

## **Appropriation Account 2015**

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### **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 2015 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.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2015, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €9.23 million is liable for surrender to the Exchequer.

The Statement of Accounting Policies and Principles and notes 1 to 6 form part of the account.

### ***Appropriation Account Structure***

Expenditure on education services in 2015 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 2015 – 2017 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.

### ***Public Sector Reform***

In response to the mandate provided in the Government's Public Service Reform Plan, published in November 2011 and reiterated in the Public Service Reform Plan for 2014 - 2016, the Department developed and published a Shared Services Plan for 2014 - 2016. The plan proposes not only to actively participate in the roll out of traditional shared services within the Department, but also to investigate all possible opportunities for shared services initiatives across the entire education and training sector. These opportunities will be individually evaluated using a standard methodology and should there prove to be a sound business case, the initiatives will be rolled out for the relevant areas of the sector. The Department also intends to investigate current diverse shared services initiatives which exist within the education and training sector and should a strong business case exist, these services may be rolled out to wider groups within the sector.

The key projects which have been progressed during 2015 are:

- Payroll Shared Services for ETB sector – advanced to detailed design in 2015, commencing implementation during 2016
- Financial Shared Services for ETB sector – completed business case 2015, commenced detailed requirements and design 2016
- Payroll Shared Services for Higher Education sector – completed business case 2015, commencing detailed requirements and design 2016.

*Reform of Education and Training Boards/SOLAS*

The extensive reconfiguration of the Education and Training Boards (ETB) continued throughout 2015. A new organisational structure for the ETBs was agreed and implementation commenced, the shared services projects for payroll and finance are ongoing and the transfer of training functions to the ETBs is almost complete.

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 Management Board 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 are 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 control 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 2015, a total of eight audit reports – five internal and three ESF – 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 €1.64 million, which is made up of the following:

- twelve services and purchases with a total contract value of €87,587 were undertaken in 2015 without recourse to an appropriate procurement process;
- two contracts in the value range €35,000 to €100,000, two contracts in the value range €100,000 to €200,000 per annum, three contracts in the value range €200,000 to €300,000 per annum and one contract over €500,000 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 and payroll 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 and payroll services to this Department.

### ***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***

During 2015 the Department of Education and Skills continued to work to enhance the Department's governance capacity. In conjunction with the November 2015 publication by D/PER of the Corporate Governance Standard for the Civil Service, the Department commenced work to develop a corporate governance framework. The DES's framework describes the key details of the Department's governance processes structures and procedures. It is expected that this framework document will be published by end March 2016.

The Department continues to work on advancing the development of robust reporting arrangements with its bodies and agencies in order to manage their performance and governance. In so doing, the Department is adopting an approach that focuses on outputs and outcomes, and includes meaningful performance indicators. In this regard performance delivery frameworks and/or relevant service agreements have been put in place with a number of bodies and agencies. Work on agreeing relevant governance oversight procedures is progressing with other bodies. The purpose of performance delivery frameworks is to ensure that resources are used in both an efficient and cost effective manner to deliver quality services to the public.

Arising from work commenced in 2014, during 2015 the Department strengthened its approach to managing governance across the Department with the establishment of both a Management Board on Sectoral Governance and Accountability and a Principal Officer Network on Sectoral Governance and Accountability to agree approaches to enhancing the Department oversight role in regard to its bodies. In conjunction with the establishment of the senior governance oversight committees, the Department established a Sectoral Governance Compliance Unit in September 2015 to commence a work programme to consider strategies to enhance corporate governance oversight. The Unit commenced the first phase of its work programme with a series of governance compliance checks in December 2015, with responses received by early February 2016. Work on phase one of the review process is expected to be completed by December 2016.

***Regulation of Lobbying Act 2015***

The Regulation of Lobbying Act 2015, which came into force on 1 September 2015, requires all Government departments to designate certain departmental officers as Designated Public Officials (DPO) under the Act to allow key officers of the Department interact with persons who may be defined as a lobbyist.

The Department's guidelines identify for the DES that within the first twelve months of the operation of the Act, Principal Officers will be prescribed as Designated Public officials for the purposes of the Act.

***Risk Management***

The Department has established a Risk Committee in Q1 2016 which is a sub-committee of the Management Board. The role of the Risk Committee is to advise the Management Board on risk management strategy and on the development of an appropriate framework of policies, procedures and systems to support the management of risk in the Department.

**Seán Ó Foghlú**

Accounting Officer

Department of Education and Skills

31 March 2016

## **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 2015 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 2015.

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

**Seamus McCarthy**

Comptroller and Auditor General

31 August 2016



## Vote 26 Education and Skills Appropriation Account 2015

		Estimate provision		2015	2014
		€000	€000	Outturn	Outturn
		€000	€000	€000	€000
A	First, Second and Early Years Education				
	<i>Original</i>	6,220,090			
	<i>Supplementary</i>	36,000	6,256,090	6,220,665	6,055,463
B	Skills Development				
	<i>Original</i>	346,987			
	<i>Supplementary</i>	(11,000)	335,987	329,636	342,192
C	Higher Education				
	<i>Original</i>	1,424,982			
	<i>Supplementary</i>	88,000	1,512,982	1,521,826	1,478,397
D	Capital Services				
	<i>Original</i>	593,218			
	<i>Supplementary</i>	50,000	643,218	654,585	624,030
<b>Gross expenditure</b>					
	<i>Original</i>	8,585,277			
	<i>Supplementary</i>	163,000	<b>8,748,277</b>	<b>8,726,712</b>	<b>8,500,082</b>
<i>Deduct</i>					
E	<b>Appropriations-in-aid</b>				
	<i>Original</i>	573,152			
	<i>Supplementary</i>	(12,000)	<b>561,152</b>	<b>548,816</b>	<b>558,928</b>
<b>Net expenditure</b>					
	<i>Original</i>	8,012,125			
	<i>Supplementary</i>	175,000	<b>8,187,125</b>	<b>8,177,896</b>	<b>7,941,154</b>

### Surplus for surrender

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

	2015	2014
	€	€
Surplus to be surrendered	9,228,648	10,390,347

**Analysis of administration expenditure <sup>a</sup>**

		<b>2015</b>	<b>2014</b>
		<b>Estimate provision</b>	<b>Outturn</b>
		<b>€000</b>	<b>€000</b>
i	Salaries, wages and allowances	58,882	56,436
ii	Travel and subsistence	1,520	1,470
iii	Training and development and incidental expenses	2,355	2,381
iv	Postal and telecommunications services	1,820	1,930
v	Office equipment and external IT services	5,515	4,850
vi	Office premises expenses	1,609	1,376
vii	Consultancy and other services	130	151
viii	National Educational Psychological Service	18,075	17,250
		89,906	85,844
			82,943

<sup>a</sup> *The Department's administrative expenditure was brought to account under the subheads X.1 to X.8 in 2015.*

## Notes to the Appropriation Account

### 1 Operating Cost Statement 2015

	2015	2014
	€000	€000
Expenditure on administration	85,844	82,943
Expenditure on services and programmes	8,640,868	8,417,139
<b>Gross expenditure</b>	<b>8,726,712</b>	<b>8,500,082</b>
<i>Deduct</i>		
<b>Appropriations-in-aid</b>	<b>548,816</b>	<b>558,928</b>
<b>Net expenditure</b>	<b>8,177,896</b>	<b>7,941,154</b>
<b>Changes in capital assets</b>		
Purchases cash	(8,132)	
Depreciation	605	
Loss on disposals	—	(13,900)
<b>Changes in assets under development</b>		
Cash payments	(84,046)	(65,390)
<b>Changes in net current assets</b>		
Increase in closing accruals	1,304	
Increase in stock	(13)	
	1,291	21,005
<b>Direct expenditure</b>	<b>8,087,614</b>	<b>7,882,869</b>
<b>Expenditure borne elsewhere</b>		
Net allied services expenditure (note 1.1)	25,829	23,330
Notional rents	3,898	3,662
<b>Net programme cost</b>	<b>8,117,341</b>	<b>7,909,861</b>

#### 1.1 Net Allied Services Expenditure

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

	2015	2014
	€000	€000
Vote 7 Finance	—	398
Vote 9 Office of the Revenue Commissioners	243	406
Vote 12 Superannuation	19,405	17,071
Vote 13 Office of Public Works	5,021	5,174
Vote 18 Shared Services	809	—
Central Fund – Ministerial pensions	351	281
	<b>25,829</b>	<b>23,330</b>

## 2 Balance Sheet as at 31 December 2015

	Note	2015 €000	2014 €000
<b>Capital assets</b>	2.2	71,357	99,801
<b>Capital assets under development</b>	2.3	82,364	90,627
		<b>153,721</b>	<b>190,428</b>
<b>Current assets</b>			
Stocks	2.5	121	108
Prepayments <sup>a</sup>		1,014	2,822
Overpayments for recoupment		6,825	6,216
Recoupment of secondment costs		141	259
Accrued income		—	600
Amounts due from the EU		15	15
Other debit balances	2.6	3,573	81,047
Bank and cash	2.4	72,520	—
<b>Total current assets</b>		<b>84,209</b>	<b>91,067</b>
<b>Less current liabilities</b>			
Supply account advances	2.4	—	75,468
Revenue Commissioners		—	1,359
Accrued expenses		10,924	10,418
Deferred income		13	29
Salary recoupment to other departments and agencies		—	2
Advances received from EU		46,279	2,418
Other credit balances	2.7	26,448	912
Net liability to the Exchequer	2.8	3,381	2,264
<b>Total current liabilities</b>		<b>87,045</b>	<b>92,870</b>
<b>Net current liabilities</b>		<b>(2,836)</b>	<b>(1,803)</b>
<b>Net assets</b>		<b>150,885</b>	<b>188,625</b>
<b>Represented by:</b>			
<b>State funding account</b>	2.1	<b>150,885</b>	<b>188,625</b>

<sup>a</sup> Prepayments are based on information available as at 31 March 2016. In May 2016, Bus Éireann issued its 2015 Statement of Account to the Department, which indicated that it had not spent €1.3 million of advances made by the Department during 2015 and this balance is not included in prepayments. This balance was offset in the drawdown of funds by Bus Éireann during 2016. The corresponding figures for 2014 and 2013 were €1.8 million and €2.2 million respectively.

2.1 State Funding Account	Note	2015		2014
		€000	€000	€000
Balance at 1 January			188,625	145,322
Disbursements from the Vote				
Estimate provision	Account	8,187,125		
Surplus to be surrendered	Account	(9,229)		
Net vote			8,177,896	7,941,154
Expenditure (cash) borne elsewhere	1		25,829	23,330
Non-cash expenditure – notional rent	1		3,898	3,662
Other non-cash items <sup>a</sup>	2.2		(128,022)	(14,982)
Net programme cost	1		(8,117,341)	(7,909,861)
<b>Balance at 31 December</b>			<b>150,885</b>	<b>188,625</b>

<sup>a</sup>The non-cash items relate to the accounting treatment for the transfer of the Department's construction assets.

## 2.2 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 2015	97,935	7,445	17,904	123,284
Additions	99,813	21	349	100,183
Disposals <sup>a</sup>	(128,022)	(1)	(472)	(128,495)
Cost or valuation at 31 December 2015	69,726	7,465	17,781	94,972
<b>Accumulated depreciation</b>				
Opening balance at 1 January 2015	—	7,131	16,352	23,483
Depreciation for the year	—	62	543	605
Depreciation on disposals	—	(1)	(472)	(473)
Cumulative depreciation at 31 December 2015	—	7,192	16,423	23,615
<b>Net assets at 31 December 2015</b>	<b>69,726</b>	<b>273</b>	<b>1,358</b>	<b>71,357</b>
<b>Net assets at 31 December 2014</b>	<b>97,935</b>	<b>314</b>	<b>1,552</b>	<b>99,801</b>

<sup>a</sup> 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 2015 were as follows:

Name of school	Valuation €
Blennerville, County Kerry	2,333,271
Harold School, Glasthule, County Dublin,	7,000,000
Holy Trinity National School, Sandyford, Dublin	8,429,213
St. Mary's Edgeworthstown (Redress), Longford	6,450,849
Waterford Educate Together & Gaelscoil na Deise, Carrickphierish, Waterford	13,349,226
Scoil Bhride NS and Gaelscoil, Eadan Doire, County Offaly	8,728,245
GS Caladh an Treoigh, Co. Luimnigh	3,494,428
Gaelscoil de hIde, Oranmore, Co. Galway	5,069,384
Navan Educate Together, Navan, Co. Meath	4,446,843
Gaelscoil Sliabh Rua, Ballyogen Road, Stepside, Dublin	6,198,682
St. Andrew's National School, Lucan, Dublin	4,223,934
St. Finian's National School, Newcastle, Dublin	8,489,572
Lusk Community College, Lusk, County Dublin	7,959,670
Templecarrig Secondary School, Greystones, County Wicklow	22,355,838
Lucan Post Primary, Clonburriss, Balgaddy, County Dublin	19,492,895
<b>Total</b>	<u>128,022,050</u>

#### General Information Note

##### 1. First Level

- 1.1 The total number of national schools in operation on 31 December 2015 was 3,276. 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 51 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. Three community national schools are operating on sites owned by the Minister for Education and Skills in either permanent or temporary accommodation and 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/or 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 remained vested in the Minister for Education and Skills at the end of 2015. The process of transferring this school to the Child and Family Agency (Tusla) was ongoing during 2015 and a memorandum of understanding was signed between the Department and Tusla in April 2016. 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 23 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 4 secondary schools owned by the Minister for Education and Skills are controlled/managed by boards of management.
- 2.2(ii) 265 vocational schools are vested in Education and Training Boards under the Education and Training Board Act 2013.
- 2.2(iii) 371 secondary schools are privately owned.

**2.3 Capital Assets under Development**

	<b>Construction contracts</b>	<b>In-house computer applications</b>	<b>Totals</b>
	<b>€000</b>	<b>€000</b>	<b>€000</b>
Amounts brought forward at 1 January 2015	89,577	1,050	90,627
Cash payments for the year	83,416	630	84,046
Transferred to asset register	(92,188)	(121)	(92,309)
Balance at 31 December 2015	<u>80,805</u>	<u>1,559</u>	<u>82,364</u>

**2.4 Bank and Cash**

at 31 December	<b>2015</b>	<b>2014</b>
	<b>€000</b>	<b>€000</b>
PMG balances and cash/(Supply account advances)	72,278	(76,243)
Commercial banks	239	771
Petty cash	3	4
	<u>72,520</u>	<u>(75,468)</u>

**2.5 Stocks**

at 31 December	<b>2015</b>	<b>2014</b>
	<b>€000</b>	<b>€000</b>
Stationery	63	58
IT consumables	58	50
	<u>121</u>	<u>108</u>

**2.6 Other Debit Balances**

at 31 December	2015	2014
	€000	€000
Agency payments to OPW	121	54
Marriage, retirement and death gratuities	3	2
Salaries recoupable	214	160
Schools Broadband Programme	1,440	2,160
Travel passes	247	197
Due from the State - suspense	2	45
Shared offices' costs recoupment	99	131
Cycle to Work Scheme	56	54
Miscellaneous	231	19
Payroll suspense	180	77,961
Travel and subsistence advances	82	99
Redress Board	898	165
	<u>3,573</u>	<u>81,047</u>

**a) Debt Write-Offs and Provisions**

During 2015, Vote 26 had no specific provision for write off of bad debts.

	Debts written off		Movement in provision	
	2015	2014	2015	2014
	€000	€000	€000	€000
Overpayments in relation to payroll/pensions	26	—	—	—
Total	<u>26</u>	<u>—</u>	<u>—</u>	<u>—</u>

**2.7 Other Credit Balances**

at 31 December	2015	2014
	€000	€000
Due to the State	25,933	2
Pension refund	58	55
Energy building programme	394	394
Exchequer extra receipts	—	50
Central Bank	19	11
2014/2015 remittances	—	370
Cycle to work	2	—
Other creditor	—	12
Miscellaneous	42	18
	<u>26,448</u>	<u>912</u>



**2.8 Net Liability to the Exchequer**

at 31 December	2015	2014
	€000	€000
Surplus to be surrendered	9,229	10,390
Exchequer grant undrawn	(5,848)	(8,126)
Net liability to the Exchequer	3,381	2,264

**Represented by:****Debtors**

Bank and cash	72,520	—
Debit balances – suspense	3,571	81,002
Due from the State – suspense	2	45
EU funds suspense	15	15
	76,108	81,062

**Creditors**

Supply account advances	—	(75,468)
Due to the State – suspense	(25,933)	(2)
EU funds – suspense	(46,279)	(2,418)
Credit balances – suspense	(515)	(910)
	(72,727)	(78,798)
	3,381	2,264

**2.9 Commitments**

at 31 December	2015	2014
	€000	€000

**(a) Global Commitments**

Commitments likely to materialise in subsequent years for:

Procurement subheads	30	42
Grant subheads	16,610	13,128

Note Procurement subheads include commitments where contracts had been entered into before the end of 2015 where no goods or services had been delivered.

**(b) Multi-Annual Capital Commitments**

Expenditure in 2015 <sup>a</sup>	625,454	548,822
Commitments to be met in subsequent years <sup>b</sup>	1,987,403	1,897,460

<sup>a</sup> Expenditure in 2015 includes €66 million (2014: €28 million) in respect of capital payments made under public private partnership (PPP) projects.

<sup>b</sup> Commitments to be met in subsequent years include €1.344 billion (2014: €1.407 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

	Cumulative expenditure to 31 December 2014 €000	Expenditure in 2015 €000	Project commitments in subsequent years €000	Expected total spend lifetime of project 2015 €000	Expected total spend lifetime of project 2014 €000
<b>Subhead D.3.<sup>a</sup></b>					
1. Hansfield Educate Together Secondary School, Dublin 15	1,617	9,770	5,051	16,438	15,419
2. Carrickphierish Campus, Waterford	8,890	5,610	247	14,747	12,350
3. St Colmcille's, Dublin 16	15,591	647	589	16,827	—
4. Ardgillan Community College, Balbriggan, Co Dublin	10,654	2,687	248	13,589	—
5. Temple Carrig Secondary School, Wicklow	3,775	8,821	210	12,806	—
6. Colaiste Ghlór na Mara, Balbriggan, Co Dublin	430	1,184	14,758	16,372	—
7. St John's Primary School, Drogheda, Co Louth	385	2,295	11,599	14,279	—
8. Le Chéile Secondary School, Mulhuddart, Dublin 15	289	399	15,594	16,282	—
<b>Subtotal</b>	<b>41,631</b>	<b>31,413</b>	<b>48,296</b>	<b>121,340</b>	<b>27,769</b>
<b>Subhead D.4.</b>					
9. St. Patricks Drumcondra – campus development	38,787	949	—	39,736	39,736
10. Grangegorman campus – site infrastructure and public realm	29,182	891	5	30,078	30,000
<b>Subtotal</b>	<b>67,969</b>	<b>1,840</b>	<b>5</b>	<b>69,814</b>	<b>69,736</b>
<b>Total</b>	<b>109,600</b>	<b>33,253</b>	<b>48,301</b>	<b>191,154</b>	<b>97,505</b>

<sup>a</sup> Arising out of a review of project costs, expenditure reported at the end of 2014 has been increased by €34 million over that reported in the 2014 appropriation account in respect of projects under the D.3 Subhead due to:

- fees expenditure of €2.6 million that had not previously been included in respect of the Handsfield Educate Together Secondary School and Carrickphierish Campus projects.
- One project – St Colmcille's – was inadvertently excluded in the 2014 account resulting in a restatement of €15.6 million. At the end of 2014, €14.2 million had been spent in respect of the construction contract and €1.4 million in respect of fees.
- In the remaining five cases, total expenditure of €15.5 million was not reported in the 2014 account as the project totals had not met the threshold for reporting (i.e. total project cost of €12,697,380 or more) until 2015.

**Significant Variations**

An explanation is provided below where multi-annual commitments increased by more than €500,000 from 2014 to 2015.

<b>Project</b>	<b>Total cost increase in 2015</b>	<b>Explanation</b>
	<b>€000</b>	
1. Hansfield Educate Together Secondary School, Dublin 15	1,019	The increase in commitments from €15.4 million to €16.4 million arises due to fees expenditure incurred and committed in the total cost which had not previously been included.
2. Carrickphierish Campus, Waterford	2,397	The increase in commitments from €12.3 million to €14.7 million arises due to fees expenditure incurred and committed in the total cost which had not previously been included.
3. St Colmcille's, Dublin 16	16,827	The omission of St Colmcille's in the 2014 accounts gives rise to a variation in the total project cost of €16.8 million between 2014 and 2015. At the end of 2015, the total expected expenditure for the project is €14.8 million in respect of the construction contract and €2 million in respect of fees.
4. Ardgillan Community College, Balbriggan, Co Dublin	13,589	Expenditure and commitments were not reported previously as the criteria for reporting (i.e. total project cost of €12,697,380 or more) was not reached until 2015. The criteria was met in 2015 due to approving additional works.
5. Temple Carrig Secondary School, Wicklow	12,806	Expenditure and commitments were not reported previously as the criteria for reporting (i.e. total project cost of €12,697,380 or more) was not reached until 2015. The criteria was met in 2015 due to the inclusion of fee costs of €0.5 million.
6. Colaiste Ghlór na Mara, Balbriggan, Co Dublin	16,372	Expenditure and commitments were not reported previously as the criteria for reporting (i.e. total project cost of €12,697,380 or more) was not reached until 2015. The criteria was met in 2015 when the letter of acceptance was issued in November 2015.
7. St John's Primary School, Drogheda, Co Louth	14,279	Expenditure and commitments were not reported previously as the criteria for reporting (i.e. total project cost of €12,697,380 or more) was not reached until 2015. The criteria was met in 2015 due to inclusion of fee costs of €1.7 million.
8. Le Chéile Secondary School, Mulhuddart, Dublin 15	16,282	Expenditure and commitments were not reported previously as the criteria for reporting (i.e. total project cost of €12,697,380 or more) was not reached until 2015. The criteria was met in 2015 when the letter of acceptance of issued in November 2015.

**(c) Capital Costs of Public Private Partnership Projects**

	Expenditure to 31 December 2014	Expenditure in 2015	Legally enforceable commitments to be met in subsequent years	Project total 2015	Project total 2014
	€000	€000	€000	€000	€000
1. National Maritime College of Ireland PPP	40,490	3,446	23,143	67,079	67,079
2. Five Pilot Schools Bundle	40,598	3,443	53,186	97,227	97,227
3. Cork School of Music <sup>a</sup>	23,809	2,490	54,617	80,916	80,916
4. 1st Bundle PPP Schools <sup>a</sup>	16,103	1,910	66,723	84,736	84,720
5. 2nd Bundle PPP Schools <sup>a</sup>	18,839	3,137	88,587	110,563	110,518
6. 3rd Bundle PPP Schools <sup>b</sup>	15,480	2,982	112,262	130,724	130,602
7. 4th Bundle PPP Schools	—	—	79,817	79,817	77,944
<b>Totals</b>	<b>155,319</b>	<b>17,408</b>	<b>478,335</b>	<b>651,062</b>	<b>649,006</b>

<sup>a</sup> Following a review carried out by the NDFA, expenditure amounts reported in the 2014 Appropriation Account were restated as there were small differences due to rounding in relation to the Cork School of Music and a change in the treatment of construction insurances in the accounts to ensure consistency with the unitary charge financial model in relation to PPP Bundles 1 and 2. The total project cost in relation to Bundle 1 has been restated to also exclude €12,000 that could not be reconciled with the financial model.

<sup>b</sup> Expenditure in relation to Bundle 3 has been restated due to i) a change in the treatment of fixed furniture and equipment in the accounts to align with the financial model and ii) a small correction in relation to a timing issue (i.e. the timing of when the capital expenditure in question first arose).

**Significant Variations**

An explanation is provided below where multi-annual commitments increased by more than €500,000 from 2014 to 2015.

Project	Total cost increase in 2015	Explanation
	€000	
4th Bundle PPP Schools	1,873	There was no expenditure in 2015 as the first school did not open until February 2016. Total project expenditure has been restated by including a lump sum payment for Bundle 4 in order to remain consistent with the treatment of capital costs on the other bundles.

**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 in September 2005. The Cork School of Music was completed in July 2007.

**1<sup>st</sup> 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.

**2<sup>nd</sup> 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.

**3<sup>rd</sup> Bundle PPP Schools**

There are seven post-primary schools and one primary school in the 3rd Bundle PPP Project. They are located in Ballinamore, Co Leitrim, Letterkenny, Co Donegal, Gorey, Co Wexford, Doughiska, Co Galway (2 schools), Doon, Co Limerick, Tramore, Co Waterford and Athlone, Co Westmeath. The contract for the design, build, financing, operation and maintenance of the schools was signed with BAM PPP in November 2012. All 8 schools became operational between November 2013 and May 2014.

**4<sup>th</sup> Bundle PPP Schools**

There are four post primary schools in the 4<sup>th</sup> Bundle PPP Project. They are located in Tulla, Co Clare, Skibbereen, Co Cork, Dundalk, Co Louth and Carrick-on-Suir, Co Tipperary. The contract for the design, build, financing, operation and maintenance of four post primary schools was signed with BAM PPP in December 2014. The four schools are currently under construction and are expected to be completed and ready for handover by end of Q2 2016.

**2.10 Matured Liabilities**

at 31 December	2015	2014
	€000	€000
Estimate of matured liabilities not discharged at year end	99	76

### 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 2015, 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 2015 than originally anticipated.

	Estimate provision		2015	2014
	€000	€000	Outturn €000	Outturn €000
<b>A</b>	<b>First, Second and Early Years Education</b>			
A.1	Administration – pay	57,665	55,210	54,687
A.2	Administration – non pay	11,116	10,462	8,892
A.3	Salaries, wages and allowances (including incidental payments) of primary school teachers	2,170,851	2,150,935	2,036,340
A.4	Salaries, wages and allowances (including incidental payments) of secondary, comprehensive and community school teachers	1,106,440	1,098,989	1,099,355
A.5	Grants to Education and Training Boards in respect of teachers' salaries	565,280	571,039	569,479
A.6	Salaries, wages and allowances (including incidental payments) of special needs assistants in primary and post primary schools			
	<i>Original</i>	406,678		
	<i>Supplementary</i>	<u>6,000</u>	412,678	413,093
A.7	Salaries, wages and allowances (including incidental payments) of non-teaching staff in primary and post primary schools (excluding special needs assistants)	100,305	102,546	100,149
A.8	Superannuation payments in respect of teaching and non-teaching staff in the primary and post primary sectors			
	<i>Original</i>	1,056,438		
	<i>Supplementary</i>	<u>30,000</u>	1,086,438	1,083,573
A.9	School transport services	175,000	172,955	172,081
A.10	Grants (including capitation) payable to primary and post primary schools, Education Training Boards and other educational organisations and institutions	413,179	417,719	409,103
A.11	Grants to education bodies working in the primary and post primary sectors	80,342	80,916	68,819
A.12	Teacher education	25,100	22,803	23,404
A.13	Payments in respect of residential institutions redress and costs associated with the Child Abuse Commission	14,105	13,806	55,142
A.14	Miscellaneous grants and services	37,591	26,619	23,729
		<u>6,256,090</u>	<u>6,220,665</u>	<u>6,055,463</u>

**Significant variations**

Overall, the expenditure in relation to the Programme A was €35.4 million less than finally provided. An explanation is provided below in the case of each heading where the outturn varied from the amount originally estimated by more than €100,000 and by more than 5%.

An explanation is also provided in relation to Subhead A.6 and Subhead A.8 which received an increasing supplementary.

Description	Less/ (more) than originally provided	Explanation
	<b>€000</b>	
Salaries, wages and allowances (including incidental payments) of special needs assistants in primary and post primary schools	(6,415)	<p>The original estimate of €406,678,000 was increased by a supplementary estimate of €6 million to €412,678,000.</p> <p>The additional allocation of €6 million required on this subhead was due mainly to the costs associated with an increase in the number of SNA's and the implementation of the revised salary scales of 2011.</p> <p>The final outturn of €413 million is 0.1% more than the final allocation.</p>
Superannuation payments in respect of teaching and non-teaching staff in primary and post-primary schools	(27,135)	<p>The original estimate of €1,056,438,000 was increased by a supplementary estimate of €30 million to €1,086,438,000.</p> <p>€26 million additional funding was required to fund the costs of lump sums and gratuities as a result of about 500 more retirements than originally anticipated across the first and second level education sector.</p> <p>Further funding of €4 million net was required to meet the additional costs of ongoing pension payments across the first and second level sector – after taking account of a reduction of €3 million in respect of IoT pensioners' costs which were incurred in Subhead C10 in Goal C.</p> <p>The final outturn of €1,084 million is 0.3% less than the final allocation.</p>
Teacher education	2,297	<p>The savings of €2.3 million on teacher education arose principally due to a slower than anticipated roll out of miscellaneous initiatives relating to the Junior Cycle reform, Primary Language Curriculum and Post Graduate for Mathematics programme, and reduced uptake in seminars / support schemes in Special Education Support Service.</p>
Miscellaneous grants and services	10,972	<p>The saving of €10.972 million is due to a number of variables. €6 million of the net savings is attributed to slower than anticipated progress on the implementation of the Finance Shared Services for Education and Training Boards. A further €2.6 million of savings arose from the deferral to 2016 of certain ICT activities. Savings of €0.5 million arose due to the action plan associated with the Dormant Accounts disbursement plan not becoming operational in 2015. Smaller scale net savings arose on a number of other projects and initiatives.</p>

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
<b>B</b>	<b>Skills Development</b>			
B.1	Administration – pay	3,749	3,568	3,571
B.2	Administration – non pay	825	773	630
B.3	Grants to SOLAS in respect of administration and general expenses	23,588	23,588	79,916
B.4	European Social Fund (ESF) and European Globalisation Fund (EGF) supports	825	480	521
B.5	Grants to SOLAS in respect of further education and training activities			
	<i>Original</i>	280,155		
	<i>Supplementary</i>	<u>(11,000)</u>		
		269,155	265,999	218,659
B.6	Grant to Quality and Qualifications Ireland (QQI)	5,794	3,600	5,500
B.7	Superannuation etc. payable to former members of FÁS, SOLAS and An Comhairle Oiliúna (ANCO)	32,026	31,626	33,373
B.8	Miscellaneous grants and services	25	2	22
		<u>335,987</u>	<u>329,636</u>	<u>342,192</u>

#### Significant variations

Overall, the expenditure in relation to the Programme B was €6.4 million less than finally provided. An explanation is provided below in the case of each heading where the outturn varied from the amount originally estimated by more than €100,000 and by more than 5%.

An explanation is also provided in relation to Subhead B.5 which received a decreasing supplementary allocation.

Description	Less/ (more) than originally provided €000	Explanation
European Social Fund (ESF) and European Globalisation Adjustment Fund (EGF) supports	345	Savings on ESF supports arose due to delays in final approval of the new operational programmes and to timing issues on transnational activity such as the Learning Network on Transnational Mobility Measures for Disadvantaged Youth.
Grants to SOLAS in respect of further education and training activities	14,156	<p>The original estimate of €280,155,000 was decreased by a supplementary estimate of €11million to €269,155,000.</p> <p>A gross reduction of €14 million on this subhead estimate was required due to the recovery of funds in 2015 of unspent moneys by ETBs on VTOS, Youthreach and Training Centre schemes in 2013 and 2014. The recovery was effected by reducing the payments to ETBs in 2015.</p> <p>The gross reduction was offset by an increase of €3 million required to meet the cost of the Christmas Bonus for long-term unemployed persons provided for in the Budget.</p> <p>The final outturn of €266 million is 1% less than the final allocation.</p>
Quality and Qualifications Ireland	2,194	A saving of approximately €1.4 million arose due to an internal restructuring process which was undertaken by the agency in 2015 which delayed the roll-out of some of QQIs activities. A saving of approximately €0.7 million arose due to the delays in ICT expenditure. Further savings of €0.2 million arose due to a higher level of QQI own resources leading to a lower than anticipated draw down.



	2015		2014
	Estimate provision		Outturn
	€000	€000	€000
<b>C Higher Education</b>			
C.1 Administration – pay		4,085	3,898
C.2 Administration – non pay		898	845
C.3 Grant-in-aid for general expenses of Higher Education Authority		5,394	5,394
C.4 General current grants to universities, institutes and other designated institutions of higher education (grant-in-aid)		922,849	922,849
C.5 Training colleges for primary teachers – excluding those funded through the Higher Education Authority		8,564	7,984
C.6 Dublin Dental Hospital (grant-in-aid)		10,471	10,471
C.7 Dublin Institute for Advanced Studies (grant-in-aid)		6,136	6,136
C.8 Royal Irish Academy of Music (grant-in-aid)		2,955	2,955
C.9 Grants to certain third level institutions		10,180	8,971
C.10 Superannuation etc payable to former staff of universities and institutes of technology			
	<i>Original</i>	75,814	
	<i>Supplementary</i>	10,000	
		85,814	93,163
C.11 Student support and related expenses			
	<i>Original</i>	331,752	
	<i>Supplementary</i>	78,000	
		409,752	414,000
C.12 Research activities		37,600	37,600
C.13 EU, international and north south activities		5,189	4,510
C.14 Grangegorman Development Agency		2,895	2,881
C.15 Miscellaneous grants and services		200	169
		<u>1,512,982</u>	<u>1,521,826</u>
			<u>1,478,397</u>

#### Significant variations

Overall, the expenditure in relation to the Programme C was €8.8 million more than finally provided. An explanation is provided below in the case of each heading where the outturn varied from the amount originally estimated by more than €100,000 and by more than 5%.

An explanation is also provided in relation to Subheads C.10 and C.11 which received an increasing supplementary.

Description	Less/ (more) than originally provided	Explanation
	€000	
Training colleges for primary teachers – excluding those funded through the Higher Education Authority	580	Savings of approximately €0.4 million arose primarily due to a slower than anticipated implementation of certain initiatives. A further saving of approximately €0.17 million of savings arose from a reduced drawdown by the Church of Ireland College of Education and Marino Institute of Education.
Grants to certain third level institutions	1,209	Due to fluctuations in demand, it is difficult to project the expenditure on this subhead. The main reasons for savings were due to the incorporation of Shannon College with NUI Galway. Also, the number of students who were eligible for free fees funding in non-HEA institutions was less than anticipated.

Description	Less/ (more) than originally provided	Explanation
€000		
Superannuation etc payable to former staff of universities and institutes of technology	(17,349)	<p>The original estimate of €75,814,000 was increased by a supplementary estimate of €10 million to €85,814,000.</p> <p>Arising from an increase in the average annual pension cost, a greater number of IoT pensions, and the transfer of pension costs from the ETB pension's subhead to the IoT pension's subhead on foot of a reclassification of historical pension data, there was a requirement for this supplementary.</p> <p>The final outturn of €93 million is 9% (€7.3 million) more than the final allocation.</p> <p>While the average annual cost per pension payable when the supplementary was sought was approximately €22,190, the year-end position was that the average annual cost per pension payable had risen to approximately €23,785, which led to a consequential increase in overall expenditure.</p>
Student support and related expenses	(82,248)	<p>The original allocation of €331,752,000 was increased by a supplementary estimate of €78 million to €409,752,000.</p> <p>This arose mainly due to the changes introduced as a result of Budget 2015, rising demographics and efficiencies achieved in processing and payment of student grants in the 2015/16 academic year.</p> <p>The final outturn of €414 million is 1% more than the final allocation.</p>
EU, international and north south activities	679	<p>Savings arose principally due to lower drawdown of matched funding from the US-Ireland Alliance for the George Mitchell Scholarship fund in 2015, than had been envisaged when the estimate was set.</p>

		2015		2014
		Estimate provision		Outturn
		€000	€000	€000
<b>D</b>	<b>Capital Services</b>			
D.1	Administration – pay		9,483	9,113
D.2	Administration – non pay		2,085	1,975
D.3	Building equipment and furnishings of primary and post primary schools			
		<i>Original</i>	468,000	
		<i>Supplementary</i>	50,000	
D.4	Building grants and capital costs of universities, institutes of technology and other designated institutions of higher education		518,000	524,503
			46,000	52,639
D.5	Public private partnership costs		67,650	66,355
			<u>643,218</u>	<u>654,585</u>
				<u>79,467</u>
				<u>624,030</u>

#### Significant variations

Overall, the expenditure in relation to the Programme D was €11.4 million more than finally provided. An explanation is provided below in the case of each heading where the outturn varied from the amount originally estimated by more than €100,000 and by more than 5%. An explanation is provided in relation to Subhead D.3 which received an increasing supplementary.

Description	Less/ (more) than originally provided	Explanation
	€000	
Building equipment and furnishings of primary and post primary schools.	(56,503)	<p>The original estimation of €468,000,000 was increased by a supplementary estimate of €50 million to €518,000,000.</p> <p>The supplementary allocation was used to fund summer works projects not originally anticipated under the Summer Works Scheme.</p> <p>The final outturn of €524 million was 1% more than the final allocation.</p>
Building grants and capital costs of universities, institutes of technology and other designated institutions of higher education	(6,639)	<p>Key third level capital infrastructure projects had been identified for which funding would be provided by the Department if it was available. As the capital allocation was fully committed and there were some savings in current expenditure, the Department of Public Expenditure and Reform provided sanction to use €6.7 million of unspent 2015 current allocations for these projects.</p>

## 4 Receipts

### 4.1 E Appropriations-in-aid

		2015		2014
		Estimated	Realised	Realised
		€000	€000	€000
E.1. Superannuation contributions				
	<i>Original</i>	189,514		
	<i>Supplementary</i>	(12,000)	177,514	170,789
E.2. Receipts in respect of the European Social Fund (ESF), European Globalisation Fund (EGF) and other miscellaneous EU receipts			27,720	27,379
E.3. Receipts from pension-related deductions in public service remuneration			345,196	341,735
E.4. Secondments/ overpayments			4,600	4,198
E.5. Miscellaneous			6,122	4,715
			<u>561,152</u>	<u>548,816</u>
				<u>558,928</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%.

An explanation is also provided in relation to subhead E.1 which received a reducing supplementary.

Description	Less/ (more) than originally provided €000	Explanation
Superannuation contributions	18,725	<p>The original estimate of €189,514,000 for the collection of receipts was reduced by €12 million to €177,514,000, via the supplementary estimates process.</p> <p>The supplementary estimate of €12 million results from a projected shortfall in pension contribution receipts. This shortfall is in part due to overestimation of the receipts paid by deduction from ongoing salary for 2015 and in part from a lower level of one-off payments from teachers at retirement. Some pension contribution refunds are also made to teachers from this subhead and the number made in 2015 was higher than estimated.</p> <p>There was a shortfall of 4% between the final allocation and the receipts realised.</p>
Secondments/overpayments	402	<p>It is difficult to predict the level of receipts from year to year with complete accuracy as recoupment of overpayments may be on a once-off basis or on a phased basis and may cross over a financial year(s). The recoupment of salary in respect of secondments may also cross over into the next financial year.</p>
Miscellaneous	1,407	<p>This subhead caters for receipts of an ad hoc nature and it is difficult to predict the level of receipts throughout the year. The shortfall mainly arose in respect of a reduction in repeat leaving cert fees, Educational Disadvantage (Dormant Accounts Funding) receipts and other miscellaneous receipts.</p>

**4.2 Extra receipts payable to the Exchequer**

	<b>2015</b>	<b>2014</b>
	<b>€000</b>	<b>€000</b>
Balance at 1 January	50	—
Recoupment of unspent funding disbursed in prior years to the HEA	2,673	615
Receipts from sale of assets by FÁS/SOLAS	1	115
Receipts from legal settlements	2	80
Receipts from conscience money	8	3
Transferred to Exchequer <sup>a</sup>	(2,734)	(763)
Balance at 31 December	<u>—</u>	<u>50</u>

<sup>a</sup> During 2015, €2,672,618 of the Exchequer extra receipts that were surrendered to the Department of Finance arose from the recoupment of funds from the HEA in respect of grants made by the Irish Research Council in prior years which remained unspent.

€52,500 arose from final payment of a settlement agreed by the former Department of Enterprise, Trade and Employment in respect of the EU DAWN Equal project – €50,000 of which was received at the end of 2014.

In addition, a further €797 in receipts arose from the sale of assets by SOLAS and miscellaneous receipts of €6,000.

## 5 Employee Numbers and Pay

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

	2015	2014
<b>Number of staff at year end</b> (full time equivalents)	98,354	95,989

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	ECF numbers as at 31 December 2015	Pay out-turn as at 31 December 2015	
			€000	
<b>First level</b>	A.3	Primary teachers	34,700	2,150,935
	A.6.1	Special Needs Assistants	9,579	336,221
	A.7.1	Non-teaching staff	285	11,589
<b>Second level</b>	A.4	Secondary teachers	17,599	1,098,989
	A.5	ETB teachers	10,006	571,039
	A.6 (2-3)	Special Needs Assistants	2,360	76,872
	A.7(2-4)	Non-teaching staff	2,271	90,957
<b>First and second level subtotal</b>			<b>76,800</b>	<b>4,336,602</b>
<b>Third level</b>	C.3	HEA	54	3,516
	C.4	University/IOT/RIA /colleges of education	17,090	652,201
	C.5	Other teacher training colleges	28	1,925
	C.6	Dublin Dental Hospital	122	9,283
	C.7	Dublin Institute for Advanced Studies	51	3,616
	C.11	Student grant administration	81	3,202
	C.14	Grangegorman Development Agency	13	1,605
	<b>Third level sub-total</b>			<b>17,439</b>

Category of staff remunerated	Subhead from which funds disbursed		ECF numbers as at 31 December 2015	Pay outturn as at 31 December 2015
				€000
<b>Department Staff</b>	X.1	Administration	1,012	56,436
	X.8	National Educational Psychological Services	194	15,353
<b>Department sub-total</b>			<b>1,206</b>	<b>71,789</b>
<b>Other</b>	A.11.4	State Exams Commission	150	9,815
	B.3.1	SOLAS administration	198	10,530
	A.11.1	National Council for Curriculum and Assessment	31	2,462
	A.11.5	National Council for Special Education	100	6,436
	A.13.1	Redress Board	8	902
	C.8	Royal Irish Academy of Music	56	2,828
	A.13.2	Commission on Child Abuse	2	344
	B.6	Quality and Qualifications Ireland	70	1,312
	A.10.1.3	Model schools	8	139
	B.5	Further education – SOLAS (Education and Training Boards)	2,187	100,207
<b>Other sub total</b>			<b>2,810</b>	<b>134,975</b>
<b>Total</b>			<b>98,255</b>	<b>5,218,714</b>

The table above outlines remuneration details for teaching, non teaching and bodies funded from Vote 26 during 2015 along with their associated whole time equivalent (WTE) numbers as at 31 December 2015. 99 WTE staff noted are paid from subheads with no separate pay designation.

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

#### 5.(b) Exchequer Pay

	2015	2014
	€000	€000
Pay	51,140	50,625
Higher, special or additional duties allowance	244	290
Other allowances	13	44
Overtime	604	509
Employer's PRSI	4,435	4,552
<b>Total pay</b>	<b>56,436</b>	<b>56,020</b>

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**

	<b>Number of recipients</b>	<b>Recipients of €10,000 or more</b>	<b>Maximum individual payment 2015 €</b>	<b>Maximum individual payment 2014 €</b>
Higher, special or additional duties	102	2	20,339	19,585
Other allowances	26	1	25,209	6,108
Overtime	254	8	21,386	18,765
Individuals who received extra remuneration in more than one category	7	–	5,129	5,129

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 2015 (2014: X.1 and X.8)

**5.2 Performance and Merit Pay**

Seven staff in receipt of special service payments under the AHCPs 1% PCW restructuring agreement received in total €16,594 in 2015.

No merit pay was paid during 2015.

**5.3 Re-engaged Civil Servants**

During 2015, 29 retired civil servants in receipt of civil service pensions were re-engaged at a total cost of €142,752 which included travel and subsistence costs of €21,451. In line with advice from the Department of Public Expenditure and Reform (PER), the Department applied rates as sanctioned by PER and is satisfied that fees are abated appropriately.

**5.4 Severance/Redundancy**

During 2015, 255 non-teaching staff and 2 primary teachers were paid redundancy sums totalling €2,281,664 – which included payment for both statutory and non-statutory redundancy sums. 84 payments of redundancy exceeded €10,000. The highest value sum paid in 2015 was €42,458. Staff receiving redundancy were paid via the Department's payrolls, in the Department's capacity as paymaster for certain schools.



## 5.5 Overpayments

### (a) Administrative staff salary overpayments

Overpayments at the year end were €394,000 (262 cases) (2014: €113,000 (84 cases)). Of this, 213 have recovery plans in place.

### (b) Supplementary pension overpayments

Overpayments at the year end were €2.6 million (320 cases) (2014: €2.8 million 320 cases). Of this, 99 have recovery plans in place or have paid in full.

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. Recoupment of the outstanding amount of €2.6 million at 31 December 2015 is ongoing.

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

Overpayments at the year end were €3.8 million (3,905 cases) (2014: €3.3 million 3,835 cases). There are recovery plans in place for all overpayments existing at the end of 2015.

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 €3.8 million at 31 December 2015 compared to overpayments of €3.3 million at 31 December 2014. 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

<b>6.1 National Lottery Funding</b>	<b>2015</b>	<b>2014</b>
	<b>€000</b>	<b>€000</b>
Book rental scheme (subhead A.10)	—	4,996
Cultural activities (subhead C.15)	—	132
	—	5,128

A list of recipients of the funding relevant to 2014 is available on the Department's website ([www.education.ie](http://www.education.ie)).

In 2014, seed funding for the Book Rental Scheme originated from the sale of the National Lottery licence and did not form part of the normal National Lottery funding stream. Additionally, cultural activities were no longer funded from Subhead C.15 in 2015.

### 6.2 EU Funding

#### 6.2.1 2015 ESF Receipts

ESF receipts in ( E2.1) of €27,066,971 (€18,946,880 Pay and €8,120,091 Non-Pay) received in 2015 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: B3, B4, B5, C4 and C11.

#### 6.2.2 2015 European Globalisation Adjustment Fund (EGF) Receipts

While the EGF is co-financing a number of programmes there were no receipts shown as appropriations-in-aid during 2015. Expenditure on EGF programme supports arises on subheads B.3, B4.1, B.5, C.4 and C.11. See note 6.2.7 for further details regarding EGF schemes.

#### 6.2.3 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. The posts are Internet Safety/Webwise Development Officer and Webwise Education Officer.

Total funding for 2015 is €58,809, of which 50% is EU Funding and 50% is funded by the Department of Education and Skills.

#### 6.2.4 Safer Internet Project Ireland 4

This Project commenced in January 2015 and builds on the previous Safer Internet Project. The aim is to contribute to safer internet service infrastructure. This project is 50% funded through the EU Connecting Europe Facility and the balance will be funded by the Department of Education and Skills.

Total funding for 2015 is €130,436, of which €90,436 relates to EU funding and €40,000 is funded by the Department of Education and Skills.

#### 6.2.5 ePortfolios

Under the EU Commission's *Creative Classrooms* call for proposals, the ICT Policy Unit in the Department was a lead partner in an international consortium in the development of a project proposal centred on piloting the operational use of ePortfolios in Irish classrooms. The NCCA, PDST (Technology in Education), Junior Cycle Team for Teachers participated in this project, alongside industry partners – 26 schools were elected to participate in the pilot phase of the project.

The total cost of the project from 2013 to 2015 is €919,615, of which €689,711 relates to EU funding and €229,904 is funded by 14 partners in the project.

75% of the approved project cost is being provided by Europe and the balance is funded by the partners themselves. To date the Department has received €84,436 for its participation in the project. An amount of €26,793 is still owing pending the finalisation of the approved project cost.

**6.2.6 2015 Direct EU Funding to Bodies Under the Department's Aegis**

In addition to the grants from the Vote, direct EU aid to bodies under the aegis of the Department during 2015 was as shown below:

Sub-head	Description	2015	2014
		Funding €000	Funding €000
A.11.4	National Council for Guidance in Education	142	171
B.6	QQI	721	—
		863	171

***National Council for Guidance in Education***

The National Council for Guidance in Education received EU funding in respect of its Euroguidance, European Guidance Policy Network, European Schools and PLOTEUS project activities in 2015.

In total, this funding amounted to €141,713 in 2015.

***Quality and Qualifications Ireland (QQI)***

QQI received EU funding in respect of its Erasmus, Europass and European Qualifications Framework (EQF) activities in 2015, as well as for its provision of the secretariat for the European Quality Assurance Reference Framework for Vocational Education and Training (EQARF). In total this funding amounted to €721,361 in 2015.

**6.2.7 European Globalisation Adjustment Fund**

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 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 ten applications made by Ireland for EGF co-funding up to the end of 2015.

Seven programmes (Dell, Waterford Crystal, SR Technics, NACE 41 ('Construction of buildings'), NACE 43 ('Specialised construction activities') NACE 71 ('Architectural Services') and Talk Talk EGF programmes) have been concluded and formally wound up by the European Commission. By the end of 2015, repayments 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. A sum of €21,080 was reimbursed to the European Commission in June 2015 arising from the Commission's audit in 2014 of the NACE 43 EGF programme.

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. 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. This programme will conclude in May 2016.

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 and was also submitted under Article 4(2) derogation. 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. The program will conclude in September, 2016.

The tenth and most recent application in respect of 108 workers affected by redundancy at the PWA International Aircraft Maintenance, Repair and Overhaul facility in Rathcoole, Co. Dublin and for up to 108 NEET persons, was submitted to the European Commission in June 2015. The EGF application, again submitted under the Article 4 (2) derogation, was duly approved by the relevant EU institutions in December 2015 with the EU co-funding contribution subsequently being received by Ireland in January 2016. This programme will conclude in June 2017.

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 <sup>a</sup>	65%	19,523	12,616	12,690	4,488
NACE 43	65%	33,329	20,249	21,664	8,502
NACE 71 <sup>a</sup>	65%	2,135	1,809	1,388	211
Talk Talk	50%	5,393	3,794	2,696	799
Anderson Ireland	60%	2,502	—	1,501	—
Lufthansa Technik Airmotive Ireland	60%	4,151	—	2,491	—
PWA International	60%	737	—	—	—
		<b>105,997</b>	<b>59,682</b>	<b>67,278</b>	<b>25,059</b>

<sup>a</sup> Expenditure of €4,575 under the NACE 41 and 71 programmes was refunded to the Department in late 2015, of which the 65% EU co-funding element of €2,974 is due to the European Commission.

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

- Department of Education and Skills, Subheads B.3 – training supports and allowances, technical assistance, B.4.1. – enterprise supports, B.5 – further level education supports and allowances, C.4 – third level education fees, C.11 – student maintenance grants
- National Training Fund (guidance, education, training supports and allowances and technical assistance).
- Department of Social Protection – Vote 38 – Back to Education Allowance and employment service supports.

#### **EGF Activity in 2015**

Guidance, training, education and enterprise measures were delivered to beneficiaries under the three currently ongoing programmes in 2015. Expenditure to date has been provided by national funding sources and will be duly co-funded by 60% from the EU receipts subject to the calculation of final EGF eligible expenditure and the submission of final reports and statements justifying expenditure to the European Commission.

The final report for the Andersen Ireland EGF programme is due in November 2016 and those for the Lufthansa Technik Airmotive Ireland and PWA International EGF programmes are due in March 2017 and December 2017 respectively.

### 6.3 Commissions and Enquiries

	Year of appointment	Cumulative Expenditure to 31 December 2015 €000	Expenditure in 2015 €000	Expenditure in 2014 €000
Commission to Inquire into Child Abuse	1999	79,936	1,290	7,168
Residential Institutions Redress Scheme <sup>a,b</sup>	2002	1,203,730	12,370	47,844
Inquiry into Kilkenny City Vocational School <sup>c</sup>	2006	341	—	7
<b>Total</b>		<b>1,284,007</b>	<b>13,660</b>	<b>55,019</b>

<sup>a</sup> 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 €1.246 billion. €1.236 billion of this was expended on the Residential Institutions Redress Scheme and €10 million expended pursuant to the 2002 Indemnity Agreement.

<sup>b</sup> The cumulative Residential Institutions Redress Scheme cost of €1.2 billion at the end of 2015 includes expenditure by the Residential Institutions Review Committee of €9.2 million.

<sup>c</sup> 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 Awards

	Number of cases	Legal costs awarded €000	Compensation awarded €000	2015 Total €000	2014 Total €000
<b>Claims by employees of the Vote</b>	—	—	—	—	—
<b>Claims by members of the public</b>					
Damage to property claims	2	—	50	50	239
Injury claims	14	251	90	341	—
		<b>251</b>	<b>140</b>	<b>391</b>	<b>239</b>

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.

In addition to the legal costs and compensation awards listed above, legal costs of €2.6 million (2014: €8.1 million) were incurred by the Department in 2015 in the course of the day-to-day running of the Department.

## 6.5 Contingent Liability

### Redress

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

Expenditure for the Commission to Inquire into Child Abuse from inception to the end of 2015, was €79.94 million. It is estimated that additional costs of €1.5 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 Redress Scheme to the end of 2015 was €1.246 billion. It is estimated that additional costs of some €2 million may arise. This estimate includes provision for litigation and caters for any unexpected delays in the dissolution of the Residential Institutions Redress Board.

### 6.6 Write-Offs

The following sums were written off in the year:

	2015	2014
	€000	€000
Payable orders cashed in irregular circumstances	8	3
Overpayments of tuition grants	12	—
	<u>20</u>	<u>3</u>

### 6.7 Fraud, Suspected Fraud and Irregularities

	2015	2014
	€000	€000
Fraud	—	24
Irregular use of school funds (two cases)	40	—
Suspected misappropriation of funds	4	—
	<u>44</u>	<u>24</u>

In 2015, the Department was made aware of ten new cases of suspected fraud/irregularities, which remain under investigation.

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.

The losses of €40,000 relate to two cases in which schools used funds for purposes other than that for which they were intended.

The losses of €4,000 relate to irregular petty cash and credit card transactions in an organisation where funding is provided by the Department.

Due to the time sensitivities of the annual return, there was not sufficient information available to categorise the remaining seven 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 2015 are based on the returns made to the Comptroller and Auditor General in the context of the 2015 appropriation account and may be superseded as new information comes to the Department's attention.

**6.8 Late Payment Interest**

	2015	2014
Total of interest payments due	€4,400	€27,000
Number of recipients of €10,000 or more	—	1

The Department's net prompt payment interest and compensation paid in 2015 arose in respect of payments to 37 suppliers.

**6.9 Residential Institutional 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), a total of €41,327,221 was transferred to the NTMA account in 2013, in accordance with section 29(1) of the 2012 Act. The designated Central Bank account was subsequently closed in 2013.

In 2013, 2014 and 2015, further cash contributions of €33,441,828, €5,543,039 and €4,606,081, respectively, were received from congregations and lodged to the RISF investment account. At 31 December, 2015 total lodgements into the NTMA account amounted to €84,918,169.

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 2015, expenditure under subhead D.3.3 included amounts totalling €18 million in respect of temporary premises (2014: €16.4 million).

#### **6.11 Budget Carryover**

Vote 26 did not avail of a carryover from 2015 to 2016.

#### **6.12 Settlement with the Revenue Commissioners**

In finalisation of an audit conducted by the Revenue Commissioners, the Department made a settlement payment to the Commissioners in March 2015 in the amount of €1,359,358. The settlement, which covers the period 2010 to 2013, arises from liabilities applying for PAYE/PRSI and USC in relation 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 to ensure tax compliance in relation to these payments.

