

## **Vote 26 Education and Skills**

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## 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 2011 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 granted by Dáil Éireann under the Appropriation Act 2011, including the amount that could be used as appropriations-in-aid of expenditure for the year.

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

### Transfer of Functions

Arising from Order of the Minister for Children & Youth Affairs (Transfer of Departmental Administration and Ministerial Functions) Order 2011, certain functions of the Department relating to the School Completion Programme and the National Educational Welfare Board transferred to Vote 43, Department of Children & Youth Affairs, with effect from 1 June 2011. Financial responsibility for FÁS Employment Programmes was transferred to the Department of Social Protection with effect from 1 January 2011. Also from 1 January 2011 there was a transfer of funding into this Department from the Department of Health in respect of the provision of nursing education.

### 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 €12.697 million. (S14/03/06)

### 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.

In that regard and with specific reference to the SIFC, the following is the position with regard to staff training and induction, specific financial training, risk management and information and communication technology security.

#### ***Staff Training***

The Department identifies training and development needs through the business planning and PMDS processes. Training continues to be provided in the areas of financial management, procurement, internal audit, payroll (e.g. PAYE/PRSI, Pension Levy and Universal Social Charge courses) Value Added Tax (VAT), Professional Services Withholding Tax (PSWT) and the Department's financial management system (FMS).

#### ***Risk Management***

The Department operates a Risk Management System which is integrated into the business planning process.

***Information technology***

In 2011, the Department continued to seek to operate to best practice in respect of Information and Communication Technology and continues to review, enhance and upgrade the ICT infrastructure. Regular security 'health checks' are undertaken by external IT consultants. These assessments cover areas such as database security, network access control, application security and penetration testing of external facing web applications. Mitigating actions were taken in response to minor risks identified in 2011.

***Internal Audit***

Annual audit programmes are prepared under the auspices of the 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 2011, a total of twenty three audit reports, sixteen ESF and seven Internal Audit, were finalised and issued. Four of the internal audit reports were carried forward from the 2010 Audit Programme with the remaining three on the 2011 Audit Programme.

The Audit Committee, the Internal Audit Unit and the European Social Fund Audit Authority each operate under a written charter.

***Administrative and Financial Controls***

Developments regarding the Department's financial management environment during 2011 included improving efficiencies in relation to invoice processing and to financial reporting on the Financial Management System (FMS). Training in the use of new financial reports was provided to staff in the Department's headquarters locations and included training in relation to the operation of appropriate financial procedures on the FMS. Continued guidance on the application of the Public Financial Procedures was also provided.

The Management Advisory Committee (MAC) reviews and approves expenditure management reports on a monthly basis. Payment authorisation limits for each MAC member area were reviewed across the Department during 2011 in order to ensure the effective operation of such limits.

**Seán Ó Foghlú**  
Accounting Officer  
Department of Education and Skills  
30 March 2012

## **Certificate of the Comptroller and Auditor General**

I have audited the Appropriation Account of Vote 26: Education and Skills for 2011 under Section 3 of the Comptroller and Auditor General (Amendment) Act 1993. The Account has been prepared in accordance with the Statement of Accounting Policies and Principles. The duties of the Accounting Officer and of the Comptroller and Auditor General in relation to the Appropriation Accounts, and the basis of the audit opinion, are set out in Part 1 to this volume.

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.

In my opinion, the Appropriation Account properly presents the receipts and expenditure of the Vote for the year ended 31 December 2011.

Chapters 17 and 18 of my report on the accounts of the public services for 2011 refer to certain matters relating to Vote 26 on which I considered it appropriate to report in accordance with Section 3 (10) of the Comptroller and Auditor General (Amendment) Act 1993.

**Seamus McCarthy**  
Comptroller and Auditor General  
11 September 2012

## Vote 26 Office of the Minister for Education and Skills Appropriation Account 2011

Service	2011 Estimate provision	2011 Outturn	2010 Outturn
	€000	€000	€000
<b>Administration</b>			
A.1. Salaries, wages and allowances <sup>1</sup>	62,743	60,197	59,878
A.2. Travel and subsistence	1,577	1,420	1,490
A.3. Training and development and incidental expenses <sup>1</sup>	1,355	1,001	1,189
A.4. Postal and telecommunications services	3,250	2,401	2,721
A.5. Office equipment and external IT services	5,462	5,053	3,949
A.6. Office premises expenses	2,350	1,635	1,726
A.7. Consultancy services and value for money and policy reviews	100	50	39
A.8. Regional office expenses	260	233	267
A.9. National Educational Psychological Service	18,629	17,763	16,656
<b>Other Services</b>			
B.1. Grant-in-aid fund for general expenses of Adult Education Organisations (part funded by National Lottery)	854	854	864
B.2. Transport services	179,974	171,483	181,409
B.3. International activities	1,038	955	1,082
B.4. UNESCO contribution and international education exchanges	2,464	2,172	2,418
B.5. Research and development activities	2,475	2,270	5,974
B.6. Teacher education	25,205	23,453	23,573
B.7. Expenses of National Council for Curriculum and Assessment	3,812	3,447	3,837
B.8. Funding of Projects in Drug Task Force areas	543	412	2,461
B.9. National Council for Special Education	9,015	8,152	8,216
B.10. Educational disadvantage (Dormant Accounts Funding)	2,000	1,613	2,060
B.11. Occupational health strategy for first and second level teachers	1,750	1,744	1,742
B.12. Residential Institutions Redress	45,000	44,200	43,193
B.13. Royal Irish Academy of Music general expenses (grant-in-aid)	3,544	3,544	3,635
B.14. Grant-in-Aid fund for general expenses of cultural, scientific and educational organisations (part funded by National Lottery)	196	187	196
B.15. North/South Co-operation funding	3,350	1,187	2,717

Service	2011 Estimate provision	2011 Outturn	2010 Outturn
	€000	€000	€000
<b>Other services (continued)</b>			
B.16. Funding for the promotion of Ireland as an international education centre	100	91	229
B.17. Miscellaneous	5,005	4,200	4,591
B.18. Schools information and communication technologies activities	15,078	9,566	81,253
B.19. Commission on Child Abuse	12,994	2,173	2,261
B.20. National Qualifications Framework	9,323	7,918	8,938
— <i>School Completion Programme</i> <sup>2</sup>	—	—	30,008
— <i>National Education Welfare Board</i> <sup>2</sup>	—	—	8,695
<b>First level education grants and services</b>			
C.1. Salaries, etc., of teachers	2,052,229	2,050,404	2,006,602
C.2. Model schools - miscellaneous expenses	511	469	512
C.3. Capitation grants towards operating costs of national schools	187,102	186,933	193,281
C.4. Salaries etc. of non-teaching staff in national schools including special needs assistants, caretakers and clerical officers	310,451	300,079	291,383
C.5. Other grants and services	55,337	51,059	54,406
C.6. Superannuation, etc., of teachers	473,474	487,029	449,104
C.7. Special education initiatives	6,065	4,970	10,609
<b>Second level and further education grants and services</b>			
D.1. Salaries, etc., of teachers in secondary, comprehensive and community schools	1,180,733	1,175,669	1,179,101
D.2. Grants to secondary school authorities and other grants and services in respect of secondary schools	107,191	104,280	109,158
D.3. Salaries, etc., of non-teaching staff in secondary, comprehensive and community schools including special needs assistants and clerical officers	52,151	49,126	47,093
D.4. Superannuation of secondary, comprehensive and community school teachers	344,125	345,078	329,648
D.5. Comprehensive and community schools - running costs	46,342	46,342	48,680
D.6. Annual grants to Vocational Education Committees (excluding certain grants in respect of specialist colleges and student support)	906,809	926,340	912,705
D.7. Payments to local authorities in respect of superannuation charges	234,278	230,796	217,438
D.8. Miscellaneous	18,574	17,929	18,970
D.9. Special initiatives adult education	44,465	43,851	44,929
D.10. State Examinations Commission	54,310	55,912	54,286

Service	2011	2011	2010
	Estimate	Outturn	Outturn
	€000	€000	€000
<b>Third level and further education grants and</b>			
E.1. Student support	386,057	355,057	361,992
E.2. University scholarships	1,800	1,654	1,549
E.3. An tÚdarás um Ard-Oideachas - grant-in-aid for general expenses	5,587	5,037	5,500
E.4. An tÚdarás um Ard-Oideachas - general current grants to universities and colleges, institutes of technology and other designated institutions of higher education (grant-in-aid)	1,177,032	1,177,032	1,194,183
E.5. Training colleges for primary teachers excluding those funded through the Higher Education Authority	12,549	11,469	11,508
E.6. Strategic Innovation Fund	14,000	14,000	18,890
E.7. Dublin Dental Hospital - dental education grant (grant-in-aid)	11,986	11,986	12,335
E.8. Dublin Institute for Advanced Studies (grant-in-aid)	7,020	7,020	7,213
E.9. Grant in respect of tuition fees to designated non-Higher Education Authority third-level Institutions	5,475	5,018	5,126
E.10. Miscellaneous	220	418	253
E.11. Grants to certain third level institutions	17,019	17,149	17,454
E.12. Alleviation of disadvantage	16,000	16,000	16,057
E.13. Research and development activities	41,085	38,549	52,214
E.14. Grangegorman Development Agency	2,080	1,276	1,042
<b>Capital services</b>			
	2011	2011	2010
	Estimate	Outturn	Outturn
	provision		
	€000	€000	€000
F.1. Building, equipment and furnishing of national and second level schools <sup>3</sup>	418,000	455,074	312,264
F.2. Public private partnership costs	57,151	54,632	43,150
F.3. An tÚdarás um Ard-Oideachas - building grants and capital costs for universities and colleges, institutes of technology and designated institutions of higher education	57,335	77,320	168,882
F.4. Building grants and capital costs of other third level institutions	165	—	165
— <i>Second-level schools - building grants and capital costs</i> <sup>3</sup>	—	—	213,468

	2011 Estimate provision	2011 Outturn	2010 Outturn
	€000	€000	€000
<b>Skills Development</b> <sup>4, 5, 6</sup>			
G.1. FÁS administration and general expenses	85,491	85,491	88,859
G.2. FÁS training and integration supports	40,267	40,267	23,353
G.3. Leonardo Programme	140	140	140
G.4. FÁS capital	5,500	4,000	4,471
G.5. FÁS- Pension payments arising from the Financial Measures (Miscellaneous Provisions) Act 2009	30,500	30,500	22,930
G.6. European Globalisation Fund	1,000	1,055	733
G.7. Operational programme for human resources development- technical assistance	1,300	578	320
— FÁS Employment Programmes <sup>4</sup>	—	—	286,507
<b>Gross Expenditure</b>	<b>8,888,352</b>	<b>8,866,362</b>	<b>9,345,730</b>
<b>Deduct:</b>			
H. Appropriations-in-aid	<b>608,933</b>	<b>617,483</b>	<b>621,868</b>
<b>Net Expenditure</b>	<b>8,279,419</b>	<b>8,248,879</b>	<b>8,723,862</b>
<b>Surplus to be Surrendered</b>		<b>€ 30,540,004</b>	<b>€23,242,898</b>

#### Notes on 2011 subheads

<sup>1</sup> To provide improved clarity in relation to administration, the 2010 costs associated with the former Value for Money and Policy Review Initiative subhead (€737,000 spent during 2010) have been redistributed to the relevant pay (A.1. €730,000) and non pay (A.3. €7,000) expenditure subheads.

<sup>2</sup> The functions in relation to School Completion Programme (previously subhead B.20.), the National Educational Welfare Board (formerly B.21.) and part of subhead C.5. Other Grants and Services transferred to Vote 43 - Department of Children & Youth Affairs on 1 June 2011 under Order of the Minister for Children & Youth Affairs (Transfer of Departmental Administration and Ministerial Functions) Order 2011.

<sup>3</sup> With effect from 2011 a single capital subhead, subhead F.1. is being utilised to allow greater flexibility between capital expenditure at primary and second level. In 2010 subhead F.1. reflected primary capital expenditure and subhead F.2. reflected expenditure relating to second level capital. Combined 2010 payments totalled €525.7 million.

<sup>4</sup> As a result of the transfer of functions between Government Departments that took effect from 1 May 2010, funding relating to the FAS Employment Programmes transferred from Vote 34 Office of the Minister for Enterprise, Trade and Employment to Vote 26 for 2010. With effect from 1 January 2011, the funding for FÁS Employment Programmes (Subhead G.3 in 2010) was transferred from Vote 26 to Vote 38 - The Department of Social Protection.

#### Notes on 2010 expenditure

<sup>5</sup> As a result of the transfer of functions between Government Departments that took effect from 1 May 2010, certain research functions including the Programme for Research in Third Level Institutions (PRTLII) transferred from Vote 26 to Vote 34 - Office of the Minister for Enterprise, Trade and Innovation from that date.

<sup>6</sup> Subheads relating to Skills Development were accounted for under Vote 34, Office of the Minister for Enterprise Trade and Employment up to 30 April 2010.



## Notes to the Appropriation Account

### 1 Operating Cost Statement 2011

	Note	2011 €000	2010 €000
Expenditure on administration		89,753	87,915
Expenditure on services and programmes		8,776,609	9,257,815
<b>Gross expenditure</b>		<b>8,866,362</b>	<b>9,345,730</b>
Deduct			
<b>Appropriations-in-aid</b>		<b>617,483</b>	<b>621,868</b>
<b>Net expenditure</b>		<b>8,248,879</b>	<b>8,723,862</b>
<b>Changes in capital assets</b>			
Purchases cash		(30,493)	(67,971)
Depreciation		1,452	1,799
Loss on disposals		56,146	62,595
<b>Changes in assets under development</b>			
Cash payments		(42,641)	(20,960)
<b>Changes in net current assets</b>			
Increase in closing accruals		20,296	(810)
Decrease in stock		29	7
<b>Direct expenditure</b>		<b>8,253,668</b>	<b>8,698,522</b>
Net allied services expenditure	1.1	23,820	22,654
Notional rents		2,508	3,607
<b>Total operating cost</b>		<b>8,279,996</b>	<b>8,724,783</b>

#### 1.1 Net Allied Services

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

Vote		2011 €000	2010 €000
7	Finance	50	—
12	Superannuation and Retired Allowances	17,995	16,934
10	Office of Public Works	5,253	5,223
20	Garda Síochána	63	214
	Central Fund - Ministerial etc. pensions	459	283
		<b>23,820</b>	<b>22,654</b>

## 2 Balance Sheet as at 31 December 2011

	Note	2011 €000	2010 €000
<b>Capital assets</b>	2.1	118,140	115,213
<b>Capital assets under development</b>	2.2	21,822	9,618
		<b>139,962</b>	<b>124,831</b>
<b>Current assets</b>			
Bank and cash	2.3	56,117	22,005
Stocks	2.4	95	124
Prepayments		7,437	7,318
Overpayments for recoupments		3,150	1,581
Recoupment of secondment costs		1,235	1,347
Accrued income		202	27,163
Other debit balances	2.5	6,451	6,906
<b>Total current assets</b>		<b>74,687</b>	<b>66,444</b>
<b>Less current liabilities</b>			
Accrued expenses		12,271	19,126
Deferred income		91	—
Pension recoupment to local authorities		1,416	151
Salary recoupment to other departments and agencies		5	—
EU Funds suspense		49,619	24,368
Other credit balances	2.6	1,988	1,628
Net liability to the Exchequer	2.7	10,961	2,915
<b>Total current liabilities</b>		<b>76,351</b>	<b>48,188</b>
<b>Net current liabilities</b>		<b>(1,664)</b>	<b>18,256</b>
<b>Net assets</b>		<b>138,298</b>	<b>143,087</b>
<b>Represented by:</b>			
<b>State funding account</b>		<b>138,298</b>	<b>143,087</b>

## 2.1 Statement of Capital Assets

	Land and buildings €000	Furniture and fittings €000	Office equipment €000	Total €000
<b>Gross assets</b>				
Cost or valuation at 1 January 2011	112,344	7,769	19,478	139,591
Additions	59,847	7	671	60,525
Disposals	(56,141)	(15)	(318)	(56,474)
Cost or valuation at 31 December 2011	116,050	7,761	19,831	143,642
<b>Accumulated depreciation</b>				
Opening balance at 1 January 2011	—	6,804	17,574	24,378
Depreciation for the year	—	340	1,112	1,452
Depreciation on disposals	—	(14)	(314)	(328)
Cumulative depreciation at 31 December 2011	—	7,130	18,372	25,502
<b>Net assets at 31 December 2011</b>	<b>116,050</b>	<b>631</b>	<b>1,459</b>	<b>118,140</b>
<b>Net assets at 31 December 2010</b>	<b>112,344</b>	<b>965</b>	<b>1,904</b>	<b>115,213</b>

### General Information Note

#### 1. First Level

1.1. Thirty seven first-level sites are owned and controlled/managed by the Minister for Education and Skills.

1.2(i) Fifty eight gaelscoileanna and twenty three 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) Two 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 2011 was 3,300. 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 vested in the Minister for Education and Skills will transfer to the Health Service Executive following the completion of all necessary legal procedures. Three other children's detention schools were previously transferred to the Department of Justice, Equality and Law Reform. One children's detention school is vested with the Office of Public Works. The schools are managed by boards 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. Eighteen sites for second-level schools are owned and controlled/managed by the Minister for Education and Skills.

2.2(i) Fourteen comprehensive schools, seventy nine community schools and four secondary schools owned by the Minister for Education and Skills are controlled/managed by boards of management.

2.2(ii) Two hundred and fifty four vocational schools are vested in Vocational Education Committees under the Vocational Education Act, 1930.

2.2(iii) Three hundred and seventy two secondary schools are privately owned.

## 3 Third Level

3.1. The land and buildings of 1 third-level institution (Tipperary Rural and Business Development Institute - Thurles Campus) were owned by the Minister for Education and Skills up to 31 August 2011 and were controlled/managed by a Board of Directors up to that date. With effect from 1st September 2011, the Institute amalgamated with Limerick Institute of Technology at which date the lands and buildings were subsumed into the asset portfolio of Limerick Institute of Technology which is a public body under the aegis of the Department.

## 2.2 Statement of Capital Assets under Development

	Construction contracts	In-house computer applications	Totals
	€000	€000	€000
Amounts brought forward at 1 January 2011	9,267	351	9,618
Cash payments for the year	42,013	628	42,641
Transferred to asset register	(30,437)	—	(30,437)
Amounts carried forward at 31 December 2011	20,843	979	21,822

## 2.3 Bank and Cash

	2011 €000	2010 €000
at 31 December		
PMG balances and cash	61,659	29,629
Orders outstanding	(5,542)	(7,624)
	56,117	22,005

## 2.4 Stocks

	2011 €000	2010 €000
at 31 December		
Stationery	56	58
IT consumables	39	66
	95	124

<b>2.5 Other Debit Balances</b>	<b>2011</b>	<b>2010</b>
at 31 December	<b>€000</b>	<b>€000</b>
Agency payments to OPW	1,345	492
Sub-accountants	117	126
Marriage, retirement and death gratuities	310	1,429
Salaries recoupable	538	715
Schools Broadband Programme	3,580	3,580
Travel passes	151	150
Due from State - suspense	5	6
Offices shared services recoupment	269	219
Redress Board	—	108
Cycle to Work Scheme	52	54
Miscellaneous	84	27
	<b>6,451</b>	<b>6,906</b>
<b>2.6 Other Credit Balances</b>	<b>2011</b>	<b>2010</b>
at 31 December	<b>€000</b>	<b>€000</b>
<b>Amounts due to the State</b>		
Due to State	68	155
<b>Suspense</b>		
Redress Board	681	—
Pension refund	242	661
Exchequer extra receipts	3	2
Erasmus Smith Endowment	127	125
Energy building programme	586	617
European Union funds	49,619	24,368
Agency payments to OPW (Maintenance)	—	21
Central Bank	173	—
Spouses & Childrens Pension	75	—
Cycle to Work Scheme	11	—
Miscellaneous	22	47
	<b>51,607</b>	<b>25,996</b>
<b>2.7 Net Liability to the Exchequer</b>	<b>2011</b>	<b>2010</b>
at 31 December	<b>€000</b>	<b>€000</b>
Surplus to be surrendered	30,540	23,243
Exchequer grant undrawn	(19,579)	(20,328)
Net liability to the Exchequer	<b>10,961</b>	<b>2,915</b>
<b>Represented by:</b>		
<b>Debtors</b>		
Bank and cash	56,117	22,005
Debit balances: suspense	6,446	6,900
Due from the state - suspense	5	6
	<b>62,568</b>	<b>28,911</b>
<b>Creditors</b>		
Due to State	(68)	(155)
EU Funds suspense	(49,619)	(24,368)
Credit balances: suspense	(1,920)	(1,473)
	<b>(51,607)</b>	<b>(25,996)</b>
	<b>10,961</b>	<b>2,915</b>

<b>2.8 Commitments</b>	<b>2011</b>	<b>2010</b>
at 31 December	<b>€000</b>	<b>€000</b>

**A. Global Commitments**

Commitments likely to materialise in subsequent years for:-

Procurement subheads	247	985
Grant subheads	2,187	10,501

**B. Multi-Annual Capital Commitments****1 Legally Enforceable Capital Commitments**

Expenditure in 2011	593,700	822,462
Commitments to be met in subsequent years	1,409,028	1,427,295

**2. Legally Enforceable Capital Commitments**

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

	<b>Expenditure to 31 December 2010</b>	<b>Expenditure in 2011</b>	<b>Legally enforceable commitments to be met in subsequent years</b>	<b>Totals</b>
	<b>€000</b>	<b>€000</b>	<b>€000</b>	<b>€000</b>
<b>Subhead F.1.</b>				
1. Malahide C.S.	13,846	—	21	13,867
2. Rathoath V.S. <sup>1</sup>	13,181	—	—	13,181
3. Youghal C.S.	14,580	—	14	14,594
4. Phibblestown C.C. <sup>2</sup>	19,242	823	256	20,321
<b>Subhead F.3.<sup>3</sup></b>				
5. Athlone - Engineering Informatics Building	31,978	2,231	1,791	36,000
6. National University of Ireland, Cork - Medicine <sup>4</sup>	15,736	5,208	1,737	22,681
7. National University of Ireland, Dublin - Science Centre	5,580	9,981	46,213	61,774
8. NUI - Maynooth - Library	1,482	4,804	13,705	19,991
9. Trinity College Dublin - Medicine	15,240	3,683	2,302	21,225
10. Mary Immaculate College Campus Development Phase 1a/ infrastructure <sup>5</sup>	15,295	251	324	15,870
11. Mary Immaculate College Campus Development Phase 1b/c infrastructure	23,331	19	802	24,152
12. St. Patricks Drumcondra - Campus Development	5,505	1,826	32,405	39,736
13. University of Limerick - School of Medicine	8,627	1,412	3,832	13,871

<sup>1</sup> In the 2010 accounts the Rathoath project was identified as having a further commitment of €1,000. The project is now complete.

<sup>2</sup> Phibblestown is a combined primary/post primary project. The overall project cost is €24.492m which is 82.97% funded by the Department of Education and Skills. The remainder is funded by Fingal County Council. The contractual commitments have increased by €0.4m since the 2010 accounts were published arising from the approval of change orders arising from agreed changes to the scope of the contract.

<sup>3</sup> Certain projects listed in the 2010 legally enforceable capital commitments table were completed by year end 2010. They were the Dundalk Institute of Technology project and the National University of Ireland, Galway Engineering School project. All research activities are now vested in the Department of Enterprise, Trade and Innovation (Vote 34) with the result that research specific projects previously reported under Vote 26 have been removed from the Vote 26 legally enforceable capital commitments table. The relevant projects are the National University of Ireland Dublin Science Centre and the National University of Ireland Centre for Synthesis and Chemical Biology and the National University of Ireland, Cork, Postgraduate Research Library.

<sup>4</sup> As the National University of Ireland - Cork Medicine facility was not regarded as a commitment at 31 December 2010 it was omitted from the 2010 accounts.

<sup>5</sup> Following a review of the expenditure incurred relating to the Mary Immaculate Campus 1a/ infrastructure project, the cumulative expenditure to end 2010 as reflected in the 2010 Appropriation Accounts has been amended from €15.295m to €15.326m arising from an understatement of €31,000 in past years accounts. Additionally during 2011, on settlement of the overall agreed sum for the project, the project cost increased marginally to take account of sums incurred for the provision of additional works - leading to a final commitment of €15.901m rather than the €15.870 as noted in the 2010 Accounts.

### C. Capital Costs of Public Private Partnership Projects<sup>1</sup>

	Expenditure to 31 December 2010	Expenditure in 2011	Balance still outstanding on capital cost of project at delivery	Totals
	€000	€000	€000	€000
1. National Maritime College of Ireland PPP	16,170	1,612	47,942	65,724
2. Pilot Schools Bundle	18,946	2,082	72,584	93,612
3. Cork School of Music	12,544	1,517	64,679	78,740
4. 1st Bundle PPP Schools	8,531	1,919	74,270	84,720
5. 2nd Bundle PPP Schools	—	11,765	98,749	110,514

#### Notes

<sup>1</sup> Expenditure on the projects are being met from Subhead F.2

#### Note on PPPs

The Department has to date entered into five 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 three schools projects, (Pilot Schools, School Bundles 1&2). 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.

***Note on PPPs - Continued***

***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 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 on 16 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.

**2.9 Matured Liabilities**

Due to internal payment processing deadlines to enable the Department meet commercial bank deadlines for electronic funds transfers, it was not possible to finalise processing of certain bills on hands at year end. Arising from these processing limitations, the Department of Education and Skills had matured liabilities totalling €107,029 at 31 December 2011. The equivalent sum at 31 December 2010 was €50,411.



### 3 Variations in Expenditure

An explanation is provided below in the case of each expenditure subhead where the outturn varied from the amount provided by more than €100,000, and by more than 5% (25% in the case of administration subheads A.1. - A.9.).

In compliance with Public Financial Procedures and with the sanction of the Department of Finance the Department of Education and Skills used a financial process known as virement in 2011, as in other years. This allowed for savings on one or more subheads to be used to meet excesses on other subheads. 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 2011 than originally anticipated.

Sub-head	Less/(more) than provided	Explanation
	€000	
A.3.	354	Savings arose due to the prioritisation of training requirements, better value for money arising from the provision of customised in house training, as well as reductions in the cost of services due to ongoing efforts to achieve economies in administrative expenditure.
A.4.	849	€500,000 of this saving was technical in nature due to the fact that the replacement of the Department's telecommunications system was not ultimately charged to Subhead A.4 which received the allocation in the Estimates. The remainder of the savings arose principally due to new mobile phone contracts being in place in 2011 and savings accruing from the purchase of a telecommunications gateway hub which reduced the cost of calls from land lines to mobile phones.
A.6.	715	The savings on the office premises subhead arose largely because certain improvement works to the Department's premises did not proceed as planned in 2011. Further savings arose on maintenance and energy costs which can vary from year to year.
B.2.	8,491	The savings arose principally due to the reorganisation of school transport services including route amalgamation and downsizing of vehicles reflecting a drop in demand for new services, re-tendering of a number of services by Bus Éireann, agreement with Bus Éireann for a cap on their administration charge as well as a general reduction in the number of children availing of the school transport service.
B.4.	292	The saving arose principally due to a favourable US Dollar - Euro exchange rate on the contribution paid to UNESCO, as well as a rebate due to prompt payment of the annual contribution. The remainder of the savings arose due to a delay in the launch of the new scholarship scheme under the provision of the "International Education Strategy 2010-2015".
B.5.	205	The savings arose due to expenditure on research programmes and on EU - related projects not progressing as anticipated when the estimates were originally set. Additionally certain functions transferred to the Department of Children and Youth Affairs during 2011.
B.6.	1,752	The savings on teacher education largely arose due to slower than anticipated progress with miscellaneous initiatives relating to the Irish language and maths. Additionally, costs associated with continuing professional development were lower than anticipated.

Sub-head	Less/(more) than provided	Explanation
	€000	
B.8.	131	The saving arose principally due to the cessation of two projects in 2010 as well as reduced administration costs due to the reduction in numbers of projects in recent years.
B.9.	863	The savings principally arose due to a reduction in grant funding made available to the NCSE during 2011 due to an operating surplus in the NCSE accounts. Further savings arose due to vacancies remaining unfilled and projects not progressing as planned during 2011.
B.10.	387	The saving arose mainly due to the fact that no new Dormant Accounts funding was allocated for this subhead in 2011.
B.15.	2,163	€2 million of the saving arose due to a lower drawdown of funding to the US-Ireland Alliance. Payments to the Fund are subject to the provision of matching funding by the fund manager, as no request for funding was received by the Department in 2011. The remainder of the saving arose due to lower than anticipated expenditure on North-South projects.
B.17.	805	The saving in this miscellaneous subhead, which has six subdivisions, is a net saving. €700,000 of the saving arose due to elements of the 20 year strategy for Irish not being progressed at the pace originally anticipated due to resource constraints.
B.18.	5,512	The savings arose principally due to targeted expenditure reductions and deferral of planned activities from 2011 to 2012 and lower than anticipated expenditure on the Schools Broadband Programme.
B.19.	10,821	The savings arose as the Commission on Child Abuse did not finalise as many third party legal bills as anticipated during 2011.
B.20.	1,405	The savings arose principally due to once off receipts of fee income of €600,000, the deferral of expenditure relating to the amalgamation of the NQAI, FETAC and HETAC, along with associated savings on current expenditure.
C.5.	4,278	The savings in this subhead are net savings as there are thirteen subdivisions, with the subhead being miscellaneous in nature. €3.5m of the saving arose due to lower than anticipated spending on legal costs, special education initiatives and equipment costs. Savings of circa €0.5m arose due to lower spending on the rental of temporary school accommodation.
C.7.	1,095	The savings on this special initiatives subhead arose principally due to the ABA pilot schemes being recognised as special schools during 2011, with the associated staff costings transferring from this subhead to the Department's payroll subheads.
D.3.	3,025	The saving arose on the subhead principally due to the numbers of special needs assistants on payroll being lower than expected during 2011 as well as consequential employer PRSI payments being lower as a result of the lower payroll costs.

Sub-head	Less/(more) than provided	Explanation
	€000	
E.1.	31,000	The savings on the student support subhead arose principally due to the impact in 2011 of measures introduced in Budgets 2010 and 2011 which discontinued the practice of allowing students to hold maintenance grants in conjunction with back to Education/VTOS allowances. Additional savings arose due to the impact of the change in qualifying criteria for the non-adjacent rate of grant.
E.3.	550	Savings arose mainly due to measures introduced to reduce public expenditure, including the moratorium on recruitment, lower services costs and additionally due to a delay in commencing works on a planned institutional staff database.
E.5.	1,080	Savings arose due to higher rates of student registration fees with a corresponding reduction in the net amount payable in 2011 and lower student numbers, as well as lower numbers of those students being eligible for grants. Additionally other schemes and payments did not progress as anticipated when the estimates were set for 2011.
E.9.	457	The saving arose due to a lower than anticipated funding requirement from the free fee initiative and to the introduction of the student contribution.
E.10.	(198)	The excess arose principally due to a registration fee being payable to the Pensions Board in respect of the pension schemes of certain third level institutions.
E.13.	2,536	The saving is mainly due to an overestimation of the funding required for grants by the Irish Research Council for Science, Engineering and Technology for 2011.
E.14.	804	Savings arose on the Grangegorman Development Agency subhead due to delays in filling staff vacancies during 2011.
F.1.	(37,074)	Additional funding was made available through the use of virement to contribute towards funding a scheme of Minor Improvement Works in schools and addressing other contractual commitments.
F.3.	(19,985)	Additional funding was made available through the use of virement to facilitate the payment of a devolved capital grant to Universities and Institutes of Technology.
F.4.	165	The saving arose due to the suppression of the subhead in 2011.
G.4.	1,500	The saving arose as FÁS capital spending was lower than anticipated due to upgrade works for apprentice facilities in the Galway Training Centre not progressing during 2011.

## 4 Receipts

<b>4.1 Appropriations-in-aid</b>	<b>2011</b>	<b>2011</b>	<b>2010</b>
	<b>Estimated</b>	<b>Realised</b>	<b>Realised</b>
	<b>€000</b>	<b>€000</b>	<b>€000</b>
<b>H.1. Administration and Other Services Receipts</b>			
1. Miscellaneous superannuation schemes including the Teaching Council and other miscellaneous bodies	350	436	785
2. Contributions from the EU for educational activities	25	750	33
3. Receipts from the European Social Fund	28,300	28,782	49,972
4. Receipts in respect of Peace Programme	10	71	512
5. Miscellaneous	1,151	861	1,404
6. Dormant Accounts funding	3,000	1,624	2,239
<b>H.2. First Level Receipts</b>			
1. Superannuation, etc., of National Teachers:			
(i) Refunds of gratuities under superannuation schemes, 1934 to 1958, etc.	460	461	404
(ii) Contributions to the superannuation schemes	81,647	80,926	81,114
(iii) Contributions to Teachers' Spouses and Children's Pensions Scheme	28,238	28,001	27,755
2. Miscellaneous	1,290	1,876	2,750
3. Contributions to Superannuation Scheme for Special Needs Assistants, Caretakers and Clerical Staff in National Schools (Subhead C.4.)	6,553	6,979	6,541
4. Recoupment of salaries, etc., of teachers on secondment and recovery of overpayments of salary	3,961	4,262	5,005
5. Handling charge involved in making certain deductions from teachers' salaries	288	344	288
<b>H.3. Second Level and Further Education Receipts</b>			
1. Superannuation, etc., of secondary, comprehensive and community school teachers:			
(i) Contributions to secondary teachers' superannuation scheme	59,929	58,033	58,585
(ii) Contributions to Secondary Teachers' Spouses and Children's Pension Scheme	17,997	17,212	17,003
(iii) Refund of gratuities under Secondary Teachers' Superannuation Scheme	79	151	82
2. Repeat Leaving Certificate course fees	83	118	90
3. Miscellaneous	2,725	4,868	1,992
4. Contributions to Superannuation Scheme for Special Needs Assistants and Clerical Assistants in Secondary Schools (Subhead D.3.)	948	1,130	1,004
5. Recoupment of salaries, etc., of teachers on secondment and recovery of overpayments of salary	4,259	2,785	4,089
6. Handling charge involved in making certain deductions from teachers' salaries	178	175	178

	2011 Estimated €000	2011 Realised €000	2010 Realised €000
<b>H.4. FÁS Receipts<sup>1&amp;2</sup></b>			
1. FÁS - pensions	4,000	4,236	2,532
2. FÁS - pension receipts arising from the Financial Measures (Miscellaneous Provisions) Act	4,500	3,963	3,555
<b>H.5. Pension Related Deductions</b>			
1. Receipts from pension-related deduction on public service remuneration	358,962	369,439	353,956
<b>Total</b>	<b>608,933</b>	<b>617,483</b>	<b>621,868</b>

<sup>1</sup> Under the Employment Programmes and Services and Skills Training (Transfer of Departmental Administration and Ministerial functions) Order 2010 (SI 187 of 2010) certain functions previously vested in the Office of the Minister for Enterprise, Trade and Employment were transferred to the re-named Office of the Minister for Education and Skills with effect from 1 May 2010.

<sup>2</sup> FÁS receipts were brought to account until 30 April 2010 under Vote 34, Office of the Minister for Enterprise, Trade and Innovation.

#### Explanation of 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%.

Heading	Less/(more) than estimated €000	Explanation
<b>H.1.</b>		
2.	(725)	Surplus EU receipts arose due to the introduction of a recoupment process for staff based in the European Commission Food and Veterinary Office in Co. Meath. Recoupment of two years expenses occurred during 2011.
5.	290	A shortfall in receipts arose due to a significantly higher provision for collection having been set for 2011(€1.1m) which was approximately €0.04m higher than the 2010 collection target. Receipts to this miscellaneous subhead are ad hoc in nature and difficult to estimate.
6.	1,376	This subhead is utilised to bring to account receipts associated with expenditure incurred on the Dormant Funds Scheme, under Subhead B.10. Income to Subhead H.1.6 is linked to expenditure B.10 making it Exchequer neutral.
<b>H.2.</b>		
2.	(586)	Surplus receipts arose from the recoupment of redundancy rebates, social insurance benefits and other ad hoc receipts which are difficult to estimate.
3.	(426)	A surplus arose in 2011 due to the higher than anticipated levels of purchase of pension service by Special Needs Assistants and Caretakers.
4.	(301)	The 2011 surplus arose principally due to the recovery of outstanding secondment bills from previous years.

**H.3.**

- |    |         |   |
|----|---------|---|
| 1. | 2,609   | A shortfall of receipts arose due mainly to lower numbers of teaching posts in 2011 as well as a shortfall in once off receipts.  |
| 3. | (2,143) | Surplus miscellaneous receipts arose principally due to the recoupment of monies from local authorities relating to particular projects which support enhanced capital facilities in schools. |
| 4. | (182)   | A surplus arose in 2011 due to the higher than anticipated levels of purchase of pension service by Special Needs Assistants.   |
| 5. | 1,474   | A shortfall of receipts arose mainly due to a reduction in the number of secondment arrangements in place in 2010/11.   |

**H.4.**

- |    |       |  |
|----|-------|--|
| 1. | (236) | A surplus arose in 2011 due to the collection of higher than anticipated levels of pension contributions.  |
| 2. | 537   | The shortfall in receipts relating to pension contributions paid by former ANCO staff to the FÁS closed pension scheme arises principally due to the higher numbers of retirements leading to a reduction in the number of paying members. |

**4.2 Extra receipts payable to the Exchequer**

	<b>2011</b>	<b>2010</b>
	<b>€000</b>	<b>€000</b>
Exchequer extra receipts <sup>1</sup>	17,281	345
Conscience money	31	—

Note 1 - During 2011, the following large value Exchequer extra receipts were refunded to the Department for surrender to the Department of Finance as Exchequer extra receipts. These payovers largely arose from surplus balances remaining unspent from prior year grants and were surrendered from the following bodies;

	<b>€'000</b>
FÁS	5,000
Bus Eireann	6,818
HEA - National Access Office	3,800
HEA - Research Programmes	1,602

## 5 Employee Numbers and Pay

	2011	2010
<b>Number of staff</b> (full time equivalents) <sup>1</sup>	94,613	96,919

1. The employee numbers for 2010 have been amended from the 97,970 reported in the 2010 published accounts to 96,919 for consistency of approach. The numbers reported have been adjusted to include only core funded posts at third level, as these posts are included in the overall count of public sector numbers.

2. During 2011 under the 'Office of the Minister for Children & Youth Affairs (Transfer of Departmental Administration and Ministerial Functions) Order 2011' certain staffing relating to school completion programme, the National Welfare Board and part of Subhead C.5 Other Grants and Services transferred to the Department of Children and Youth Affairs.

	€000	€000
Pay	54,597	53,817
Higher, special or additional duties allowances	291	278
Other allowances	104	113
Overtime	724	699
Employer's PRSI	4,481	4,241
<b>Total pay</b>	<b>60,197</b>	<b>59,148</b>

The financial details in this table relate solely to staff paid from the administrative subhead A.1. Staff Salaries.

### 5.1 Allowances and Overtime Payments

	Number of recipients	Recipients of €10,000 or more	Maximum individual payment 2011 €	Maximum individual payment 2010 €
Higher, special or additional duties	65	5	19,585	19,548
Other allowances <sup>1</sup>	88	—	5,783	5,772
Overtime and extra attendance	252	10	17,964	16,974

**Note:** 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 A.1. and A.9.

### 5.2 Other Remuneration Arrangements

19 retired civil servants in receipt of civil service pensions were re-engaged on a fee basis at a total cost of €91,673.

### 5.3 Overpayments

Of the €3.15 million overpayments sum declared in the Balance Sheet of the Department's accounts, the sum of €1.18 million arises from overpayments discussed in the 2011 Report of the Comptroller and Auditor General.

As part of the 2011 Budget, the Government applied a ten per cent reduction in the pay of new entrants to the public service. The Budget decision also meant that all new appointees to teaching and retired teachers returning to teach commenced at the first point of the relevant pay scale. The terms of the Budget decision also applied to non teaching staff employed in schools.

The Department of Education and Skills issues ninety four thousand payments each fortnight to teaching and non teaching staff. The changes announced in the budget necessitated major changes to the payroll systems that had to be developed and implemented without any disruption to the main payroll services. These changes were implemented within the shortest possible timeframe, after all issues regarding new appointees were clarified, as well as ensuring the rules being implemented for the application of the decision to staff in the education sector was consistent with those being applied in other sectors. The terms of the Budget decision, the revised salary scales and a Frequently Asked Question document were incorporated into a Department Circular 40/2011.

The policy of the Department of Education and Skills is to recover all overpayments. The recovery of the overpayments made to new appointees will commence in Quarter 3, 2012.



## 6 Miscellaneous

### 6.1 National Lottery Funding

The subheads in Vote 26 from which the National Lottery sourced funding was paid are noted below. A full list is available on the Department's website ([www.education.ie](http://www.education.ie))

<b>Recipients of Funding from National Lottery</b>	<b>2011</b>	<b>2010</b>
	<b>€000</b>	<b>€000</b>
Expenses of Adult Education Organisations (Subhead B.1.)	854	864
Cultural activities (Subhead B.14.)	187	196
<b>Total</b>	<b>1,041</b>	<b>1,060</b>

### 6.2 EU Funding

The amount of €20,071,525 from the European Social Fund (ESF) receipts in H1.3 of €28,782,398 (€19,971,123 and €8,811,275 Non-Pay) received in 2011 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., B.20, D.1., D.6., D.9., E.4., and E.12, G.2 and G.7.

Arising from the transfer of functions during 2010, the sum of €8,710,873 received in 2011 from ESF activities and shown in the H.1.3 total income of €28,782,398 derives from expenditure under the former Department of Enterprise, Trade and Employment - Vote 34 expenditure subheads K.2., M.1, M.2, M.3 and M.5 in previous years. Ongoing equivalent expenditure in Vote 26 is now recorded in subheads G.2 and G.7.

#### 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 2011 was as shown below.

<b>Subhead</b>	<b>Description</b>	<b>2011</b>	<b>2010</b>
		<b>Funding</b>	<b>Funding</b>
		<b>€<sup>1</sup></b>	<b>€</b>
G.1.	FÁS	412,062	567,204

<sup>1</sup> The breakdown of 2011 receipts is as follows: EURES programmes - €197,000; Apprentice Mobility Programme €49,000; and Screen Leaders €166,000.

#### European Globalisation Adjustment Fund

The European Globalisation Adjustment Fund (EGF) is an European Union funding programme which assists EU member states to provide a programme of upskilling, retraining and enterprise supports to workers made redundant as a result of the adverse impacts of globalisation. For programmes submitted by member states in the period between May 2009 and December 2011, the EGF provides funding of up to 65%, the remaining 35% being met through national funding. A reduced maximum EU co-funding rate of 50% applies to applications submitted from 1 January 2012.

### European Globalisation Adjustment Fund (Continued)

EGF programmes are multi-annual in nature. Under Article 13(2) of EU regulation 1927/2006, 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 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 the end of an EGF programme. In addition, there is a 6 months closure period after the receipt of the final Report for the Commission to formally wind up the programme. It is ultimately upon winding up of an EGF programme that a full accounting of programme funding and expenditure becomes available.

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 will be available after the winding up of each individual programme.

In 2010, Ireland received payments of €24.85m from the EU under the Fund for the Dell (€14.83m), Waterford Crystal (€2.57m) and S R Technics (€7.45m) applications. These programmes commenced in 2009 and ended between June 2011 and October 2011. Only one final report, in respect of the Dell programme, was submitted to the EU in 2011. As of March 2012 the report, and certain additional information sought thereon, was still being considered by the European Commission. The final report for the Waterford Crystal EGF programme was submitted to the European Commission in February 2012 and the final report for the S R Technics programme is required to be submitted in April 2012.

The Dell EGF Programme Final Report submitted to the EU certified total expenditure of €13.62m, of which 65% (€8.85m) was funded by the EU and 35% (€4.77m) from national sources.

The Waterford Crystal EGF Programme Final Report submitted to the EU certified expenditure of €3.09m of which 65%(€2.01m) was funded by the EU and 35% (€1.08m) from national sources. As of March 2012, the S R Technics Final Report has not been finalised.

In 2011, Ireland received EGF payments totalling €35.74m from the EU for three sub-sectoral applications encompassing in total almost 9,000 redundant construction workers. Total EGF funding received to date, therefore, amounts to €60.59m.

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

- Department of Education and Skills, subhead G.6 (enterprise supports), Subheads G.2 and E.1., (training and education supports and allowances, technical assistance)
- National Training Fund
- Department of Social Protection (Vote 38) (Back to Education Allowance and employment service supports)

### NQAI and FETAC

Both the NQAI and FETAC were in receipt of EU funding in 2011. The NQAI received funding of €0.060 million in respect of its EUROPASS activities. FETAC receives funding for its provision of the secretariat for EQAVET. This amounted to €0.411 million in 2011.

### 6.3 Commissions and Enquiries

	Year of appointment	Cumulative Expenditure to 31 December 2011 €000	Expenditure in 2011 €000	Expenditure in 2010 €000
Commission to Inquire into Child Abuse	1999	67,367	2,173	2,261
Residential Institutions Review Committee	2003	6,633	678	840
Commission on School Accommodation	1996	3,518	1	12
Inquiry into Kilkenny City Vocational School	2006	328	4	39
		<b>77,846</b>	<b>2,856</b>	<b>3,152</b>

### 6.4 Contingent Liability

There will be further payments associated with the Commission to Inquire into Child Abuse and the Residential Institution Redress Board. Final costs cannot be determined at this point as the work of both bodies is ongoing.

Expenditure for the Commission to Inquire into Child Abuse from inception, to the end of 2011, was €67,367,166. At this point, it is estimated that a provision in the region of €15 - €20 million may be required to meet remaining costs of the Commission. This is a tentative provision, given that the Commission has yet to negotiate on a large volume of third party legal representation costs.

Expenditure associated with the Redress Board to the end of 2011 was €1,087,898,420 at which time some 14,855 applications had been processed out of a total of approximately 15,412 (including 964 late applications) received by the Board. The Board also had 1,474 late submissions to consider. At this point, it is estimated that additional costs of up to some €150 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 late applications up to the closing date of 16th September 2011 and that the level of award in these remaining cases may vary from the average.

### 6.5 Legal costs and compensation

Expenditure under subhead B.2. included awards totalling €51,217 arising from a recommendation of the Ombudsman. (S18/40/79)

Expenditure under subhead B.12 includes awards totalling €484,167 in respect of three redress cases. Legal costs totalling €271,422 were also incurred in these three cases and eight other cases. Investigative and other fees totalling €5,851 were incurred in one of the settlement cases and three other legal cases. (S18/10/04)

Expenditure under subhead C.10 includes settlement costs of €240,000 relating to four special education cases. Legal costs totalling €622,159 were incurred in the four settlement cases and five other special education cases. (S18/7/00 and S/18/7/00 ( Part 1))

Expenditure under subhead D.8. includes legal costs of €450,505 and costs of €75,000 in settlement of a court case involving a teacher.

Expenditure under subhead E.1 included a settlement of €17,500 and legal fees of €19,030 arising from the awarding of a maintenance grant. (Sanction reference 1500 dated 10/03/2011)

## **6.6 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 accounts are 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 the cash element of €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 Finance (now 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 2010, €20.6 million was received in such contributions, while a further €0.45 million was received in 2011. These contributions, and the associated interest earned on the account, will be transferred to the statutory fund when established. The closing balance on the account at 31 December 2011 was €21,232,058.

## **6.7 Expenditure on Temporary School Accommodation**

Expenditure under Subheads C.5. and D.8. included amounts totalling €28,941,529 in respect of temporary school premises.

## 7 Miscellaneous accounts

7.1 Non Voted Accounts	Securities	Cash	Total	Total
	€000	€000	2011 €000	2010 €000
Securities balance on 1 January 2011	548	—	548	1,106
Securities redeemed	—	—	—	(558)
Transfer from receipts and payments account	—	—	—	558
Securities purchased	—	—	—	—
Transfer of redemption money	—	—	—	(558)
Balances on 31 December 2011	<u>548</u>	<u>—</u>	<u>548</u>	<u>548</u>

### Receipts and Payments Account for the year ended 31 December

	Total	Total
	2011	2010
Balances on 1 January	143	114
Receipts	24	607
Transfer to Capital Account <sup>1</sup>	—	(558)
Payments	(18)	(20)
Balances on 31 December	<u>149</u>	<u>143</u>

<sup>1</sup> In line with an agreement with the Office of the Commissioners of Charitable Donations and Bequests (Vote 24), and commencing from 2010 both endowment funds and stockholdings are being transferred to the Commissioners on a staggered basis over the years 2010 to 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 2010, in respect of Capital and Income

	Securities	Cash	Total	Total
	€000	€000	2011 €000	2010 €000
Balance on 1 January	416	—	416	601
Securities redeemed	—	—	—	—
Transfer from receipts and payments account	—	—	—	26
Transfer of funds for re-investment <sup>1</sup>	—	—	—	(211)
Balances on 31 December	<u>416</u>	<u>—</u>	<u>416</u>	<u>416</u>

### Receipts and Payments Account for the year ended 31 December

	2011	2010
	€000	€000
Balances on 1 January	13	20
Receipts	16	249
Transfer to Capital Account	—	(211)
Payments	(20)	(45)
Balances on 31 December	<u>9</u>	<u>13</u>

<sup>1</sup> In line with an agreement with the Office of the Commissioners of Charitable Donations and Bequests (Vote 24), and commencing from 2010 both endowment funds and stockholdings are being transferred to the Commissioners on a staggered basis over the years 2010 to 2013

**7.3 Grant in Aid Fund 2011**

	<b>2011</b>	<b>2010</b>
	<b>€000</b>	<b>€000</b>
Subhead B.1. - Fund for General Expenses of Adult Education Organisations (National Lottery Funded)	854	864
Subhead B.8. - Payments in respect of Local Drug Task Force projects	412	2,461
Subhead B.14. - Fund for General Expenses of Cultural, Scientific and Educational Organisations (National Lottery Funded)	187	196
	<u>1,453</u>	<u>3,521</u>