

Appropriation Account 2019

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 2019 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.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2019, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €6.965 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.

Statement of Accounting Policies and Principles

The standard accounting policies and principles for the production of appropriation accounts as set out by the Department of Public Expenditure and Reform in Circular 27 of 2019 have been applied in the preparation of the account except for the following:

Depreciation

The Oberstown Children Detention Campus is vested in the Minister and is included in capital assets as land and buildings. Buildings are depreciated at a rate of 2% per annum on a straight line basis over their estimated useful life. Land is not depreciated. Motor vehicles are depreciated over five years at a rate of 20% per annum.

Payments to Pobal

Funds are advanced to Pobal in relation to the provision of certain services on an agency basis. Funds not required (e.g. due to lower than anticipated demand) are returned by Pobal to the Department. The net amount advanced to Pobal in the year is charged against the relevant vote subheads in the year (see Note 6.1).

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 ongoing review.

Shared services

Certain services are provided to the Department on a shared services basis.

I have fulfilled my responsibilities in relation to the requirements of the service level agreements between this Department and the Department of Health for the provision of certain financial and ICT shared services, and the National Shared Services Office for the provision of HR and payroll shared services. I have also fulfilled my responsibilities under public financial procedures regarding the IT services provided by the Department of Justice and Equality in respect of the Oberstown Children Detention Campus.

I rely on a letter of assurance from the Accounting Officers of the Department of Health and the National Shared Services Office that the appropriate controls are exercised in the provision of shared services to this Department. The Director of Oberstown Children Detention Campus also received a letter of assurance from the Head of Information Management and Technology in the Department of Justice and Equality for the provision of ICT services.

Agency services

Pobal administers a number of programmes on behalf of the Department across a range of early years and young people related programmes. In 2019, net funding of €573 million was advanced to Pobal in this regard (Note 6.1).

The relationship between the Department and Pobal is governed by an overarching service level agreement (SLA). The agreement, which originally ran from September 2017 to 1 January 2021 has been extended to 31 December 2022, in order to cover the duration of a subsidiary agreement between the organisations which includes the Performance Delivery Agreement for the National Childcare Scheme. A review of the SLA is scheduled in 2020, and will be subject to annual review thereafter.

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.
- Procedures for all key business processes have been documented.
- There are systems in place to safeguard the assets.
- 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.

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. This includes the following elements:

- 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.

Procurement compliance

I confirm that 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 complied with the guidelines with the exception of two contracts to the value of €135,000. Details of the non-compliant contracts are as follows:

- forensic archaeologist in the amount of €83,787 (ex VAT)
- forensic archaeology in the amount of €51,213 (ex VAT)

An explanation for the circumstances behind these instances is contained in my annual return under Circular 40/02.

Internal audit and Audit Committee

I confirm that the Department has an internal audit function which is organisationally independent, reports directly to myself as Accounting Officer and to the Audit Committee and that there are no impairments to its independence or objectivity. Internal Audit has appropriately trained personnel and operates in accordance with a written Charter which I have approved. Its work is informed by analysis of the risks to which the Department is exposed and its annual audit plans, which are approved by me, are based on this analysis.

On a periodic basis I meet with the Head of Internal Audit and also with the Chair of the Audit Committee. The minutes and annual report of the Audit Committee are the subject of discussion by the Department's Management Board.

The Head of Internal Audit (HIA) is a Professional Accountant who has two staff, a Higher Executive Officer and an Executive Officer. In addition to the permanent staffing, the audit function is supported by audit services provided by an external contractor. Audits are conducted to DPER/CIIA standards. The internal audit function is reviewed periodically by me and by the Audit Committee. The function was recently (February 2020) subject to an external quality review by the CIIA and the conclusion was that it "achieved a high degree of general conformance to the standards".

During 2019, Internal Audit issued fourteen reports. Of these, a 'reasonable assurance' audit opinion was made on nine occasions, and a 'limited assurance' audit opinion was made on two occasions. There were three reports, which were lookback audits, for which an assurance level was not given. On no occasion was a 'no assurance' audit opinion made.

I confirm that there are procedures in place to ensure that the reports and recommendations of the internal audit function are appropriately followed up.

Risk and control framework

The Department has a Risk Management Committee in place made up of all members of the Management Board. The Committee oversees the Department's risk management system. Risk is formally reviewed on a quarterly basis by the Committee and on a monthly basis at individual unit level.

The risk management system involves the identification of risk across the Department and the management actions being taken to address and, to the extent possible, to mitigate those risks.

The system is supported by a risk register which identifies key corporate and other risks facing the Department, each of which is identified, evaluated and graded according to their significance. The register details the controls and actions in place or to be taken to mitigate risk. The register is reviewed and updated by the Risk Management Committee on a quarterly basis.

The system is also supported by a risk appetite statement which is in place for the Department.

Ongoing monitoring and review

Formal procedures have been established for monitoring control processes, and control deficiencies are communicated to those responsible for taking corrective action and to management and the Management Board, where relevant, in a timely way. I confirm that key risks and related controls have been identified and processes have been put in place to monitor the operation of those key controls and report any identified deficiencies.

Review of effectiveness

I confirm that the Department has procedures to monitor the effectiveness of its risk management and control procedures. The Department's monitoring and review of the effectiveness of the system of internal financial controls is informed by the work of the internal and external auditors and the senior management within the Department responsible for the development and maintenance of the internal financial control framework.

Internal financial control issues

A number of internal financial control issues were raised in internal audit reports during 2019. Two of these provided only 'limited assurance'. Issues raised and corrective measures taken include the following:

1. IT security level framework

The objective of this audit was to review the adequacy of the information technology security framework in place in comparison to good practice in organisations of a similar size and complexity as DCYA. The audit reported a 'limited assurance' audit opinion with eight medium recommendations as the results of the audit showed that the current state of the IT framework in DCYA was not satisfactory.

In response to some of the issues raised in the report, Management informed the audit that in August 2018 DCYA commenced discussions with OGCIO (Office of the Government Chief Information Officer) to migrate ICT services to OGCIO. In December 2018, the Accounting Officer approved a proposal to end the existing contractual arrangement with the Department of Health and agree a new desktop support and server hosting agreement with OGCIO in line with Government ICT strategy. In January 2019, DCYA received approval from the Digital Governance Oversight Unit (DGOU) in DPER to proceed with this project. DCYA is developing new policies and agreed to take all internal audit's recommendations into account. In November 2019, the Department migrated to a new 'build to share' platform for all desktop services. A review audit, to be conducted in the final quarter of 2020, is included in the Internal Audit Plan 2020.

2. Service Level Agreement — Commissioning Arrangements - early years

This audit was a follow-up review of the implementation of the recommendations made in the audit of SLAs for commissioning arrangements in respect of Sectoral Programmes for Children and Young People – Early Years. The audit results showed that the high priority finding and associated recommendation had yet not been implemented. The recommendation stated that for each of the early years programmes an SLA, which is subordinate to the existing overarching agreement, should be put in place as a matter of urgency. In respect of the SLAs being discussed with Pobal, Internal Audit is satisfied that management have undertaken considerable work which continued in 2019 and into 2020.

Irish Youth Justice Service including Oberstown Children Detention Campus

A control failure relating to the recoupment of salary in relation to a staff member on secondment from Oberstown Children Detention Campus to an external organisation was disclosed in the appropriation account 2018. The amount involved is approximately €500,000. This has been pursued and an agreement has been reached whereby the external organisation will repay €25,000 per annum, with a review of arrangements in five years.

Early Years — compliance with programme rules

In 2019, the Department expended a total of €472 million (2018: €428 million) on demand-led Early Learning Care (ELC) and School Age Care (SAC) schemes, providing both universal and targeted subsidies. This provided for full year operation of the Early Childhood Care and Education (ECCE) programme and beneficiary elements of the Access and Inclusion Model, while the legacy targeted schemes Community Childcare Subvention (CCS) and Training and Education Childcare programme (TEC) were replaced in late 2019 by the new National Childcare Scheme (NCS).

A small number of families continue to participate in legacy schemes. While the majority of families will benefit from the NCS, there are a small number of families for whom it may be more beneficial to stay on the existing schemes. As a result of Budget 2020, these families will now be able to stay on those schemes beyond the end of August 2020 or swap to the NCS, depending on whichever will benefit them most.

The Department has rules in place to ensure that public moneys provided for the ELC and SAC schemes are spent appropriately. A fundamental element of good governance of these schemes is compliance with programme rules. In previous years, compliance with programme rules has been an area of concern. This has been primarily due to design of the rules of the original schemes which were developed in a rather ad hoc manner over a period of time and certain legacy issues. Services were previously funded under a staffing grant model, which was based on a block grant rather than individualised funding per child. It proved difficult for many providers to deal with payments based on individual children's attendance.

These areas of concern continued to be addressed in 2019. In the 2018/2019 programme cycle (September 2018 to August 2019), the Department's approach to the compliance function was to concentrate on areas of greatest risk to Exchequer funding. This included focusing on the schemes with higher rates of overclaiming, services with a history of non-compliance, and services with high-value contracts. This approach improved the overall protection of Exchequer funds; where an overclaim was identified it was then routinely recouped.

While different programmes display varying levels of non-compliance, overall in the 2018/19 cycle, the main areas of non-compliance were focused on the legacy schemes that have since been effectively replaced by the NCS. In the 2019/20 cycle, the compliance function is continuing the safeguarding of Exchequer funds by prioritising visits to high value contracts on the schemes with a higher risk element and to services with a history of key compliance issues. In the past, the Community Childcare Scheme (CCS) was the programme with the lowest levels of compliance and highest rates of overclaim. It was the focus of compliance activity in 2018/19. CCS has now been closed

by the Department. The Community Childcare Subvention Plus programme (CCSP) remains open to existing participants and is now the highest-risk scheme, and therefore is the focus of compliance activity in 2019/20.

In the 2019/20 cycle, 28% of contracts were found to be major non-compliant. This is an improvement on the 2018/19 cycle where 31% of the contracts were found to be major non-compliant. Compliance activity is focused on areas of risk so this level of major non-compliance is likely to be lower in the general population. A non-compliance finding arises whenever a provider is found in breach of a scheme requirement, such as level of funding claimed, record keeping requirements (including for attendance records), level of service provision, retention of parental agreements, and the reduction of fees by the full subsidy amounts.

A review of the operation of the compliance framework will be undertaken in 2020. This will involve a review of the operation of the framework to date and options for making operational improvements. It will also involve considering broader changes for the future operation of the framework, especially in the context of the new National Childcare Scheme. Recommendations arising from the review will ultimately dictate the structure of the compliance framework in the future.

The recent introduction of the new National Childcare Scheme should significantly improve the overall position regarding governance and compliance of providers with scheme rules. The National Childcare Scheme will ultimately replace schemes other than ECCE. The rules of the scheme are designed to reflect the requirements of providers and parents in a manner where improved compliance and significantly lower overclaims are expected. Where overclaims are identified, plans are in place to recoup them, in order to prevent loss to the Exchequer. The Department and Pobal continue to work to strengthen this function.

The National Childcare Scheme is due to be reviewed after year one in line with the Childcare Support Act 2018.

At the end of 2019, Pobal's debt management process recorded a debtor balance of approximately €4.3 million against all DCYA programmes. This included programmes other than the Early Learning and Care and School Age Childcare schemes that were operated in that year, with approximately €3 million relating to historical capital projects dating back to the period 2000-2010. The Department and Pobal are in the advanced stages of agreeing a process to manage this historical debt. While the agreement of this process was delayed in 2019, progress continues to be made and a process is expected to be finalised in 2020. Pending agreement, this debtor management process will also set out a procedure for the identification and treatment of those debts which may be deemed irrecoverable, including the €1 million historical figure referred to in the 2018 Appropriation Accounts.

Fergal Lynch
Accounting Officer
Department of Children and Youth Affairs

31 March 2020

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 40 Children and Youth Affairs

Opinion on the appropriation account

I have audited the appropriation account for Vote 40 Children and Youth Affairs for the year ended 31 December 2019 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993.

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 2019, and
- has been prepared in the form prescribed by the Minister for Public Expenditure and Reform.

Basis of opinion

I conducted my audit of the appropriation account in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the *Preface to the Appropriation Accounts*. I am independent of the Department of Children and Youth Affairs and have fulfilled my other ethical responsibilities in accordance with the standards.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Report on the statement on internal financial control, and on other matters

The Accounting Officer has presented a statement on internal financial control together with the appropriation account. My responsibilities to report in relation to the information in the statement, and on certain other matters upon which I report by exception, are described in the *Preface to the Appropriation Accounts*.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

25 September 2020

Vote 40 Children and Youth Affairs

Appropriation Account 2019

		2019		2018
		Estimate provision		Outturn
		€000	€000	€000
Programme expenditure				
A	Children and Family Support Programme			
	<i>Original</i>	813,723		
	<i>Supplementary</i>	<u>22,104</u>		
			835,827	835,876
				<u>784,712</u>
B	Sectoral Programmes for Children and Young People			
	<i>Original</i>	664,534		
	<i>Supplementary</i>	<u>(4,389)</u>		
			660,145	654,520
				<u>577,257</u>
C	Policy and Legislation Programme			
	<i>Original</i>	32,056		
	<i>Supplementary</i>	<u>(2,715)</u>		
			29,341	27,379
				<u>24,885</u>
Gross expenditure				
	<i>Original</i>	1,510,313		
	<i>Supplementary</i>	<u>15,000</u>		
			1,525,313	1,517,775
				1,386,854
<i>Deduct</i>				
D	Appropriations-in-aid		<u>27,637</u>	<u>27,064</u>
				<u>23,946</u>
Net expenditure				
	<i>Original</i>	1,482,676		
	<i>Supplementary</i>	<u>15,000</u>		
			1,497,676	1,490,711
				1,362,908

Surplus

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

	2019	2018
	€	€
Surplus to be surrendered	<u>6,964,619</u>	<u>16,101,819</u>

Fergal Lynch

Accounting Officer
Department of Children and Youth Affairs

31 March 2020

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2019

	2019	2018
	€000	€000
Programme cost	1,500,731	1,370,412
Pay	14,964	13,869
Non pay	2,080	2,573
Gross expenditure	1,517,775	1,386,854
<i>Deduct</i>		
Appropriations-in-aid	27,064	23,946
Net expenditure	1,490,711	1,362,908
Changes in capital assets		
Purchases cash	(1,773)	
Loss on disposals	27	
Depreciation	1,411	(335)
	(3,548)	(1,196)
Changes in net current assets		
Decrease in closing accruals	(3,548)	(1,303)
Direct expenditure	1,486,828	1,360,409
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	5,728	7,756
Net programme cost	1,492,556	1,368,165

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following estimated amounts in relation to Vote 40 borne elsewhere, net of costs of shared services apportioned to other Votes.

	2019	2018
	€000	€000
Vote 9 Office of the Revenue Commissioners	30	90
Vote 12 Superannuation and Retired Allowances	1,443	1,005
Vote 13 Office of Public Works	4,211	6,583
Vote 18 National Shared Services Office	31	70
Central Fund – Ministerial pensions	13	8
	5,728	7,756

Note 2 Statement of Financial Position as at 31 December 2019

	Note	2019 €000	2018 €000
Capital assets	2.1	57,237	56,817
Current assets			
Stocks		6	6
Prepayments	2.3	7,282	3,697
Other debit balances	2.4	7,348	6,577
Total current assets		14,636	10,280
Less current liabilities			
Bank and cash	2.2	4,851	5,263
Accrued expenses		608	571
Other credit balances	2.5	1,211	897
Net Exchequer funding	2.6	1,286	417
Total current liabilities		7,956	7,148
Net current assets		6,680	3,132
Net assets		63,917	59,949
Represented by:			
State funding account	2.7	63,917	59,949

2.1 Capital assets

	Land and buildings	Office equipment	Furniture, fittings and motor vehicles	Total
	€000	€000	€000	€000
Gross assets				
Cost or valuation at 1 January 2019	59,473	808	799	61,080
Adjustments ^a	—	(462)	(6)	(468)
Additions	1,525	220	28	1,773
Disposals	—	(33)	—	(33)
Cost or valuation at 31 December 2019	60,998	533	821	62,352
Accumulated depreciation				
Opening balance at 1 January 2019	3,467	577	219	4,263
Adjustments	—	(451)	(102)	(553)
Depreciation for the year	1,220	102	89	1,411
Depreciation on disposals	—	(6)	—	(6)
Cumulative depreciation at 31 December 2019	4,687	222	206	5,115
Net assets at 31 December 2019	56,311	311	615	57,237
Net assets at 31 December 2018	56,006	231	580	56,817

Note ^a Following review of the capital assets, an adjustment was required to ensure disposals from previous periods have been reflected.

2.2 Bank and cash

at 31 December	2019	2018
	€000	€000
PMG balances	(5,112)	(5,264)
Other bank balances	261	1
	(4,851)	(5,263)

2.3 Prepayments

at 31 December	2019	2018
	€000	€000
Pobal	7,050	3,407
Periodic licences, subscriptions, insurance, etc.	232	290
	7,282	3,697

2.4 Other debit balances

at 31 December	2019	2018
	€000	€000
Advances to OPW	51	191
Recoupable salaries	80	112
Recoupable travel expenditure	5	13
Recoupable travel pass scheme expenditure	63	57
Other debit suspense items	7,149	6,204
	7,348	6,577

2.5 Other credit balances

at 31 December	2019	2018
	€000	€000
Amounts due to the State		
Professional Services Withholding Tax	127	65
Value Added Tax	79	368
Local Property Tax	1	2
Payroll deductions held in suspense	812	4
	1,019	439
Other credit suspense items	192	444
Recoupable salaries	—	14
	1,211	897

2.6 Net Exchequer funding

at 31 December	2019	2018
	€000	€000
Surplus to be surrendered	6,965	16,102
Exchequer grant undrawn	(5,679)	(15,685)
Net Exchequer funding	1,286	417
Represented by:		
Debtors:		
Debit balances: suspense	7,348	6,577
	7,348	6,577
Creditors:		
Bank and cash	(4,851)	(5,263)
Due to State	(1,019)	(439)
Credit balances: suspense	(192)	(458)
	(6,062)	(6,160)
	1,286	417

2.7 State funding account

	Note	2019	2018
		€000	€000
Balance at 1 January		59,949	57,436
Adjustment		85	14
Disbursements from the Vote			
Estimate provision	Account	1,497,676	
Surplus to be surrendered	Account	(6,965)	
Net vote		1,490,711	1,362,908
Expenditure (cash) borne elsewhere	1.1	5,728	7,756
Net programme cost	1	(1,492,556)	(1,368,165)
Balance at 31 December		63,917	59,949

2.8 Commitments

a) Global commitments	2019	2018
at 31 December	€000	€000
Procurement of goods and services	2,963	4,153
Non-capital grant programmes	724	67
Total of legally enforceable commitments	3,687	4,220

b) Major capital projects

Project	Cumulative expenditure to 31 December 2018	Expenditure in 2019	Project commitments in subsequent years	Expected total spend lifetime of the project	Expected total spend lifetime of the project
	€000	€000	€000	2019 €000	2018 €000
Oberstown Children Detention Campus	56,392	—	—	56,392	56,440

2.9 Contingent liability

There were no contingent liabilities at the end of 2019. A liability existed at 31 December 2018 as a result of a legal challenge to the outcome of the Children Referendum 2012. The petitioner was awarded one third of her High Court legal costs and half of her Supreme Court appeal legal costs. The Department's share of the costs amounted to €244,715 and the payment was made in 2019.

Note 3 Vote Expenditure by Subhead

Analysis of administration expenditure

Administration expenditure set out below has been apportioned across the programmes, to present complete programme costings.

		Estimate provision		2019	2018
				Outturn	Outturn
		€000	€000	€000	€000
i	Salaries, wages and allowances				
	<i>Original</i>	16,233			
	<i>Supplementary</i>	(875)			
			15,358	14,964	13,869
ii	Travel and subsistence				
	<i>Original</i>	176			
	<i>Supplementary</i>	11			
			187	194	162
iii	Training and development and incidental expenses				
	<i>Original</i>	664			
	<i>Supplementary</i>	121			
			785	685	520
iv	Postal and telecommunications services				
	<i>Original</i>	249			
	<i>Supplementary</i>	(130)			
			119	92	160
v	Office equipment and external IT services				
	<i>Original</i>	687			
	<i>Supplementary</i>	(79)			
			608	562	633
vi	Office premises expenses				
	<i>Original</i>	703			
	<i>Supplementary</i>	(196)			
			507	388	1,036
vii	Consultancy and other services				
	<i>Original</i>	369			
	<i>Supplementary</i>	(227)			
			142	159	62
			17,706	17,044	16,442

Significant variations

The following outlines the reasons for significant variations in administration expenditure (+/- 25% and €100,000).

i Salaries, wages and allowances

Estimate provision: €16.233 million, outturn: €14.964 million

The variance of €1.269 million relative to the estimate provision was due primarily to lower levels of recruitment than originally anticipated, and the delay in the establishment of the Guardian Ad Litem Office within the Department.

iv Postal and telecommunications services

Estimate provision: €249,000, outturn: €92,000

The variance of €157,000 was due to lower than expected postal and telecommunications costs. No single factor has led to an outturn lower than the estimate.

vi Office premises expenses

Estimate provision: €703,000, outturn: €388,000

The variance of €315,000 in office premises expenses was primarily due to expected additional accommodation requirements, arising from the expansion of Departmental staffing numbers, which did not progress as originally anticipated, as per note (i) above.

vii Consultancy and other services

Estimate provision: €369,000, outturn: €159,000

The variance of €210,000 relative to the estimate provision was due primarily to delays in the implementation of the 2019 Organisational Review, for which further external support may have required additional consultancy services.

Programme A Children and Family Support Programme

		2019		2018
		Estimate provision		Outturn
		€000	€000	€000
A.1	Administration – pay			
	<i>Original</i>	2,760		
	<i>Supplementary</i>	(148)		
			2,612	3,745
A.2	Administration – non-pay			
	<i>Original</i>	484		
	<i>Supplementary</i>	(83)		
			401	695
A.3	Child and Family Agency			
	<i>Original</i>	784,619		
	<i>Supplementary</i>	23,635		
			808,254	752,916
A.4	Youth Justice – Children Detention Campus			
	<i>Original</i>	25,860		
	<i>Supplementary</i>	(1,300)		
			24,560	27,356
			835,827	784,712

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/-5% and €100,000). Overall, the expenditure in relation to Programme A was €22.153 million higher than originally provided. The significant variances within the programme are set out below:

A.3 Child and Family Agency

Estimate provision: €784.619 million, outturn: €809.216 million

The overspend in expenditure of €24.597 million relative to the original estimate was primarily due to demand led cost pressures particularly in respect of private residential care but offset somewhat by underspends on capital.

A.4 Youth Justice – Children Detention Campus

Estimate provision: €25.860 million, outturn: €23.762 million

The shortfall in expenditure of €2.098 million relative to the original estimate provided was mainly due to lower levels of appointments to staffing positions in Oberstown Children Detention Campus than expected, despite rolling recruitment during the year, which has resulted in an underspend on pay costs in 2019. In addition, there were savings on capital works due to a fire safety project starting later than anticipated.

Programme B Sectoral Programmes for Children and Young People

		Estimate provision		2019	2018
		€000	€000	Outturn	Outturn
				€000	€000
B.1	Administration – pay				
	<i>Original</i>	6,493			
	<i>Supplementary</i>	(350)			
			6,143	5,986	3,745
B.2	Administration – non-pay				
	<i>Original</i>	1,139			
	<i>Supplementary</i>	(200)			
			939	832	695
B.3	ECCE and AIM Pre-school Programmes				
	<i>Original</i>	329,676			
	<i>Supplementary</i>	(1,376)			
			328,300	332,465	326,709
B.4	Affordable Childcare Scheme and other childcare programmes		166,350	164,424	171,613
B.5	Childcare programmes: delivery supports and other initiatives				
	<i>Original</i>	78,417			
	<i>Supplementary</i>	(2,113)			
			76,304	70,554	3,867
B.6	Youth organisations and Services (part funded by the National Lottery)				
	<i>Original</i>	63,595			
	<i>Supplementary</i>	(350)			
			63,245	62,369	59,881
B.7	Prevention and early intervention programmes		9,500	8,897	6,163
B.8	Intervention programmes for children and young people (Dormant accounts funded)		7,166	7,046	3,650
B.9	Programme for Peace and Reconciliation		2,098	1,884	879
B.10	Creative Ireland		100	63	55
			660,145	654,520	577,257

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/-5% and €100,000). Overall, the expenditure in relation to Programme B was €10.014 million lower than originally provided. €814,000 of this related to a saving on administration expenditure and has already been explained under the analysis of administration expenditure section above. The remaining variance of €9.2 million was mainly due to the following:

B.5 Childcare Programmes: Delivery Supports and Other Initiatives

Estimate provision: €78.417 million, outturn: €70.554 million

The shortfall in expenditure of €7.863 million relative to the estimate provision was mainly due to savings arising as a result of the later than planned launch of the National Childcare Scheme and its online only launch in 2019 (€3.1 million). There were also underspends in respect of certain childcare initiatives and supports such as sustainability funding (€1.5 million), underspends on the AIM programme (€1.4 million), delays in the recruitment of Early Years Inspectors (€900,000) offset by a small number of overspends, the main driver of which was a €1.2 million increase in Pobal service delivery costs.

B.7 Prevention and Early Intervention Programmes

Estimate provision: €9.5 million, outturn: €8.897 million

The shortfall in expenditure of €603,000 was primarily due to lower than anticipated expenditure on the various programmes arising from Tusla's difficulty and delay in recruiting staff to the Area Based Childhood sites and to the Prevention, Partnership and Family Support Programme which led to reduced activity and costs across the various programmes.

B.9 Programme for Peace and Reconciliation

Estimate provision: €2.098 million, outturn: €1.884 million

The shortfall in expenditure of €214,000 was due to the fact that this programme is co-funded by the EU, and as a result the timing of the Department's costs can be unpredictable. It is noted there was also reduced activity as a result of recruitment and retention issues amongst participants of this programme.

Programme C Policy and Legislation Programme

		Estimate provision		2019	2018
		€000	€000	Outturn	Outturn
				€000	€000
C.1	Administration – pay				
	<i>Original</i>	6,980			
	<i>Supplementary</i>	<u>(376)</u>			
			6,604	6,435	6,380
C.2	Administration – non-pay				
	<i>Original</i>	1,225			
	<i>Supplementary</i>	<u>(217)</u>			
			1,008	894	1,183
C.3	Miscellaneous legal fees and settlements				
	<i>Original</i>	889			
	<i>Supplementary</i>	<u>(472)</u>			
			417	245	396
C.4	National Longitudinal Study and other research programmes		2,796	2,937	3,403
C.5	Children's and young people's policy framework and other programmes				
	<i>Original</i>	8,634			
	<i>Supplementary</i>	<u>(989)</u>			
			7,645	7,121	4,219
C.6	Adoption Authority of Ireland	4,913	4,913	4,462	3,905
C.7	Office of the Ombudsman for Children	2,747	2,747	2,500	2,435
C.8	Commission of Investigation				
	<i>Original</i>	3,872			
	<i>Supplementary</i>	<u>(661)</u>			
			3,211	2,785	2,964
			29,341	27,379	24,885

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/-5% and €100,000). Overall, the expenditure in relation to Programme C was €4.677 million lower than originally provided. €876,000 of this related to administration expenditure and has already been explained under the analysis of administration expenditure section above. The balance of the variance of €3.801 million was mainly due to the following:

C.3 Miscellaneous legal fees and settlements

Estimate provision: €889,000, outturn: €245,000

The shortfall in expenditure of €644,000 relative to the estimate provision was due to the finalisation and settlement during 2019 of an ongoing case in relation to the 2012 Children Referendum, the costs of which were less than the contingency provided. In general, predicting the outcomes and costs associated with legal cases is difficult.

C.4 National Longitudinal Study and other research programmes

Estimate provision: €2.796 million, outturn: €2.937 million

The excess in expenditure of €141,000 relative to the estimate provision was due to funding support given by the Department to the CSO for the transition of the Growing Up in Ireland survey.

C.5 Children's and young people's policy framework and other programmes

Estimate provision: €8.634 million, outturn: €7.121 million

The shortfall in expenditure of €1.513 million relative to the estimate provision was due to underspends across a number of programmes, the main elements of which were: a delay in appointing support workers to Family Resource Centres; cost savings in respect of Dáil na nÓg and Comhairle na nÓg events; and cost savings as a result of not progressing the establishment of the Guardian Ad Litem Office as an executive office within the Department as quickly as planned, with a consequential delay in projects progressing.

C.6 Adoption Authority of Ireland

Estimate provision: €4.913 million, outturn: €4.462 million

The shortfall in expenditure of €451,000 relative to the estimate provision was mainly due to lower staff costs which arose due to recruitment difficulties being experienced by the Adoption Authority in 2019.

C.7 Ombudsman for Children's Office

Estimate provision: €2.747 million, outturn: €2.5 million

The shortfall in expenditure of €247,000 relative to the estimate provision was due to delays in filling staffing vacancies in the OCO.

C.8 Commission of Investigation (Mother and Baby Homes and Certain Related Matters)

Estimate provision: €3.872 million, outturn: €2.785 million

The shortfall in expenditure of €1.087 million relative to the estimate provision was due to lower than anticipated costs associated with the Commission. The Commission was established in 2015, and has had its term further extended until June 2020.

Note 4 Receipts

4.1 Appropriations-in-aid

	2019		2018
	Estimate provision	Realised	Realised
	€000	€000	€000
1 Superannuation scheme – Child and Family Agency	8,925	8,039	8,480
2 Superannuation scheme – non-teaching staff of Oberstown Children Detention Campus	556	592	566
3 Superannuation scheme – Adoption Authority of Ireland	1	—	—
4 Superannuation scheme – Office of the Ombudsman for Children	2	34	—
5 Miscellaneous	874	570	555
6 Dormant accounts funding	7,166	7,039	3,650
7 Programme for Peace and Reconciliation	1,712	1,085	231
8 Receipts from additional superannuation contributions on public service remuneration ^a	8,401	9,705	10,464
Total	27,637	27,064	23,946

Note ^a The 2018 figure refers to pension related deductions. These were replaced by additional superannuation contributions from 1 January 2019.

Significant variations

Overall, appropriations-in-aid were €573,000 lower than forecast.

Explanations for significant variances are set out below.

1 Superannuation scheme—Child and Family Agency

Estimate provision: €8.925 million, realised: €8.039 million

The shortfall of €886,000 was due to an overall underspend on pay resulting in reduced superannuation receipts.

5 Miscellaneous

Estimate provision: €874,000, realised: €570,000

The shortfall of €304,000 was due primarily to Child and Family Agency miscellaneous receipts, which are variable in nature, being lower than anticipated.

7 Programme for Peace and Reconciliation

Estimate provision: €1.712 million, realised: €1.085 million

The shortfall of €627,000 was due to the timing of receipts from the Special EU Programmes being difficult to accurately predict.

8 Receipts from additional superannuation contributions on public service remuneration*Estimate provision: €8.401 million, realised: €9.705 million*

The increase of €1.304 million was primarily due to increased staffing numbers and related pay bill, including the impact of pay restoration in 2019.

4.2 Extra receipts payable to the Exchequer

	2019	2018
	€000	€000
Balance at 1 January	226	110
Receipts: Pobal	3,981	343
ETBs	324	813
Oberstown Children Detention Campus	39	314
Tusla	—	99
Other	111	93
Transferred to the Exchequer	(4,839)	(1,546)
Balance at 31 December	(158)	226

Note Included in the 2019 transfer is an amount of €526,050 that was incorrectly categorised as extra Exchequer receipts for 2019. This amount was subsequently refunded to the Vote in 2020.

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2019	2018
Department	277	267
Commission of Investigation	17	19
Agencies of the Department (note 5.4)	4,420	4,180
	4,714	4,466

5.2 Pay

Department staff	2019	2018
	€000	€000
Pay	15,483	14,054
Higher, special or additional duties allowance	103	113
Overtime	19	31
Employer's PRSI	1,210	1,034
Total pay¹	16,815	15,232

Note The total pay figure is distributed across subheads A1, B1, C1 and C8.

Staff of agencies of the Department

	2019	2018
	€000	€000
Pay	229,966	216,516
Higher, special or additional duties allowance	11,057	10,266
Other allowances	62	77
Overtime	859	916
Employer's PRSI	23,751	21,735
Total pay	265,695	249,510

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2019 €	2018 €
Departmental staff				
Higher, special or additional duties	13	3	20,614	20,613
Other allowances	3	—	2,761	2,675
Overtime	8	—	9,607	8,321
Extra remuneration in more than one category	3	1	12,347	10,996
Staff of agencies of the Department				
Higher, special or additional duties	961	100	22,900	27,469
Other allowances	46	—	8,668	11,569
Overtime	412	10	19,294	22,026
Extra remuneration in more than one category	351	139	29,560	35,011

5.4 Agency employees and pay

The pay expenditure of agencies is not a direct financial transaction of the Department. Further information in relation to employee numbers and pay in respect of the Department's agencies is available from the relevant annual financial statements or directly from the agencies concerned.

Number of staff at year end	2019	2018
full time equivalents		
Child and Family Agency	4,122	3,893
Oberstown Children Detention Campus	248	239
Adoption Authority of Ireland	28	27
Office of the Ombudsman for Children	22	20
Total	4,420	4,179
	2019	2018
	€000	€000
Pay		
Child and Family Agency	298,230	280,254
Oberstown Children Detention Campus	16,746	16,443
Adoption Authority of Ireland	1,468	1,433
Office of the Ombudsman for Children	1,267	1,093
Total pay	317,711	299,223

5.5 Payroll overpayments

	Numbers of recipients	2019	2018
		€	€
Overpayments	9	7,733	11,627
Recovery plans in place	2	2,091	8,772

Note One further overpayment has been recouped in full since the end of 2019, and the PSSC are managing and progressing recoupment plans for the balance of the overpayments.

5.6 Other remuneration arrangements

One retired civil servant in receipt of a civil service pension was re-engaged on a fee basis at a total cost of €25,348. The payments made were consistent with the principles of the Public Service (Single Scheme and other Provisions) Act 2012.

This account includes expenditure of €195,768 (inclusive of salary, employees' superannuation and employers' PRSI) in respect of two officers who were serving outside the Department for all or part of 2019 and whose salaries were paid by the Department: one to UL and one to the HSE.

Note 6 Miscellaneous

6.1 Payments to Pobal

In accordance with the Department's accounting policy, the net amount transferred to Pobal in the year (€573.348 million) was charged to the relevant subheads as set out below.

During 2019, Pobal returned funds totalling €3.981 million to the Department. All of the funds relating to the current year were returned to the relevant subheads. The funds relating to prior years were returned to the Exchequer as Extra Exchequer Receipts.

		2019	2018
		€000	€000
	Subhead		
B.3	ECCE and AIM pre-school programmes	332,403	322,873
B.4	Affordable childcare scheme and other childcare programmes	164,424	168,545
B.5	Childcare programmes: delivery supports and other initiatives	62,864	3,737
B.6	Youth organisations and services (part funded by the National Lottery)	11,557	10,715
B.7	Prevention and early intervention programmes	—	4,956
B.8	Intervention programmes for children and young people (dormant accounts funded)	809	892
C.5	Children's and young people's policy framework and other programmes	1,291	1,181
	Total paid to Pobal	573,348	512,899

Note Pobal administers a large number of grant programmes on behalf of the Department. At 31 December 2019, Pobal had grant commitments totalling €7.05 million relating to programmes administered on behalf of the Department.

6.2 Compensation and legal costs

	Number of cases	Legal costs paid by the Department €000	Compensation awarded €000	Legal costs awarded €000	2019	2018
					Total €000	Total €000
Claims by employees						
Injury in the course of work	9	75	180	—	255	341
Claims by members of the public						
Adoption claim	—	—	—	—	—	394
Personal injury claim ^a	—	—	—	—	—	542
Challenge to the Children Referendum	1	—	—	245	245	—
		75	180	245	500	1,277

Note ^a Cases involving current/former residents of the Oberstown Children Detention Campus.

6.3 Fraud and suspected fraud

	Number of cases	2019	2018
		€000	€000
Fraud	2	14	32
Suspected fraud	—	—	—

Notes There were no reported incidents of fraud involving DCYA staff.
There were two reported incidents which occurred in service providers in receipt of DCYA funds in 2019.
The sums were immaterial (€14,000 in one instance and in the other the fraud related to the person's domestic internet and heating) and it cannot be determined what portion, if any, relates to DCYA funding.
In the period between the signature of the appropriation account and the final appropriation account, no further incidents were reported.

Details in relation to 2018 were noted in the 2018 appropriation account.

6.4 Committees, 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 (SI No 57 of 2015).

Commission expenditure is accounted for in subhead C.8 of the Department's Vote, and includes €1.839 million relating to pay costs.

	Year of appointment	Cumulative expenditure to end 2019	2019	2018
		€000	€000	€000
C.8-Commission of Investigation – Mother and Baby Homes	2015	12,435	2,785	2,964

6.5 National Lottery funding

One of the subheads in the Department, B.6 – Youth Organisations and Services, is part funded by the National Lottery.

	2019 Estimate	2019 Outturn	2018 Outturn
	€000	€000	€000
Subhead B.6 – Youth Organisations and Services	60,395	62,369	59,881

6.6 EU funding

The outturn shown in Subhead B9 includes payments in respect of activities which are co-financed by the European Regional Development Fund. Estimates of expenditure and actual outturns were as follows.

	2019 Estimate	2019 Outturn	2018 Outturn
	€000	€000	€000
Subhead B.9 – Programme for Peace and Reconciliation	2,098	1,884	879

6.7 Write offs

An amount of €1,000 was written off in 2019. (2018: No amounts were written off).

Appendix A Accounts of bodies and funds under the aegis of the Department of Children and Youth Affairs

The following table lists the bodies under the aegis of the Department and where the Department has an obligation to present financial statements. It indicates, as at the account signing date, the period to which the last audited financial statements relate and when they were presented to the Oireachtas.

Body/Departmental fund	Last accounting period	Date of audit report	Date received by Minister/ Department	Date presented to the Oireachtas
Oberstown Children Detention Campus	2018	23 Dec 2019	7 Jan 2020	21 Jan 2020
Adoption Authority of Ireland	2018	12 Dec 2019	17 Dec 2019	29 Jan 2020
Office of the Ombudsman for Children	2018	30 Sep 2019	16 Dec 2019	27 Feb 2020
Child and Family Agency	2018	24 Jun 2019	25 Jun 2019	18 Jul 2019