



Appropriation Account 2014

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 2014 for the salaries and expenses of the Office of the Minister for Education and Skills, for certain services administered by the Office, and for the payment of certain grants and grants-in-aid.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2014, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €10.4 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.

Appropriation Account structure

Expenditure on education services in 2014 is accounted for under Vote 26 across four main subhead headings corresponding to the high level goals contained in the Department's Statement of Strategy 2011 – 2014 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 first, second 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.

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.

Reform of Education and Training Boards/SOLAS

In the context of the Public Service Transformation agenda, the extensive reform of the Education and Training Boards (ETB) sector continued throughout 2014. Responsibilities for training functions and staff associated with nineteen SOLAS Training Centres were transferred under the auspices of the relevant ETB, whilst progress on a new organisational structure, development of new HR policies and the commencement of shared services projects for payroll and finance were initiated.

The ETB/SOLAS Reform Programme, which consists of 19 individual projects, is supported and governed by a Programme Board. This board is chaired by me in my capacity as Secretary General and its membership includes members of the Department's senior management team along with the General Secretary of Education and Training Boards Ireland, the Director General of SOLAS and the Chief Executives of two 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).

Assets not under the direct control of the Department

Assets which are not under the direct control of the Department are not included as assets for the purposes of the statement of capital assets but are referenced by way of note to the account (F7/11/94).

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 2014, a total of twenty audit reports – thirteen ESF and seven internal audit – were finalised. Progress on the implementation of recommendations arising from the audit reports is tracked, 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 procurement totaling €2.5 million, which is made up of the following

- twelve services and purchases with a total contract value of €149,487 were in place in 2014 without recourse to an appropriate procurement process
- six contracts in the value range €25,000 to €50,000, five contracts in the value range €50,000 to €100,000 per annum, two contracts in the value range €100,000 to €200,000 per annum and four contracts in the value range €200,000 to €575,000 per annum 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.

These exceptions occurred for several reasons including contract extensions pending the establishment of centralised public service arrangements, sole/limited supplier availability and business continuity. All cases are being kept under active review and action is being taken where feasible. Additionally, the Department is proactively engaged with the procurement reform programme and is taking the opportunity to use centralised contracts and frameworks where appropriate.

Shared Services

I have fulfilled my responsibilities in relation to the requirements of the service management agreement between this Department and the National Shared Service Office for the provision of HR shared services.

I have received a letter of assurance from the Accounting Officer for the Vote for Shared Services that the appropriate level of controls are exercised in the provision of shared HR services to this Department. See also note 5.5(a).

Significant financial risks

The Department continues to have regard to significant financial and other risks via the mechanism of the Departmental Risk Register. The Register is a living document and is updated to take account of new risks identified or of changes to existing risks. It is used by the Internal Audit Unit in the assessment of risk within the Department's audit universe to assist in focusing its resources on the auditing of the Department's highest risks.

Governance

The Department continues to develop robust reporting arrangements with its bodies and agencies in order to manage their performance and governance. In so doing, the Department is seeking to adopt an approach that focuses on outputs and outcomes, and includes meaningful performance indicators. In this regard service level agreements (SLAs) are in place with a number of bodies and agencies and work on agreeing SLAs is progressing with others. The purpose of the SLA is to ensure that resources are used in an effective and cost effective manner to deliver quality services to the public.

I have, in addition, recently established a sub-committee of the Management Advisory Committee to support the further implementation and development of governance and accountability arrangements across the education sector.

Protected disclosures

The Protected Disclosures Act 2014 requires every public body to establish and maintain procedures for dealing with protected disclosures and to provide written information relating to these procedures to workers. The Department's interim guidelines make clear that the Department is committed to fostering an appropriate environment for addressing concerns relating to potential wrongdoing in the workplace and to providing the necessary support for staff who raise genuine concerns.

Seán Ó Foghlú

Accounting Officer

Department of Education and Skills

4 September 2015

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 2014 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 2014.

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.

Settlements with the Revenue Commissioners

In Note 6.12 of the appropriation account, the Accounting Officer discloses details of a settlement payment of €1.36 million made to the Revenue Commissioners. Chapter 12 of my report on the accounts of the public services for 2014 sets out more detail regarding this payment and an additional settlement payment to the Revenue Commissioners of €10.89 million made by the State Examinations Commission.

Seamus McCarthy
Comptroller and Auditor General

15 September 2015

Vote 26 Education and Skills

Appropriation Account 2014

		2014		2013
		Estimate provision		Outturn
		€000	€000	€000
A	First, Second and Early Years Education			
	<i>Original</i>	5,981,140		
	<i>Supplementary</i>	91,000	6,072,140	6,055,463
B	Skills Development			5,998,821
	<i>Original</i>	351,296		
	<i>Supplementary</i>	(4,500)	346,796	342,192
C	Higher Education			362,116
	<i>Original</i>	1,455,943		
	<i>Supplementary</i>	20,500	1,476,443	1,478,397
D	Capital Services			1,542,677
	<i>Original</i>	614,498		
	<i>Supplementary</i>	(4,000)	610,498	624,030
	Gross expenditure			
	<i>Original</i>	8,402,877		
	<i>Supplementary</i>	103,000	8,505,877	8,500,082
	<i>Deduct</i>			
E	Appropriations-in-aid		554,333	558,928
	Net expenditure			
	<i>Original</i>	7,848,544		
	<i>Supplementary</i>	103,000		
		7,951,544	7,941,154	7,859,531

Surplus for surrender

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer.

	2014	2013
	€	€
Surplus to be surrendered	10,390,347	86,375,415

Analysis of administration expenditure^a

		2014		2013
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	56,588	56,020	57,043
ii	Travel and subsistence	1,520	1,464	1,507
iii	Training and development and incidental expenses	955	966	917
iv	Postal and telecommunications services	1,820	1,757	1,734
v	Office equipment and external IT services	4,946	4,036	5,632
vi	Office premises expenses	1,539	1,509	1,578
vii	Consultancy and other services	99	154	62
viii	National Educational Psychological Service (NEPS)	18,124	17,037	17,437
ix	<i>EU Presidency</i>	—	—	531
		85,591	82,943	86,441

^a The Department's administrative expenditure was brought to account under the subheads X.1 to X.8 in 2014 (2013: X.1 to X.9).

Notes to the Appropriation Account

1 Operating Cost Statement 2014

	2014	2013
	€000	€000
Expenditure on administration	82,943	86,441
Expenditure on services and programmes	8,417,139	8,337,075
Gross expenditure	8,500,082	8,423,516
<i>Deduct</i>		
Appropriations-in-aid	558,928	563,985
Net expenditure	7,941,154	7,859,531
Changes in capital assets		
Purchases cash	(14,602)	
Depreciation	686	
Loss on disposals	16	103,316
Changes in assets under development		
Cash payments	(65,390)	(46,346)
Changes in net current assets		
Increase in closing accruals	21,004	
Decrease in stock	1	
	21,005	(22,707)
Direct expenditure	7,882,869	7,893,794
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	23,330	24,165
Notional rents	3,662	2,505
Net programme cost	7,909,861	7,920,464

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.

	2014	2013
	€000	€000
Vote 7 Finance	398	396
Vote 9 Office of the Revenue Commissioners	406	278
Vote 12 Superannuation	17,071	17,922
Vote 13 Office of Public Works	5,174	5,231
Central Fund – ministerial pensions	281	338
	23,330	24,165

2 Balance Sheet as at 31 December 2014

	Note	2014 €000	2013 €000
Capital assets	2.2	99,801	100,662
Capital assets under development	2.3	90,627	25,237
		190,428	125,899
Current assets			
Stocks	2.5	108	109
Prepayments ^a		2,822	1,584
Overpayments for recoupment		6,216	6,326
Recoupment of secondment costs		259	297
Accrued income		600	21,372
EU funds suspense	2.8	15	29
Other debit balances	2.6	81,047	80,978
Total current assets		91,067	110,695
Less current liabilities			
Bank and cash	2.4	75,468	(5,533)
Creditor (Revenue liability)		1,359	—
Accrued expenses		10,418	10,237
Deferred income		29	28
Salary recoupment to other departments and agencies		2	—
EU funds suspense	2.8	2,418	4,885
Other credit balances	2.7	912	3,873
Net liability to the Exchequer	2.8	2,264	77,782
Total current liabilities		92,870	91,272
Net current liabilities		(1,803)	19,423
Net assets		188,625	145,322
Represented by:			
State funding account	2.1	188,625	145,322

^a The Department's prepayment total for 2013 was €5 million. In error, the sum was understated by €3.5 million arising from prepayments totalling €3.5 million for rental premises being omitted from the Department's returns. The error arose due to a change in the Department's vote accounts structure which became effective from 2013.

2.1 State Funding Account	Note	2014		2013
		€000	€000	€000
Balance at 1 January			145,322	178,973
Disbursements from the Vote				
Estimate provision	Account	7,951,544		
Surplus to be surrendered	Account	(10,390)		
Net vote			7,941,154	7,859,531
Expenditure (cash) borne elsewhere	1		23,330	24,165
Non-cash expenditure – notional rent	1		3,662	2,505
Other non-cash items ^a	2.2 ^a		(14,982)	612
Net programme cost	1		(7,909,861)	(7,920,464)
Balance at 31 December			188,625	145,322

^a The 2014 non-cash item relates to the accounting treatment of the technical disposal of the Department's construction assets.

2.2 Capital Assets

	Land and buildings €000	Furniture and fittings €000	Office equipment €000	Total €000
Gross assets				
Cost or valuation at 1 January 2014	98,362	7,498	18,042	123,902
Additions	14,555	18	250	14,823
Disposals ^a	(14,982)	(71)	(388)	(15,441)
Cost or valuation at 31 December 2014	97,935	7,445	17,904	123,284
Accumulated depreciation				
Opening balance at 1 January 2014	—	7,104	16,136	23,240
Depreciation for the year	—	94	592	686
Depreciation on disposals	—	(67)	(376)	(443)
Cumulative depreciation at 31 December 2014	—	7,131	16,352	23,483
Net assets at 31 December 2014	97,935	314	1,552	99,801
Net assets at 31 December 2013	98,362	394	1,906	100,662

^a In regard to the land and building fixed asset disposals figure of €14,982 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 account. The schools transferred during 2014 were as follows:

Name of School	Valuation €
Ballinamore Community School, Co. Leitrim	2,107,440
Lisgaugh Doon, Scoil na Tríonoide Naofa	640,000
Tramore Community School – Ardscoil na Mara	4,117,200
Wexford, Creagh Demense – Creagh College (Gorey Community College, Part A)	6,677,000
Wexford, Creagh Demense – Creagh College (Gorey Community College, Part B)	1,440,000
Blessington Educate Together National School, Wicklow	2
Total	14,981,642

General Information Note**1. First Level**

- 1.1 The total number of national schools in operation on 31 December 2014 was 3,278. With the exception of 1.3 (i) to 1.3 (iii) below, the majority of these schools are denominational and owned by the relevant diocesan authority.
- 1.2 45 first-level sites are owned and controlled/managed by the Minister for Education and Skills.
- 1.3 (i) 70 Gaelscoileanna and 31 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.
- 1.3 (ii) Four multi-denominational sites and one Catholic school site and buildings are held by the Minister for Education and Skills under long term lease agreements but are controlled/managed by boards of management.
- 1.3 (iii) Nine model schools, owned/leased by the State, are controlled/managed by boards of management.
- 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 Child and Family Agency (Tusla) 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 22 sites for second-level schools are owned and controlled/managed by the Minister for Education and Skills.
- 2.2 (i) 14 comprehensive schools, 81 community schools and four secondary schools owned by the Minister for Education and Skills are controlled/managed by boards of management.
- 2.2 (ii) 262 vocational schools are vested in Education and Training Boards under the Education and Training Boards Act 2013.
- 2.2 (iii) 371 secondary schools are privately owned.

2.3 Capital Assets under Development

	Construction contracts €000	In-house computer applications €000	Totals €000
Amounts brought forward at 1 January 2014	24,707	530	25,237
Cash payments for the year	64,870	520	65,390
Transferred to asset register	—	—	—
Balance at 31 December 2014	89,577	1,050	90,627

2.4 Bank and Cash

at 31 December	2014 €000	2013 €000
PMG account	(76,243)	5,707
Commercial banks	771	—
Petty cash	4	—
Orders outstanding	—	(174)
	(75,468)	5,533

2.5 Stocks

at 31 December	2014 €000	2013 €000
Stationery	58	65
IT consumables	50	44
	108	109

2.6 Other Debit Balances

at 31 December	2014 €000	2013 €000
Agency payments to OPW	54	804
Marriage, retirement and death gratuities	2	143
Salaries recoupable	160	60
Schools Broadband Programme	2,160	2,160
Travel passes	197	204
Due from State – suspense	45	56
Offices shared services recoupment	131	264
Cycle to work scheme	54	49
Miscellaneous	19	10
Payroll suspense	77,961	77,228
Travel and subsistence advances	99	—
Redress Board	165	—
	81,047	80,978

2.7 Other Credit Balances

at 31 December	2014	2013
	€000	€000
Due to the State	2	26
Redress Board	—	3,292
Pension refund	55	60
Energy building programme	394	441
Exchequer extra receipts	50	—
Central Bank	11	7
2014/2015 remittances	370	—
Spouses and children's pension contributions	—	6
Cycle to work scheme	—	3
Other creditor	12	—
Miscellaneous	18	38
	<u>912</u>	<u>3,873</u>

2.8 Net Liability to the Exchequer

at 31 December	2014	2013
	€000	€000
Surplus to be surrendered	10,390	86,375
Exchequer grant undrawn	(8,126)	(8,593)
Net liability to the Exchequer	<u>2,264</u>	<u>77,782</u>

Represented by:**Debtors**

Debit balances – suspense	81,002	80,922
Due from the State – suspense	45	56
EU funds – suspense	15	29
	<u>81,062</u>	<u>81,007</u>

Creditors

Bank and cash	(75,468)	5,533
Due to the State – suspense	(2)	(26)
EU funds – suspense	(2,418)	(4,885)
Credit balances – suspense	(910)	(3,847)
	<u>(78,798)</u>	<u>(3,225)</u>
	<u>2,264</u>	<u>77,782</u>

2.9 Commitments

at 31 December	2014	2013
	€000	€000

(a) Global commitments

Commitments likely to materialise in subsequent years for:

Procurement subheads	42	94
Grant subheads	13,128	10,296

(b) Multi-annual capital commitments

Expenditure in 2014 ^a	548,822	437,831
Commitments to be met in subsequent years ^b	1,897,460	1,652,631

^a Expenditure in 2014 includes €28 million (2013: €13 million) in respect of capital payments made under public private partnership (PPP) projects.

^b Commitments to be met in subsequent years include €1.407 billion (2013: €1.396 billion) on PPP projects in respect of capital obligations and non-capital obligations such as, financing, operation and maintenance.

Note 2.9 (c) provides details of the capital expenditure and commitments on PPP projects.

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

				2014	2013
	Expenditure to 31 December 2013	Expenditure	Legally enforceable commitments to be met in subsequent years	Project total	Project total
	€000	€000	€000	€000	€000
Subhead D.3					
1. Malahide Community School	13,860	—	7	13,867	13,866
2. Luttrellstown Community College	13,052	88	230	13,370	13,338
3. Hansfield Educate Together Secondary School ^a	—	891	14,528	15,419	—
4. Carrickphierish Campus Development ^a	—	7,044	5,306	12,350	—
5. Rathmullan National School ^a	—	73	12,520	12,593	—
6. Kishogue Community College ^a	—	4,154	9,752	13,906	—
7. National Development Finance Agency Schools Bundle 1 ^{a, b}	—	11,715	7,719	19,434	—
8. National Development Finance Agency Schools Bundle 2 ^{a, b}	—	10,825	8,543	19,368	—
9. National Development Finance Agency Schools Bundle 3 ^{a, b}	—	13,916	20,381	34,297	—
Subtotal	26,912	48,706	78,986	154,604	27,204
Subhead D.4					
10. National University of Ireland, Cork – Medicine	22,575	106	—	22,681	22,681
11. National University of Ireland, Dublin – Science Centre	59,692	1,082	—	60,774	60,774
12. St. Patricks Drumcondra – Campus Development	16,161	22,626	949	39,736	39,736
13. Grangegorman Campus	12,400	16,782	818	30,000	27,900
Subtotal	110,828	40,596	1,767	153,191	151,091
Total	137,740	89,302	80,753	307,795	178,295

^a The projects relating to the Hansfield Educate Together Secondary School, Carrickphierish Campus Development, Rathmullan National School, Kishogue Community College, and the three National Development Finance Agency Schools Bundles are new projects that came on stream in 2014.

^b The three NDFA School Bundles are construction projects overseen by that agency.

Significant Variations

An explanation is provided below where multi-annual commitments increased by more than €500,000 from 2013 to 2014.

Project	Total cost increase in 2014 €000	Explanation
Grangegorman Campus	2,100	The 2014 increase in commitments from €27.9 million to €30 million on this co-funded project with DIT arose due to an agreement between the Department and DIT/Grangegorman Development Agency that the Department would increase its portion of funding for this project. DIT, in return, increased its commitment to other smaller Grangegorman-related projects.

(c). Capital costs of Public Private Partnership Projects

	Expenditure to 31 December 2013	Expenditure	Legally enforceable commitments to be met in subsequent years	2014 Project totals	2013 Project totals
	€000	€000	€000	€000	€000
1. National Maritime College of Ireland PPP	37,003	3,487	26,589	67,079	67,079
2. Five Pilot Schools Bundle	37,322	3,276	56,629	97,227	97,227
3. Cork School of Music	21,434	2,374	57,108	80,916	80,916
4. 1 st Bundle PPP Schools	14,181	1,921	68,618	84,720	84,720
5. 2 nd Bundle PPP Schools	16,229	2,607	91,682	110,518	110,518
6. 3 rd Bundle PPP Schools ^a	—	14,361	116,241	130,602	130,205
7. 4 th Bundle PPP Schools ^b	—	—	77,944	77,944	—
	126,169	28,026	494,811	649,006	570,665

^a The cost of this project has been updated since 2013.

^b The 4th schools bundle was excluded from the 2013 accounts as the contract was not in place until December 2014.

Note on PPPs

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

There are two third level PPP projects, the National Maritime College, Cork and the Cork School of Music and five schools PPP projects, (five pilot schools and School Bundles 1, 2, 3 and 4). All seven 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 Ltd. 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 Developments UK Ltd. 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 in Wicklow, Co. Wicklow, Athboy, Co. Meath, Kildare, Co. Kildare, Abbeyfeale, Co. Limerick and Bantry, Co. Cork (two schools) 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, located in Gorey, Co. Wexford, Tramore, Co. Waterford, Doughiska, Co. Galway (a primary and post-primary school sharing the same campus), Athlone, Co. Westmeath, Doon, Co. Limerick, Letterkenny, Co. Donegal and Ballinamore, Co. Leitrim, was signed with BAM PPP PGGM Infrastructure Cooperatie U.A. in November 2012. All eight schools became operational between November 2013 and May 2014.

4th Bundle PPP Schools

A contract for the build, financing and operation of four post-primary schools in Tulla, Co. Clare, Skibereen, Co. Cork, Dundalk, Co. Louth and Carrick-on-Suir, Co. Tipperary was signed with BAM PPP PGGM Infrastructure Cooperatie U.A. in December 2014.

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 €75,783 at 31 December 2014. The equivalent sum at 31 December 2013 was €54,824.

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 2014, 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 2014 than originally anticipated.

		2014		2013
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A	First, Second and Early Years Education			
A.1	Administration – pay	58,583	54,687	54,995
A.2	Administration – non-pay	10,395	8,892	10,150
A.3	Salaries, wages and allowances (including incidental payments) of primary school teachers			
	<i>Original</i>	2,018,420		
	<i>Supplementary</i>	23,000	2,041,420	2,036,340
A.4	Salaries, wages and allowances (including incidental payments) of secondary, comprehensive and community school teachers			2,075,701
	<i>Original</i>	1,118,053		
	<i>Supplementary</i>	(11,000)	1,107,053	1,099,355
A.5	Grants to Education and Training Boards (ETBs) in respect of vocational teachers' salaries			1,122,476
	<i>Original</i>	537,113		
	<i>Supplementary</i>	28,000	565,113	569,479
A.6	Salaries and wages (including incidental payments) of special needs assistants in primary and post-primary schools			575,466
	<i>Original</i>	362,256		
	<i>Supplementary</i>	11,000	373,256	374,922
A.7	Salaries and wages (including incidental payments) of non-teaching staff in primary and post-primary schools (excluding special needs assistants)			361,947
			100,637	100,149
A.8	Superannuation etc. in respect of teaching and non-teaching staff			102,025
	<i>Original</i>	1,026,669		
	<i>Supplementary</i>	40,000	1,066,669	1,059,361
A.9	School transport services		170,000	973,991
A.10	Grants (including capitation) payable to primary and post-primary schools, Education Training Boards and other educational organisations and institutions			170,750
			408,931	409,103
A.11	Grants to education bodies working in the primary and post-primary sectors		66,837	387,300
			68,819	66,874
A.12	Teacher education		23,900	23,340
A.13	Payments in respect of residential institutions redress and costs associated with the Child Abuse Commission			
			52,415	55,142
A.14	Miscellaneous grants and services			53,441
			26,931	20,365
			<u>6,072,140</u>	<u>6,055,463</u>
				<u>5,998,821</u>

Significant variations

Overall, the gross expenditure in relation to Programme A was €16.7 million lower 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% – subheads A.13 and A.14 fall into this category.

Furthermore an explanation has been provided in respect of subheads – A.3, A.4, A.5, A.6 and A.8 that each received either an increasing or decreasing supplementary estimate allocation during 2014. The explanations provided in regard to each of these subheads refer solely to the reasons for taking a supplementary estimate.

Description	Less/(more) than provided €000	Explanation
Salaries, wages and allowances (including incidental payments) of primary school teachers	5,080	<p>The original estimate of €2,018,420,000 was increased by a supplementary estimate of €23 million to €2,041,420,000.</p> <p>The increasing supplementary estimate of €23 million was due mainly to the requirement to meet the cost of the first payroll of 2014 by charging it to the 2014 accounts, while it had originally been charged to the 2013 accounts. Some offsetting savings, including on substitution payments and costs of additional teachers, reduced the net amount of the supplementary estimate required.</p> <p>The final outturn of €2.036 billion is 0.25% less than the final estimate.</p>
Salaries, wages and allowances (including incidental payments) of secondary, comprehensive and community school teachers	7,698	<p>The original estimate of €1,118,053,000 was decreased by a supplementary estimate of €11 million to €1,107,053,000.</p> <p>The reducing supplementary estimate arose from net savings on the subheads which included savings on substitution costs.</p> <p>The final outturn of €1.099 billion is 0.7% less than the final estimate.</p>
Grants to Education and Training Boards (ETBs) in respect of vocational teachers' salaries	(4,366)	<p>The original estimate of €537,113,000 was increased by a supplementary estimate of €28 million to €565,113,000.</p> <p>The increasing supplementary estimate was necessary due to several factors including more teaching posts in the Education and Training Boards than had originally been provided for and an underestimate of overall pay costs in this subhead.</p> <p>The final outturn of €569 million is 0.8% more than the final estimate.</p>

Description	Less/(more) than provided €000	Explanation
Salaries and wages (including incidental payments) of special needs assistants in primary and post primary schools	(1,666)	<p>The original estimate of €362,256,000 was increased by a supplementary estimate of €11 million to €373,256,000.</p> <p>The additional allocation of €11 million required on this subhead was due mainly to the requirement to meet the net cost of the first payroll by charging the 2014 accounts. The payroll cost had originally been placed as a charge on the 2013 accounts.</p> <p>The final outturn of €375 million is 0.4% more than the final estimate.</p>
Superannuation etc. in respect of teaching and non-teaching staff	7,308	<p>The original estimate of €1,026,669,000 was increased by a supplementary estimate of €40 million to €1,066,669,000.</p> <p>Circa €24 million of the excess expenditure arose due to the need to meet the net cost of the first payroll for 2014 which had originally been budgeted for in the 2013 accounts. The remainder of the supplementary was required due to higher than estimated numbers of retirement gratuities (2,244 versus 1,856 estimated).</p> <p>The final outturn of €1.059 billion is 0.7% less than the final estimate.</p>
Payments in respect of residential institutions redress and costs associated with the Child Abuse Commission	(2,727)	<p>The overall net excess of €2.7 million includes €2 million due to the Redress Board finalising a greater number of awards, as well as higher than anticipated numbers of third party legal costs being settled in 2014 and €1.13 million due to the Commission for Child Abuse settling higher numbers of legal bills than had been expected in 2014. €0.5 million of the offsetting savings arose due to capital funding allocated for the memorial to victims of abuse remaining unspent due to planning permission not being granted.</p>
Miscellaneous grants and services	3,202	<p>€0.9 million of the net savings on this miscellaneous subhead arose due to lower than estimated connectivity costs incurred by the Department on the primary and post-primary schools' broadband programmes, as well as savings on staff costs. A further €1 million of savings arose from the deferral to 2015 of certain ICT activities. Savings of €0.6 million arose due to the action plan associated with the Dormant Accounts disbursement plan not becoming operational in 2014. Smaller scale net savings arose on a number of other projects and initiatives.</p>

		2014		2013
		Estimate provision		Outturn
		€000	€000	€000
B	Skills Development			
B.1	Administration – pay		3,017	3,571
B.2	Administration – non-pay		580	630
B.3	Grants to SOLAS in respect of administration, general expenses and training grants and supports		82,263	79,916
B.4	European Social Fund (ESF) and European Globalisation Adjustment Fund (EGF) supports		780	521
B.5	Grants to SOLAS in respect of further education and training activities			569
		<i>Original</i>	226,380	
		<i>Supplementary</i>	(6,500)	
B.6	Grant to Quality and Qualifications Ireland (QQI)		219,880	218,659
B.7	Superannuation etc. payable to former members of FÁS, SOLAS and an Comhairle Oilíuna (AnCO)		7,225	5,500
		<i>Original</i>	31,026	
		<i>Supplementary</i>	2,000	
B.8	Miscellaneous grants and services		25	22
			<u>346,796</u>	<u>342,192</u>
				<u>362,116</u>

Significant variations

Overall, the expenditure in relation to the Programme B was €4.6 million lower than provided. An explanation is provided below in the case of subheads B.4 and B.6 where the outturn varied from the amount estimated by more than €100,000 and by more than 5%.

In regard to subheads B.5 and B.7, an explanation has also been provided in regard to both these subheads as subhead B.5 received a decreasing supplementary allocation and subhead B.7 received an increasing supplementary estimate allocation in 2014.

Description	Less/(more) than provided €000	Explanation
European Social Fund (ESF) and European Globalisation Adjustment Fund (EGF) supports	259	Savings on ESF supports arose due to delays in final approval of the new Operational Programme and to timing issues relating to the expenditure on transnational activity which did not commence until 2015. Savings on expenditure on EGF enterprise supports were also due to timing issues.
Grants to SOLAS in respect of further education and training activities	1,221	<p>The original estimate of €226,380,000 was decreased by a supplementary estimate of €6.5 million to €219,880,000.</p> <p>The Department, with the prior approval of the Department of Public Expenditure and Reform, suspended the final tranche of Vote 26 funding for VTOS, charging it instead to the National Training Fund. Subsequently, the Department reduced the further education allocation via the supplementary estimate process by €6.5 million. This was a net reduction which allowed the Department scope to meet demands arising elsewhere on the Vote.</p> <p>The final outturn of €219 million is 0.6% more than the final estimate.</p>

Description	Less/(more) than provided €000	Explanation
Grant to Quality and Qualifications Ireland (QQI)	1,725	The principal cause of the overall saving of €1.725 million was the receipt by Quality and Qualifications Ireland (QQI) of increased fee income. Circa €1.1 million was received from relationship fees relating to the provision of quality assurance services by the QQI and circa €0.1 million was received from validation fees. The remaining savings arose mainly from lower than anticipated operational costs principally in the areas of accountancy and IT expenditure.
Superannuation etc. payable to former members of FÁS, SOLAS and an Comhairle Oiliuna (AnCO)	(347)	<p>The original estimate of €31,026,000 was increased by a supplementary estimate of €2 million to €33,026,000.</p> <p>A budgetary increase was necessary due to the underestimation of the number of members retiring in 2014 (11 estimated retirements versus 21 actual retirements), as well as underestimation of the ongoing pension payroll costs.</p> <p>The final outturn of €33.4 million is 1% more than the final estimate.</p>

		2014		2013
		Estimate provision		Outturn
		€000	€000	€000
C	Higher Education			
C.1	Administration – pay		3,287	3,850
C.2	Administration – non-pay		631	679
C.3	Grant-in-aid for general expenses of the Higher Education Authority		5,424	5,424
C.4	General current grants to universities, institutes of technology and other designated institutions of higher education (grant-in-aid)		938,943	938,943
C.5	Training colleges for primary teachers – excluding those funded through the Higher Education Authority		7,784	7,165
C.6	Dublin Dental Hospital (grant-in-aid)		10,582	10,582
C.7	Dublin Institute for Advanced Studies (grant-in-aid)		6,201	6,201
C.8	Royal Irish Academy of Music (grant-in-aid)		2,988	2,988
C.9	Grants to certain third level institutions		11,300	10,402
C.10	Superannuation etc. payable to former staff of universities and institutes of technology			11,384
		<i>Original</i>	67,039	
		<i>Supplementary</i>	7,000	
C.11	Student support and related expenses		74,039	74,890
		<i>Original</i>	356,252	
		<i>Supplementary</i>	13,500	
C.12	Research activities		369,752	372,211
C.13	EU, international and north south activities		37,600	37,600
C.14	Grangegorman Development Agency		5,109	4,667
C.15	Miscellaneous grants and services		2,470	2,481
			333	314
			<u>1,476,443</u>	<u>1,478,397</u>
				<u>1,542,677</u>

Significant variations

Overall, the expenditure in relation to Programme C was €2 million more than provided. An explanation is provided below in the case of subheads C.5, C.9 and C.13 where the outturn varied from the amount estimated by more than €100,000 and by more than 5%.

Additionally explanations are provided for subheads C.10 and C.11 as both those subheads received a net increasing supplementary estimate allocation in 2014.

Description	Less/(more) than provided €000	Explanation
Training colleges for primary teachers – excluding those funded through the Higher Education Authority	619	The saving on this subhead arose due to slower than projected progress on certain initiatives and, to a lesser extent, to lower than anticipated drawdown of free fee grants claimed by Colleges.
Grants to certain third level institutions	898	The 2014 savings on the grants to other third level colleges subhead arose due to a lower than expected drawdown of free fee funding in the non-HEA funded institutions.

Description	Less/(more) than provided €000	Explanation
Superannuation etc. payable to former staff of universities and institutes of technology	(851)	<p>The original estimate of €67,039,000 was increased by a supplementary estimate of €7 million to €74 million.</p> <p>The Department took the net supplementary estimate in respect of pensions and gratuities payable to former Institute of Technology employees in 2014 which arose due to the number of pensions charged to this subhead being 251 more than originally estimated as a result of the reclassification of former IoT pensioners who had previously been classified on the pensions payrolls as former ETB employees, and also due to a higher than anticipated number of retirements in 2014. Consequently, the higher than anticipated number of retirements led to an increased cost in superannuation gratuities.</p> <p>The net supplementary taken was reduced by €5 million on the university element of the subhead, due to additional funding having been provided by the Department late in 2013, resulting in a lower drawdown requirement in 2014.</p> <p>The final outturn of €74.89 million is 1% more than the final estimate.</p>
Student support and related expenses	(2,459)	<p>The original estimate of €356,252,000 was increased by a supplementary estimate of €13.5 million to €369,752,000.</p> <p>The subhead required the supplementary allocation which arose mainly due to increases in the amount of the student contribution and the number qualifying to have this contribution paid on their behalf, more timely processing of student grants in 2014, as well as reduced savings from earlier Budget measures.</p> <p>The final out-turn of €372.211 million is 0.7% more than the final estimate.</p>
EU, international and north south activities	442	<p>The net savings arose principally due to lower drawdown of matched funding from the US-Ireland Alliance for the George Mitchell Scholarship fund in 2014, than had been envisaged when the estimate was set.</p>

		2014		2013
		Estimate provision	Outturn	Outturn
		€000	€000	€000
D	Capital Services			
D.1	Administration – pay		7,631	9,339
D.2	Administration – non-pay		1,467	1,931
D.3	Building equipment and furnishings of primary and post-primary schools			
	<i>Original</i>	490,350		
	<i>Supplementary</i>	<u>(39,500)</u>		
		450,850	454,835	387,396
D.4	Building grants and capital costs of universities, institutes of technology and other designated institutions of higher education			
	<i>Original</i>	34,800		
	<i>Supplementary</i>	<u>35,500</u>		
		70,300	79,094	68,903
D.5	Public private partnership costs		80,250	52,333
		<u>610,498</u>	<u>624,030</u>	<u>519,902</u>

Significant variations

Overall, the expenditure in relation to Programme D was €13.5 million more than provided

An explanation has been provided in regard to subhead D.3 which received a net reducing supplementary allocation and subhead D.4 which received an increasing supplementary estimate allocation in 2014. Additionally, as subhead D.4's end-year outturn varied from the amount estimated by more than €100,000 and by more than 5%, an explanation as to the end-year variation is also provided.

Description	Less/(more) than provided €000	Explanation
Building equipment and furnishings of primary and post primary schools	(3,985)	<p>The original estimate of €490,350,000 was decreased by a supplementary estimate of €39.5 million to €450,850,000.</p> <p>During 2014 the large scale building projects programme encountered delays due to the introduction of the new building controls and to a lesser extent to third party planning appeals. The delays led to a smaller number of projects commencing on site than had been envisaged when the estimates were set. Additionally, under the Department's prefab replacement initiative, savings arose on the rental of temporary premises subhead in 2014. The Department lowered the allocation on the subhead by €39.5 million which allowed the funding to be transferred to the higher education capital subhead D.4 and utilised in 2014.</p> <p>The final outturn of €454.8 million is 0.9% more than the final estimate.</p>

Description	Less/(more) than provided €000	Explanation
Building grants and capital costs of universities, institutes of technology and other designated institutions of higher education	(8,794)	<p>The original estimate of €34,800,000 was increased by a supplementary estimate of €35.5 million to €70,300,000.</p> <p>The allocation on this subhead was increased to enable the consolidation of Dublin Institute of Technology at the Grangegorman site and an increased spend on the works at St Patricks Teacher Training College in Drumcondra.</p> <p>The final outturn of €79.1 million is 12.5% more than the final estimate.</p> <p>With the prior approval of the Department of Public Expenditure and Reform, this subhead also utilised virement to allow it spend in excess of the subhead allocation by €8.8 million which supported additional expenditure to fund a scheme of minor works in the Institute of Technology sector.</p>

4 Receipts

4.1 E Appropriations-in-aid

		2014		2013
		Estimated	Realised	Realised
		€000	€000	€000
E.1	Superannuation contributions	183,799	183,209	188,183
E.2	Receipts in respect of the European Social Fund (ESF), European Globalisation Adjustment Fund (EGF) and other miscellaneous EU receipts	24,491	23,465	1
E.3	Receipts from pension-related deductions on public service remuneration	334,321	341,183	360,956
E.4	Secondments/overpayments	5,600	5,056	5,537
E.5	Miscellaneous	6,122	6,015	9,308
		<u>554,333</u>	<u>558,928</u>	<u>563,985</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
Secondments/overpayments	544	Overpayment/secondment receipts are difficult to predict reliably.

4.2 Extra receipts payable to the Exchequer

	2014	2013
	€000	€000
Balance at 1 January	—	—
Recoupment of unspent funding disbursed in prior years to the HEA	615	855
Receipts from sale of assets by FÁS/SOLAS	115	724
Receipts from legal settlements	80	43
Receipts from conscience money	3	20
Transferred to Exchequer	(763)	(1,642)
Balance at 31 December ^{a, b}	<u>50</u>	<u>—</u>

^a The December 2013 transfer amount as presented in the 2013 accounts has been amended to reflect conscience money received in 2013 as well as a rounding variation of €2,000 which arose due to the change in reporting requirements for the 2014 accounts.

^b The balance at 31 December 2014 of €50,000 arises as receipts from payment of a settlement agreed by the former Department of Enterprise Trade and Employment in regard to the EU DAWN Equal project which were paid over in late December 2014, were not transferred to the Department of Finance until January 2015.

5 Employee Numbers and Pay

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

	2014	2013
Number of staff at year end (full time equivalents)	95,989	94,314

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 2014	Pay outturn as at 31 December 2014 €000
First and second level teachers	A.3	Primary teachers salaries	33,735	2,036,340
	A.4	Secondary and C and C teachers salaries	17,261	1,099,355
	A.5	ETB teachers salaries	11,080	569,479
Teaching sub-total			62,076	3,705,174
First and second level Special Needs Assistants	A.6.1	Primary	8,923	305,453
	A.6 (2–3)	Second level	2,198	69,470
First and second level – non-teaching	A.7.1	Primary	307	11,783
	A.7 (2–4)	Second level	2,358	88,366
Non-teaching sub-total			13,786	475,072
Third level education staff	C.3	HEA – administration	59	3,492
	C.4	University/IOE/RIA	17,024	664,484
	C.5	Teacher training colleges	28	2,219
	C.6	Dublin Dental Hospital	121	9,382
	C.7	Dublin Institute for Advanced Studies	53	3,670
	C.11	Student grant administration	101	2,983
	C.14	Grangegorman Development Agency	9	1,044
Third level sub-total			17,395	687,274

Category of staff remunerated	Subhead from which funds disbursed	Description of subhead	ECF numbers as at 31 December 2014	Pay outturn as at 31 December 2014 €000
Department staff	X.1	Administration	997	56,020
	X.8	National Educational Psychological Service	192	15,127
Department sub-total			1,189	71,147
Other staff	A.11.4	State Examinations Commission	146	44,405
	B.3.1	SOLAS	211	47,037
	A.11.1	National Council for Curriculum and Assessment	30	2,553
	A.11.5	National Council for Special Education	98	6,277
	A.13.1	Redress Board	19	1,164
	C.8	Royal Irish Academy of Music	56	2,860
	A.13.2	Commission on Child Abuse	2	323
	B.6	Quality and Qualifications Ireland	76	2,052
	A.10.1.3	Model schools	8	143
	B.5	Further education and ETB grants	820	62,375
Other sub-total			1,466	169,189
Total			95,912	5,107,856

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, 77 whole time equivalent staff comprehended by the Employment Control Framework are paid from subheads with no separate pay designation.

In respect of the subheads B.6 (QQI), C.8 (RIAM), C.3 (HEA administration) and C.7 (Dublin Institute for Advanced Studies), a small element of the pay also includes pension costs.

5.(b) Exchequer Pay

	2014	2013
	€000	€000
Pay	50,625	51,738
Higher, special or additional duties allowance	290	256
Other allowances	44	49
Overtime	509	479
Employer's PRSI	4,552	4,521
Total pay	56,020	57,043

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 2014 €	Maximum individual payment 2013 €
Higher, special or additional duties	78	6	19,585	20,614
Other allowances	38	—	6,108	6,108
Overtime	236	6	18,765	17,868

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.8 in 2014 (2013: X.1, X.8 and X.9).

5.2 Performance and Merit Pay

Eight staff in receipt of special service payments under the AHCPs 1% PCW restructuring agreement received in total €18,358 in 2014. No merit pay was paid during 2014.

5.3 Re-Engaged Civil Servants

During 2014, 21 retired civil servants in receipt of civil service pensions were re-engaged at a total cost of €115,395 which included travel and subsistence costs of €10,234.

5.4 Severance/Redundancy

1. During 2014, 335 teaching and non-teaching staff (comprising 327 non-teaching staff, 7 primary teachers and 1 post-primary teacher) were paid redundancy sums totalling €2,896,248 – which included payment for both statutory and non-statutory redundancy sums. 103 payments of redundancy exceeded €10,000. The highest value sum paid in 2014 was €46,544. Staff receiving redundancy were paid via the Department's payrolls, in the Department's capacity as paymaster, for certain schools.
2. Under the terms of the Guidelines for Ministerial Appointments for the 31st Dáil, there is provision for the payment of severance to ministerial appointments on the termination of their appointment.

The appointment to the positions of Special Advisor, Personal Assistant, Personal Secretary and Civilian Driver are co-terminus with the Minister or Minister of State's term of Office.

In 2014, payments arose in regard to six ministerial appointees. A sum of €94,500 was spent on severance, redundancy and minimum notice payments and a sum of €28,200 was paid in lieu of untaken leave.

5.5 Overpayments

(a) Administrative staff salary overpayments

Salary overpayments on the administrative staff's salary subhead X.1 were €113,176 (84 cases) at 31 December 2014 compared to overpayments of €86,610 (42 cases) at the end of January 2014. The increase in salary overpayments via this subhead mainly arises from operational difficulties associated with the commencement of services provided by our shared service provider – PeoplePoint – in February 2014.

(b) Supplementary pension overpayments

The Department's Superannuation Section carried out a review of pensioners aged over 65 who were in receipt of supplementary pension. Following the review it was found that 320 pensioners were no longer entitled to this supplementary pension as they were also in receipt of a state pension from the Department of Social Protection. Pension overpayments for these 320 pensioners on subhead A(8) totalled €2.8 million at both December 2013 and 2014. Recovery of the overpayments commenced in July 2015 following detailed engagement over 18 months between the Department and the Revenue Commissioners regarding the tax implications for pensioners of any repayment regime in respect of repayments made which fell outside the Revenue Commissioners 4 year time limit.

(c) Teacher/non-teacher and retired personnel overpayments

Overpayments in respect of teachers, non-teaching staff and retired personnel (excluding the supplementary pension overpayments referenced above) in primary, voluntary secondary, community and comprehensive schools were €3.32 million at 31 December 2014 compared to overpayments of €3.54 million at 31 December 2013. The Department acts as paymaster on behalf of the managerial authorities of over 3,700 schools, and is therefore reliant on school authorities submitting the data required for the appointment/payment and cessation of staff payments on a timely basis. Overpayments may also occur if insufficient time is allocated for the implementation of new Budget decisions and new industrial relations agreements, as has been the case in recent years.

6 Miscellaneous

6.1 National Lottery Funding

	2014 €000	2013 €000
Book rental scheme (subhead A.10) ^a	4,996	—
Cultural activities (subhead C.15)	132	133
	<u>5,128</u>	<u>133</u>

A list of recipients of the funding is available on the Department's website (www.education.ie).

^a In 2014, the Department provided funding of €4.996 million to DEIS schools participating in the book rental scheme. The funding was made available to the Department as part of the estimates process and is included in the capital estimate for subhead A.10.1 – Capitation and ancillary grants to primary schools. In 2014, this funding originated from the sale of the National Lottery licence and did not form part of the normal National Lottery funding stream.

6.2 EU Funding

The €22,940,858 received in 2014 and shown as appropriations-in-aid was included in the recorded expenditure from the Education and Skills Vote from the following subheads;

Subheads B.3, B.4, B.5, C.4. and C.11. During 2013, the Department did not receive any ESF receipts to subhead E.2.

In addition to the grants from the Vote, direct EU aid to bodies under the aegis of the Department during 2014 was as shown below:

Subhead	Description	2014 Funding €000	2013 Funding €000
A.11.4	National Council for Guidance in Education	171	178
B.3	SOLAS	—	586
		<u>171</u>	<u>764</u>

The European Globalisation Adjustment Fund

Background

The Department of Education and Skills acts as the Irish Managing Authority for the European Globalisation Adjustment Fund (EGF) in Ireland.

The EGF is a European Union funding programme which assists EU member states to provide a personalised package of upskilling, retraining and enterprise supports to workers made redundant as a result of major structural changes in world trade patterns due to globalisation or global financial and economic crisis.

Applications for EU co-funding under the EGF are first submitted by a member state to the European Commission for approval. Upon initial approval the application must subsequently be approved by both the European Parliament and the EU Council of Ministers.

For approved programmes of measures submitted by Member States, the following maximum EU co-funding rates apply

- 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 six months after programme cessation. The Commission 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.

Irish EGF Programmes

There have been nine applications made by Ireland for EGF co-funding up to the end of 2014.

Seven programmes (Dell, Waterford Crystal, S.R. Technics, NACE 41 ('Construction of buildings'), NACE 43 ('Specialised construction activities') NACE 71 ('Architectural Services') and Talk Talk EGF programmes) have been formally wound up by the European Commission and reimbursements to date of unused EGF co-funding totalling €25 million have been made to the EU Commission. The DELL, Waterford Crystal, SR Technics and NACE 43 EGF Programmes have all been the subject of audit by either the European Commission or European Court of Auditors, with no substantial findings being made by either body against Ireland.

An eighth EGF programme application was submitted in May 2014 in support of 171 workers affected by redundancy at the Andersen Ireland jewellery manufacturing plant in Rathkeale, Co. Limerick in late 2013. The application also sought support for up to 138 local young persons under the age of 25 years who are not in employment, education or training (NEET persons) under a new optional provision of Regulation (EU) No 1309/2013, governing the 2014 – 2020 funding round. This is the first Irish application to be submitted under Article 4(2) of Regulation (EU) No 1309/2013 which provides for derogation from the normal minimum qualifying threshold of at least 500 redundancies in exceptional circumstances. To date, this is the smallest affected redundant cohort of any Irish EGF application. The programme received final approval from all of the relevant EU Institutions in November 2014, with the EU co-funding contribution being received in Ireland in late December 2014.

A ninth application was submitted to the European Commission in September 2014 seeking EGF co-funding support for 424 workers made redundant between December 2013 and June 2014 at the Lufthansa Technik Airmotive Ireland aircraft maintenance, repair and overhaul facility in Rathcoole, Co. Dublin. This application also sought support for up to 200 NEET persons. The programme received final approval from all the relevant EU Institutions in April 2015, with the EU co-funding contribution being received by Ireland in early May 2015.

Programme	Rate of EU co-funding	Programme allocation	Programme spend	Receipts from EU	Unused EU co-funding repaid to European Commission
	%	€000	€000	€000	€000
DELL	65%	22,817	13,620	14,831	5,978
Waterford Crystal	65%	3,955	3,090	2,571	563
SR Technics	65%	11,455	4,504	7,446	4,518
NACE 41	65%	19,523	12,619	12,690	4,488
NACE 43 ^a	65%	33,329	20,249	21,664	8,502
NACE 71	65%	2,135	1,811	1,388	211
Talk Talk	50%	5,393	3,794	2,696	799
Anderson Ireland	60%	2,502	n/a	1,501	n/a
Lufthansa Technik Airmotive Ireland	60%	4,151	n/a	n/a	n/a
Total		105,260	59,687	64,787	25,059

^a A total of €820,580 in unused or ineligible EGF co-funding was repaid to the European Commission in 2015.

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

- Department of Education and Skills, subheads B3 – training supports and allowances, technical assistance, B.4.1 – enterprise supports, B.5 – second level education supports and allowances, C.4 – third level education supports, C.11 – student maintenance grants
- National Training Fund (guidance, education, training supports allowances and technical assistance)
- Department of Social Protection – Vote 38 – Back to Education Allowance and employment service supports.

EGF Activity in 2014

Guidance, training, education and enterprise measures were delivered to beneficiaries under the Talk Talk EGF programme until its completion in February 2014. A final report and an expenditure statement justifying expenditure were submitted to the European Commission in August 2014. Of the total allocation available under the programme of €5.39 million, the sum of €3.79 million was deemed eligible for 50% EU co-funding. A sum of €799,499 in unused EU co-funding was duly returned to the European Commission in April 2015.

Delivery of supports under the EU approved Andersen Ireland EGF programme and in anticipation of full EU approval of the Lufthansa Technik Airmotive Ireland programme also commenced in 2014. All expenditure on these programmes to date has been provided by national funding sources and will be co-funded by 60% as appropriate from the EU, subject to the calculation of final EGF eligible expenditure and the submission of final reports and statements justifying expenditure to the EU in 2016 and 2017, respectively.

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

There are two posts in the Professional Development Service for Teachers (PDST) Technology in Education which are part EU funded. There were three posts up until 1 July 2014. This funding was utilised on the Safer Internet Project and the Better Internet for Kids Network project.

Safer Internet Project

This project is funded by the EU for approximately 62% and 38% via Department funding. The PDST acted as an awareness centre for the Safer Internet Ireland Consortium coordinated by the Office for Internet Safety in the Department of Justice, Equality and Law Reform.

Better Internet for Kids Network Project

This project was 100% funded by the EU and was a pilot project with the objective to build a better internet for kids (BIK) core service platform to share resources, services and practices between national providers of safer internet services.

The Department of Education and Skill's role in this pilot project is to participate in the development and testing of core services that

- scale up awareness raising and teaching of online safety in all EU schools to develop children's digital and media literacy and self-responsibility online
- create a safe environment for children where parents and children are given the tools necessary for ensuring their protection online – such as easy-to-use mechanisms to report harmful content and conduct online, transparent default age-appropriate privacy settings or user-friendly parental controls.

Other consortium members contributed to the development of core services to support the operation of child pornography hotlines to combat online circulation of child sexual abuse material through reporting and takedown services.

Quality and Qualifications Ireland (QQI)

QQI received EU funding in respect of its Europass and European Qualifications Framework (EQF) activities in 2014, as well as for its provisions of the secretariat for European Quality Assurance Reference Framework. During 2014, this funding amounted to €641,135.

6.3 Commissions and Enquiries – Exchequer Expenditure

	Year of appointment	Cumulative Expenditure to 31 December 2014 €000	Expenditure in 2014 €000	Expenditure in 2013 €000
Ad-hoc Commissions				
Commission to Inquire into Child Abuse	1999	78,646	7,168	2,815
Residential Institutions Redress Scheme ^{a,b}	2002	1,191,360	47,844	50,079
Inquiry into Kilkenny City Vocational School ^c	2006	334	7	—
Total		1,270,340	55,019	52,894

^a In addition to the Residential Institutions Redress Scheme Exchequer expenditure, contributions from the religious congregations under the 2002 Indemnity Agreement of €42.3 million, which have been expended on the scheme, bring the total expenditure on the Redress Scheme and the associated litigation under the 2002 indemnity agreement to €1.234 billion. €1.224 billion of this was expended on the Residential Institutions Redress Scheme and €10 million expended pursuant to the 2002 Indemnity Agreement.

^b The cumulative Residential Institutions Redress Scheme cost of €1.2 billion at the end of 2014 includes expenditure by the Residential Institutions Review Committee of €8.5 million.

^c The Department had noted in the 2012 Vote 26 accounts that the work on the Inquiry into Kilkenny City Vocational School had been concluded. However, residual legal expenses of €7,000 arose in 2014 in regard to legal fees associated with the Inquiry. The work on this Inquiry is now concluded.

6.4 Legal Costs and Compensation

Legal costs paid during the year are categorised as follows:

	2014 €000	2013 €000
Legal fees	8,142	2,873
Compensation	16	—
Awards	223	224
	8,381	3,097

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.

6.5 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 2014, was €78.65 million. It is estimated that additional costs of €3.55 million could arise in meeting the Commission's remaining costs and catering for any unexpected delays in the dissolution of the Commission.

Expenditure associated with the Residential Institutions Redress Scheme to the end of 2014 was €1.234 billion. It is estimated that additional costs of some €13 million may arise. This estimate includes provision for litigation and caters for any unexpected delays in the dissolution of the bodies.

6.6 Write Offs

The following sums were written off in the year:

	2014 €000	2013 €000
Payable orders cashed in irregular circumstances	3	—

There were no write offs on foot of irregularities in 2013.

6.7 Suspected Frauds/Irregularities

	2014 €000	2013 €000
Fraud	24	30
Suspected irregularity	—	1

In regard to 2014, the Department was made aware of 13 new cases of suspected fraud/irregularities, which remain under investigation as of July 2015. The sum of €24,000 relates to one case of fraud which came to attention in 2014. In the remaining twelve cases, due to the time sensitivities of the annual return, there was not sufficient information available to categorise the incidents as fraud because investigations are ongoing in order to establish whether the cases involve fraud/irregularity or relate to human error.

The cases under investigation largely arise in regard to the issue of grants, school enrolment numbers or in respect of inappropriate expenditure of Exchequer funding. The figures quoted for 2014 are based on the returns made to the Comptroller and Auditor General in the context of the 2014 appropriation account and may be superseded as new information comes to the Department's attention.

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

6.8 Late Payment Interest

	2014	2013
Total of interest payments due	€27,000	€2,000
Number of recipients of €10,000 or more	1	—

The Department's net prompt payment interest and compensation paid in 2014 arose in respect of payments to 61 suppliers. €25,000 of the total paid related to the late payment of one invoice for rental accommodation.

6.9 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.

Residential Institutions Statutory Fund Investment Account established by the National Treasury Management Agency

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.

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 (NTMA), the balance of €41,314,845 was transferred to the NTMA account in March 2013, plus a further amount of accrued interest totalling €12,376 received in April 2013, in accordance with section 29(1) of the 2012 Act. The designated Central Bank account was subsequently closed in 2013.

In 2013 and 2014, further cash contributions of €33,441,828 and €5,543,039, respectively, were received from congregations and lodged to the RISF investment account. At 31 December 2014 total lodgements into the NTMA account amounted to €80,312,088.

The 2012 Act provides that the NTMA may advance to the Residential Institutions Statutory Fund (which uses the name Caranua) sums requested for the purpose of defraying expenditure incurred by it in the performance of its functions. The 2012 Act also provides that the NTMA shall advance to the Minister for Education and Skills sums requested by the Minister to enable payments to be made to the independent appeals officer appointed under section 21 of the 2012 Act. The accounts of the Residential Institutions Statutory Fund are subject to audit by the Comptroller and Auditor General.

6.10 Expenditure on Temporary School Accommodation

During 2014, expenditure under subhead D.3.3 included amounts totalling €16.4 million in respect of temporary premises (2013: €26 million).

6.11 Budget Carryover

Vote 26 did not avail of a carryover from 2013 to 2014.

6.12 Settlement with the Revenue Commissioners in 2015

In finalisation of an audit conducted by the Revenue Commissioners, the Department in March 2015 has made a settlement payment to the Commissioners of €1,359,358. The settlement, which covers the period 2010 to 2013, arises from liabilities applying for PAYE/PRSI and USC in regard to certain payments made by the Department to Home Tutors, to payments to members of education-related Boards and Committees and to a small number of payments to individuals. New arrangements have now been put in place by the Department to ensure tax compliance in relation to these payments.

7. Miscellaneous accounts

7.1 Non Voted Accounts

	2014			2013
	Securities	Cash	Total	Total
	€000	€000	€000	€000
Securities balance on 1 January	—	—	—	548
Securities redeemed	—	—	—	53
Transfer of securities to Commissioners for Charitable Donations and Bequests ^a	—	—	—	(1)
Transfer of redemption money to receipts and payments account	—	—	—	(600)
Balance on 31 December	—	—	—	—

Receipts and Payments Account for the year ended 31 December

	Total	Total
	2014	2013
	€000	€000
Balance on 1 January	—	20
Receipts from dividends	—	24
Receipts from capital account	—	600
Transfer to Commissioners for Charitable Donations and Bequests ^a	—	(625)
Payments	—	(19)
Balance on 31 December	—	—

^a In line with an agreement with the Office of the Commissioners for Charitable Donations and Bequests (CCDB), the Department finalised the transfer of endowment funds and residual stockholdings to the CCDB on a staggered basis over the years 2010 to 2013, with all moneys paid over by end-2013. The Commissioners and its successors, the Charities Regulatory Authority, have been carrying out all day-to-day administration of the holdings since 31 December 2013.

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 2014, in respect of capital and income.

	2014			2013
	Securities	Cash	Total	Total
	€000	€000	€000	€000
Balance on 1 January	—	—	—	416
Securities redeemed	—	—	—	(117)
Securities transferred to Commissioners for Charitable Donations and Bequests ^a	—	—	—	(2)
Transfer of funds	—	—	—	(297)
Balance on 31 December	—	—	—	—

Receipts and Payments Account for the year ended 31 December

	2014	2013
	€000	€000
Balance on 1 January	—	—
Receipts	—	308
Transfer to Office of the Commissioners for Charitable Donations and Bequests ^a	—	(308)
Payments	—	—
Balance on 31 December	—	—

^a 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 CCDB on a staggered basis over the years 2010 to 2013, with all moneys paid over by end-2013. The CCDB, and its successors the Charities Regulatory Authority, have been carrying out all day-to-day administration of the holdings since 31 December 2013.

Consolidated Statement of Endowment/Bequest Funding transferred to CCDB 2011 – 2013

	2011	2012	2013	2014	Total
	€000	€000	€000	€000	€000
Non-voted funds	558	135	625	—	1,318
Endowed schools funds	211	19	308	—	538
Total funding transferred to the Commissioners for Charitable Donations and Bequests	769	154	933	—	1,856

As noted in notes 7.1 and 7.2 above, the Department has transferred all non voted bequests and endowed schools funds to the Office of the Commissioners for Charitable Donations and Bequests (CCDB) over the years 2011 – 2013. Following an initial agreement with the CCDB, which has been dissolved in 2014 and succeeded by the Charities Regulatory Authority (CRA), the Board of the CRA are managing the bequest/endowment investments on behalf of the Minister and applying income in line with the stipulations of the bequests/endowments. Additionally the Board may, in certain circumstances, make disbursements on foot of instructions from the Minister

7.3 Grant-in-Aid Fund 2014

	2014	2013
	€000	€000
Subhead C.15.2 – fund for general expenses of cultural, scientific and educational organisations (National Lottery funded)	132	133
	<u>132</u>	<u>133</u>