

Appropriation Account 2015

Vote 40

Children and Youth Affairs

Introduction

As Accounting Officer for Vote 40, I am required to prepare the annual 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 Children and Youth Affairs, for certain services administered by that Office, and for the payment of grants including certain grants under cash-limited schemes.

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 €6.74 million is liable to surrender to the Exchequer.

Statement of Accounting Policies and Principles

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

Depreciation

A capital project commenced in 2012 to develop the national children detention facility at Oberstown. The asset is not being depreciated until it is placed in service. A separate statement on assets under development has not been completed and the construction in progress asset is included in the Statement on Capital Assets.

Payments to Pobal

Funds are advanced to Pobal in relation to the provision of certain services on an agency basis. The total amount paid to Pobal in the year was charged against the relevant subheads in the year (see Note 6.2).

Statement on Internal Financial Control

Responsibility for system of internal financial control

As Accounting Officer, I acknowledge my responsibility for ensuring that an effective system of internal financial control is maintained and operated by the Department. This responsibility is exercised in the context of the resources available to me and my other obligations as Secretary General. Also, any system of internal financial control can provide only reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected in a timely manner. Maintaining the system of internal financial controls is a continuous process and the system and its effectiveness are kept under on going review.

The statement of internal financial control for the Department of Health is also relevant given that that Department provides certain services on a shared basis to Vote 40 in the areas of finance and IT. As a result, payroll, accounts and ICT services continue to be delivered by the Department of Health on behalf of the Department of Children and Youth Affairs.

The statement on internal financial control for the Department of Justice and Equality is also relevant given that that Department provides certain services on a shared basis to Vote 40 in the areas of finance in respect of the Children Detention Schools.

I have fulfilled my responsibilities in relation to the requirements of the Service Management Agreement between this Department and the Department of Health for the provision of payroll, accounts, and ICT shared services, the Department of Justice and Equality for finance services in respect of the Children Detention Schools and the National Shared Services Office for the provision of HR and Payroll Shared Services.

I rely on a letter of assurance from the Accounting Officers of the Vote for the Department of Health, the Vote for the Department of Justice and Equality and the Vote for Shared Services that the appropriate controls are exercised in the provision of shared services to this Department.

The position in regard to the financial control environment, the framework of administrative procedures, management reporting and internal audit is as follows:

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 control system

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.
- The Department ensures that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with all relevant guidelines. The Department is compliant with the exception of 5 contracts to the value of €274,069 which were listed in my annual return in respect of Circular 40/2002. The reasons for not having a competitive tender process, as included in my return for 2015 under Circular 40/02, are as follows:
 - (a) Three contracts with a total value of €107,647 were deemed to have a single most effective identified solution given the specialised nature of the services provided.
 - (b) One contract with a total value of €138,009 was rolled over from a previous competitive tender process pending the establishment of a centralised procurement framework arrangement.
 - (c) One contract with a total value of €28,413 was considered necessary given the consultant's previous experience in the development of the required IT infrastructure and the critical time constraints to support a statutory investigative process.

In addition to the above, expenditure of €9,500 was incurred on one contract in 2015 to support the updating of a toolkit to assist the establishment and running of Comhairle na nÓg throughout the country. The service provider was selected because of the experience and work previously undertaken in 2010 in the initial development of the toolkit.

Significant financial risks

There are no significant areas of financial risk presenting at this time. The Department's Finance Unit is pro-active in seeking to mitigate any potential risks by working with line Divisions to assist in their management of funding schemes. In particular the Finance Unit has provided advice and training to Units on the analysis of financial statements of beneficiary organisations and appropriate financial governance generally. In the case of Tusla funding, the Finance Unit has a very well developed and robust system of controls in place.

Internal Audit and Audit Committee

I confirm that the Department has an internal audit function with appropriately trained personnel, which operates in accordance with a written charter which I have approved. Its work is informed by analysis of the financial risks to which the Department is exposed and its annual internal audit plans, approved by me, are based on this analysis. These plans aim to cover the key controls on a rolling basis over a reasonable period. The internal audit function is reviewed periodically by me and by the Audit Committee. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

The internal audit function is supported by a private firm which uses appropriately trained personnel.

Enhancing internal controls

I have had the benefit of advice from the Department's internal audit committee on an ongoing basis in relation to internal controls. This advice are set out in the committee's reports and provide a basis for continuing improvements. Further enhancements of internal financial controls have taken place or are underway, including:

- The updated departmental financial procedures document first published during 2014 was further revised in 2015, primarily to take account of new purchasing requirements and new procedures around the management of grant payments but also to update the procedures generally based on the experience of the first year in operation. The purpose of the document is to provide guidance to staff of the Department in relation to some of the financial matters that are likely to arise in the course of their official duties. It is also intended to act as a source of information on the basic principles of Government accounting, on how they are applied in day-to-day operations and also to ensure an understanding, knowledge and appreciation of the work involved in the Department's own Finance Unit. These procedures will remain under review on an ongoing basis and will be amended and updated as necessary.
- During 2015 the Governance and Performance Division of the Department further refined and enhanced the system of Tusla performance monitoring in conjunction with colleagues from the Agency. This methodology will be the subject of further review and development in 2016.
- During 2015 the Internal Audit Unit was headed by a professionally qualified auditor operating on a consultancy basis and supported by a full time member of staff working in the Unit. The Internal Audit Unit operates under the direction and control of the Internal Audit Committee (IAC) and the Secretary General. I meet with the Head of Internal Audit and with the Chair of the IAC periodically. The minutes and annual report of the IAC are the subject of regular discussion by the Department's Management Board.
- The senior management of the Department sign off on a Financial Control Assurance Statement in relation to their individual areas of responsibility. These Statements are available to me as Accounting Officer in finalising the Appropriation Account.

A process of risk identification and management is in place. The purpose of this is to identify and assess risks and to outline measures to control and manage the risks to which the Department may be exposed. Risk management has been incorporated into the business planning cycle and further evaluation and enhancement of risk management took place as part of the 2015 business planning and review cycle. In this regard the Department's Management Board meets on a quarterly basis as a risk committee.

Fergal Lynch

Accounting Officer

Department of Children and Youth Affairs

31 March 2016

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 40 Children and Youth Affairs

I have audited the appropriation account for Vote 40 Children and Youth Affairs 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 40 Children and Youth Affairs 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 Children and Youth Affairs. The appropriation account is in agreement with the accounting records.

Reporting on matters arising from audit

Chapter 11 of my report on the accounts of the public services for 2015 refers to certain other matters relating to Vote 40 Children and Youth Affairs.

Seamus McCarthy

Comptroller and Auditor General

28 September 2016

Vote 40 Children and Youth Affairs Appropriation Account 2015

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Children and Family Support Programme			
	<i>Original</i>	679,912		
	<i>Supplementary</i>	<u>15,000</u>		
		694,912	694,611	676,530
B	Sectoral Programmes for Children and Young People			
	<i>Original</i>	325,721		
	<i>Supplementary</i>	<u>(1,644)</u>		
		324,077	319,545	309,716
C	Policy and Legislation Programme		21,034	15,217
				12,899
Gross expenditure				
	<i>Original</i>	1,026,667		
	<i>Supplementary</i>	<u>13,356</u>		
		1,040,023	1,029,373	999,145
<i>Deduct</i>				
D	Appropriations-in-aid			
	<i>Original</i>	26,656		
	<i>Supplementary</i>	<u>(1,644)</u>		
		25,012	24,598	22,898
Net expenditure				
	<i>Original</i>	1,000,011		
	<i>Supplementary</i>	<u>15,000</u>		
		1,015,011	1,004,775	976,247

Surplus for surrender

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

	2015	2014
	€	€
Surplus	10,235,519	597,009
Deferred surrender	(3,500,000)	—
Surplus to be surrendered	<u>6,735,519</u>	<u>597,009</u>

Analysis of administration expenditure

	2015		2014
	Estimate provision	Outturn	Outturn
	€000	€000	€000
i Salaries, wages and allowances	9,510	8,709	8,613
ii Travel and subsistence	138	109	78
iii Training and development and incidental expenses	331	217	170
iv Postal and telecommunications services	106	124	99
v Office equipment and external IT services	189	198	146
vi Office premises expenses	305	377	289
vii Consultancy services and value for money and policy reviews	160	161	85
	<u>10,739</u>	<u>9,895</u>	<u>9,480</u>

Notes to the Appropriation Account

1 Operating Cost Statement 2015

	2015	2014
	€000	€000
Programme cost	1,019,478	989,665
Pay	8,709	8,613
Non pay	1,186	867
Gross expenditure	1,029,373	999,145
<i>Deduct</i>		
Appropriations-in-aid	24,598	22,898
Net expenditure	1,004,775	976,247
Changes in capital assets		
Purchases cash	(10,742)	
Depreciation	50	
	(10,692)	(37,881)
Changes in net current assets		
Decrease in closing accruals	(3,520)	
Movement in stock	—	
	(3,520)	331
Direct expenditure	990,563	938,697
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	2,792	2,393
Net programme cost	993,355	941,090

1.1 Net Allied Services Expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 40 borne elsewhere.

	2015	2014
	€000	€000
Vote 9 Office of the Revenue Commissioners	e 30	40
Vote 12 Superannuation and Retired Allowances	e 279	226
Vote 13 Office of Public Works	e 2,459	2,127
Vote 18 Shared Services	e 24	—
	2,792	2,393

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

2 Balance Sheet as at 31 December 2015

	Note	2015 €000	2014 €000
Capital assets	2.2	55,172	44,480
Current assets			
Bank and cash	2.3	5,062	(5,206)
Stocks	2.4	44	44
Prepayments		5,866	2,278
Accrued income		2	2
Other debit balances	2.5	233	5,446
Total current assets		11,207	2,564
Less current liabilities			
Accrued expenses		405	337
Other credit balances	2.6	1,726	102
Net liability to the Exchequer	2.7	3,569	138
Total current liabilities		5,700	577
Net current assets		5,507	1,987
Net assets		60,679	46,467
Represented by:			
State funding account	2.1	60,679	46,467

2.1 State Funding Account	Note	2015 €000	2014 €000
Balance at 1 January		46,467	8,917
Disbursements from the Vote			
Estimate provision	Account	1,015,011	
Deferred surrender	Account	(3,500)	
Surplus to be surrendered	Account	(6,736)	
Net vote		1,004,775	976,247
Expenditure (cash) borne elsewhere	1	2,792	2,393
Net programme cost	1	(993,355)	(941,090)
Balance at 31 December		60,679	46,467

2.2 Capital Assets

	Assets under development	Office equipment	Furniture and fittings	Total
	€000	€000	€000	€000
Gross assets				
Cost or valuation at 1 January 2015	44,369	669	572	45,610
Additions	10,694	45	3	10,742
Cost or valuation at 31 December 2015	<u>55,063</u>	<u>714</u>	<u>575</u>	<u>56,352</u>
Accumulated depreciation				
Opening balance at 1 January 2015	—	626	504	1,130
Depreciation for the year	—	28	22	50
Cumulative depreciation at 31 December 2015	<u>—</u>	<u>654</u>	<u>526</u>	<u>1,180</u>
Net assets at 31 December 2015	<u>55,063</u>	<u>60</u>	<u>49</u>	<u>55,172</u>
Net assets at 31 December 2014	<u>44,369</u>	<u>43</u>	<u>68</u>	<u>44,480</u>

2.3 Bank and Cash

	2015	2014
	€000	€000
at 31 December		
PMG balances and cash	5,023	(5,206)
Commercial bank balances	39	—
	<u>5,062</u>	<u>(5,206)</u>

2.4 Stocks

	2015	2014
	€000	€000
at 31 December		
Stationery	25	16
IT consumables	19	28
	<u>44</u>	<u>44</u>

2.5 Other Debit Balances

	2015	2014
	€000	€000
at 31 December		
Advances to OPW	213	88
Income Tax	—	(3)
Other debit suspense items	20	5,361
	<u>233</u>	<u>5,446</u>

2.6 Other Credit Balances	2015	2014
at 31 December	€000	€000

Amounts due to the State

Professional Services Withholding Tax	25	35
Relevant Contractors Tax	—	3
Value Added Tax	4	5
Recoupable travel pass scheme expenditure	(5)	1
Pensions	2	(5)
	<hr/>	<hr/>
	26	39
Other credit suspense items	1,700	63
	<hr/>	<hr/>
	1,726	102
	<hr/>	<hr/>

2.7 Net Liability to the Exchequer	2015	2014
at 31 December	€000	€000

Surplus to be surrendered	6,736	597
Deferred surrender	3,500	—
Exchequer grant undrawn	(6,667)	(459)
Net liability to the Exchequer	<hr/>	<hr/>
	3,569	138
	<hr/>	<hr/>

Represented by:

Debtors:

Bank and cash	5,062	—
Debit balances: suspense	233	5,446
	<hr/>	<hr/>
	5,295	5,446

Creditors:

Bank and cash	—	(5,206)
Due to State	(26)	(39)
Credit balances: suspense	(1,700)	(63)
	<hr/>	<hr/>
	(1,726)	(5,308)

	<hr/>	<hr/>
	3,569	138

2.8 Commitments	2015	2014
at 31 December	€000	€000

Commitments likely to arise in subsequent years for

(a) Global commitments

Procurement subheads	12,985	785
Grant subheads	3,094	418
Total commitments	<hr/>	<hr/>
	16,079	1,203
	<hr/>	<hr/>

(b) Multi-annual capital commitments

(projects costing €6,350,000 or more)

Project	Cumulative expenditure to 31 December 2014	Expenditure in 2015	Project commitments in subsequent years	Expected total spend lifetime of project 2015	Expected total spend lifetime of project 2014
	€000	€000	€000	€000	€000
National Children Detention Facility	42,288	10,694	3,458	56,440	56,440

3 Programme Expenditure by Subhead

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A	Children and Family Support Programme			
A.1	Administration – pay		2,568	2,340
A.2	Administration - non pay		331	238
A.3	Child and Family Agency			
		<i>Original</i>	643,401	
		<i>Supplementary</i>	15,000	
A.4	Youth Justice – Children Detention Schools		33,612	29,343
			694,912	694,611
				676,530

Significant variations

Overall, the expenditure in relation to Programme A was €0.301 million less than provided. In the latter part of 2015, and based on an analysis of overall expenditure and demand trends, the Department with the prior approval of the Department of Public Expenditure and Reform vired savings on various subheads within the vote to meet additional demands on other subheads.

Description	Less/(more) than provided €000	Explanation
Administration - non pay	93	The variation arose due to non-pay administrative costs associated with running the Department, particularly in relation to travel and subsistence training and development and incidental expenses and consultancy services being lower than expected
Youth Justice – Children Detention Schools	4,269	Expenditure outlays were less than expected because of reduced payroll costs owing to delays in the recruitment of social workers for the new National Children Detention Facility and, in respect of capital development works, because the Office of Public Works was not in a position to sign-off on related works carried out by the contractors.

	2015		2014
	Estimate provision	Outturn	Outturn
	€000	€000	€000
B Sectoral Programmes for Children and Young People			
B.1 Administration – pay	2,568	2,420	2,207
B.2 Administration - non pay	331	220	188
B.3 ECCE preschool year programme	172,400	177,082	173,797
B.4 General childcare programmes	84,129	78,399	76,701
B.5 Childcare initiatives (cash-limited)	8,363	5,780	2,300
B.6 Youth organisations and services (part funded by the National Lottery)	50,680	51,485	50,523
B.7 Area based childhood programme	4,750	3,400	4,000
B.8 Intervention programmes for children and young people (Dormant accounts funded)			
	<i>Original</i> 2,500		
	<i>Supplementary</i> (1,644)	856	759
		324,077	319,545
			309,716

Significant variations

Overall, the expenditure in relation to Programme B was €4.532 million less than provided. In the latter part of 2015 and based on an analysis of overall expenditure and demand trends, the Department with the prior approval of the Department of Public Expenditure and Reform vired savings on various subheads within the vote to meet additional demands on other subheads.

Description	Less/(more) than provided €000	Explanation
Administration - non pay	111	The variation arose due to non-pay administrative costs associated with running the Department, particularly in relation to travel and subsistence training and development and incidental expenses and consultancy services being lower than expected
General childcare programmes	5,730	A saving materialised because the participation by disadvantaged parents in the demand led Community Subvention Programme was considerably below expected levels. The programme had the capacity to cater for 9,100 full time equivalent (FTE) children whereas only 8,310 FTE places were utilised.
Childcare initiatives (cash-limited)	2,583	The variance arose because the number of qualifying social welfare recipients identified by the Department of Social Protection for entry to the After-School Childcare Programme and the Community Employment Childcare Programme was lower than originally projected. Both programmes had the capacity to provide 2,360 FTE places whereas only 1,667 FTE's were utilised.
Area based childhood programme	1,350	Commencement of delivery of interventions at site level was contingent on signed contracts between the sites and Pobal. A contractual arrangement could only be agreed where Pobal notified the funders (the Department and Atlantic Philanthropies) that there was sufficiently robust governance and management oversight at site level. Delays arose in this pre contract phase which in turn put back the signing of contracts for DCYA/AP funded service delivery.

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
C	Policy and Legislation Programme			
C.1	Administration – pay	4,374	3,949	4,098
C.2	Administration - non pay	567	728	476
C.3	Miscellaneous legal fees and settlements	739	15	124
C.4	National Longitudinal Study and other research programmes	1,900	1,814	616
C.5	Children's and young people's policy framework and other programmes	2,620	2,238	1,797
C.6	Adoption Authority of Ireland	2,885	3,147	2,990
C.7	Office of the Ombudsman for Children	1,949	1,650	1,888
C.8	Commission of Investigation	6,000	1,676	—
—	<i>Grants to organisations (part funded by the National Lottery)</i>	—	—	910
		<u>21,034</u>	<u>15,217</u>	<u>12,899</u>

Significant variations

Overall, the expenditure in relation to Programme C was €5.817 million less than provided. In the latter part of 2015 and based on an analysis of overall expenditure and demand trends, the Department with the prior approval of the Department of Public Expenditure and Reform vired savings on various subheads within the vote to meet additional demands on other subheads.

Description	Less/(more) than provided €000	Explanation
Administration - non-pay	(161)	The variation arose due to non-pay costs associated with running the Department particularly in relation to consultancy, office premises and travel and subsistence being higher than expected.
Miscellaneous legal fees and settlements	724	The disbursement of payments associated with legal proceedings are generally difficult to predict. The costs incurred in 2015 were significantly less than originally estimated because costs associated with the challenge to the Children Referendum did not materialise.
Children's and young people's policy framework and other programmes	382	This subhead supports a range of programmes where the level of expenditure for the provision of some services was lower than estimated. The most significant share of the saving related to delays in the roll-out of the revision to the Children First guidelines.
Adoption Authority of Ireland	(262)	The excess expenditure against the estimate provision principally relates to legal costs incurred by the Adoption Authority of Ireland in relation to litigation issues surrounding domestic and inter-country adoptions.
Office of the Ombudsman for Children	299	The underspend was principally due to delays in the recruitment of staff for the Office of the Ombudsman for Children.
Commission of Investigation	4,324	The Commission of Investigation into Mother and Baby Homes was in start-up phase following its formal establishment in February 2015 and while the work of the Commission was advanced over the course of the year, expenditure levels were lower than initially estimated.

4 Receipts

4.1 Appropriations-in-aid	2015		2014 Realised €000
	Estimated €000	Realised €000	
1. Superannuation scheme – Child and Family Agency	9,070	9,182	9,027
2. Superannuation scheme for non-teaching staff of Children Detention Schools	550	556	504
3. Superannuation scheme – Adoption Authority of Ireland	1	—	—
4. Superannuation scheme – Office of the Ombudsman for Children	2	—	—
5. Miscellaneous	874	1,034	959
6. Dormant accounts funding			
	<i>Original</i> 2,500		
	<i>Supplementary</i> (1,644)	856	759
7. Receipts from pension related deduction on public service remuneration	13,659	13,067	12,408
Total	25,012	24,598	22,898

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%.

Description	Less/(more) than estimated €000	Explanation
Miscellaneous	(160)	The excess arose because the miscellaneous receipts relating to the Child and Family Agency are generally variable in nature and difficult to accurately predict.
Dormant accounts funding	97	The drawdown of funding is linked to payments made under Subhead B.8 intervention programmes for children and young people. Expenditure under this subhead was lower than anticipated, and this resulted in reduced receipts.

4.2 Extra receipts payable to the Exchequer

An amount of €11.053 million was lodged to the Exchequer arising from decommitment of funds allocated to projects across a number of childcare programmes administered by Pobal on behalf of the Department in the years prior to 2015.

	2015 €000	2014 €000
Balance at 1 January	—	—
Receipts from Pobal	11,053	—
Transferred to the Exchequer	(11,053)	—
Balance at 31 December	—	—

5 Employee Numbers and Pay

	2015	2014
Number of staff at year end (full time equivalents)		
Department	149	142
Commission of Investigation	16	—
Agencies (note 5.2)	3,694	3,654
	3,859	3,796

	2015	2014
	€000	€000
Pay	9,044	7,962
Higher, special or additional duties allowance	125	139
Other allowances	1	1
Overtime	31	38
Employer's PRSI	530	473
Total pay	9,731	8,613

5.1 Allowances and Overtime Payments

	Number of recipients	Recipients of €10,000 or more	Maximum individual payment 2015 €	Maximum individual payment 2014 €
Higher, special or additional duties	22	4	18,639	17,949
Other allowances	6	—	234	225
Overtime	7	—	8,372	11,359
Number of individuals who received extra remuneration in more than one category	5	1	10,961	10,131

The pay, allowances and other remuneration detailed above relate to the Department's staff paid directly from the administrative budget under programmes A, B and C of the Vote.

Payroll costs associated with the Commission of Investigation were charged to Subhead C.8 of the Vote, this amounted to €1,022,041 in 2015 and is included in total pay figure of €9,731,000.

5.2 Agency Staff

The pay expenditure of agencies is not a direct financial transaction of the Department and as such the Department does not routinely hold detailed pay and allowance information in respect of agency staff. Detailed information in relation to employee numbers and pay in respect of the Department's agencies is available from the relevant annual financial statements/annual reports or directly from the agencies concerned.

	2015	2014
Number of staff at year end (full time equivalents)		
Child and Family Agency	3,446	3,421
Children Detention Schools	215	200
Adoption Authority of Ireland	22	23
Office of the Ombudsman for Children	11	10
Total	3,694	3,654

	2015	2014
Pay	€000	€000
Child and Family Agency	225,935	204,849
Children Detention Schools	13,635	12,936
Adoption Authority of Ireland	1,558	1,450
Office of the Ombudsman for Children	632	723
Total pay	241,760	219,958

5.3 Payroll Overpayments

Overpayments at the year end were €16,709 (7 cases) (2014: €24,031 2 cases). Of this, €16,628 (6 cases) have recovery plans in place.

6 Miscellaneous

6.1 National Lottery Funding

		2015	2014
		€000	€000
Sub-head	Description		
B.6	Youth organisations and services (part funded by the National Lottery)	51,485	50,523
—	Grants to organisations (part funded by the National Lottery)	—	910

Particulars relating to individual recipients of the funding and the amounts paid over are available from the Youth Affairs Unit of the Department of Children and Youth Affairs pending the publication of the information on the Department's website.

6.2 Payments to Pobal

In accordance with the department's accounting policy, the total amount paid to Pobal in the year (€106.969 million) was charged to the relevant subheads as set out below.

	2015	2014
	€000	€000
Subhead		
B.3	8,891	9,610
B.4	77,992	76,343
B.5	5,779	2,300
B.6	10,299	10,051
B.7	3,400	4,000
C.5	608	555
Total paid to Pobal	106,969	102,859

At 31 December 2015, Pobal held funds totaling €7.132 million which had been advanced to it but not expended at year end (2014:€15.98 million)

6.3 Legal costs

	Number of cases	Legal costs paid by the Dept. €000	Compensation awarded €000	Legal costs awarded €000	2015	2014
					Total €000	Total €000
Claims by employees of the Vote						
Injury in the course of work	8	9	25	19	53	90
Claims by members of the public						
Child Care proceedings	1	—	—	15	15	—
Legal challenge	2	—	58	26	84	143
Third party involved in road traffic accident	—	—	—	—	—	1
		9	83	60	152	234

6.4 Contingent Liability

Liabilities will arise as a result of the legal challenge to the outcome of the Children Referendum. The petitioner was awarded one third of her legal costs by the High Court in November 2013 but the actual amount and the timing of the payment remain to be determined.

6.5 Commissions and Special Inquiries

The Commission of Investigation into Mother and Baby Homes and certain related matters was established on 17 February 2015 pursuant to the provisions of the Commission of Investigation (Mother and Baby Homes and Certain Related Matters) Order 2015 (S.I. No. 57 of 2015).

	Year of appointment	Cumulative expenditure to end 2015 €000	2015 Outturn €000	2014 Outturn €000
Fixed Term Commissions				
C8 Commission of Investigation – Mother and Baby Homes	2015	1,676	1,676	—

6.6 Carryover of Funding

Under the provision of Section 91 of the Finance Act 2004, €3,500,000 of unspent allocation in respect of the capital elements of Subhead A.3 was carried forward to 2016.

6.7 Financial irregularities – Childcare early years programme

Pobal administers a number of schemes on behalf of the Department. In December 2014, the Department was made aware of a case of suspected financial irregularities in an entity funded by Pobal. The suspected irregularities related to over-claiming by one childcare services company operating seven childcare centres in respect of the Community Childcare Subvention Programme.

In 2015, Pobal conducted an audit of the company's records and estimated over-claims of programme funding in respect of the Community Childcare Subvention and Early Childhood Care and Education programmes for the years 2012/13 and 2013/14 of €483,000 and €17,000 respectively. In February 2016, the company entered into liquidation. The facts in relation to the case were reported by Pobal to An Garda Síochána and the Office of the Director of Corporate Enforcement.

The Department has commissioned an independent review of a sample of comparable services to determine whether similar irregularities are elsewhere. As at August 2016, this is partially complete and a report is anticipated before year end.

The Department notes that the introduction of a new IT system, the Programmes Implementation Platform (PIP) in September 2014 significantly enhances control over payments for childcare services.

In addition, the Department has taken a number of steps to strengthen controls in relation to schemes administered by Pobal which include the development of a comprehensive service level agreement with Pobal. This document has been agreed as of September 2016 and will run for a period of twelve months while the Department conducts a thorough review of the arrangements that govern its relationship with Pobal. This interim agreement provides for a number of financial control procedures including the provision of monthly summary financial reports to the Department indicating funds drawn down in respect of each programme, current balances on hand and outflow/expenditure by programme.

A review of the compliance regime in Pobal in order to determine how compliance and audit could be strengthened has been undertaken internally and a 2016 – 2017 compliance service offer is under negotiation between the Department and Pobal. This process has resulted in the clarification of rules for a number of funding programmes, particularly the Community Childcare Subvention, and a more transparent compliance process will result.

7 Non-Voted Funds

The Department of Children and Youth Affairs administered the sum of €4,800 through a vote suspense account that was received from the Council of Europe towards the development of a Child Participation Assessment Tool. This was part of an on-going process initiated by the Council of Europe to ensure that all children and young people within Council of Europe member states can exercise their right to be heard, to be taken seriously and to participate in decision making in all matters affecting them. The full resource allocation was expended by 31 December 2015.