art education and training facilities to service the needs of the Cork Institute of Technology and the non-military needs of the Irish Naval Service.

Five Pilot Schools PPP

The five post-primary schools are located in Dunmanway and Ballincollig, Co. Cork, Tubbercurry, Co. Sligo, Clones, Co. Monaghan, and Shannon, Co. Clare. The contract for the Five Pilot Schools PPP was signed with Jarvis Projects in November 2001. The operational phase of the schools commenced in January 2003.

Cork School of Music

A contract for the design, build, financing and operation of the Cork School of Music was signed with Hochtief in September 2005. The Cork School of Music was completed in July 2007.

1st Bundle PPP Schools

A contract for the design, build, financing and operation of the four post primary schools located in Portlaoise, Co. Laois (two schools), Banagher and Ferbane (both in Co. Offaly) was signed with Maquarie Partnerships for Ireland in March 2009. All four schools became operational in September 2010.

2nd Bundle PPP Schools

A contract for the design, build, financing and operation of five post primary schools and one primary school was signed with Maquarie Partnerships for Ireland in June 2010. All six schools became operational in late 2011.

3rd Bundle PPP Schools

A contract for the design, build, financing and operation of seven post primary schools and one primary school was signed with BAM PPP in November 2012.

2.10 Matured Liabilities

Due to internal payment processing deadlines to enable the Department meet commercial bank deadlines for electronic fund transfers, it was not able to finalise processing of certain invoices on hand at year end. Arising from these processing limitations the Department of Education and Skills had matured liabilities totalling €54,824 at 31 December 2013. The equivalent sum at 31 December 2012 was €15,865.

3 Programme Expenditure by Subhead

In compliance with Public Financial Procedures and with the sanction of the Department of Public Expenditure and Reform, the Department of Education and Skills used a financial process known as virement in 2013, as in other years. The virement process allowed for savings on one or more subheads to be used to meet excesses on other subheads in Vote 26. Please refer to the Public Financial Procedures Sections B.1.1.11 and C.2 (6-13). As a result of ongoing monitoring of expenditure trends within the Department, virement was used on certain subheads where, for example, schemes/projects progressed more rapidly than originally forecast or demand/costs were higher in 2013 than originally anticipated.

Also, in the case of capital and in accordance with the capital envelope agreement, the Department applied €19 million of capital monies carried forward from 2012 into 2013.

		2013		2012
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A	First, Second and Early Years' Education			
A.1	Administration – pay	59,485	54,995	55,808
A.2	Administration – non pay	11,563	10,150	10,436
A.3	Salaries etc. of primary school teachers	2,089,587	2,075,701	2,035,436
A.4	Salaries etc. of secondary, comprehensive and community school teachers	1,142,715	1,122,476	1,134,648
A.5	Grants to Vocational Educational Committees and Education and Training Boards (when established) in respect of teachers' salaries	565,775	575,466	662,336
A.6	Salaries etc. of special needs assistants in primary and post primary schools	369,704	361,947	333,496
A.7	Salaries etc. of non-teaching staff in primary and post primary schools (excluding special needs assistants)	106,909	102,025	34,905
A.8	Superannuation etc. in respect of teaching and non-teaching staff	1,041,010	973,991	1,152,490
A.9	School transport services	168,500	170,750	168,464
A.10	Grants (including capitation) payable to primary and post primary schools, and Vocational Education Committees, Education Training Boards (when established) and other educational organisations and institutions	392,239	387,300	404,486
A.11	Grants to education bodies working in the primary and post primary sectors	66,772	66,874	65,496
A.12	Teacher education	25,000	23,340	23,721
A.13	Payments in respect of residential institutions redress and costs associated with the Child Abuse Commission	65,444	53,441	40,072
A.14	Miscellaneous grants and services	26,750	20,365	21,967
		6,131,453	5,998,821	6,143,761

Significant variations

Overall, the expenditure in relation to the Programme A was €132.6 million lower than provided. This was mainly due to the following:

Description	Less/ (more) than provided €000	Explanation
Superannuation etc. in respect of teaching and non-teaching staff	67,019	The savings on superannuation arose principally due to lower number of retirements occurring in 2013 than had been estimated for (1,266 estimated versus actual retirements of 963). Consequential savings also arose on superannuation payroll costs.
Teacher education	1,660	The savings on teacher education arose principally due to a slower than anticipated roll out of miscellaneous initiatives relating to the Irish language and maths, and training relating to the junior cycle reform programme.
Payments in respect of residential institutions redress and costs associated with the child abuse commission	12,003	The overall saving of €12 million comprises €5.9 million due to the Redress Board finalising lower than expected numbers of applications; €5.3 million arising from the Commission on Child Abuse not settling as many third party legal bills as had been expected in 2013; €500,000 arising from planning permission not being granted for the memorial to victims of industrial abuse and other miscellaneous savings arising from lower than estimated expenditure on related services and pay costs in the Commission on Child Abuse.
Miscellaneous grants and services	6,385	The savings in this subhead are net savings across a subhead which has 15 subdivisions, with the subhead being miscellaneous in nature. Approximately €4 million of the savings arose due to lower than estimated litigation costs across primary, post primary and the special education sectors. €1.7 million of the savings arose due to deferral of activity from 2013 to 2014 and lower than forecast spending on schools ICT programmes. Additionally circa €800,000 of savings arose due to slower than anticipated roll out of special initiatives including spending from the Dormant Accounts funds and lower than expected expenditure on the action plan for bullying.

		2013		2012
		Estimate provision	Outturn	Outturn
		€000	€000	€000
B	Skills Development			
B.1	Administration – pay	3,309	3,839	3,915
B.2	Administration – non pay	708	794	732
B.3	Grants to FÁS/SOLAS (when established) in respect of administration, general expenses and training grants and supports	88,529	93,424	106,066
B.4	European Social Fund (ESF) and European Globalisation Fund (EGF) supports	975	569	611
B.5	Grants to Vocational Education Committees, Education and Training Boards (when established) and certain other organisations in respect of further education and training activities	238,601	226,268	244,154
B.6	Grant to Quality and Qualifications Ireland (QQI)	7,416	6,416	7,714
B.7	Superannuation etc.	31,796	30,796	29,270
B.8	Miscellaneous grants and services	10	10	15
		<u>371,344</u>	<u>362,116</u>	<u>392,477</u>

Significant variations

Overall, the expenditure in relation to the Programme B was €9.2million lower than provided. This was mainly due to the following:

Description	Less/ (more) than provided €000	Explanation
Grants to FÁS/SOLAS (when established) in respect of administration, general expenses and training grants and supports	(4,895)	The excess on the subhead was a net excess and took account of savings of circa €1.2 million on the FÁS apprenticeship programmes in 2013. The excesses arose principally due to the payment of dilapidation costs of circa €5 million incurred by FÁS as the result of exiting a long term lease on its headquarters in Baggot Street, and the purchase of equipment to deliver training to commercial wind turbine technicians in the Tralee Training Centre.
European Social Fund (ESF) and European Globalisation Fund (EGF) supports	406	The savings arose principally due to a decrease in ESF staffing expenditure and some planned expenditure on transnational activity being deferred due to implementation delays. Additionally savings of €107,000 arose due to lower than projected take up of enterprise supports to EGF eligible workers.
Grants to Vocational Education Committees, Education and Training Boards (when established) and certain other organisations in respect of further education and training activities	12,333	Vote savings on VTOS expenditure arose mainly from the decision to part fund VTOS in 2013 from the National Training Fund (€7.5 million of the saving). The remainder of the savings arose principally from budgetary changes which reduced the allowances payable to VTOS and Youthreach participants, lower pay costs on Youthreach pay and less than expected redundancy costs in respect of Senior Traveller Training centre staff.
Grant to Quality and Qualifications Ireland (QQI)	1,000	Savings of €1 million arose in 2013 due to lower levels of activity than had been anticipated when the Estimates were set for 2013.

	2013		2012
	Estimate provision	Outturn	Outturn
	€000	€000	€000
C Higher Education			
C.1 Administration – pay	3,808	4,469	4,557
C.2 Administration – non pay	816	924	853
C.3 Grant-in-aid for general expenses of Higher Education Authority	5,076	5,076	5,358
C.4 General current grants to universities, institutes and other designated institutions of higher education (grant-in-aid)	1,011,987	1,011,987	1,118,804
C.5 Training colleges for primary teachers – excluding those funded through the Higher Education Authority	8,077	7,836	10,997
C.6 Dublin Dental Hospital (grant-in-aid)	11,051	11,051	11,676
C.7 Dublin Institute for Advanced Studies (grant-in-aid)	6,442	6,442	6,856
C.8 Royal Irish Academy of Music (grant-in-aid)	3,118	3,118	3,427
C.9 Grants to certain third level institutions	12,000	11,384	16,658
C.10 Superannuation etc payable to former staff of universities and institutes of technology	52,992	70,274	—
C.11 Student support and related expenses	351,252	366,241	354,570
C.12 Research activities	37,600	37,591	38,365
C.13 EU, international and north south activities	5,349	4,082	4,229
C.14 Grangegorman Development Agency	1,883	1,900	1,664
C.15 Miscellaneous grants and services	383	302	396
	1,511,834	1,542,677	1,578,410

Significant variations

Overall, the expenditure in relation to the Programme C was €30.84 million more than provided. An explanation is provided below in the case of each heading where the outturn varied from the amount estimated by more than €100,000 and by more than 5%.

Description	Less/ (more) than provided €000	Explanation
Grants to certain third level institutions	616	The savings arose due to lower than anticipated drawdown of free fee funding from certain higher education institutions funded directly by the Department.
Superannuation etc payable to former staff of universities and institutes of technology	(17,282)	For Vote control reasons it was decided to offset superannuation savings arising elsewhere in the Vote against the overall superannuation deficits in the pension control accounts of the five older Universities.
EU, international and north south activities	1,267	The savings arose mainly due to a lower drawdown on funding from the US-Ireland Alliance in 2013. Other savings arose due to lower than anticipated numbers of once off international activities and to favourable currency exchange rates.

		2013		2012
		Estimate provision		Outturn
		€000	€000	€000
D	Capital Services			
D.1	Administration – pay		7,990	9,339
D.2	Administration – non pay		1,712	1,931
D.3	Building equipment and furnishings of primary and post primary schools			
	<i>Current year</i>	382,300		
	<i>Deferred surrender</i>	<u>10,000</u>	392,300	387,396
D.4	Building grants and capital costs of universities, institutes of technology and other designated institutions of higher education			
	<i>Current year</i>	48,500		
	<i>Deferred surrender</i>	<u>9,000</u>	57,500	68,903
D.5	Public private partnership costs		<u>52,200</u>	<u>52,333</u>
			<u>511,702</u>	<u>519,902</u>
				<u>488,919</u>

Significant variations

Overall, the expenditure in relation to the Programme D was €8.2 million more than provided. This was mainly due to the following:

Description	Less/ (more) than provided €000	Explanation
Building grants and capital costs of universities, institutes of technology and other designated institutions of higher education	(11,403)	The excess expenditure arose due to enabling and adaptive works on the Grangegorman project to consolidate in that location the Dublin Institute of Technology dispersed student population. €7.1m of the excess funding is attributable to a decision to sanction a capital allocation to Waterford Institute of Technology to meet the once off costs of acquiring a student development. This funding will be fully recouped from the Institute by December 2018.

4 Receipts

4.1 Appropriations-in-aid

	2013		2012
	Estimated €000	Realised €000	Realised €000
1. Superannuation contributions	193,775	188,183	192,104
2. Receipts in respect of the European Social Fund (ESF), European Globalisation Fund (EGF) and other miscellaneous EU receipts	20,666	1	1,963
3. Receipts from pension-related deductions on public service remuneration	354,599	360,956	361,014
4. Secondments/ overpayments	7,000	5,537	7,004
5. Miscellaneous	4,387	9,308	18,428
	<u>580,427</u>	<u>563,985</u>	<u>580,513</u>

Significant variations

An explanation is provided below in the case of each heading where the outturn varied from the amount estimated by more than €100,000, and by more than 5%.

Description	Less/ (more) than provided €000	Explanation
Receipts in respect of the European Social Fund (ESF), European Globalisation Fund (EGF) and other miscellaneous EU receipts	20,665	The shortfall in receipts arose principally from a timing issue in regard to the drawdown and payover of ESF receipts.
Secondments/ overpayments	1,463	The shortfall in receipts arose principally due to an overestimation at estimates stage.
Miscellaneous	(4,921)	€1.5 million of the surplus arose due to unanticipated capital receipts where co funding arrangements were in place with certain local authorities in circumstances where community facilities are constructed as part of new schools or school extension projects. The remainder of the surplus largely arose due to higher than anticipated levels of PRSI refunds from the Department of Social Protection.

4.2 Extra receipts payable to the Exchequer

	2013 €000	2012 €000
Exchequer extra receipts	1,621	1,824

During 2013, €854,450 of the Exchequer extra receipts that were surrendered to the Department of Finance arose from the recoupment of surplus balances, remaining unspent from prior year grants to the Higher Education Authority, relating to funding for postgraduate and post-doctoral students. In addition a further €723,458 of the receipts arose from the sale of assets by FÁS/SOLAS.

5 Employee Numbers and Pay

The following employee numbers and pay information relates to the Department and its associated State bodies.

	2013	2012
Number of staff at year end (full time equivalents)	94,314	93,492

The numbers reported include only core funded posts at third level, as only these posts are included in the overall count of public sector numbers.

5.(a) Staffing numbers and associated pay costs disbursed from Vote 26

Category of staff remunerated	Subhead from which funds disbursed	Description of subhead	ECF numbers as at 31 December 2013	Pay out-turn as at 31 December 2013 €000
First and second level teachers	A.3	Primary teachers salaries	32,930	2,075,701
	A.4	Secondary and C&C teachers salaries	16,916	1,122,476
	A.5	VEC teachers salaries	10,847	575,466
Teaching sub-total			60,693	3,773,643
First and second level Special Needs Assistants	A.6.1	Primary	8,482	295,703
	A.6 (2-3)	Second level	2,103	66,244
First and second level – non teaching	A.7.1	Primary	318	11,980
	A.7(2-4)	Second level	2,514	90,045
Non-teaching sub-total			13,417	463,972
Third level	C.3	HEA - general expenses	52	3,216
	C.4	University/IOT/RIA	17,184	724,033
	C.5	Teacher training colleges pay	27	2,269
	C.6	Dublin Dental Hospital pay	125	9,836
	C.7	Dublin Institute for Advanced Studies	56	3,910
	C.14	Grangegorman DA	6	775
Third level sub-total			17,450	744,039

Category of staff remunerated	Subhead from which funds disbursed	Description of subhead	ECF numbers as at 31 December 2013	Pay out-turn as at 31 December 2013 €000
Department Staff	X.1	Salaries, wages and allowances	988	57,043
	X.8	NEPS	194	15,461
	X.9	EU Presidency	—	138
Department sub-total			1,182	72,642
Other	A.11.4	State Exams Commission pay	150	9,949
	B.3.1	FÁS administration and general expenses	1,058	49,903
	A11.1	National Council for Curriculum and Assessment	32	1,944
	A11.5	National Council for Special Education	95	6,304
	A13.1	Redress Board	21	1,175
	C.8	Royal Irish Academy of Music	57	2,988
	A13.2	Commission on Child Abuse	2	366
	B.6	Quality and Qualifications Ireland	79	2,416
	A.10.1.3	Model schools	8	152
Other sub total			1,502	75,197
Total			94,244	5,129,493

The table above identifies pay costs for teaching and non-teaching staff for whom the Department is the paymaster. Additionally, the table identifies pay costs for bodies/institutions funded from Vote 26. In addition to the details provided above, 70 whole time equivalent staff noted in the Employment Control Framework have no designated pay subhead.

In respect of the subheads B.6 (QQI), C.8 (RIAM), C.3 (HEA expenses) and C.7 (DIAS), a small element of the pay also includes pension costs.

In respect of subhead X.9 (EU Presidency) an amount of €138,206 relates mainly to payroll costs associated with the engagement of interns for the work on the EU Presidency.

5.(b) Exchequer Pay

	2013	2012
	€000	€000
Pay	51,738	53,024
Higher, special or additional duties allowance	256	314
Other allowances	49	80
Overtime	479	630
Employer's PRSI	4,521	4,559
Total pay	57,043	58,607

The financial details in this table relate solely to departmental staff paid from the administrative subhead X.1. Salaries, wages and allowances.

5.1 Allowances and Overtime Payments

	Number of recipients	Recipients of €10,000 or more	Maximum individual payment 2013 €	Maximum individual payment 2012 €
Higher, special or additional duties	74	5	20,614	20,614
Other allowances	57	—	6,108	5,914
Overtime	245	6	17,868	23,023

Certain individuals received extra remuneration in more than one category.

The details of allowances and overtime payments in this table relate solely to staff paid from the administrative budget subheads X.1 and X.9.

5.2 Re-Engaged Civil Servants

During 2013, 26 retired civil servants in receipt of civil service pensions were re-engaged at a total cost of €97,996, which included travel and subsistence costs of €13,865.

5.3 Severance/Redundancy

During 2013, 634 non-teaching staff were paid redundancy sums totalling €4,991,718 which included payment for both statutory and non-statutory taxable redundancy sums. 185 payments of redundancy exceeded €10,000. The highest value sum paid in 2013 was €39,267. Staff receiving redundancy were paid via the Department's payrolls, in the Department's capacity as paymaster, for certain schools.

6 Miscellaneous

6.1 National Lottery Funding

This comprised a total of €133,000 paid to certain cultural organisations (2012: €146,000). A full list of recipients of the funding is available on the Department's website (www.education.ie).

6.2 EU Funding

During 2013 the Department did not receive ESF receipts to subhead E.2 (formerly H.13). The €1,962,977 received in 2012 and shown as appropriations-in-aid was included in the recorded expenditure from the following subheads of the Office of the Minister for Education and Skills: - A.1, B.5, D.1, D.6, D.9, E.4, E.12, G.2, G.7 and G.8. With the move to the performance budgeting chart of accounts from 2013, these subheads have now changed designation to A.14, A.4, A.5, A.11, B.3, B.4, B.5, C.4 and C.11.

EU funding directly to bodies

In addition to the grants from the Vote, direct EU aid to bodies under the aegis of the Department during 2013 was as shown below.

Sub-head	Description	2013	2012
		Funding €000	Funding €000
A.11.3	National Centre for Guidance in Education	178	—
B.3	FÁS	586	293
		<u>764</u>	<u>293</u>

European Globalisation Adjustment Fund

Background

The European Globalisation Adjustment Fund (EGF) is a European Union funding programme which assists EU member states to provide a personalized package of upskilling, retraining and enterprise supports to workers made redundant as a result of the adverse impacts of globalisation and changing world trade patterns. For approved programmes of measures submitted by Member States, the following maximum EU co-funding rates apply chronologically:

- Applications submitted between May 2009 and December 2011 – 65%
- Applications submitted between January 2012 and December 2013 – 50%
- Applications to be submitted between January 2014 and December 2020 – 60%

The balance of programme costs are met through national co-funding.

EGF programmes are multi-annual in nature. Under Article 16(4) of Regulation (EU) No. 1309/2013, an EGF programme implementation period is of 24 months duration commencing from the date of submission of an application by a member state. In addition, measures which commenced before the application was submitted but after the general announcement of redundancies may be included. Under the Regulation, a member state must submit a final report and expenditure statement to the European Commission not later than 6 months after programme cessation; the Commission then has a further six month closure period to examine the programme before formally winding it up, elongating the EGF programme lifespan to at least 36 months.

The multi-annual structure of the Fund, the submission by national service providers of expenditure claims on interim, annual or multi-annual bases and the fact that apportionment of total EU and national expenditure is not finalised until the full closure of the programmes, makes it difficult to reconcile annual programme expenditure in line with prescribed national accounts reporting. However, full details of programme expenditure are made available after the winding up of each individual programme.

Final reports for the 2009 Dell, Waterford Crystal and S.R. Technics EGF programmes were submitted by the Department, as the national EGF Managing Authority, in December 2011, February 2012 and April 2012 respectively. The Department has reimbursed 100% of the unspent EU expenditure for the Dell and SR Technics Programmes which have been formally wound up by the European Commission. The Waterford Crystal programme will be formally wound up upon receipt of a request from the European Commission for reimbursement of the final 10% of the unspent EU monies which is expected by or within quarter 3 of 2014.

Final reports in respect of the 2010 construction sub-sectors NACE 41 ('Construction of buildings'), NACE 43 ('Specialized construction activities') and NACE 71 ('Architectural Services') EGF programmes encompassing over 8,000 redundant workers were duly submitted to the European Commission on 7 December 2012. The Department has reimbursed 100% of the unspent EU co-funded contribution for these programmes which have been formally wound up by the European Commission.

A table setting out relevant EGF programme details to date is set out below

Programme	Programme allocation (100%)	EU and national implementation period	EU receipts (65%)
DELL	22,817,000	Feb 2009 – Jun 2011	14,831,040
Waterford Crystal	3,955,159	Mar 2009 – Aug 2011	2,570,843
SR Technics	11,455,174	Mar 2009 – Oct 2011	7,445,863
NACE 41	19,522,829	Jul 2009 – Jun 2012	12,689,838
NACE 43	33,329,459	Jul 2009 – Jun 2012	21,664,148
NACE 71	2,135,107	Jul 2009 – Jun 2012	1,387,819
Talk Talk	5,392,765	Oct 2011 – Feb 2014 (50%)	2,696,382
	€98,607,493		€63,285,933

National co-funding of EGF programmes has been provided to date from:

- Department of Education and Skills, Subheads C.4 - Third level education supports, C11 - student maintenance grants, B.3 - training supports and allowances, B.4.1 - enterprise supports and B.5 - second level education supports and allowances.
- National Training Fund (guidance, education, training supports and allowances and technical assistance).
- Department of Social Protection (Vote 38) (Back to Education Allowance and employment service supports).

EGF Activity in 2013

EGF activity in 2013 was confined to the one open EGF programme in support of redundant Talk Talk workers. Total amounts paid from the 100% programme allocation of €5.39 million (set out above) to service providers and intermediate bodies under the Talk Talk EGF programme in 2013 were as follows:

<i>Body</i>	Total
	€
Higher Education Authority	49,167
Galway City VEC	4,200
Waterford City VEC	74,415
Enterprise Ireland	287,763
Dublin City VEC	1,072
WRC Consultants	228,850
	<hr/> 645,467

No EGF applications were made and thus no EGF funds were received from, nor EGF final reports required to be submitted to, the European Commission in 2013.

Guidance, training, education and enterprise measures under the Talk Talk EGF programme continued to be delivered to eligible individuals in 2013 and until the end of the programme's implementation period on 28 February 2014.

A new EU Regulation was agreed in December 2013 by the European Council and European Parliament to regulate the forthcoming EGF funding round 2014 - 2020.

EU funded posts in the PDST Technology in Education (formerly NCTE)

There are 3 posts in the Professional Development Service for Teachers (PDST) Technology in Education which are part EU funded. The split is 61.62% EU funded and 38.38% DES funded. The posts are: Project Officer, Education Officer, and Project Assistant for the Webwise project. The funding source is the EU Safer Internet Programme.

The funding for this project is in place until June 2014. Negotiations are underway for continuing funding but not agreed at this time.

Quality and Qualifications Ireland (QQI)

QQI received EU Funding in respect of its Europass and EQF activities in 2013, as well as for its provisions of the secretariat for European Quality Assurance Reference Framework. During 2013 this funding amounted to €755,144.

6.3 Commissions and Enquiries

	Year of appointment	Cumulative Expenditure to 31 December 2013 €000	Expenditure in 2013 €000	Expenditure in 2012 €000
Commission to Inquire into Child Abuse	1999	71,478	2,815	1,296
Residential Institutions Redress Scheme ¹	2002	1,143,516	50,079	38,022
Residential Institutions Review Committee ²	2003	7,751	537	581
Total³		1,214,994	52,894	39,318

¹ In addition to this Exchequer expenditure, contributions from the religious congregations under the 2002 indemnity agreement of €42,259,000 have been expended on the scheme, bringing the total expenditure on the Redress Scheme and the associated litigation under the 2002 indemnity agreement to €1,185,775,000. Of this amount there is an end-year closing balance of €3,292,000 in the redress suspense account, with €10,041,000 having been expended pursuant to the 2002 indemnity agreement and €1.172 billion expended on the Residential Institutions Redress Scheme.

² The expenditure associated with the Residential Institutions Review Committee is included in the costs listed for the Residential Institutions Redress Scheme.

³ The Commission/Inquiries cumulative expenditure figures exclude the expenditure categorised under the heading of the Residential Institutions Review Committee as this expenditure has been captured under the cumulative heading of the Residential Institutions Redress Scheme.

6.4 Contingent Liability

Redress

There will be further payments associated with the Commission to Inquire into Child Abuse and the Residential Institutions Redress Board.

Expenditure for the Commission to Inquire into Child Abuse from inception to the end of 2013, was €71.5 million. At end 2013, it is estimated that a provision in the region of €15 million may be required to meet the remaining costs of the Commission. This is a tentative provision, given that the Commission has yet to negotiate on a number of large bills of third party legal representation costs.

Expenditure associated with the Redress Scheme to the end of 2013 was €1.172 billion. At that time the Redress Board had a further 468 applications to process and 17 late submissions to consider. It is estimated that additional costs of some €45 million may arise. The estimate is based on the average award and also takes account of the latest information on late applications. However, the estimate is tentative given that the Board continues to process applications and that the level of award in these remaining cases may vary from the average.

6.5 Legal costs and compensation

Legal costs¹ paid during the year are categorised as follows:

	2013	2012
	€000	€000
Legal fees	2,873	435
Awards	224	1,349
	<u>3,097</u>	<u>1,784</u>

¹ The table above identifies legal costs and fees paid directly by the Department and does not reflect legal costs of other bodies supported by voted subheads.

6.6 Suspected Frauds/Irregularities

	2013	2012
	€000	€000
Fraud	31	—
Suspected irregularity	—	159

In regard to 2013, the Department was made aware of 5 new cases of fraud/irregularities, which remain under investigation as of March 2014. The cases under investigation largely arise in regard to the issue of grants or in respect of inappropriate expenditure of Exchequer funding.

As the cases are ongoing, the Department will continue to make every reasonable effort to recover Exchequer funds where fraud has occurred. In circumstances where recovery is warranted, this will occur either by direct repayment or via the withholding of agreed sums from ancillary grants.

6.7 Residential Institutions Redress***Residential Institutions Redress Special Account under Terms of Indemnity Agreement***

Section 23 of the Residential Institutions Redress Act 2002 provided for the establishment of a special account to be funded from "moneys provided by the Oireachtas" and by "a person, with the consent of the Minister (for Education and Science) and the Minister for Finance". In addition to moneys provided by the Oireachtas, funding for the special account comes from moneys contributed under the terms of the indemnity agreement between the State and the contributing congregations. The first schedule of the agreement contains a list of the contributing congregations. Moneys from the special account are used to pay awards made by the Residential Institutions Redress Board and associated legal and settlement costs. The special account is subject to audit by the Comptroller and Auditor General.

Redress Special Account pending establishment of the statutory fund

In April 2010, the Government announced its intention to utilise €110 million of the offers of contributions from religious congregations to establish and operate a statutory fund to support the needs of survivors of residential institutional child abuse. Pending the establishment of the statutory fund, a special interest bearing account, under the dual control of the Department of Public Expenditure and Reform and the Department of Education and Skills was opened in the Central Bank to receive the cash contributions from congregations. During 2012, contributions of €18.95 million were received from the congregations together with €1.04 million interest earned on the contribution held by one of the congregations prior to its lodgement. The closing balance on the account at 31 December 2012 was €41,314,845.

Following the commencement of the Residential Institutions Statutory Fund Act 2012 and the establishment of the Residential Institutions Statutory Fund investment account by the National Treasury Management Agency, the balance of €41,314,845 was transferred to the NTMA account in March 2013, in accordance with section 29(1) of the 2012 Act. A further amount of accrued interest totalling €12,376 was received in April 2013 bringing the total transferred to the NTMA account to €41,327,221. The special account was subsequently closed in 2013. The accounts of the Residential Institutions Statutory Fund are subject to audit by the Comptroller and Auditor General.

6.8 Expenditure on Temporary School Accommodation

During 2013 expenditure under subhead D.3.3 included amounts totalling €26 million in respect of temporary premises (2012: €24.7 million).

6.9 Budget Carryover

The sanction of the Department of Public Expenditure and Reform was given to carry forward €200,000 in savings from 2012 from the Department's administrative budget into 2013.

7. Miscellaneous accounts

7.1 Non Voted Accounts

			2013	2012
	Securities	Cash	Total	Total
	€000	€000	€000	€000
Securities balance on 1 January	548	—	548	548
Securities redeemed	(547)	600	53	—
Transfer of securities to Commissioners ⁽¹⁾	(1)	—	(1)	—
Transfer of redemption money to receipts and payments account	—	(600)	(600)	—
Balances on 31 December	—	—	—	548

Receipts and Payments Account for the year ended 31 December

	Total	Total
	2013	2012
Balances on 1 January	20	149
Receipts from dividends	24	25
Receipts from capital account	600	—
Transfer to Commissioners for Charitable Donations and Bequests ¹	(625)	(135)
Payments	(19)	(19)
Balances on 31 December	—	20

¹ In line with an agreement with the Office of the Commissioners for Charitable Donations and Bequests, the Department finalised the transfer of endowment funds and residual stockholdings to the Commissioners for Charitable Donations and Bequests on a staggered basis over the years 2010 to 2013. The Commissioners will carry out all day to day administration of the holdings with effect from 2014.

7.2 Endowed Schools

Account of the receipts and payments of the endowed schools (constituted under the Educational Endowments (Ireland) Act 1885) during the year ended 31 December 2013, in respect of capital and income.

			2013	2012
	Securities	Cash	Total	Total
	€000	€000	€000	€000
Balance on 1 January	416	—	416	416
Securities redeemed	(414)	297	(117)	—
Securities transferred to Commissioners ¹	(2)	—	(2)	—
Transfer of funds	—	(297)	(297)	—
Balances on 31 December	—	—	—	416

Receipts and Payments Account for the year ended 31 December

	2013	2012
	€000	€000
Balances on 1 January	—	9
Receipts	308	11
Transfer to Office of the Commissioners for Charitable Donations and Bequests ¹	(308)	(1)
Payments	—	(19)
Balances on 31 December	—	—

¹ In line with an agreement with the Office of the Commissioners for Charitable Donations and Bequests and commencing from 2010, both endowment funds and stockholdings have been transferred to the Commissioners on a staggered basis over the years 2010 to 2013. The Commissioners will carry out all day to day administration of the holdings with effect from 2014.

7.3 Grant in Aid Fund 2013

	2013	2012
	€000	€000
Subhead C.15.2 (Subhead B.14 in 2012) - fund for general expenses of cultural, scientific and educational organisations (National Lottery funded)	133	146
	133	146