

Appropriation Account 2020

Vote 40

Children, Equality, Disability, Integration and Youth

Introduction

As Accounting Officer for Vote 40, 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 2020 for the salaries and expenses of the Office of the Minister for Children, Equality, Disability, Integration and Youth, for certain services administered by that Office and for payment of grants.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2020, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €118.627 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.

I wish to draw attention to some items that are relevant to the appropriation account for 2020 in regard to the operations of the Department. These relate to changes in the composition and responsibilities of the Department as a result of a transfer of functions, and the impacts of the Covid-19 pandemic on the Department's operations and controls. The salient matters in respect of these two items are outlined in paragraphs below and are further reflected in the relevant notes to the account.

Transfer of functions

The Department of Children and Youth Affairs was renamed the Department of Children, Equality, Disability, Integration and Youth following the transfer of functions on 14 October 2020. The renamed Department was assigned virtually all of the responsibilities of the then Department of Children and Youth Affairs, as well as additional functions in relation to equality, integration and international protection

Two expenditure programmes in respect of equality, integration and international protection transferred to this Department from the Department of Justice. A relatively smaller number of functions in respect of certain youth justice matters transferred from this Department to the Department of Justice.

Having regard to the transfer of functions and the restructured Department, the estimate for the Vote for Children, Equality, Disability, Integration and Youth were for the full year 2020 and the account is presented on that basis in accordance with Section 24 of the Exchequer and Audit Department Act 1866.

The Department has taken on significant extra responsibilities as a result of the transfer of functions. In addition to the existing important functions in the areas of child protection and welfare, prevention and early intervention, adoption, family supports, early learning and childcare, youth services and youth justice, and the experiences of past generations, the Department has added the major areas of equality, integration, international protection and disability policy during 2020.

In order to facilitate these additional functions, the resources to the Department have also increased in terms of funding, staffing and accommodation. The completion of the transfer of functions was a challenging exercise especially given the specific additional pressures of the Covid-19 pandemic.

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 22 of 2020 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 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 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 holds a letter of assurance from the Head of Information Management and Technology in the Department of Justice 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 youth related programmes. In 2020, net funding of €518 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) which forms the general understanding of the purpose, context, objectives, terms and conditions of the relationship between both parties. The duration of the current agreement is until 31 December 2022. A review of the SLA was scheduled to take place in 2020 but did not occur due to the impacts of Covid-19 on planned activities. Instead, the Department and Pobal will conduct the review in 2021, in accordance with the specified process agreed between the two parties.

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 financial control assurance statements 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, 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 are in place.

Internal audit and Audit Committee

I confirm that the Department has an internal audit function with 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. These plans aim to cover the key controls on a rolling basis over a reasonable period. 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 considered by the Department's Management Board.

The Head of Internal Audit (HIA) is a professional accountant and the staffing complement has been increased to include two Higher Executive Officers and two Executive Officers. 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 subject to an external quality review in February 2020 by the CIIA and the conclusion was that it "achieved a high degree of general conformance to the standards".

The internal audit plan for 2020 was signed off by me in February 2020. I approved a revised internal audit plan in June 2020 to take account of the significantly changed landscape brought about by the Covid-19 pandemic.

During 2020 Internal Audit issued nine reports. On no occasion was a 'no assurance' or a 'limited 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.

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 has provided details of non-competitive contracts in the annual return in respect of circular 40 of 2002 to the Comptroller and Auditor General and to the Department of Public Expenditure and Reform. The Department complied with the guidelines with the exception of

- 151 contracts with a combined value of €91,068,052 relating to the provision of international protection accommodation
- one contract with a value of €29,600 related to the Commission of Investigation into Mothers and Babies Homes
- one contract with a value of €74,385 regarding the transfer of the finance system to this Department. This system was previously managed for the Department by the Department of Health.

All except one contract above were in existence or a continuation of contracts in existence and transferred to the Department. 151 contracts were part of a transfer of functions and one a transfer of service.

With regard to contracts relating to international protection accommodation, the previous Department took the view '...that the procurement of accommodation services is, where possible, undertaken using a competitive process. All accommodation requirements for seekers of international protection are advertised publicly in national and local newspapers. It is an open process for which members of the public are eligible to apply. Following receipt of responses, they are reviewed to ensure the accommodation proposed is suitable and compliant with the Department's requirements.'

Notwithstanding the view of the previous Department, that the contracts were 'competitive' and the potential for non-inclusion on the circular 40 of 2002 annual return, I am not satisfied that the procurement of the relevant contracts is fully compliant. Accordingly, now that responsibility for these contracts has transferred to this Department, steps will be taken to clarify the position and put in place procedures to ensure improved compliance in 2021.

An explanation of the circumstances behind these matters is contained in my annual return under circular 40 of 2002.

Risk and control framework

The Department has a comprehensive risk management policy framework in place. Risk is overseen by a Risk Management Committee made up of all members of the Management Board. The Committee is chaired by me as Accounting Officer. 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 unit level 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. While we are prepared to take controlled risks to capitalise on new opportunities and to find innovative ways of furthering our objectives, we will have no tolerance for risks which infringe on our operating procedures or regulatory requirements.

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.

Covid-19 pandemic

The assessment of the impact of Covid-19 has been a primary focus of the senior management team and business units across the Department since the onset of the pandemic. Assessment and management of the impacts of Covid-19 was conducted through the establishment of a Covid-19 Response Management Unit (incorporating Facilities Management).

The Department maintains a listing of corporate risks which is reviewed by the Risk Committee on a quarterly basis. In 2020, a specific Covid-19 corporate risk was included to reflect the impact of Covid-19 on the ability of the Department, and bodies under its aegis, to continue to function as normal and to deliver essential services to children and families.

Various mitigations, controls and management actions taken since the outbreak include the following.

- A Covid-19 Response Committee was established in March 2020 to co-ordinate the Department's response and to report on agency responses. The Committee was chaired at Assistant Secretary level and included Senior Management Team representatives from each Division.
- Risk assessments were carried out and mission critical functions were identified to support business continuity and key personnel were identified and supported to ensure same.
- A Covid-19 Response Unit was established, led at Principal Officer level, to support staff working remotely and to plan for a safe return to the building in line with the Government's *Return to Work Safely* protocol.
- All relevant national guidance was implemented, including from the Departments of the Taoiseach, Public Expenditure and Reform, Health, and the HSE.

- Key payment controls were maintained throughout the pandemic with revisions to certain processes to allow for remote approval of payment forms and finance functions.
- The Management Board maintained close and ongoing oversight of the impact of Covid-19 on the Department and bodies under its aegis, with the Minister kept fully informed.
- The Department was represented at various central committees chaired by the Department of the Taoiseach to oversee all Department responses to Covid-19, including the Senior Officials Group (which reports to the Cabinet Committee), Communications Group and Civil and Public Service Sectoral groups.
- All staff were equipped to work from home, and arrangements were put in place to ensure that the business of the Department could continue without significant interruption. All staff were supported through an enhanced network of remote communications.
- Physical presence in the Department's offices was limited to a small number of essential staff, with strict protocols in place for such attendance.
- Close contact was maintained with all bodies under the aegis of the Department, with the impact of Covid-19 on services assessed and response measures put in place or supported where required.
- A strong focus was placed on all service provision matters affecting the Department and bodies under its aegis, including a particular emphasis on the re-opening of childcare facilities and continuity of service provision by the Child and Family Agency for vulnerable children and their families

Internal financial control issues

Early Years — compliance with programme rules

Covid-19 impacted significantly on the operation of the various Early Learning and Care (ELC) and School Age Childcare (SAC) schemes. All ELC and SAC services were closed from the middle of March until the end of June 2020. The reduced level of operation had a significant impact on scheme expenditure and also on scheduled compliance activity in line with Covid-19 restrictions. As schemes operate broadly in line with the academic year, the 2019/20 onsite compliance visits effectively concluded in the middle of March.

To ensure some measure of ongoing compliance activity, a desk-based compliance approach was devised for the remainder of 2020 and into 2021 due to the ongoing impacts of Covid-19. Desk-based checks commenced in November 2020 but subsequently paused from January 2021 to mid-April 2021 during the third wave of the pandemic, before resuming. All Department funded ELC and SAC schemes were covered during the programme cycle of 2020/21 with a concentration on the higher risk CCSP scheme whilst the period from April 2021 through to June 2021 also incorporated testing on the ECCE scheme.

It is recognised that desk based checks have their administrative limits given that they are conducted off site. However, a range of tests were determined with a focus on obtaining reasonable assurance that Exchequer funds were used for purposes intended as well as seeking self-declarations from service providers regarding adherence to rules and contract conditions. There are also the impacts of additional compliance/verification activity arising from new funding schemes such as the DCEDIY-led Temporary Wage Subsidy Childcare Scheme (TWSCS), a Reopening Support Payment (RSP), the Covid-19 Operating Support payment (COSP) and a Covid-19 Capital Grant which were developed to support services through this crisis. Compliance checks on the Covid-19 schemes are ongoing and occurring in parallel to the beneficiary funding schemes.

In recent years, compliance with programme rules in the older payment schemes has been an area of concern. This has been primarily due to the design of the rules of the original schemes which were developed incrementally over a period of time and certain legacy issues. Improving compliance continued as a focus for attention during 2020. In the 2019/2020 programme cycle (September 2019 to August 2020), the Department's approach to the compliance function continued to be to concentrate on areas of greatest potential risk to Exchequer funding. This included focusing on high-value contracts and on services where overclaiming had been an issue in the past. This approach improved the overall protection of Exchequer funds; where an overclaim was identified it was then routinely recouped.

New schemes were introduced to support services during the Covid-19 pandemic, including a Temporary Wage Subsidy Childcare Scheme (TWSCS) immediately following closure of all services on 12 March 2020. The scheme was developed on a temporary, emergency basis and was governed by a contract with providers. Pre-payment checks were implemented to provide assurance regarding the level of funding given to services. The TWSCS is now closed. While the scheme was being developed expediently, preliminary payments were made to the sector to ensure continued funding. As a result, some providers received excess funding, of which approximately €3.4 million remained to be recouped at the end of 2020 and as of August 2021 approximately €0.526 million remains outstanding. This process will be completed as soon as possible. Post-payment verification checks on a sample of participating providers commenced in late 2020 and this will be extended to a wider sample in 2021, with completion targeted for Q4 2021.

Other new funding schemes, including a Reopening Support Grant and a Covid-19 Capital Grant scheme, were developed to support services through the pandemic, and compliance/verification activity for these special Covid-19 schemes will also be undertaken.

In terms of overall compliance, the Department is carrying out a review of the Compliance Framework, which includes an escalating series of sanctions and supports to improve services' compliance. This is a three year framework which aims to address levels of compliance within the sector and it has continued to show positive results. The Department's intention is to deliver an enhanced Framework in 2021.

The introduction of the National Childcare Scheme (NCS) at the end of 2019 was designed to improve significantly the overall position regarding governance and compliance of providers with scheme rules. An NCS Compliance Working Group was convened in late 2019 towards formalising procedures, and work on this area continued in 2020. The NCS is due to be reviewed after its first year in line with the Childcare Support Act 2018. This review has commenced in 2021 and is expected to be completed by the end of 2021.

At the end of 2020, Pobal's debt management process recorded a debtor balance of approximately €3.97 million against all Departmental programmes. This included programmes other than the ELC and SAC 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 2020 due to Covid-19, progress continues to be made and a process is expected to be finalised in 2021. Subject to agreement, this debtor management process will also set out a procedure for the identification and treatment of those debts which may be deemed irrecoverable.

Fergal Lynch
Accounting Officer
Department of Children, Equality, Disability, Integration and Youth

24 September 2021

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 40 Children, Equality, Disability, Integration and Youth

Opinion on the appropriation account

I have audited the appropriation account for Vote 40 Children, Equality, Disability, Integration and Youth for the year ended 31 December 2020 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, Equality, Disability, Integration and Youth for the year ended 31 December 2020, 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, Equality, Disability, Integration and Youth 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*.

Non-compliance with procurement rules

The Accounting Officer has disclosed in the statement on internal financial control that material instances of non-compliance with procurement rules occurred in respect of contracts that operated in 2020.

Seamus McCarthy
Comptroller and Auditor General

24 September 2021

Vote 40 Children, Equality, Disability, Integration and Youth

Appropriation Account 2020

	2020		2019
	Estimate provision	Outturn	Outturn
	€000	€000	€000
Programme expenditure			
A Children and family support programme	880,174	876,045	835,876
B Sectoral programmes for children and young people	686,333	600,685	654,520
C Policy and legislation programme	34,687	27,621	27,379
D An equal and inclusive society	26,770	19,530	—
E A fair and efficient support system for international protection seekers	208,637	189,109	—
Gross expenditure	1,836,601	1,712,990	1,517,775
<i>Deduct</i>			
F Appropriations-in-aid	36,530	35,646	27,064
Net expenditure	1,800,071	1,677,344	1,490,711

Surplus

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. €4.1 million of unspent allocations in respect of the capital elements of subheads A.4, B.5 and B.11 was carried forward to 2021.

	2020	2019
	€	€
Surplus	122,726,899	6,964,619
Deferred surrender	(4,100,000)	—
Surplus to be surrendered	118,626,899	6,964,619

Fergal Lynch

Accounting Officer

Department of Children, Equality, Disability, Integration and Youth

31 March 2021

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2020

	2020	2019
	€000	€000
Programme cost	1,687,215	1,500,731
Pay	21,711	14,964
Non pay	4,064	2,080
Gross expenditure	1,712,990	1,517,775
<i>Deduct</i>		
Appropriations-in-aid	35,646	27,064
Net expenditure	1,677,344	1,490,711
Changes in capital assets		
Purchases cash	(2,050)	
Loss on disposals	23	
Depreciation	1,781	(246)
		(335)
Changes in net current assets		
Decrease in stock	1	
Increase in prepayments	(8,235)	
Increase in closing accruals	1,180	(3,548)
Direct expenditure	1,670,044	1,486,828
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	6,050	5,728
Net programme cost	1,676,094	1,492,556

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.

	2020	2019
	€000	€000
Vote 9 Office of the Revenue Commissioners	38	30
Vote 12 Superannuation and Retired Allowances	1,825	1,443
Vote 13 Office of Public Works	3,751	4,211
Vote 18 National Shared Services Office	49	31
Vote 43 Office of the Government Chief Information Officer	355	—
Central Fund - ministerial pensions	32	13
	6,050	5,728

Note 2 Statement of Financial Position as at 31 December 2020

	Note	2020 €000	2019 €000
Capital assets	2.1	67,440	57,237
Current assets			
Bank and cash	2.2	31,979	(4,851)
Stocks		5	6
Prepayments	2.3	15,517	7,282
Other debit balances	2.4	246	7,091
Total current assets		47,747	9,528
Less current liabilities			
Accrued expenses		1,788	608
Other credit balances	2.5	2,652	954
Asylum Migration and Integration Fund	2.6	24,314	—
Net Exchequer funding	2.7	5,259	1,286
Total current liabilities		34,013	2,848
Net current assets		13,734	6,680
Net assets		81,174	63,917
Represented by:			
State funding account	2.8	81,174	63,917

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 2020	60,998	533	821	62,352
Additions	196	1,854	—	2,050
Adjustments ^a	—	12,390	—	12,390
Transfer of assets	—	41	147	188
Disposals	—	—	(46)	(46)
Cost or valuation at 31 December 2020	61,194	14,818	922	76,934
Accumulated depreciation				
Opening balance at 1 January 2020	4,687	222	206	5,115
Adjustments ^a	—	2,478	—	2,478
Depreciation for the year	1,224	472	85	1,781
Cumulative depreciation on transfers	—	36	107	143
Depreciation on disposals	—	—	(23)	(23)
Cumulative depreciation at 31 December 2020	5,911	3,208	375	9,494
Net assets at 31 December 2020	55,283	11,610	547	67,440
Net assets at 31 December 2019	56,311	311	615	57,237

Note ^a Office equipment includes adjustments relating to expenditure in respect of the National Childcare Scheme IT infrastructure developed by Pobal over the period 2016 to 2019.

2.2 Bank and cash

at 31 December	2020	2019
	€000	€000
PMG balances	31,974	(5,112)
Other bank balances	5	261
	31,979	(4,851)

2.3 Prepayments

at 31 December	2020	2019
	€000	€000
Pobal	4,106	7,050
Periodic licences, subscriptions, insurance, etc. ^a	11,411	232
	<u>15,517</u>	<u>7,282</u>

Note ^a The change in level of prepayments between 2020 and 2019 reflect the change in the structure of the Department following the transfer of functions and the inclusion of expenditure and prepayments in respect of International Protection Seekers Accommodation from 2020.

2.4 Other debit balances

at 31 December	2020	2019
	€000	€000
Advances to OPW	1	32
Recoupable salaries	121	80
Recoupable travel expenditure	—	5
Other debit suspense items	124	6,974
	<u>246</u>	<u>7,091</u>

2.5 Other credit balances

at 31 December	2020	2019
	€000	€000
Amounts due to the State		
Income tax	599	415
Pay related social insurance	412	311
Professional services withholding tax	61	127
Value added tax	36	79
Local property tax	6	3
Universal social charge	114	84
Payroll deductions held in suspense	210	(17)
	1,438	1,002
Other credit suspense items	1,214	(48)
	<u>2,652</u>	<u>954</u>

2.6 Asylum, Migration and Integration Fund

at 31 December	2020	2019
	€000	€000
EU receipts	<u>24,314</u>	<u>—</u>

2.7 Net Exchequer funding

at 31 December	2020	2019
	€000	€000
Surplus to be surrendered	118,627	6,965
Deferred surrender	4,100	—
Exchequer grant undrawn	(117,468)	(5,679)
Net Exchequer funding	<u>5,259</u>	<u>1,286</u>

Represented by:**Debtors**

Debit balances: suspense	246	7,091
	<u>246</u>	<u>7,091</u>

Creditors

Bank and cash	31,979	(4,851)
Due to the State	(1,438)	(1,002)
Credit balances: suspense	(1,214)	48
Asylum, Migration and Integration Fund	(24,314)	—
	<u>5,013</u>	<u>(5,805)</u>
	<u>5,259</u>	<u>1,286</u>

2.8 State funding account

	Note	2020	2019
		€000	€000
Balance at 1 January		63,917	59,949
Adjustment		9,912	85
Disbursements from the Vote			
Estimate provision	Account	1,800,071	
Deferred surrender	Account	(4,100)	
Surplus to be surrendered	Account	<u>(118,627)</u>	
Net vote		1,677,344	1,490,711
Expenditure (cash) borne elsewhere	1.1	6,050	5,728
Adjustment - net transfer of assets	2.1	45	—
Net programme cost	1	<u>(1,676,094)</u>	<u>(1,492,556)</u>
Balance at 31 December		<u>81,174</u>	<u>63,917</u>

2.9 Commitments

Global commitments		
at 31 December	2020	2019
	€000	€000
Procurement of goods and services	35,347	2,963
Non-capital grant programmes	10	724
Total of legally enforceable commitments	35,357	3,687

2.10 Matured liabilities

at 31 December		
	2020	2019
	€000	€000
Estimates of matured liabilities not discharged at year end	1,534	323

2.11 Contingent liability

There were no contingent liabilities at the end of 2020 or at the end of 2019.

Note 3 Vote Expenditure

Analysis of administration expenditure

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

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	24,071	21,711	14,964
ii	Travel and subsistence	237	102	194
iii	Training and development and incidental expenses	1,266	1,221	685
iv	Postal and telecommunications services	284	113	92
v	Office equipment and external IT services	948	1,025	562
vi	Office premises expenses	1,457	1,533	388
vii	Consultancy services and value for money and policy reviews	602	70	159
		28,865	25,775	17,044

Significant variations

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

ii Travel and subsistence

Estimate provision €237,000; outturn €102,000

The variance of €135,000 was due to travel being curtailed as a result of the pandemic.

iv Postal and telecommunications services

Estimate provision €284,000; outturn €113,000

The variance of €171,000 was due to lower than expected costs as a result of remote working and an increased reliance on electronic forms of communication.

vii Consultancy services and value for money and policy reviews

Estimate provision €602,000; outturn €70,000

The variance of €532,000 relative to the estimate provision was due to impacts of the pandemic on the operations of the Department.

Programme A Children and family support

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.1	Administration – pay	3,894	3,511	2,544
A.2	Administration – non pay	585	496	354
A.3	Child and Family Agency	838,872	840,080	809,216
A.4	Youth justice – including Oberstown Children Detention Campus	27,978	23,831	23,762
A.5	Guardian ad Litem Executive Office	845	127	—
A.6	Child and Family Agency Covid-19 related supports	8,000	8,000	—
		880,174	876,045	835,876

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 €4.1 million lower than originally provided.

A.4 Youth justice – including Oberstown Children Detention Campus

Estimate provision €27.978 million; outturn €23.831 million

The shortfall in expenditure of €4.147 million relative to the estimate provision is principally attributable to delays in relation to capital due to the pandemic with works put on hold resulting in savings of €3.1 million. Reduced levels of recruitment also contributed to savings which offset the effect on expenditure of a higher number of retirees than budgeted for. There was also some savings in non-pay expenditure with lower than expected levels of expenditure due to a number of factors including savings due to Covid-19.

A.5 Guardian ad Litem Executive Office

Estimate provision €845,000; outturn €127,000

The shortfall in expenditure of €718,000 relative to the estimate provision reflects the suspension of the setting up of the Guardian ad Litem Executive Office in response to delays in the enactment of underpinning legislation and the impact of the pandemic on the operations of the Department.

Programme B Sectoral programmes for children and young people

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
B.1	Administration – pay	6,748	6,087	5,986
B.2	Administration – non pay	1,002	849	832
B.3	ECCE and AIM pre-school programmes	250,196	243,661	332,465
B.4	National Childcare Scheme and other childcare programmes	154,430	118,772	164,424
B.5	Childcare programmes: delivery supports and other initiatives	76,216	62,796	70,554
B.6	Youth organisations and services (part funded by the National Lottery)	65,889	64,701	62,369
B.7	Prevention and early intervention programmes	9,500	9,278	8,897
B.8	Intervention programmes for children and young people (dormant accounts funded)	10,508	9,586	7,046
B.9	Programme for Peace and Reconciliation	2,244	2,244	1,884
B.10	Creative Ireland	100	14	63
B.11	Early Learning and Care (ELC) and School Age Childcare (SAC) COVID related supports	109,500	82,697	—
		686,333	600,685	654,520

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 €85.7 million lower than originally provided.

B.4 National Childcare Scheme and other childcare programmes

Estimate provision €154.43 million; outturn €118.772 million

The shortfall in expenditure of €35.658 million relative to the estimate provision was mainly due to savings arising from the cessation of the schemes over April, May and June due to the pandemic. In addition the take-up following reopening was below originally planned for levels. It is noted that subhead B.11 was established to account for expenditure on Covid-19 related initiatives in respect of ELC and SAC.

B.5 Childcare programmes: delivery supports and other initiatives

Estimate provision €76.216 million; outturn €62.796 million

The shortfall in expenditure of €13.42 million relative to the estimate provision was due to the impact of the pandemic. It is noted that subhead B.11 was established to account for expenditure on Covid-19 related initiatives in respect of ELC and SAC.

B.8 Intervention programmes for children and young people

Estimate provision €10.508 million; outturn €9.586 million

The shortfall in expenditure of €922,000 relative to the estimate provision was primarily due to delays in projects and associated expenditure.

**B.11 Early Learning and Care (ELC) and School Age Childcare (SAC)
COVID related supports**

Estimate provision €109.5 million; outturn €82.697 million

The shortfall in expenditure of €26.803 million relative to the estimate provision was due to lower than budgeted uptake of Covid-19 related initiatives.

Programme C Policy and legislation

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
C.1	Administration – pay	8,061	7,271	6,435
C.2	Administration – non pay	1,197	1,015	894
C.3	Miscellaneous legal fees and settlements	539	2	245
C.4	National Longitudinal Study and other research programmes	3,210	2,380	2,937
C.5	Children’s and young people’s policy framework and other programmes	6,048	5,458	7,121
C.6	Adoption Authority of Ireland	5,667	5,151	4,462
C.7	Office of the Ombudsman for Children	2,865	2,450	2,500
C.8	Commission of Investigation	3,792	2,354	2,785
C.9	Magdalen Fund ^a	3,308	1,540	—
		34,687	27,621	27,379

Note ^a 2019 outturn amount for subhead C.9 – Magdalen Fund (€4.9 million) was accounted for in the appropriation account for Vote 24 Justice.

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 €7.1 million lower than originally provided.

C.3 Miscellaneous legal fees and settlements

Estimate provision €539,000; outturn €2,000

The shortfall in expenditure of €537,000 relative to the estimate provision was due to the variable nature of expenditure in the subhead and the resultant difficulties in general in predicting the outcomes and costs associated with legal cases and matters.

C.4 National Longitudinal Study and other research programmes

Estimate provision €3.21 million; outturn €2.38 million

The shortfall in expenditure of €830,000 relative to the estimate provision was due to cost savings occurring from changes to the nature of fieldwork with more of it being conducted remotely.

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

Estimate provision €6.048 million; outturn €5.458 million

The shortfall in expenditure of €590,000 relative to the estimate provision was due to underspends across a number of programmes mainly related to Covid-19 impacts resulting in delays and postponement of scheduled campaigns across all areas of the subhead. The move to remote working solutions also yielded some savings.

C.6 Adoption Authority of Ireland

Estimate provision €5.667 million; outturn €5.151 million

The shortfall in expenditure of €516,000 relative to the estimate provision was mainly due to lower staff costs which arose due to delays in filling vacancies.

C.7 Office of the Ombudsman for Children

Estimate provision €2.865 million; outturn €2.45 million

The shortfall in expenditure of €415,000 relative to the estimate provision was due to delays in filling staffing vacancies in the Office of the Ombudsman for Children and planned office expenditure offset by some additional IT costs.

C.8 Commission of Investigation

Estimate provision €3.792 million; outturn €2.354 million

The shortfall in expenditure of €1.438 million relative to the estimate provision was due to lower than anticipated costs associated with the Commission including impacts on expenditure of the pandemic.

C.9 Magdalen Fund

Estimate provision €3.308 million; outturn €1.54 million

The shortfall in expenditure of €1.768 million relative to the estimate provision was due to lower than anticipated costs with expenditure being demand led based on applications received.

Programme D An equal and inclusive society

		2020		2019 ^a
		Estimate provision	Outturn	Outturn
		€000	€000	€000
D.1	Administration – pay	755	681	—
D.2	Administration – non pay	375	318	—
D.3	National Disability Authority	4,844	4,218	—
D.4	Refugee and migrant integration	7,055	4,345	—
D.5	Grants to national women’s organisations	525	525	—
D.6	Traveller and Roma initiatives	3,880	3,579	—
D.7	Positive Action for Gender Equality	4,905	1,825	—
D.8	Equality and LGBTI initiatives	931	779	—
D.9	Decision Support Service	3,500	3,260	—
		26,770	19,530	—

Note ^a 2019 outturn amounts were accounted for in the appropriation account for Vote 24 Justice.

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/-5% and €100,000). Overall, the expenditure in relation to Programme D was €7.2 million lower than originally provided.

D.3 National Disability Authority

Estimate provision €4.844 million; outturn €4.218 million

The shortfall in expenditure of €626,000 relative to the estimate provision was due to delays in progressing and commencing projects as a result of the impact of the pandemic and other matters.

D.4 Refugee and migrant integration

Estimate provision €7.055 million; outturn €4.345 million

The shortfall in expenditure of €2.71 million relative to the estimate provision is attributed to the pandemic with travel abroad by missions curtailed due to international travel restrictions.

D.6 Traveller and Roma initiatives

Estimate provision €3.88 million; outturn €3.579 million

The shortfall in expenditure of €301,000 relative to the estimate provision is due to underspends mainly related to Covid-19 impacts. Education and employment projects were all hit with sudden closures in March and a number of them received no further funding in 2020. Overheads, travel and subsistence and consumables were all below budget due to the pandemic.

D.7 Positive Actions for Gender Equality

Estimate provision €4.905 million; outturn €1.825 million

The shortfall in expenditure of €3.08 million relative to the estimate provision was due in the most part to the impact of the pandemic with approved projects not drawing down scheduled amounts as projects slowed down and extended their end dates.

D.8 Equality and LGBTI initiatives

Estimate provision €931,000; outturn €779,000

The shortfall in expenditure of €152,000 relative to the estimate provision was due to planned activities being curtailed by the pandemic restrictions, many of the organisations that would be supported through this funding were closed for extended parts of the year.

D.9 Decision Support Service

Estimate provision €3.5 million; outturn €3.26 million

The shortfall in expenditure of €240,000 relative to the estimate provision was due to lower than expected expenditure on an ICT system project, the commencement of which was delayed.

Programme E A fair and efficient support system for international protection seekers

		2020		2019 ^a
		Estimate provision	Outturn	Outturn
		€000	€000	€000
E.1	Administration – pay	4,613	4,161	—
E.2	Administration – non pay	1,635	1,386	—
E.3	Asylum Migration and Integration Fund	1,769	355	—
E.4	International protection seekers accommodation	200,620	183,207	—
		208,637	189,109	—

Note ^a 2019 outturn amounts were accounted for in the appropriation account for Vote 24 Justice.

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/-5% and €100,000). Overall, the expenditure in relation to Programme E was €19.5 million lower than originally provided for.

E.3 Asylum Migration and Integration Fund

Estimate provision €1.769 million; outturn €355,000

The shortfall in expenditure of €1.414 million relative to the estimate provision was due in the most part to the pandemic with projects and drawdowns slowing.

E.4 International protection seekers accommodation

Estimate provision €200.62 million; outturn €183.207 million

The shortfall in expenditure of €17.413 million reflects the impacts of the Covid-19 pandemic. There were significant pressures in respect of personal protective equipment (PPE), social distancing requirements and the need for additional space where quarantining/ isolation was needed to deal with Covid-19 cases. However, demand for accommodation was also affected by the pandemic with numbers of new entrants seeking international protection accommodation stalling from March 2020. In addition, planned expenditure on upgrades to centres was delayed. The allocation reflects a prudent budgeting approach to allow for the range of expenditure at a time of uncertainty with a final outturn less than allocated.

Note 4 Receipts

4.1 Appropriations-in-aid

	2020		2019
	Estimated €000	Realised €000	Realised €000
1 Superannuation scheme – Child and Family Agency	8,974	8,933	8,039
2 Superannuation scheme – non-teaching staff of Oberstown Children Detention Campus	547	653	592
3 Superannuation scheme – Adoption Authority of Ireland	1	—	—
4 Superannuation scheme – Office of the Ombudsman for Children	2	—	34
5 Miscellaneous	574	507	570
6 Dormant accounts receipts	10,508	9,585	7,039
7 Programme for Peace and Reconciliation	2,373	1,839	1,085
8 EU receipts	6,000	5,444	—
9 Receipts from additional superannuation contributions on public service remuneration	7,551	8,685	9,705
Total	36,530	35,646	27,064

Significant variations

The following outlines the reasons for significant variations in receipts (+/- 5% and €100,000). Overall, appropriations-in-aid were €884,000 lower than forecast.

2 Superannuation scheme – non-teaching staff of Oberstown Children Detention Campus

Estimate provision €547,000; realised €653,000

The surplus receipts are directly related to payroll costs which were greater than expected due to a number of factors such as the recruitment of additional staff in response to the pandemic, changes in roster shift structure which impacted on premium pay and back pay of annual leave accrued to serving staff and to staff who have retired.

6 Dormant accounts receipts

Estimate provision €10.508 million; realised €9.585 million

The shortfall of €923,000 reflects the lower than expected expenditure on the subhead B.8, which is dormant account funded.

7 Programme for Peace and Reconciliation

Estimate provision €2.373 million; realised €1.839 million

The shortfall of €534,000 was due to the timing of receipts from the EU being difficult to accurately predict.

8 EU receipts

Estimate provision €6 million; realised €5.444 million

The €6 million was an estimate of the EU receipts to be received in 2020. However, the outturn was €5.444 million in respect of the Asylum, Migration and Integration Fund which reflected the EU payments received in 2020. The level of activity in any individual project can be less than anticipated because of unforeseen circumstances in those projects such as delays in recruitment or lower than anticipated participation by participants. The level of appropriation-in-aid released in a particular year is based on claims submitted and payments from the EU. As a result it is difficult to accurately predict the level of appropriations-in-aid in any given year.

9 Receipts from additional superannuation contributions on public remuneration

Estimate provision: €7.551 million, realised €8.685 million

The increase of €1.134 million was primarily due to changed staffing levels and the transfer of functions as well as the impact of pay restoration in 2020.

4.2 Extra receipts payable to the Exchequer

	2020	2019
	€000	€000
Balance at 1 January	(158)	226
Receipts: Pobal	4,482	3,981
Bons Secours	2,500	—
ETBs	226	324
Oberstown Children Detention Campus	67	39
Child and Family Agency	25	—
Other	132	111
Transferred to the Exchequer	<u>(6,736)</u>	<u>(4,839)^a</u>
Balance at 31 December	<u>538</u>	<u>(158)</u>

Note ^a 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	2020	2019
Number of staff at year end		
Department	365	277
Commission of Investigation	11	17
Agencies of the Department (note 5.2)	4,938	4,420
	5,314	4,714

5.2 Pay

Remuneration of Department staff	2020	2019
	€000	€000
Pay	21,421	15,483
Higher, special or additional duties allowances	100	103
Overtime	100	19
Employer's PRSI	1,771	1,210
Total pay^a	23,392	16,815

Note ^a The total pay figure is distributed across subheads A.1, B.1, C.1, D.1, E.1 and C.8.

Staff of agencies of the Department

	2020	2019
	€000	€000
Pay	260,248	229,966
Higher, special or additional duties allowances	12,388	11,057
Other allowances	46	62
Overtime	1,126	859
Employer's PRSI	27,520	23,751
Total pay	301,328	265,695

Note 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.

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2020	2019
			€	€
Departmental staff				
Higher, special or additional duties allowances	13	3	20,614	20,614
Other allowances	3	—	2,730	2,761
Overtime	48	3	10,619	9,607
Extra remuneration in more than one category	2	—	2,564	12,347
Staff of agencies of the department				
Higher, special or additional duties allowances	983	127	23,526	22,900
Other allowances	64	—	7,218	8,668
Overtime	573	17	26,445	19,294
Extra remuneration in more than one category	441	46	33,598	29,560

5.4 Payroll overpayments

	Number of recipients	2020	2019
		€	€
Overpayments	10	17,118	7,733
Recovery plans in place	6	15,161	2,091

Note Three overpayments have been recouped in full since the end of 2020, and the Payroll Shared Services Centre (PSSC) are managing and progressing recoupment plans for the balance of the overpayments.

5.5 Other remuneration arrangements

This account includes expenditure of €116,970 (inclusive of salary, employees' superannuation and employers' PRSI) in respect of two officers who were serving outside the Department for all or part of 2020 and whose salaries were paid by the Department: one to UL and one to the HSE.

5.6 Severance/redundancy

During 2020, four staff members whose employment was terminated were paid severance payments totalling €71,536 and redundancy payments totalling €24,108.

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 of (€518.256 million) was charged to the relevant subheads as set out below.

During 2020, Pobal returned funds totalling €5.718 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 (see note 4.2).

		2020	2019
		€000	€000
Subhead			
B.3	ECCE and AIM pre-school programmes	243,661	332,403
B.4	Affordable childcare scheme and other childcare programmes	118,772	164,424
B.5	Childcare programmes: delivery supports and other initiatives	55,213	62,864
B.6	Youth organisations and services (part funded by the National Lottery)	12,260	11,557
B.8	Intervention programmes for children and young people (dormant accounts funded)	3,898	809
B.11	Early Learning and Care and School Age Childcare Covid-19 Related Supports	82,697	—
C.5	Children's and young people's policy framework and other programmes	1,755	1,291
	Total paid to Pobal	518,256	573,348

Note Pobal administers a large number of grant programmes on behalf of the Department. At 31 December 2020, Pobal had grant commitments totalling €4.1 million relating to programmes administered on behalf of the Department.

6.2 Compensation and legal costs

				2020	2019
	Number of cases	Legal costs paid by the Department	Compensation awarded	Legal costs awarded	Total
		€000	€000	€000	€000
Claims by employees					
Injury in the course of work	20	12	31	29	72
Other claims	3	9	210	—	219
Claims by members of the public					
Personal injury claim ^a	9	11	58	15	84
Challenge to the Children Referendum	—	—	—	—	245
	32	32	299	44	375
					500

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

6.3 Fraud and suspected fraud

	Number of cases	2020 €000	2019 €000
Fraud	—	—	14
Suspected fraud	1	65	—

Note There were no reports of incidents of fraud within the Department. There was one reported suspected fraud incident which occurred in a service provider in receipt of voted funds in 2020. The amount is estimated at €65,000.

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 and includes €1.737 million relating to pay costs.

	Year of appointment	Cumulative expenditure to the end of 2020 €000	2020 €000	2019 €000
C.8 – Commission of Investigation – Mother and Baby Homes	2015	14,789	2,354	2,785

6.5 National Lottery funding

Subhead B.6 Youth organisations and services, is part funded by the National Lottery.

	2020 Estimate €000	2020 Outturn €000	2019 Outturn €000
Subhead			
B.6 Youth organisations and services	64,723	63,847	62,369

6.6 EU funding

The outturn shown in Subheads B.9, D.4 and E.3 include payments in respect of activities which are co-financed by the European Regional Development Fund, the European Social Fund and the Asylum, Migration and Integration Fund. Estimates of expenditure and actual outturns were as follows.

	2020	2020	2019
	Estimate	Outturn	Outturn
	€000	€000	€000
Subhead			
B.9 – Programme for Peace and Reconciliation	2,244	2,244	1,884
D.4 – Refugee and migrant integration	7,055	4,345	—
E.3 – Asylum, Migration and Integration Fund	1,769	355	—

Appendix A Accounts of bodies and funds under the aegis of the Department of Children, Equality, Disability, Integration and Youth

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	2019	22 Dec 2020	5 Jan 2021	14 Jan 2021
Adoption Authority of Ireland	2019	9 Nov 2020	17 Nov 2020	18 Dec 2020
Office of the Ombudsman for Children	2019	30 Sep 2020	5 Nov 2020	1 Dec 2020
Child and Family Agency	2019	19 Jun 2020	19 Jun 2020	29 Jun 2020
National Disability Authority	2019	22 Sep 2020	23 Sep 2020	1 Dec 2020